

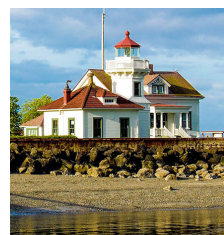
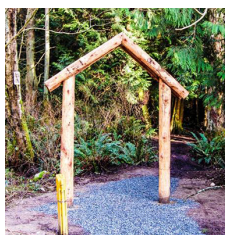
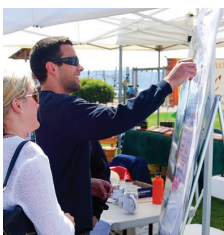
2018 CITY OF MUKILTEO Preliminary

ANNUAL BUDGET



MAYOR JENNIFER GREGERSON

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



PRINCIPAL CITY OFFICIALS

ELECTED OFFICIALS 2017



Jennifer Gregerson
Mayor



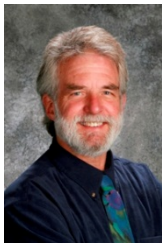
Bob Champion
Council President



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

Steve Edin
Patricia Love
Cheol Kang
Chris Alexander
Michelle Meyer
Mick Matheson
Jeff Price

ORGANIZATION STRUCTURE FOR CITY BUDGET

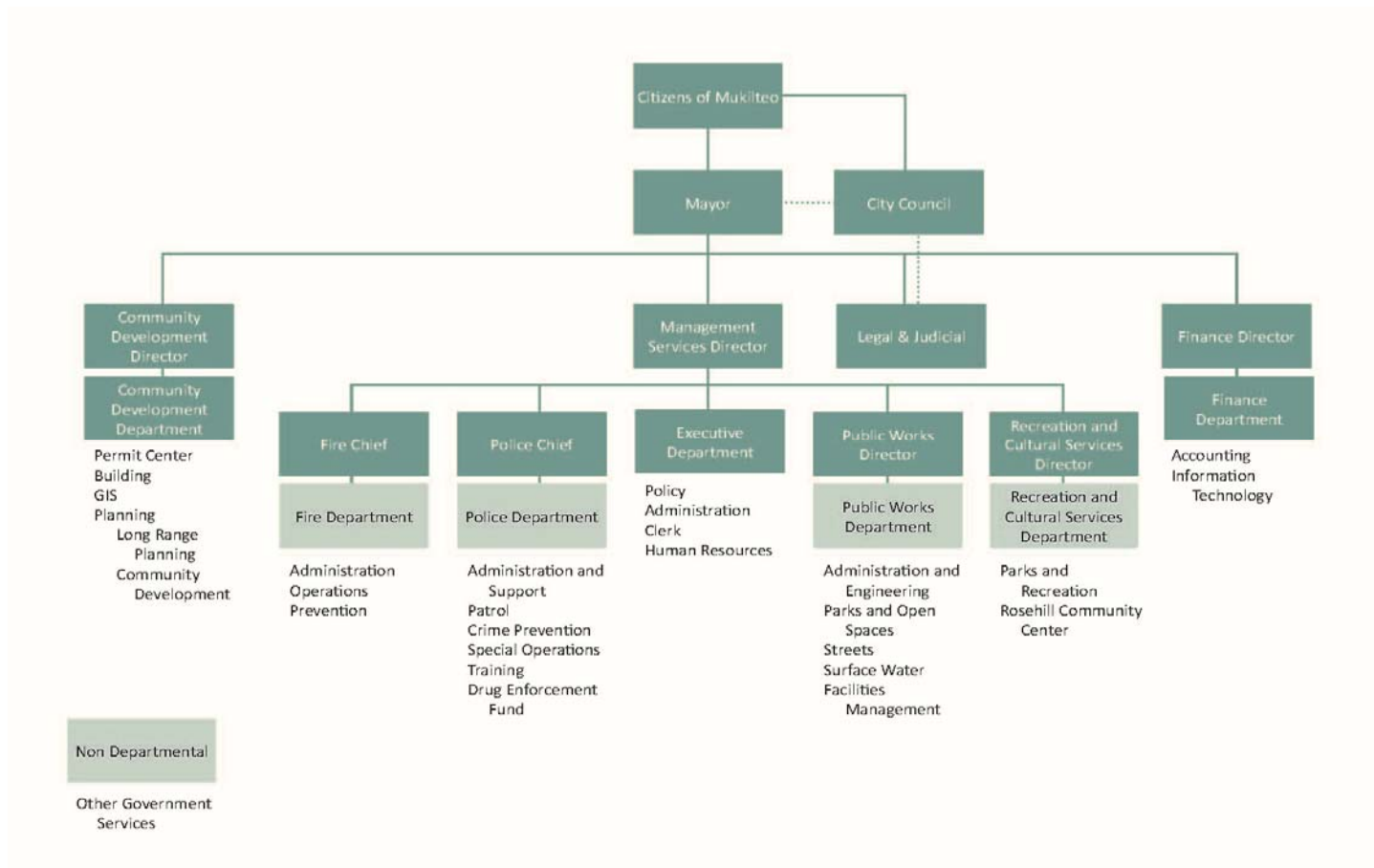


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MAYOR'S 2018 BUDGET MESSAGE

October 31, 2017

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

Dear Council President Champion and Members of the City Council:

This is the fourth budget that I have presented to you for your review and consideration. It reflects my commitment to work with you and our residents to make important decisions collaboratively and transparently.

When I first took office as Mayor, we did not have a tradition of rigorous discussion of needs, resources and budget priorities until after the Preliminary Budget had been delivered to the Council. Together, we have changed that, and this year, we began discussing the elements of this budget months before I delivered this complete Preliminary Budget to you.

And beyond simply discussing the elements of the budget in advance, your feedback and guidance have shaped many of the choices I have made. From funding for public health to the best way to manage transportation projects, I have relied on your counsel and your advice as I have worked with our budget team to craft this Preliminary Budget.

I have shared in previous messages that I believe our budget is more than simply a book of numbers, it is an expression of our values as a community. As I have worked with our staff to prepare this Preliminary Budget, I have been guided by our vision for Mukilteo: A sustainable, well-run city with safe, strong neighborhoods. To accomplish that vision, I have focused on a number of priorities to help guide the difficult decisions necessary to draft this budget.

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. This has forced some tough choices, but I believe it is our responsibility to make wise choices while our economy is healthy, so that we are not caught flat-footed when tougher times come our way.

Align services with priorities. In order to balance the budget, I have continued my approach of aligning our City services with our priorities and values as a community. I have trimmed costs in areas outside of our core services of public safety, quality of life and sustainability. I have eliminated a staff position in the Executive Department, both because it sets a good example and because it preserves important investments in other higher priorities, like crime prevention. I am once again proposing that we convert our annual large item pickup into a biennial event, to cut costs and focus those resources on more important priorities.

Ensure our safety. We have continued to fund a school resource officer without raising taxes, a reflection of how important the safety and well-being of our children is to our community. We have also continued to

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invest in safe, modern equipment for our first responders. And we will ensure that prevention is at the heart of what we do to keep our community safe.

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. Together, we have found ways to use excess reserves for one-time activities in the past, in 2018, I hope to continue this important dialogue.

Invest in our community. Our team has worked to develop a detailed plan to invest new sales tax revenues from Proposition 1 in our transportation infrastructure. While we do not yet know if the voters will approve this funding, I have heard your request that we be open and transparent with how these funds would be spent, so this budget lays those proposed expenditures out for the public to see.

Empower our employees to serve. I am proud that every budget I have presented has provided modest increases to ensure that our employees' wages keep pace with costs. This budget continues to grant fair and predictable cost-of-living increases to the public servants who ensure that our City is well-run. We depend on them every day, I believe that we should keep faith with their commitment to us.

Look forward to the future. With construction under way on a new multimodal ferry terminal, I know we are all excited for the future of our waterfront! This budget includes important funding to continue our work to plan, design and begin reshaping one of our most beloved and most important assets—our connection to the Salish Sea.

Improve accessibility and mobility. Mukilteo is facing a transformation of our waterfront, and large transportation projects in Harbour Pointe, as well. The City is poised to deliver on these major projects, including the widening of Harbour Pointe Blvd S in 2018 and the Harbour Reach Corridor Project, which will connect Beverly Park Road neighborhoods with Harbour Pointe, relieving congestion on the Speedway. These are some of the most significant transportation investments in decades, and our City staff stand ready to get them done.

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 for this final product I am delivering to you.

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 2018 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 2018, 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 2018 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 2018 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) in the 2017 budget to identify the costs of indirect services provided by the City’s central service departments based on actual expenditures for the year ended December 31, 2015. The CAP for the 2018 budget included a 2% increase. 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 2018 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

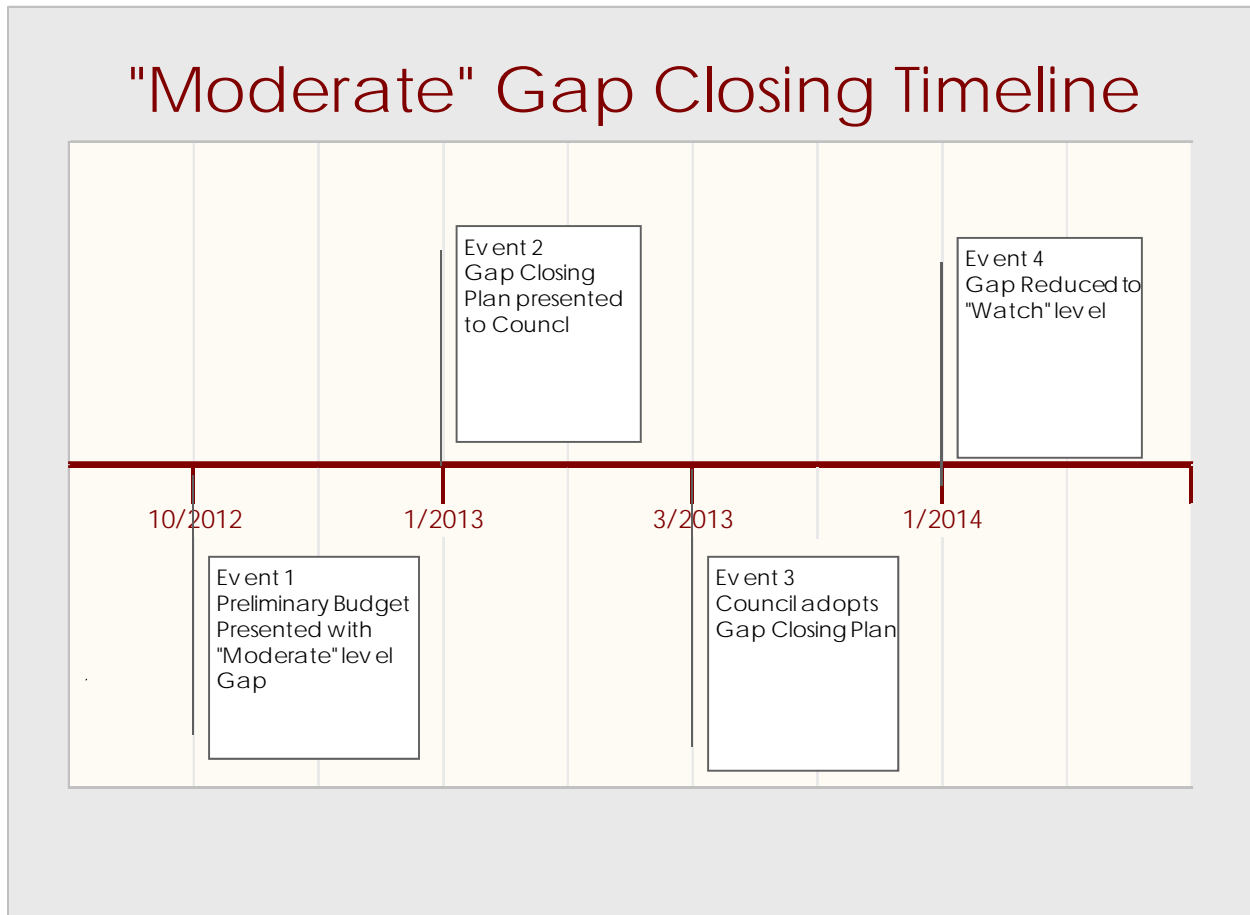
The severity of the Gap will dictate how to address the Gap.

- 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.

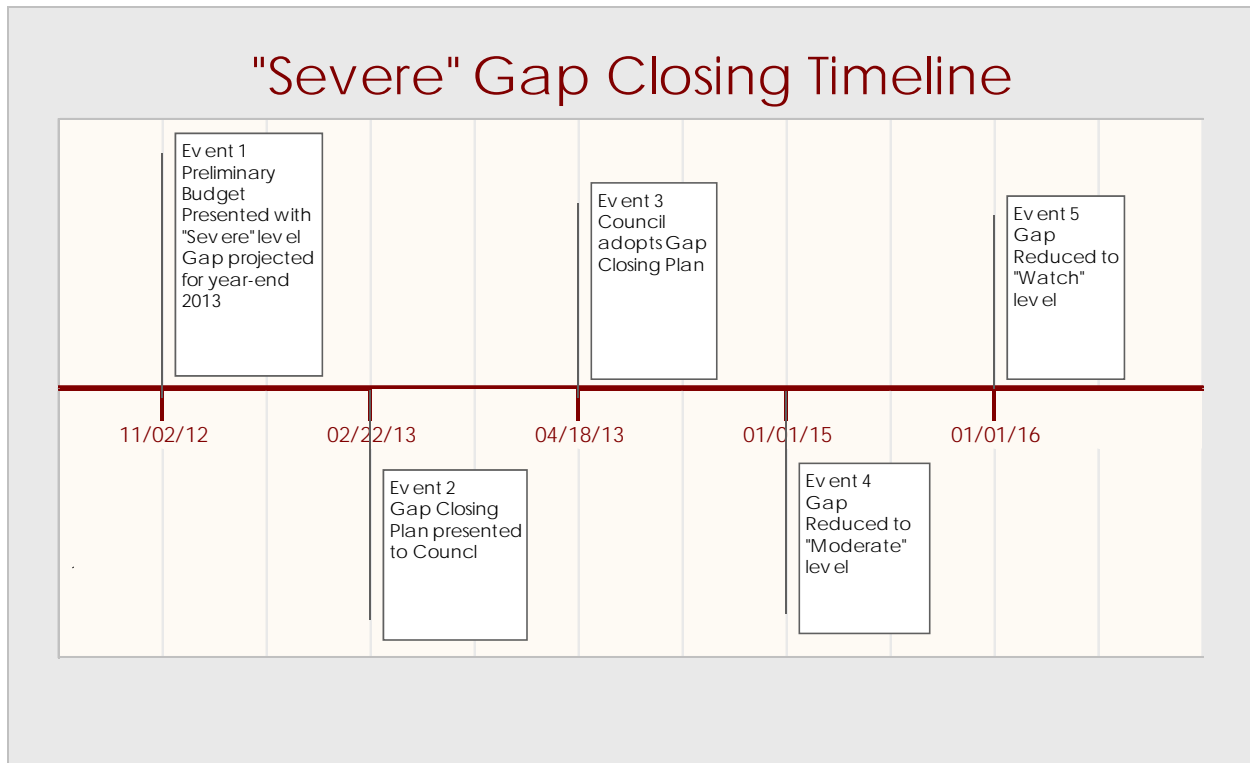
The timeline for closing the "Moderate" level gap could look like the following chart:



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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 2018 budgeted expenditures cannot exceed the 2016 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 2018 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 2018 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 2018 Budget that incorporate 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-one 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 2018.
- **REVENUE AND EXPENDITURE SUMMARY ALL FUNDS** (Exhibit 2) – Provides the following revenue and expenditure information for each Fund: 2016 actual amounts, 2017 amended Budget, 2017 estimates, the 2018 Budget, and two columns reflecting the dollar and percentage changes comparing the 2017 amended Budget to the 2018 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 2018 revenue and expenditure information for all Funds by categories of revenues and expenditures together with actual amounts for 2016, amended Budget for 2017 and 2017 estimates, and two columns reflecting the dollar and percentage changes comparing the 2017 amended Budget to the 2018 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 2018 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, Transportation Benefit District Fund, Waterfront Parking 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, Waterfront Parking 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.
- **2018 TOP 10 GENERAL FUND REVENUES** (Exhibit 8) – Provides information on the most significant General Fund revenue sources accounting for 81.7% 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.
- **2018 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 2017, and estimated amounts to be carried forward to 2018.

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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	\$ 4,298,326	\$ 13,773,608	\$ 130,000	\$ 13,903,608	\$ 13,120,386	\$ 1,304,643	\$ 14,425,029	\$ 3,776,905
City Reserve	1,000,000	-	-	-	-	-	-	\$ 1,000,000
LEOFF I Reserve	29,847	-	20,000	20,000	20,000	-	20,000	\$ 29,847
Transportation Benefit District	-	238,000	740,946	978,946	978,946	-	978,946	\$ -
Drug Enforcement	506	24,000	-	24,000	24,000	-	24,000	\$ 506
Waterfront Parking	-	647,500	-	647,500	647,500	-	647,500	\$ -
Street	-	527,500	186,500	714,000	714,000	-	714,000	\$ -
Recreation & Cultural Services	-	615,800	218,335	834,135	834,135	-	834,135	\$ -
Hotel/Motel Lodging Tax	208,102	245,000	-	245,000	312,830	-	312,830	\$ 140,272
Emergency Medical Services	-	2,444,842	169,283	2,614,125	2,614,125	-	2,614,125	\$ -
Limited Tax General Obligation Bond	453	-	880,345	880,345	880,345	-	880,345	\$ 453
Park Acquisition & Development	224,842	50,000	-	50,000	77,500	-	77,500	\$ 197,342
Transportation Impact Fee	434,251	50,000	-	50,000	-	481,665	481,665	\$ 2,586
Real Estate Excise Tax I	2,476,719	700,000	-	700,000	-	939,319	939,319	\$ 2,237,400
Real Estate Excise Tax II	1,078,952	20,785,385	1,004,965	21,790,350	22,103,271	699,272	22,802,543	\$ 66,759
Surface Water Management	2,340,060	3,162,000	-	3,162,000	3,563,003	37,700	3,600,703	\$ 1,901,357
Surface Water Reserve	300,000	-	-	-	-	-	-	\$ 300,000
Technology Replacement	28,120	18,475	100,525	119,000	111,000	-	111,000	\$ 36,120
Equipment Replacement Reserve	1,371,427	73,000	-	73,000	206,500	-	206,500	\$ 1,237,927
Facilities Maintenance	12,072	675,730	-	675,730	669,730	6,000	675,730	\$ 12,072
Facility Renewal	455,339	65,000	17,700	82,700	181,000	-	181,000	\$ 357,039
TOTALS	\$ 14,259,016	\$ 44,095,840	\$ 3,468,599	\$ 47,564,439	\$ 47,058,271	\$ 3,468,599	\$ 50,526,870	\$ 11,296,585

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

Fund Description	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Budget \$ Change 2018 - 2017	Budget % Change 2018 - 2017
General	\$ 13,916,704	\$ 14,190,212	\$ 14,190,837	\$ 13,773,608	\$ (416,604)	-2.94%
City Reserve	-	-	-	-	-	-
LEOFF I Reserve	-	-	-	-	-	-
Transportation Benefit District	-	-	-	238,000		
Drug Enforcement	7,574	-	2,004	24,000	24,000	-
Waterfront Parking	-	-	-	647,500		
Street	532,044	535,607	535,607	527,500	(8,107)	-1.51%
Recreation & Cultural Services	587,920	624,070	624,070	615,800	(8,270)	-1.33%
Hotel/Motel Lodging Tax	249,614	241,250	241,250	245,000	3,750	1.55%
Emergency Medical Services	2,403,754	2,401,900	2,401,900	2,444,842	42,942	1.79%
Limited Tax General Obligation Bond	-	-	-	-	-	-
Park Acquisition & Development	12,190	9,752	9,752	50,000	40,248	412.72%
Transportation Impact Fee	49,899	40,000	200,000	50,000	10,000	25.00%
Real Estate Excise Tax I	1,135,725	700,000	700,000	700,000	-	0.00%
Real Estate Excise Tax II	1,255,771	3,969,665	1,083,460	20,785,385	16,815,720	423.61%
Surface Water Management	2,638,112	2,821,520	2,826,715	3,162,000	340,480	12.07%
Surface Water Reserve	-	-	-	-	-	-
Technology Replacement	19,661	24,500	24,500	18,475	(6,025)	-24.59%
Equipment Replacement Reserve	537,211	200,200	200,200	73,000	(127,200)	-63.54%
Facilities Maintenance	617,648	707,214	707,214	675,730	(31,484)	-4.45%
Facility Renewal	92,981	22,000	22,000	65,000	43,000	195.45%
Totals	\$ 24,056,808	\$ 26,487,890	\$ 23,769,509	\$ 44,095,840	\$ 16,722,450	63.13%

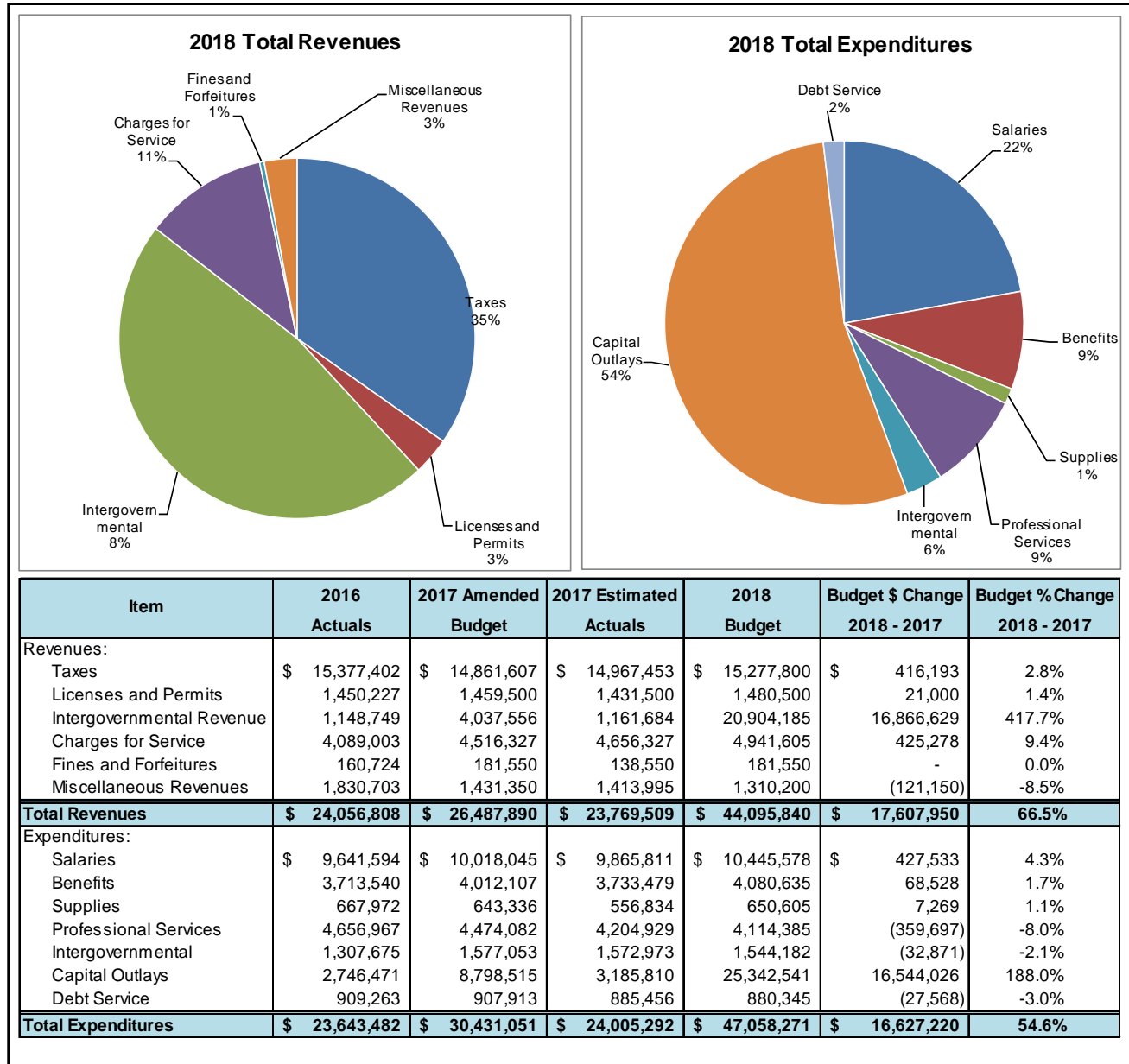
2018 Preliminary Budget

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

Fund Description	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Budget \$ Change 2018 - 2017	Budget % Change 2018 - 2017
General	\$ 13,353,741	\$ 13,542,955	\$ 13,189,394	\$ 13,120,386	\$ (422,569)	-3.1%
City Reserve	-	-	-	-	-	-
LEOFF I Reserve	37,193	37,400	12,290	20,000	(17,400)	-46.5%
Transportation Benefit District	-	13,000	13,000	978,946		
Drug Enforcement	20,569	24,000	22,000	24,000	-	0.0%
Waterfront Parking	-	-	-	647,500		
Street	825,402	789,968	789,968	714,000	(75,968)	-9.6%
Recreation & Cultural Services	725,473	872,113	872,113	834,135	(37,978)	-4.4%
Hotel/Motel Lodging Tax	285,901	323,100	315,100	312,830	(10,270)	-3.2%
Emergency Medical Services	2,291,771	2,535,925	2,572,979	2,614,125	78,200	3.1%
Limited Tax General Obligation Bond	909,263	907,913	885,456	880,345	(27,568)	-3.0%
Park Acquisition & Development	7,650	45,600	18,100	77,500	31,900	70.0%
Transportation Impact Fee	11,842	-	-	-	-	-
Real Estate Excise Tax I	15,411	-	-	-	-	-
Real Estate Excise Tax II	1,292,720	6,544,650	1,832,869	22,103,271	15,558,621	237.7%
Surface Water Management	2,119,991	3,061,251	1,806,778	3,563,003	501,752	16.4%
Surface Water Reserve	-	-	-	-	-	-
Technology Replacement	78,394	111,000	111,000	111,000	-	0.0%
Equipment Replacement Reserve	757,660	781,275	781,275	206,500	(574,775)	-73.6%
Facilities Maintenance	624,669	678,261	666,330	669,730	(8,531)	-1.3%
Facility Renewal	285,832	162,640	116,640	181,000	18,360	11.3%
Totals	\$ 23,643,482	\$ 30,431,051	\$ 24,005,292	\$ 47,058,271	\$ 15,013,774	49.3%

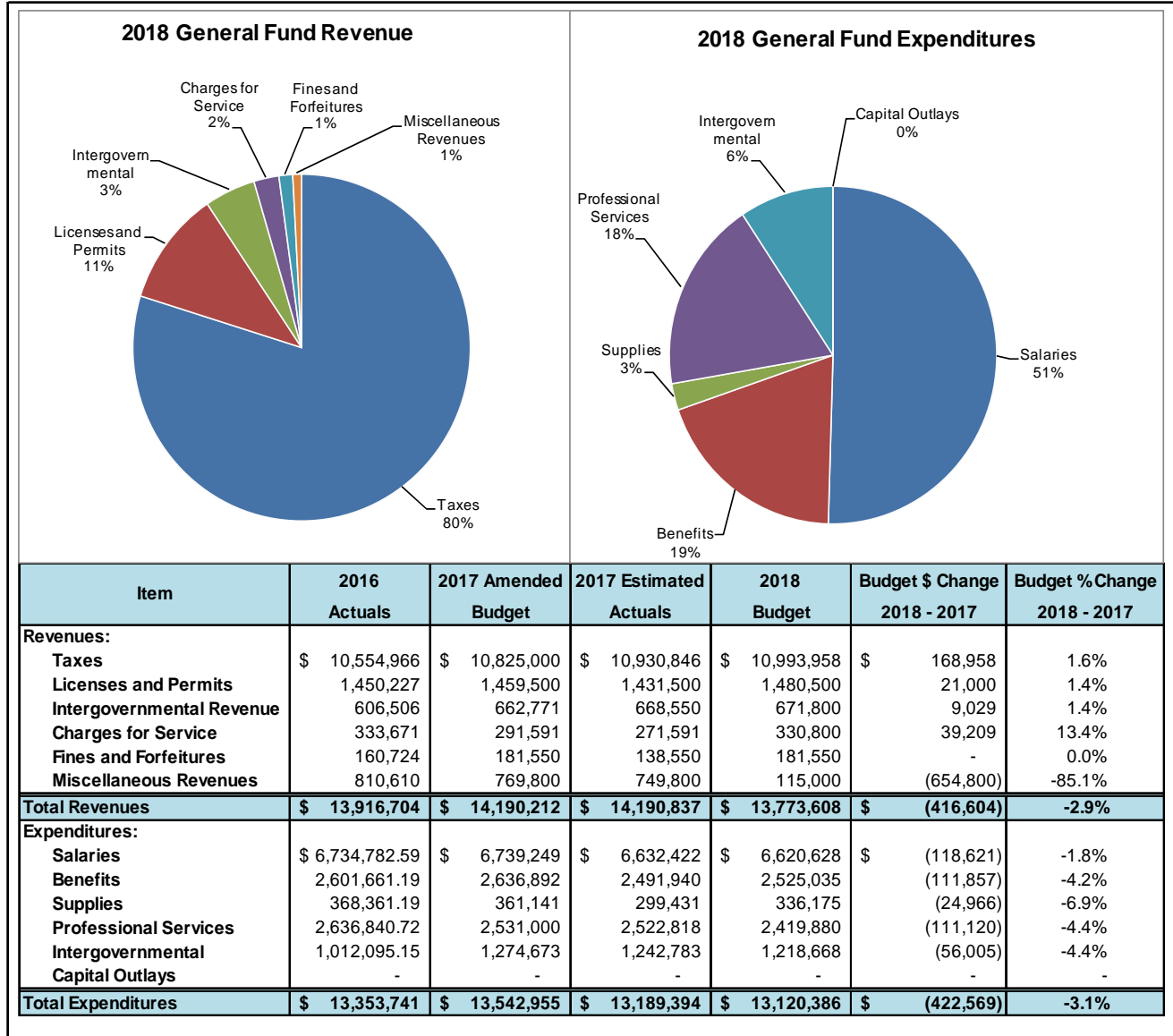
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EXHIBIT 3 – TOTAL REVENUES AND EXPENDITURES FOR ALL FUNDS



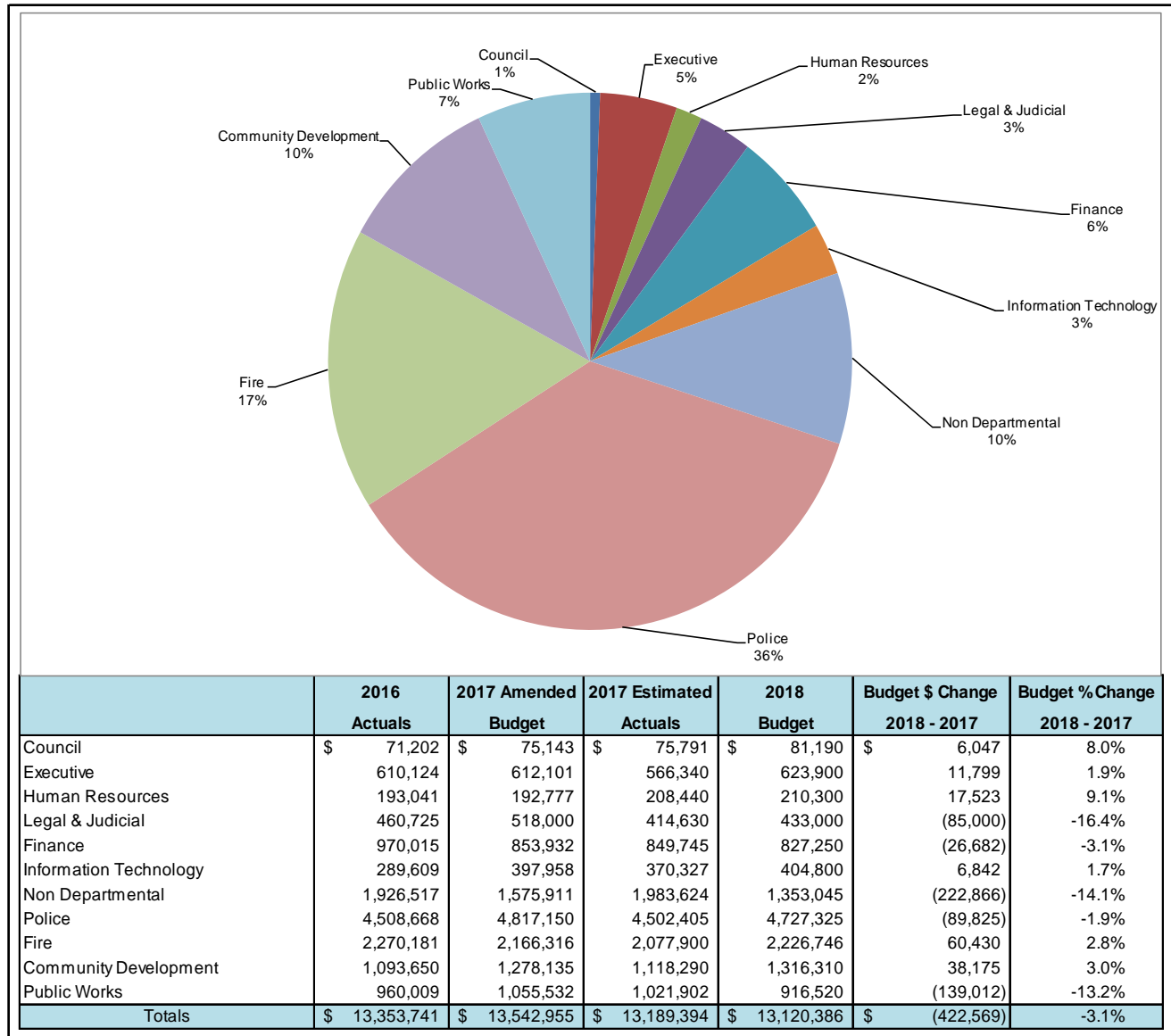
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EXHIBIT 4 – GENERAL FUND REVENUES AND EXPENDITURES



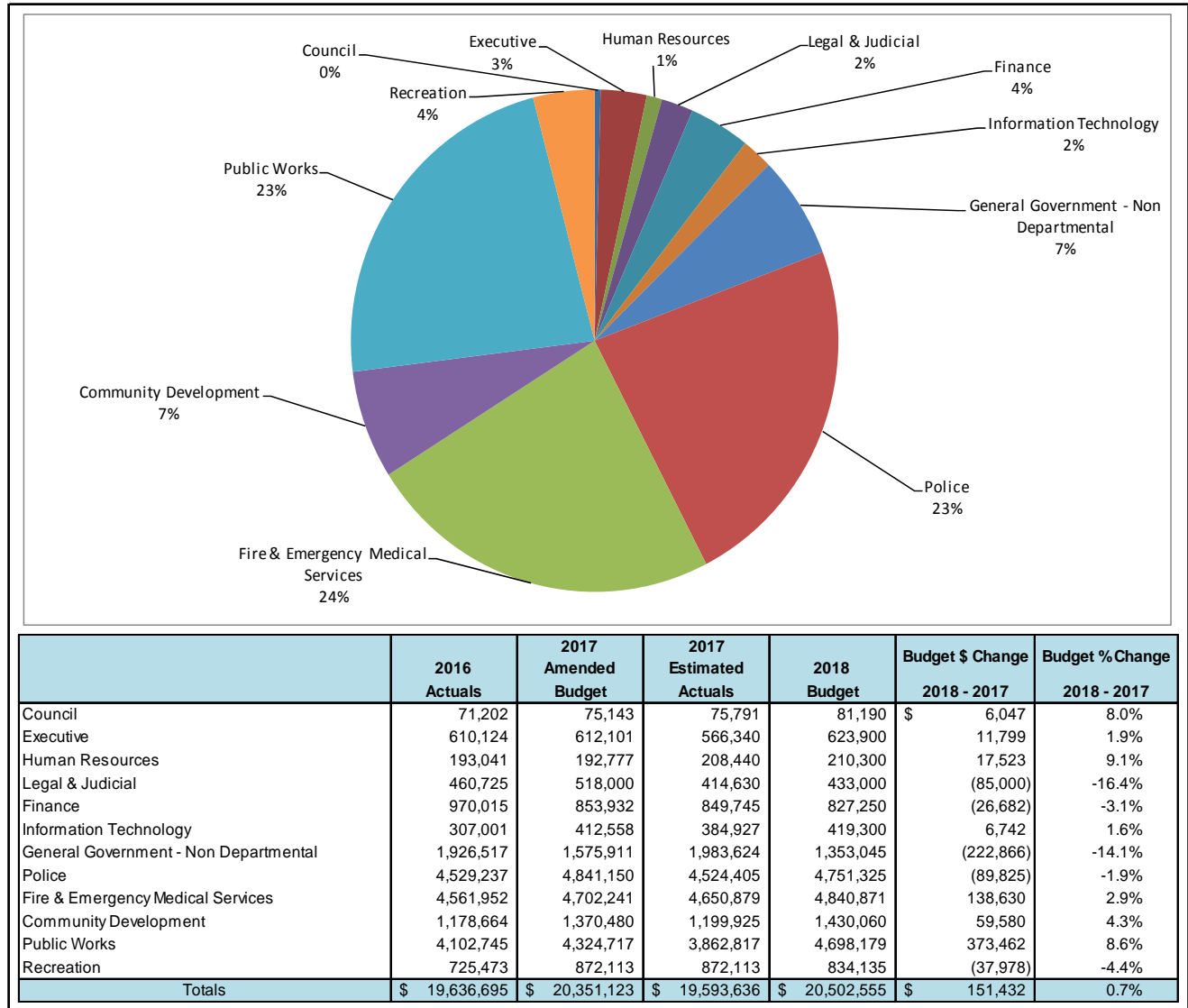
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EXHIBIT 5 – GENERAL FUND EXPENDITURES



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



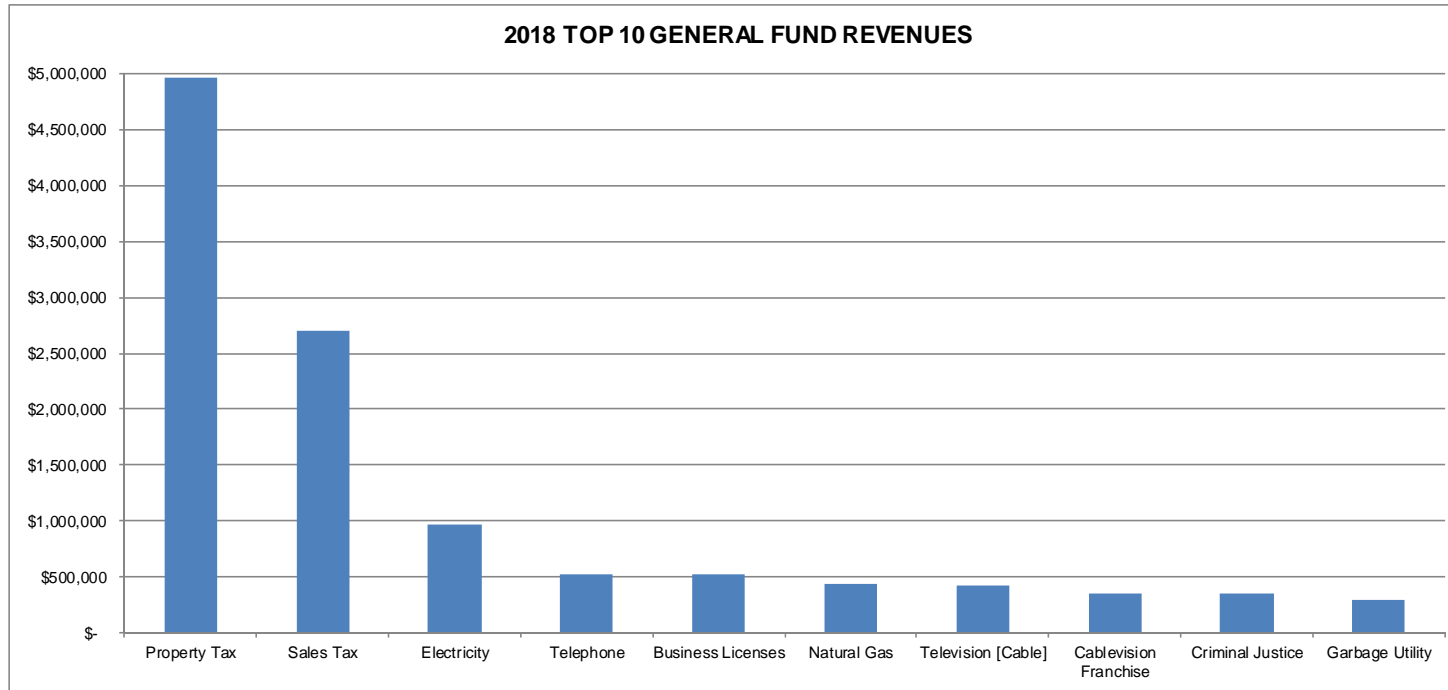
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EXHIBIT 7 – GENERAL FUND REVENUE SUMMARY

GENERAL FUND	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Budget \$ Change 2018 - 2017	Budget % Change 2018 - 2017
<u>TAXES</u>						
Property Taxes	\$ 4,928,340	\$ 4,960,000	\$ 4,943,846	\$ 4,966,958	\$ 6,958	0.1%
Sales Tax	2,427,226	2,500,000	2,700,000	2,700,000	200,000	8.0%
Utility Taxes	2,701,677	2,855,000	2,780,000	2,815,000	(40,000)	-1.4%
Other Taxes	497,723	510,000	507,000	512,000	2,000	0.4%
Total Taxes	10,554,966	10,825,000	10,930,846	10,993,958	168,958	1.6%
<u>LICENSES & PERMITS</u>						
Business Licenses	489,822	509,500	504,500	529,500	20,000	3.9%
Franchise Fees	713,316	722,000	702,000	717,000	(5,000)	-0.7%
Building & Other Permits	247,089	228,000	225,000	234,000	6,000	2.6%
Total Licenses & Permits	1,450,227	1,459,500	1,431,500	1,480,500	21,000	1.4%
<u>INTERGOVERNMENTAL REVENUES</u>						
Liquor Board Profits	180,038	178,042	178,042	176,000	(2,042)	-1.1%
Liquor Excise Tax	97,512	98,397	98,397	104,500	6,103	6.2%
PUD Privilege Tax	114,554	115,000	115,000	115,000	-	-
Other Intergovernmental Revenue	214,402	271,332	277,111	276,300	4,968	1.8%
Total Intergovernmental Revenues	606,506	662,771	668,550	671,800	9,029	1.4%
<u>CHARGES FOR SERVICE</u>						
Development Revenues	154,105	140,000	120,000	164,500	24,500	17.5%
Overhead Cost Recovery	160,000	133,027	133,027	135,700	2,673	2.0%
Miscellaneous Services	19,566	18,564	18,564	30,600	12,036	64.8%
Total Charges For Service	333,671	291,591	271,591	330,800	39,209	13.4%
<u>FINES & FORFEITURES</u>						
Traffic Violations	72,591	79,700	59,700	79,700	-	-
Parking Fines	69,230	80,500	57,500	80,500	-	-
Other Fines	18,903	21,350	21,350	21,350	-	-
Total Fines & Forfeitures	160,724	181,550	138,550	181,550	-	-
<u>MISCELLANEOUS REVENUES</u>						
Parking & Boat Launch Fees	631,816	640,000	580,000	-	(640,000)	-100.0%
Rental Income	24,353	26,000	26,000	26,000	-	-
Interest Income	67,585	66,500	91,500	51,500	(15,000)	-22.6%
Other Miscellaneous Revenue	86,856	37,300	52,300	37,500	200	0.5%
Total Miscellaneous Revenues	810,610	769,800	749,800	115,000	(654,800)	-85.1%
Total General Fund	\$ 13,916,704	\$ 14,190,212	\$ 14,190,837	\$ 13,773,608	\$ (416,604)	-2.9%

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EXHIBIT 8 – 2018 TOP 10 GENERAL FUND REVENUES



Top 10 General Fund Revenues	2017 Budget	2017 Estimated Actuals	2018 Budget	2018 Budget % of Total Revenues	2018 Budget to 2017 Actual Growth
Property Tax	\$ 4,960,000	\$ 4,943,846	\$ 4,966,958	36.1%	0.5%
Sales Tax	2,500,000	2,700,000	2,700,000	19.6%	0.0%
Electricity	955,000	955,000	975,000	7.1%	2.1%
Telephone	590,000	525,000	525,000	3.8%	0.0%
Business Licenses	509,500	504,500	529,500	3.8%	5.0%
Natural Gas	425,000	425,000	435,000	3.2%	2.4%
Television [Cable]	435,000	435,000	425,000	3.1%	-2.3%
Cablevision Franchise	355,000	355,000	350,000	2.5%	-1.4%
Criminal Justice	350,000	350,000	350,000	2.5%	0.0%
Garbage Utility	290,000	280,000	295,000	2.1%	5.4%
Total Top 10 General Fund Revenues	11,369,500	11,473,346	11,551,458	81.7%	0.7%
Remaining General Fund Revenues	2,820,712	2,717,491	2,222,150	16.1%	-18.2%
Total General Fund Revenues	\$ 14,190,212	\$ 14,190,837	\$ 13,773,608	100%	-2.9%
all totals and calculations exclude transfers in					

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EXHIBIT 9 – TRANSFERS BETWEEN FUNDS

	2018 Transfers	Transferring Fund						
		General	Transportation Impact Fee	REET I	REET II	Surface Water Management	Facility Maintenance	Total Transfers-in
Receiving Fund	General Fund	\$ -	\$ 76,700	\$ -	\$ 27,300	\$ 26,000	\$ -	\$ 130,000
	LEOFF 1	20,000	-	-	-	-	-	20,000
	Transportation Benefit District	110,000	-	25,000	450,000	-	-	740,946
	Street	186,500	-	-	-	-	-	186,500
	Recreation & Cultural Services	218,335	-	-	-	-	-	218,335
	Emergency Medical Services	169,283	-	-	-	-	-	169,283
	Limited Tax General Obligation Bond	-	-	814,319	66,026	-	-	880,345
	REET II	500,000	-	100,000	-	-	-	1,004,965
	Technology Replacement	100,525	-	-	-	-	-	100,525
	Facility Renewal	-	-	-	-	11,700	6,000	17,700
	Total Transfers-out	\$ 1,304,643	\$ 76,700	\$ 939,319	\$ 543,326	\$ 37,700	\$ 6,000	\$ 3,468,599

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EXHIBIT 10 – 2018 NEW BUDGET ITEMS

Page Number	Department	Description	Council Discussion	New Revenue	Fund								Cost to City
					General Fund	TBD Fund	EMS Fund	Park Acq & Dev Fund	REET II	Surface Water Mgmt	Equip Repl Fund	Facility Renewal	
32	Fire	Fire Mechanic Services	Fin 9/25, Infra 10/11, C 10/23		23,000								23,000
36	Finance/IT	Initial Set-aside for Finance Software	Fin 9/25, Infra 10/11, C 10/23		25,000								25,000
69	Public Works	Hazardous Tree Removal Program	Fin 9/25, Infra 10/11, C 10/23		15,000								15,000
70	Public Works	Rosehill Grounds Bark Replacement	Fin 9/25, Infra 10/11, C 10/23		6,000								6,000
76	Community Development	Waterfront Redevelopment (Grant)	Fin 9/25, Infra 10/11, C 10/23	140,000	140,000								-
77	Community Development	GIS Software	Fin 9/25, Infra 10/11, C 10/23							5,300			5,300
78	Community Development	Shoreline Master Plan Update (Grant)	Fin 9/25, Infra 10/11, C 10/23	20,000	20,000								-
97	Public Works	Pavement Preservation	Fin 9/25, Infra 10/11, C 10/23			823,000							823,000
116	Fire	Automatic External Defibrillators	Fin 9/25, Infra 10/11, C 10/23				14,000						14,000
127	Public Works	Peace Park	Fin 9/25, Infra 10/11, C 10/23					50,000					50,000
132	Public Works	ADA Upgrades	Fin 9/25, Infra 10/11, C 10/23						50,000				50,000
133	Public Works	BTW Program	Fin 9/25, Infra 10/11, C 10/23						120,000				120,000
134	Public Works	Traffic Calming Program	Fin 9/25, Infra 10/11, C 10/23						25,000		6,500		31,500
135	Public Works	Harbour Reach Corridor (Grant)	Fin 9/25, Infra 10/11, C 10/23	16,852,000					16,852,000				-
136	Public Works	Harbour Pointe Blvd. Widening	Fin 9/25, Infra 10/11, C 10/23						40,000				40,000
146	Public Works	Street Sweeper	Fin 9/25, Infra 10/11, C 10/23							310,000			310,000
147	Public Works	Backhoe	Fin 9/25, Infra 10/11, C 10/23							115,000			115,000
148	Public Works	Storm System Camera	Fin 9/25, Infra 10/11, C 10/23							55,000			55,000
159	Police	Two Police Patrol Vehicles	Fin 9/25, Infra 10/11, C 10/23								124,000		124,000
160	Police	Park Ranger Vehicle	Fin 9/25, Infra 10/11, C 10/23								33,000		33,000
161	Public Works	Parks Mowers & Aerator	Fin 9/25, Infra 10/11, C 10/23								30,000		30,000
162	Public Works	Parks Gator	Fin 9/25, Infra 10/11, C 10/23								13,000		13,000
172	Public Works	Rosehill Painting (partial Grant)	Fin 9/25, Infra 10/11, C 10/23	25,000								50,000	25,000
173	Public Works	Fire Station 25 Painting	Fin 9/25, Infra 10/11, C 10/23									25,000	25,000
174	Public Works	City Hall Exterior Finish	Fin 9/25, Infra 10/11, C 10/23									20,000	20,000
175	Public Works	Light Station Painting & Pavers (Grant)	Fin 9/25, Infra 10/11, C 10/23	40,000								40,000	-
Totals				17,077,000	229,000	823,000	14,000	50,000	17,087,000	485,300	206,500	135,000	1,952,800

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EXHIBIT 11 – CAPITAL PROJECT CARRY FORWARDS

Capital Projects Carried Forward	Description	Prior Budgeted Amount	2017 Estimated Actuals	2018 Carry Forward
REET II	Tank Farm Site Remediation	\$ 242,500	\$ 38,843	\$ 203,657
REET II	Mukilteo Ballfields	1,275,000	-	1,275,000
REET II	SR 526 Shared Use Path - Design Phase	292,880	179,645	113,235
REET II	SR 526 Shared Use Path - ROW	69,500	-	69,500
REET II	Public ROW ADA Transition Plan	65,000	37,181	27,819
REET II	ADA Improvements	50,000	-	50,000
REET II	Harbour Pointe Blvd Reconstruction	1,649,650	240,791	1,408,859
REET II	Bike Path	125,000	-	125,000
REET II	Harbour Reach Extension	1,850,000	400,000	1,012,000
REET II	Sidewalks	167,000	-	167,000
REET II	Pedestrian Activated Crosswalk Lighting	35,000	18,800	16,200
REET II	Traffic Calming	25,000	10,000	15,000
REET II	Parking Lot Construction	85,000	60,000	25,000
REET II	Japanese Gulch Wayfinding	8,000	-	8,000
REET II	2017 Pavement Preservation	1,003,555	847,609	155,946
Total REET II		5,939,530	1,832,869	4,672,216
Surface Water Management	61st Place Culvert	382,500	82,067	300,433
Surface Water Management	61st Place Retaining Wall Repairs	1,009,950	246,103	763,847
Surface Water Management	Decant Facility Design	156,900	8,356	148,544
Total Surface Water Management		1,549,350	336,526	1,212,824
Facility Renewal	Point Elliott Room Floor Replacement	55,000	22,000	33,000
Facility Renewal	Public Works Shop Improvement	30,000	17,000	13,000
Total Facilities Renewal		85,000	39,000	46,000
Total Capital Projects Carried Forward		\$ 7,573,880	\$ 2,208,395	\$ 5,931,040

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GENERAL FUND

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 4,303,612	\$ 4,022,810	\$ 4,022,810	\$ 4,298,326	\$ 275,516
Revenue and transfers-in					
Taxes	\$ 10,554,966	\$ 10,825,000	\$ 10,930,846	\$ 10,993,958	168,958
Licenses & permits	1,450,227	1,459,500	1,431,500	1,480,500	21,000
Intergovernmental revenue	606,506	662,771	668,550	671,800	9,029
Charges for services	333,671	291,591	271,591	330,800	39,209
Fines and forfeitures	160,724	181,550	138,550	181,550	-
Other miscellaneous revenue	810,610	769,800	749,800	115,000	(654,800)
Transfers-in	136,584	308,010	308,010	130,000	(178,010)
Total revenue and transfers-in	<u>\$ 14,053,288</u>	<u>\$ 14,498,222</u>	<u>\$ 14,498,847</u>	<u>\$ 13,903,608</u>	<u>\$ (594,614)</u>
Total resources	<u>\$ 18,356,900</u>	<u>\$ 18,521,032</u>	<u>\$ 18,521,657</u>	<u>\$ 18,201,934</u>	<u>\$ (319,098)</u>
Expenditures and transfers-out					
Council	\$ 71,202	\$ 75,143	\$ 75,791	\$ 81,190	\$ 6,047
Executive					
Judicial	460,725	518,000	414,630	433,000	(85,000)
Executive	610,124	612,101	566,340	623,900	11,799
Human Resources	193,041	192,777	208,440	210,300	17,523
Finance & IT					
Accounting	970,015	853,932	849,745	827,250	(26,682)
Information Technology	289,609	397,958	370,327	404,800	6,842
Community Development					
Permits	272,197	280,236	273,470	280,400	164
Planning	607,040	772,105	621,058	810,410	38,305
Building	132,252	133,128	131,927	139,250	6,122
GIS	82,160	92,666	91,835	86,250	(6,416)
Public Works					
Administration	445,983	456,970	423,332	460,970	4,000
Parks	514,026	598,562	598,570	455,550	(143,012)
Police					
Administration	1,111,306	1,095,987	1,093,300	1,098,175	2,188
Patrol	2,732,515	2,665,469	2,482,235	2,754,850	89,381
Special Operations	351,218	647,845	571,300	657,600	9,755
Crime Prevention	156,258	155,148	146,590	156,000	852
Rangers	115,431	192,744	154,130	-	(192,744)
Training	41,940	59,957	54,850	60,700	743
Fire					
Administration	196,215	242,009	315,770	332,100	90,091
Operations	1,877,694	1,757,440	1,643,120	1,762,376	4,936
Prevention	94,722	17,500	10,650	14,300	(3,200)
Training	101,551	149,367	108,360	117,970	(31,397)
Other governmental	1,926,517	1,575,911	1,983,624	1,353,045	(222,866)
Transfers-out	980,349	1,033,937	1,033,937	1,304,643	270,706
Total expenditures and transfers-out	<u>\$ 14,334,090</u>	<u>\$ 14,576,892</u>	<u>\$ 14,223,331</u>	<u>\$ 14,425,029</u>	<u>\$ (151,863)</u>
Ending fund balance	<u>\$ 4,022,810</u>	<u>\$ 3,944,140</u>	<u>\$ 4,298,326</u>	<u>\$ 3,776,905</u>	<u>\$ (167,235)</u>
Revenue/Expense Difference \$	\$ (280,802)	\$ (78,670)	\$ 275,516	\$ (521,421)	\$ (442,751)
Revenue/Expense Difference %	-1.96%	-0.54%	1.94%	-3.61%	
% of Fund Balance Reserve	28.06%	27.06%	30.22%	26.18%	

**2018 Budget includes use of \$500,000 of ending fund balance for the new Boys and Girls Club Facility, originally budgeted in 2017 but not expended.*

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	2017	2018
Councilmember	7.0	7.0
Total	7.0	7.0

Expenditure Summary:

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Council	\$ 71,202	\$ 75,143	\$ 75,791	\$ 81,190	\$ 6,047
Total Departmental Summary	\$ 71,202	\$ 75,143	\$ 75,791	\$ 81,190	\$ 6,047

Budget Highlights

- Increased funding for training and travel to support newly-elected Councilmembers.
- Adjusted City Code revision costs to better reflect actual costs.

City Council

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 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					
	\$ 3,490	\$ 3,493	\$ 3,490	\$ 3,490	\$ (3)
Total Benefits	\$ 3,490	\$ 3,493	\$ 3,490	\$ 3,490	\$ (3)
Total Salaries & Benefits	\$ 46,090	\$ 46,093	\$ 46,090	\$ 46,090	\$ (3)
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 2,128	\$ 750	\$ -	\$ 750	\$ -
Meeting Costs & Council Retreat	772	1,200	1,281	1,200	-
Total Supplies	\$ 2,900	\$ 1,950	\$ 1,281	\$ 1,950	\$ -
Other Services & Charges					
Travel & Subsistence Expense	\$ 9,162	\$ 14,000	\$ 14,000	\$ 17,000	\$ 3,000
Cell Phone	2,085	2,000	2,150	2,150	150
Legal Publications	2,221	2,100	1,950	2,000	(100)
Publication of Agendas	3,186	3,500	2,320	3,000	(500)
Training & Registration Costs	2,910	3,000	4,000	6,000	3,000
City Code Revision	2,647	2,500	4,000	3,000	500
Total Other Services & Charges	\$ 22,211	\$ 27,100	\$ 28,420	\$ 33,150	\$ 6,050
Total Operating Expenses	\$ 25,111	\$ 29,050	\$ 29,701	\$ 35,100	\$ 6,050
Total City Council	\$ 71,202	\$ 75,143	\$ 75,791	\$ 81,190	\$ 6,047

EXECUTIVE DEPARTMENT

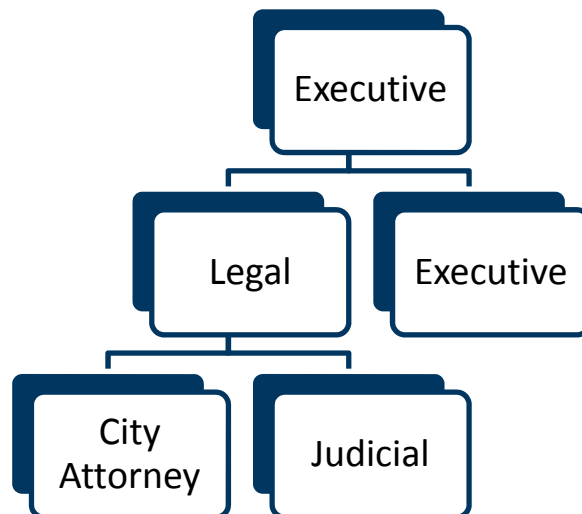
Purpose:

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	2017	2018
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	0.0
Total	6.5	6.0

Expenditure Summary:

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Executive	\$ 610,124	\$ 612,101	\$ 566,340	\$ 623,900	\$ 11,799
Human Resources	\$ 193,041	\$ 192,777	\$ 208,440	\$ 210,300	\$ 17,523
Judicial	\$ 460,725	\$ 518,000	\$ 414,630	\$ 433,000	\$ (85,000)
Total Departmental Summary	\$ 1,263,891	\$ 1,322,878	\$ 1,189,410	\$ 1,267,200	\$ (55,678)

New Budget Items

- None

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.

2017 Accomplishments

- Facilitated the Mukilteo Strong Alliance and supported the development of the community-led Peace Park proposal.
- Created a voluntary green business program with the Mukilteo Chamber of Commerce
- Destroyed nearly 200 boxes of obsolete records.
- Developed policies for public records requests and text message retention.
- Reviewed, updated and streamlined HR policies/practices.
- Improved and built stronger collaborative relationships with the Mukilteo Water and Wastewater District and Department of Emergency Management.
- Worked with new and existing department heads to build a collaborative team relationship.

2018 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 the impacts of 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.
- Recruit and hire qualified candidates.
- Improve citizen outreach to engage our diverse communities in the public decision-making process.
- Execute an updated Stormwater Collection Fee ILA with the Mukilteo Water and Wastewater District.
- Conduct two City Management Team retreats to continue building a collaborative team relationship.
- Streamline and improve the Special Events Permitting process to make it more user-friendly and minimize risk to the City.

Budget Highlights

- The 2018 budget for this division reflects the elimination of a vacant part-time Department Assistant; these functions will be absorbed by existing staff or contracting for services on an as-needed basis.
- No new budget items are included in the requested expenditure.
- Salary and benefit costs comprise 86% of the total expenditure budget.
- Compared to the 2017 budget, expenditures are increasing approximately 2% in this division due to an increase in the budgets for consulting and other professional services.
- The budget provides additional funds for classified advertising, reflecting the costs of performing employee searches in-house, reducing costs overall.

2018 Preliminary Budget

Executive Department

Executive

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 395,019	\$ 408,642	\$ 382,870	\$ 429,000	\$ 20,358
Part Time Employees	25,834	26,478	26,880	-	(26,478)
Total Salaries & Wages	\$ 420,853	\$ 435,120	\$ 409,750	\$ 429,000	\$ (6,120)
Benefits					
Total Benefits	\$ 138,166	\$ 131,831	\$ 115,630	\$ 142,600	\$ 10,769
Total Salaries & Benefits	\$ 559,018	\$ 566,951	\$ 525,380	\$ 571,600	\$ 4,649
<u>Operating Expenses</u>					
Supplies					
Total Supplies	\$ 9,286	\$ 8,000	\$ 6,270	\$ 8,500	\$ 500
Other Services & Charges					
Consulting Services	\$ 3,373	\$ 6,000	\$ 6,000	\$ 10,000	\$ 4,000
Other Professional Services	17,969	12,500	12,500	15,000	2,500
Communication Expenses	2,788	2,400	2,420	2,550	150
Travel & Subsistence Expense	9,365	8,500	8,940	8,500	-
Assoc. Dues & Memberships	1,270	1,250	1,100	1,250	-
Training & Registration Costs	7,055	6,500	3,730	6,500	-
Total Other Services & Charges	\$ 41,820	\$ 37,150	\$ 34,690	\$ 43,800	\$ 6,650
Total Operating Expenses	\$ 51,106	\$ 45,150	\$ 40,960	\$ 52,300	\$ 7,150
Total Executive	\$ 610,124	\$ 612,101	\$ 566,340	\$ 623,900	\$ 11,799

Human Resources

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 96,683	\$ 100,097	\$ 104,270	\$ 107,250	\$ 7,153
Total Salaries & Wages	\$ 96,683	\$ 100,097	\$ 104,270	\$ 107,250	\$ 7,153
Benefits					
	\$ 35,876	\$ 37,680	\$ 37,080	\$ 40,850	\$ 3,170
Total Benefits	\$ 35,876	\$ 37,680	\$ 37,080	\$ 40,850	\$ 3,170
Total Salaries & Benefits	\$ 132,559	\$ 137,777	\$ 141,350	\$ 148,100	\$ 10,323
<u>Operating Expenses</u>					
Other Services & Charges					
Other Professional Services	\$ 44,170	\$ 30,000	\$ 47,250	\$ 40,000	\$ 10,000
AWC Wellness Program	3,548	4,200	3,990	-	(4,200)
Communication Expenses	580	800	460	700	(100)
Travel & Subsistence Expense	3,031	2,000	3,340	2,000	-
Classified Advertising	1,285	500	8,170	2,500	2,000
Assoc. Dues & Memberships	540	500	400	500	-
Training & Registration	1,476	1,000	70	500	(500)
Tuition Reimbursement	4,612	15,000	2,580	15,000	-
Admin Fee - FSA	1,240	1,000	830	1,000	-
Total Other Services & Charges	\$ 60,483	\$ 55,000	\$ 67,090	\$ 62,200	\$ 7,200
Total Operating Expenses	\$ 60,483	\$ 55,000	\$ 67,090	\$ 62,200	\$ 7,200
Total Human Resources	\$ 193,041	\$ 192,777	\$ 208,440	\$ 210,300	\$ 17,523

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.

2017 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.

2018 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.

Budget Highlights

- The 2018 budget for this division reflects no change in staffing levels.
- No new budget items are included in the requested expenditure.
- Funding for Paine Field Legal Defense has been eliminated and an equivalent amount will be transferred to the Transportation Benefit District Fund for pavement preservation.
- Compared to the 2017 budget, expenditures are decreasing approximately 16% in this division due to the reduction in Paine Field Legal Defense and Everett District Court budget items.

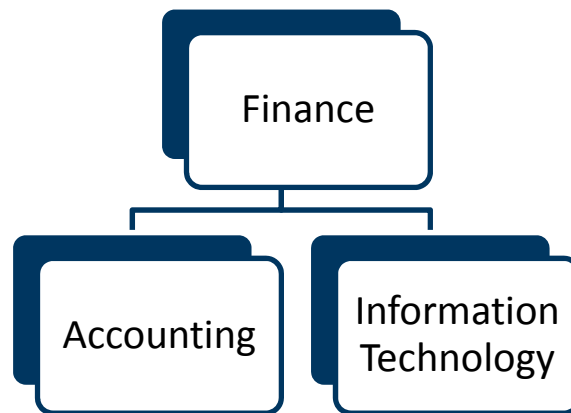
Judicial Services

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Operating Expenses</u>					
Other Services & Charges					
Indigent Defense Attorney	\$ 103,543	\$ 100,000	\$ 88,080	\$ 100,000	\$ -
City Attorney	126,432	148,000	128,000	130,000	(18,000)
City Attorney Other Services	32,504	10,000	40,000	28,000	18,000
Labor Negotiations	32,890	30,000	15,210	20,000	(10,000)
City Prosecuting Attorney	75,909	100,000	80,000	100,000	-
Paine Field Legal Defense	40,951	50,000	32,230	-	(50,000)
Total Other Services & Charges	\$ 412,229	\$ 438,000	\$ 383,520	\$ 378,000	\$ (60,000)
Intergovernmental Services					
Everett District Court	\$ 48,497	\$ 80,000	\$ 31,110	\$ 55,000	\$ (25,000)
Total Intergovernmental Services	\$ 48,497	\$ 80,000	\$ 31,110	\$ 55,000	\$ (25,000)
Total Operating Expenses	\$ 460,725	\$ 518,000	\$ 414,630	\$ 433,000	\$ (85,000)
Total Judicial Services	\$ 460,725	\$ 518,000	\$ 414,630	\$ 433,000	\$ (85,000)

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	2017	2018
Finance Director	1.0	1.0
Accounting Manager	1.0	1.0
Staff Accountant	1.0	1.0
Payroll Coordinator	1.0	1.0
Accounting Technician	2.0	2.0
I.T. Systems Administrator	1.0	1.0
Computer Support Technician	1.0	1.0
Total	8.0	8.0

Expenditure Summary:

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Finance	\$ 970,015	\$ 853,932	\$ 849,745	\$ 827,250	\$ (26,682)
Information Technology					
Information Technology	\$ 289,609	\$ 397,958	\$ 370,327	\$ 404,800	\$ 6,842
Technology Replacement	78,394	111,000	111,000	111,000	-
Total Information Technology	\$ 368,003	\$ 508,958	\$ 481,327	\$ 515,800	\$ 6,842
Total Departmental Summary	\$ 1,338,018	\$ 1,362,890	\$ 1,331,072	\$ 1,343,050	\$ (19,840)

New Budget Item Summary

- There are no new budget items for Finance in 2018.

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 manages business licensing and issues some specialty licenses.

2017 Accomplishments:

- Prepared the 2016 Annual Financial Statements and submitted them to the State Auditor's Office, allowing for on-time completion of the 2016 Financial and Accountability Audits.
- Fulfilled continuing disclosure requirements and provided annual financial statements and operating data on the EMMA website.
- Refunded 2009 General Obligation Bonds, saving the City approximately \$25,000 annually.
- Updated quarterly reporting formats for Council and City Management.
- Updated the Cost Allocation Plan (CAP).
- Completed updates to the BARS accounts in the financial system.
- Facilitated the completion of a City-wide Capital Improvement Plan (CIP).

2018 Goals & Objectives

- Finalize an update to the City's Long Range Financial Plan.
- Evaluate and update financial policies.
- Evaluate the funding procedures for the Capital Equipment Replacement Fund.
- Develop a funding strategy for the Facility Renewal Capital Plan.
- Prepare and submit the 2017 Annual Financial Statements on time.
- Evaluate all revenue sources to ensure accurate data and collection procedures including the revenues received from the Mukilteo Water and Wastewater District.
- Continue to look for ways to utilize existing resources to streamline processes to save time and reduce paper usage.

Budget Highlights

- The 2018 budget for the Accounting Division reflects no change in staffing levels
- No new budget items are included in the requested expenditure.
- \$25,000 is set aside in the Technology Replacement Fund to begin saving towards replacement of the City's financial system, shown on page 36.
- Salary and benefit costs comprise approximately 84% of the total expenditure budget. Compared to the 2017 budget, expenditures are decreasing approximately 3% in this division due mainly to more appropriately allocating banking fees for the parking program to the Waterfront Parking Fund and banking fees for EMS payments to the EMS Fund.

Finance Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 459,608	\$ 443,682	\$ 443,500	\$ 477,000	\$ 33,318
Special Assignment Pay	-	-	3,400	-	-
Overtime	-	2,000	6,500	2,000	-
Total Salaries & Wages	\$ 459,608	\$ 445,682	\$ 453,400	\$ 479,000	\$ 33,318
Benefits	\$ 223,196	\$ 211,849	\$ 204,115	\$ 219,950	\$ 8,101
Total Benefits	\$ 223,196	\$ 211,849	\$ 204,115	\$ 219,950	\$ 8,101
Total Salaries & Benefits	\$ 682,804	\$ 657,531	\$ 657,515	\$ 698,950	\$ 41,419
Operating Expenses					
Supplies	\$ 2,070	\$ 2,650	\$ 2,450	\$ 2,650	\$ -
Total Supplies	\$ 2,070	\$ 2,650	\$ 2,450	\$ 2,650	\$ -
Other Services & Charges					
Other Professional Services	\$ 25,422	\$ 23,410	\$ 25,500	\$ 23,000	\$ (410)
Communication Expenses	4,458	4,100	3,770	1,650	(2,450)
Travel & Subsistence	55	750	3,500	2,000	1,250
Accounting System Maintenance	41,115	-	-	-	-
Training, Registration & Dues	792	2,500	1,000	3,000	500
Banking Fees	75,066	52,991	76,010	21,000	(31,991)
Total Other Services & Charges	\$ 146,907	\$ 83,751	\$ 109,780	\$ 50,650	\$ (33,101)
Intergovernmental Services					
State Auditor Audit	\$ 138,234	\$ 110,000	\$ 80,000	\$ 75,000	\$ (35,000)
Total Other Services & Charges	\$ 138,234	\$ 110,000	\$ 80,000	\$ 75,000	\$ (35,000)
Total Operating Expenses	\$ 287,211	\$ 196,401	\$ 192,230	\$ 128,300	\$ (68,101)
Total Accounting Division	\$ 970,015	\$ 853,932	\$ 849,745	\$ 827,250	\$ (26,682)

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 Public Safety Communications Center 911 Dispatch 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 2017, 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.

2017 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.
- 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
- Began the deployment of City-wide Cyber Security training and continued staff education in the area of computer information systems security.

2018 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 efforts to improve business continuity, disaster preparedness and improvements to the EOC and radio room infrastructure.
- Continue focus on network security, data integrity and training of staff and end users.

Budget Highlights

- The 2018 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 47% of the total expenditure budget.
- Compared to the 2017 budget, expenditures are increasing approximately 1.7% in this division mainly due to benefit increases.
- The 2018 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

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 93,887	\$ 125,054	\$ 105,000	\$ 127,000	\$ 1,946
Overtime	2,034	2,000	3,000	2,000	-
Total Salaries & Wages	\$ 95,921	\$ 127,054	\$ 108,000	\$ 129,000	\$ 1,946
Benefits					
	\$ 36,335	\$ 43,354	\$ 29,450	\$ 59,950	\$ 16,596
Total Benefits	\$ 36,335	\$ 43,354	\$ 29,450	\$ 59,950	\$ 16,596
Total Salaries & Benefits	\$ 132,256	\$ 170,408	\$ 137,450	\$ 188,950	\$ 18,542
<u>Operating Expenses</u>					
Supplies					
	\$ 7,857	\$ 15,750	\$ 16,670	\$ 15,750	\$ -
Total Supplies	\$ 7,857	\$ 15,750	\$ 16,670	\$ 15,750	\$ -
Other Services & Charges					
Consulting Services	\$ 45,000	\$ 35,000	\$ 62,637	\$ 15,000	\$ (20,000)
Communication Expenses	25,949	26,650	16,200	26,650	-
Travel & Subsistence Expense	988	3,000	1,640	3,000	-
Computer System Maintenance	44,832	49,000	36,530	52,500	3,500
Software Maintenance	21,135	87,500	87,500	95,000	7,500
Training, Registration & Dues	6,365	5,150	4,410	5,150	-
Offsite Data Storage	5,225	5,500	7,290	2,800	(2,700)
Total Other Services & Charges	\$ 149,495	\$ 211,800	\$ 216,207	\$ 200,100	\$ (11,700)
Total Operating Expenses	\$ 157,353	\$ 227,550	\$ 232,877	\$ 215,850	\$ (11,700)
Total Information Technology	\$ 289,609	\$ 397,958	\$ 370,327	\$ 404,800	\$ 6,842

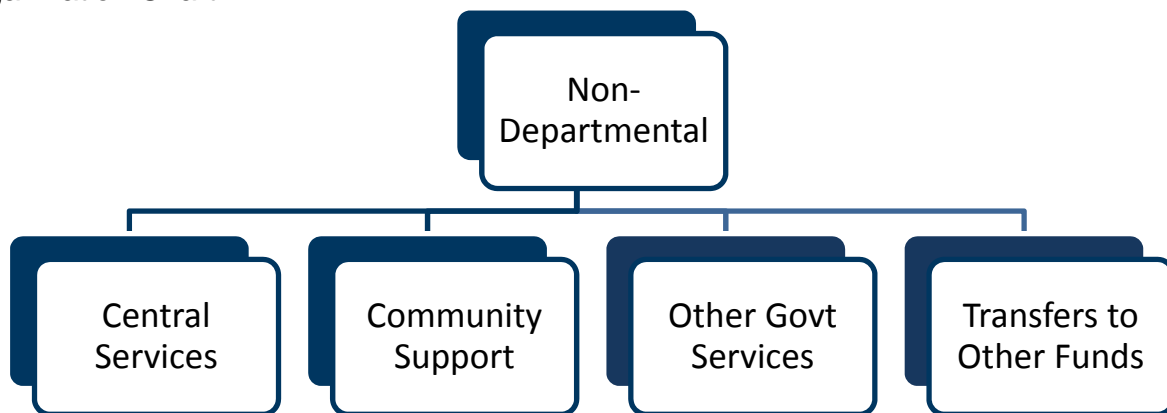
NON-DEPARTMENTAL

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:

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Other Governmental	\$ 1,926,517	\$ 1,575,911	\$ 1,983,624	\$ 1,353,045	\$ (222,866)
Transfers	\$ 980,349	\$ 1,033,937	\$ 1,033,937	\$ 1,304,643	\$ 270,706
Total Departmental Summary	\$ 2,906,866	\$ 2,609,848	\$ 3,017,561	\$ 2,657,688	\$ 47,840

Budget Highlights

- The 2018 budget does not reflect any change in staffing levels, and no new budget items.
- A 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 \$500,000. In 2017, it is estimated that the City will be at a 5.9% vacancy savings rate.
- The City is also budgeting \$20,000 to the Snohomish County Health District to support their efforts.

New Budget Item Summary

- Fire Mechanical Services. This is partially funded (\$20,000) via vehicle repair and maintenance (shown on page 34) with the remaining \$3,000 in the fire department professional services budget (shown on page 58), to cover the cost of testing equipment.



2018 BUDGET

Fire Mechanical Services

Discussed by Public
Safety Committee:
8/24/2017 and
9/7/2017; Council:
10/23/17

Repair and Maintenance Services for Fire Department Vehicles

Fund Name
General

Amount Requested

\$23,000

Nature of the expenditure? **Ongoing**

Any Additional
Revenue? If Yes,
Identify Below

No

Expenditure Purpose and Justification

The Fire Department has used the Paine Field Fire Department (PFFD) for fire vehicle mechanical services, including outfitting, preventative maintenance, repairs, annual pump testing, and warranty follow-up. This has been done under an inter-local agreement which expires at the end of 2017. The City has been notified that PFFD does not wish to renew the ILA due to internal changes. The Department has contacted four other shops capable of providing the services required. These shops employ appropriately certified emergency vehicle technicians, as required by WAC 296-305-04507. Two shops do not have the capacity currently for additional work and one was non-responsive. The amount requested is the estimated increase in costs over current annual expenditures to PFFD. Actual costs will vary annually depending on necessary repairs. The budget request also includes the annual required testing of the fire department pumps, hoses and ladders to insure proper functionality. Mechanical services for vehicles are part of the preventative maintenance program for the Fire Department.

Alternatives and Potential Costs

n/a

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

n/a

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

Expenditure Account # & Title	Amount
Other Gov't, Vehicle Repair & Maint	\$ 20,000
Fire Administration, Other Prof Svcs	\$ 3,000
	\$ -
	\$ -

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

2018 Preliminary Budget

Non-Departmental

Non Departmental - Other Governmental Services

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages	\$ -	\$ (277,684)	\$ -	\$ (357,022)	\$ (79,338)
Total Salaries & Wages	\$ -	\$ (277,684)	\$ -	\$ (357,022)	\$ (79,338)
Benefits	\$ 61,949	\$ (72,405)	\$ 42,360	\$ (104,405)	\$ (32,000)
Total Benefits	\$ 61,949	\$ (72,405)	\$ 42,360	\$ (104,405)	\$ (32,000)
Total Salaries & Benefits	\$ 61,949	\$ (350,089)	\$ 42,360	\$ (461,427)	\$ (111,338)
<u>Operating Expenses</u>					
Supplies					
Paper Stock	\$ 2,249	\$ 5,000	\$ 2,370	\$ 5,000	\$ -
Operating Supplies	2,717	5,000	4,320	5,000	-
Total Supplies	\$ 4,966	\$ 10,000	\$ 6,690	\$ 10,000	\$ -
Other Services & Charges					
AWC Wellness Services	\$ -	\$ -	\$ -	\$ 4,200	\$ 4,200
Records Services	-	-	1,000	1,000	1,000
Postage	278	350	-	350	-
Website Hosting - Archive	-	2,000	1,530	2,000	-
Office Equipment Rental	2,639	2,000	640	2,000	-
Office Equipment M&R	15,757	8,000	20,620	8,000	-
City Letterhead & Envelopes	901	1,200	690	1,200	-
Public Affairs & Community Outreach	12,247	20,000	20,000	20,000	-
Youth Advisory Council	915	1,000	1,470	1,000	-
Travel & Subsistence	4,854	2,500	-	2,500	-
Insurance	295,095	315,000	310,471	300,000	(15,000)
Vehicle R&M	92,123	93,250	93,250	113,250	20,000
Training & Registration	117	2,500	-	2,500	-
Emergency Mgmt Misc	6,712	5,000	6,460	5,000	-
Cobra Dental/Vision Claims	2,141	-	-	-	-
Community Support Grants	8,534	10,000	10,640	10,000	-
Parks Special Projects	6,692	17,000	11,040	17,000	-
Large Item Pickup	43,823	40,000	45,456	-	(40,000)
Facilities Maintenance Service Charge	700,974	663,214	663,214	583,200	(80,014)
Total Other Services & Charges	\$ 1,193,802	\$ 1,183,014	\$ 1,186,481	\$ 1,073,200	\$ (109,814)
Total Operating Expenses	\$ 1,198,768	\$ 1,193,014	\$ 1,193,171	\$ 1,083,200	\$ (109,814)

Non Departmental - Other Governmental Services (Continued)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
Intergovernmental Services					
Intergovernmental Services					
Alcohol Program	\$ 4,209	\$ 6,000	\$ 5,640	\$ 6,000	\$ -
Election Services	-	20,000	20,000	20,000	-
Emergency Services	25,116	30,000	26,990	25,919	(4,081)
Commute Trip Reduction	386	5,000	-	5,000	-
Assoc Wash Cities	14,493	14,702	14,702	15,158	456
Puget Sound Clean Air Agency	18,402	18,600	18,552	18,600	-
Puget Sound Region Council	8,548	8,500	-	8,500	-
Snohomish County Tomorrow	3,736	4,000	7,570	4,000	-
Voter Registration	28,397	30,000	56,750	30,000	-
National League of Cities	1,861	2,000	3,720	2,000	-
Economic Alliance - Snohomish County	2,500	2,500	2,500	2,500	-
Minority & Woman's Business	100	100	-	100	-
Snohomish County Cities	200	200	200	200	-
Snohomish County Health District	-	10,000	10,000	20,000	10,000
Interjurisdictional Housing Program	1,809	1,900	1,983	1,900	-
SNOCOM - Dispatch	451,433	522,198	522,200	515,645	(6,553)
New World	49,776	-	-	-	-
SERS	54,834	57,286	57,286	55,750	(1,536)
Total Intergovernmental Services	\$ 665,800	\$ 732,986	\$ 748,093	\$ 731,272	\$ (1,714)
Total Intergovernmental Services	\$ 665,800	\$ 732,986	\$ 748,093	\$ 731,272	\$ (1,714)
Total Non Departmental - Other Governmental Services	\$ 1,926,517	\$ 1,575,911	\$ 1,983,624	\$ 1,353,045	\$ (222,866)

TRANSFERS TO OTHER FUNDS

Purpose:

Transfers from the General Fund to other City funds are not considered expenditures for budgeting and financial reporting purposes. The General Fund has budgeted transfers to seven City funds: LEOFF 1 Fund, Street Fund, Recreation & Cultural Services Fund, Emergency Medical Services Fund, Technology Replacement Fund, Transportation Benefit District Fund and Real Estate Excise Tax II (REET II) Fund.

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.

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 2018 Budget includes an additional \$25,000 transfer as a set-aside for financial system software replacement.

The transfer to the Transportation Benefit District Fund is the General Fund's contribution to the City's 2018 Pavement Preservation Program.

The 2018 transfer to REET II is a one-time transfer towards the construction of a new Boys and Girls Club that the City Council approved in 2017.



2018 BUDGET

Enterprise Resource Planning Software Funding

Date Discussed by
Council: 6/26/17,
10/23/17

Set aside partial funding for the purchase of Enterprise Resource
Planning software in the future

Fund Name

General

Amount Requested

\$25,000

Nature of the expenditure? One-Time

Any Additional
Revenue? If Yes,
Identify Below

No

Expenditure Purpose and Justification

The City's current Enterprise Resource Planning (ERP) software, Eden, is over 20 years old and is no longer offered to the market by the vendor, Tyler Technologies. We utilize Eden for General Ledger, Accounts Payable, Accounts Receivable, Human Resources and Payroll functions.

Although Tyler still provides support for current users of Eden, they are no longer working on upgrades to the program so there will be no future improvements to the utility and functionality of the modules we currently use.

To plan for the future conversion to a newer, fully supported ERP program in the next few years we should begin setting aside funds annually. This proposal estimates the cost of conversion to be around \$300,000 with \$25,000 being transferred out of the General Fund into the Technology Replacement Reserve Fund in 2018, and additional amounts being transferred out in 2019 and 2020.

This software purchase is included in the six year IT plan.

Alternatives and Potential Costs

Delay funding identification and allocation until a future year.

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

On-going annual license costs after conversion are expected to be close to current annual license costs.

Department:	Finance
Division:	Accounting
Prepared by:	Michelle Meyer, Finance Director

Expenditure Account # & Title	Amount
General Fund: Transfer Out	\$ 25,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
Technology Replacement Fund	\$ 25,000
	\$ -
	\$ -
	\$ -

Non Departmental - Transfers-out

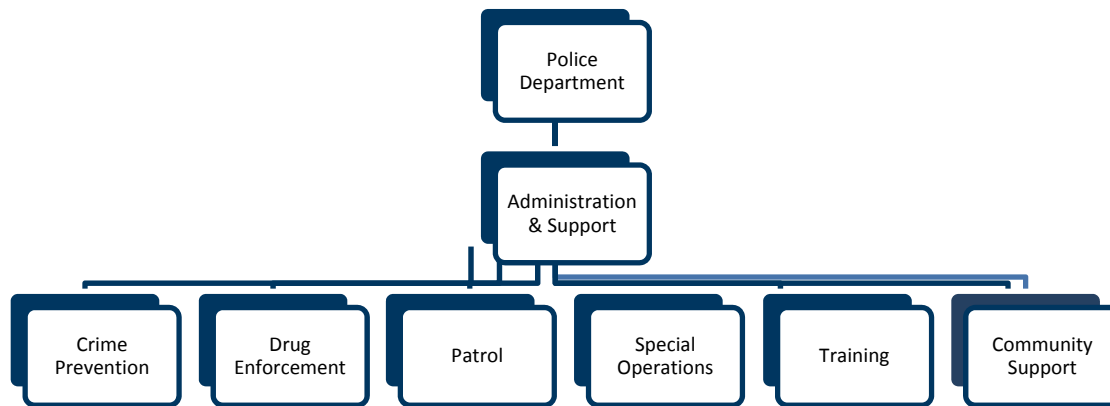
	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Transfers-out</u>					
Transfers to:					
Street	\$ 292,797	\$ 254,361	\$ 254,361	\$ 186,500	\$ (67,861)
Transportation Benefit District	-	13,000	13,000	110,000	97,000
Facility Renewal	500,000	225,508	225,508	-	(225,508)
Paine Field Reserve	-	-	-	-	-
Emergency Medical Services	-	134,025	134,025	169,283	35,258
City Reserve	-	-	-	-	-
LEOFF 1 Reserve	-	35,000	35,000	20,000	(15,000)
Technology Replacement	50,000	64,000	64,000	100,525	36,525
Real Estate Excise Tax II	-	60,000	60,000	500,000	440,000
Recreation & Cultural Services	137,553	248,043	248,043	218,335	(29,708)
Total Transfers-out	\$ 980,349	\$ 1,033,937	\$ 1,033,937	\$ 1,304,643	\$ 270,706

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

Organization Chart:



Position Summary:

Position Title	2017	2018
Police Chief	1.0	1.0
Assistant Chief	1.0	1.0
Sergeant	5.0	5.0
Detective Sergeant	1.0	1.0
Detective	3.0	3.0
Crime Prevention Officer	1.0	1.0
Police Officer	17.0	17.0
Office Supervisor	1.0	1.0
Community Support Officer	3.0	3.0
Support Services Technician	2.0	2.0
Department Assistant	1.0	1.0
Total	36.0	36.0

Expenditure Summary:

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Police Department					
Administration	\$ 1,111,306	\$ 1,095,987	\$ 1,093,300	\$ 1,098,175	\$ 2,188
Patrol	2,732,515	2,665,469	2,482,235	2,754,850	89,381
Special Operations	351,218	647,845	571,300	657,600	9,755
Crime Prevention	156,258	155,148	146,590	156,000	852
Rangers	115,431	192,744	154,130	-	(192,744)
Training	41,940	59,957	54,850	60,700	743
Drug Enforcement	20,569	24,000	22,000	24,000	-
Total Departmental Summary	\$ 4,529,237	\$ 4,841,150	\$ 4,524,405	\$ 4,751,325	\$ (89,825)

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.

2017 Accomplishments

- Completed a full audit of the property/evidence room and barcoded all evidence.
- Hired a new Assistant Police Chief, filling the vacancy created when Chief Kang was promoted.
- Updated Evidence Manual.
- Began updating the standard operating procedure (SOP) manual for the support services division.
- Purged records that are beyond retention requirements.
- Support Services Supervisor Carlson completed her WCIA Supervisory Skills Credential Program.
- Vehicle evidence storage area cleared and back in service.

2018 Goals & Objectives

- Complete transition to the Lexipol digital policy manual.
- Complete the update to the standard operating procedure (SOP) manual for the records division.
- Continue purging records that are beyond retention requirements.

Budget Highlights

- The 2018 budget for the Administration and Support Services Division reflects no change in staffing levels.
- The budget includes zero new budget items.
- Salary and benefit costs comprise 79% of the total expenditure budget.
- Compared to the 2017 budget, expenditures are increasing slightly by approximately 0.2% in this division due to salary.

Police Department - Administration & Support Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 588,929	\$ 598,859	\$ 556,940	\$ 618,000	\$ 19,141
Special Assignment Pay	3,973	4,053	3,970	4,000	(53)
Education Premium Pay	3,179	3,242	3,180	3,200	(42)
Acting Supervisor Pay	94	-	-	-	-
Merit/Longevity Pay	795	811	790	1,800	989
Overtime	4,778	5,814	3,660	6,000	186
Total Salaries & Wages	\$ 601,749	\$ 612,779	\$ 568,540	\$ 633,000	\$ 20,221
Benefits	\$ 248,210	\$ 250,833	\$ 246,670	\$ 233,800	\$ (17,033)
Total Benefits	\$ 248,210	\$ 250,833	\$ 246,670	\$ 233,800	\$ (17,033)
Total Salaries & Benefits	\$ 849,959	\$ 863,612	\$ 815,210	\$ 866,800	\$ 3,188
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 14,412	\$ 12,000	\$ 12,000	\$ 12,000	\$ -
Clothing/Boots	2,934	3,500	3,500	3,500	-
Motor Fuel	4,700	6,000	5,200	5,800	(200)
Small Items of Equipment	5,459	3,000	3,000	5,525	2,525
Total Supplies	\$ 27,505	\$ 24,500	\$ 23,700	\$ 26,825	\$ 2,325

Police Department - Administration & Support Division (Continued)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Other Services & Charges					
Other Professional Services	\$ 17,287	\$ 16,040	\$ 29,270	\$ 16,040	\$ -
Telephone	20,398	15,900	17,210	15,900	-
Postage	2,438	3,000	1,820	2,000	(1,000)
New World Project Connectivity	7,882	5,500	7,210	5,500	-
Cell Phones	12,150	9,000	10,720	10,000	1,000
Travel & Subsistence	566	2,000	710	1,500	(500)
Office Equipment Rental	799	900	850	900	-
Equipment R&M	-	2,000	2,900	2,000	-
Software Maintenance & Support	761	810	-	810	-
Assoc.Dues & Memberships	578	1,100	1,010	1,100	-
Printing & Binding	798	2,000	2,270	2,000	-
Domestic Violence Services	1,994	7,800	7,500	7,800	-
Concealed Pistol License	8,747	6,300	5,500	6,000	(300)
Total Other Services & Charges	\$ 74,398	\$ 72,350	\$ 86,970	\$ 71,550	\$ (800)
Total Operating Expenses	\$ 101,903	\$ 96,850	\$ 110,670	\$ 98,375	\$ 1,525
Intergovernmental Services					
Intergovernmental Services					
Home Detention	\$ 1,142	\$ 2,525	\$ -	\$ -	\$ (2,525)
Jail	140,684	120,000	157,420	120,000	-
Animal Shelter Fees	17,618	13,000	10,000	13,000	-
Total Intergovernmental Services	\$ 159,444	\$ 135,525	\$ 167,420	\$ 133,000	\$ (2,525)
Total Intergovernmental Services	\$ 159,444	\$ 135,525	\$ 167,420	\$ 133,000	\$ (2,525)
Total Police Department - Administration & Support Division	\$ 1,111,306	\$ 1,095,987	\$ 1,093,300	\$ 1,098,175	\$ 2,188

Police Department - Rangers Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 48,873	\$ 98,247	\$ 83,010	\$ -	\$ (98,247)
Overtime	-	3,060	-	-	(3,060)
Total Salaries & Wages	\$ 48,873	\$ 101,307	\$ 83,010	\$ -	\$ (101,307)
Benefits					
Total Benefits	\$ 29,148	\$ 60,946	\$ 43,070	\$ -	\$ (60,946)
Total Salaries & Benefits	\$ 78,021	\$ 162,253	\$ 126,080	\$ -	\$ (162,253)
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 6,748	\$ 2,604	\$ -	\$ -	\$ (2,604)
Operating Supplies	536	17,287	17,000	-	(17,287)
Clothing/Boots	11,690	2,500	2,100	-	(2,500)
Motor Fuel	-	2,600	2,100	-	(2,600)
Small Items of Equipment	-	4,000	3,750	-	(4,000)
Total Supplies	\$ 18,974	\$ 28,991	\$ 24,950	\$ -	\$ (28,991)
Other Services & Charges					
Other Professional Services	\$ 15,149	\$ -	\$ 1,300	\$ -	\$ -
Postage	1,935	500	500	-	(500)
Cell Phone	1,353	1,000	1,300	-	(1,000)
Total Other Services & Charges	\$ 18,437	\$ 1,500	\$ 3,100	\$ -	\$ (1,500)
Total Operating Expenses	\$ 37,410	\$ 30,491	\$ 28,050	\$ -	\$ (30,491)
Total Police Department - Rangers Division	\$ 115,431	\$ 192,744	\$ 154,130	\$ -	\$ (192,744)

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.

2017 Accomplishments:

- Continued building the volunteer program. There are 28 active volunteers and 3 police chaplains. Volunteers have expanded their roles assisting with traffic monitoring and assisting with the Mukilteo Farmer's Market.
- Held Mukilteo's first Youth Academy, 17 teens graduated from the program. The academy presented teen specific issues and exposed the youth to various public safety career fields.
- Crime Prevention Workshops: held two workshops for the general public covering topics such as Safety risks from e-cigarettes and vaping and domestic violence and healthy relationships.
- Youth and schools outreach: continued partnerships with local schools, presented at Veterans' Day and Martin Luther King civil rights assemblies, and presented to student groups. Provided numerous tours of the police station to local Cub Scout and Girl Scout groups.
- Block Watch Program: developed 3 new block watch groups, for a total of 40 groups in the City. Attended nine homeowner's association meetings to present on topics such as identify theft, vehicle prowls, and burglary prevention.
- Citizens Police Academy: Held one academy class with 18 participants.
- National Night Out: Over 1500 attendees joined the department in bringing the community together to focus on crime prevention and community partnerships.

2018 Goals & Objectives

- Continue building a strong Police Volunteer Program and promote an active role from volunteers through assigned responsibilities.
- Hold National Night-Out Against Crime Event, at least one Citizens' Police Academy, community outreach events involving Gun Safety, Drug Awareness, Teen Issues, Identity Theft, and other community concerns, and Junior Mukilteo Police Academy.
- Host at least two "Coffee with a Cop" outreach events.
- Develop a "Cops and Clergy" program.
- Expand the Block Watch program throughout the city; continue to meet with and support the Block Watch groups to address crime trends and neighborhood safety.

Budget Highlights

- The 2018 budget for the Crime Prevention Division reflects no change in staffing levels.
- Salary and benefit costs comprise 88% of the total expenditure budget.
- Compared to the 2017 budget, expenditures are increasing by approximately 0.5%.

Police Department - Crime Prevention Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 90,420	\$ 85,138	\$ 72,550	\$ 84,500	\$ (638)
Special Assignment Pay	4,318	4,053	3,910	4,000	(53)
Education Premium Pay	3,603	3,242	3,130	3,200	(42)
Merit/Longevity Pay	2,230	-	(230)	1,000	1,000
Overtime Pay	4,869	-	-	1,500	1,500
Overtime - Special Events	421	-	-	-	-
Total Salaries & Wages	\$ 105,860	\$ 92,433	\$ 79,360	\$ 94,200	\$ 1,767
Benefits	\$ 34,511	\$ 42,465	\$ 47,500	\$ 43,050	\$ 585
Total Benefits	\$ 34,511	\$ 42,465	\$ 47,500	\$ 43,050	\$ 585
Total Salaries & Benefits	\$ 140,371	\$ 134,898	\$ 126,860	\$ 137,250	\$ 2,352
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 5,501	\$ 5,000	\$ 5,000	\$ 5,000	-
Clothing/Boots	3,070	3,000	3,000	1,500	(1,500)
Motor Fuel	764	750	750	750	-
Total Supplies	\$ 9,335	\$ 8,750	\$ 8,750	\$ 7,250	\$ (1,500)
Other Services & Charges					
Travel & Subsistence	\$ 1,305	\$ 1,500	\$ 1,500	\$ 1,500	-
Printing & Binding	1,097	1,000	980	1,000	-
Public Affairs & Community Outreach	4,150	9,000	8,500	9,000	-
Total Other Services & Charges	\$ 6,552	\$ 11,500	\$ 10,980	\$ 11,500	\$ -
Total Operating Expenses	\$ 15,887	\$ 20,250	\$ 19,730	\$ 18,750	\$ (1,500)
Total Police Department - Crime Prevention Division	\$ 156,258	\$ 155,148	\$ 146,590	\$ 156,000	\$ 852

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.

2017 Accomplishments:

- Conducted additional squad level defensive tactics/firearms training
- One Officer contributed 300 hours with the Violent Offender Task Force (VOTF)
- One Officer continued to participate on North Sound Metro SWAT Team; participated in eight separate SWAT callouts supporting partner agencies
- Two Officers continued participation on the Allied Law Enforcement Riot Team (ALERT) Team; participated in two regional deployments

2018 Goals & Objectives

- Train five new officers who will have graduated from the Basic Law Enforcement Academy
- Increase training hours for staff members
- Complete the electronic policy manual and train staff
- Continue directed patrols and emphasis for deterrence and community problem solving

Budget Highlights

- The 2018 budget for the Patrol Division reflects no change in staffing levels.
- The budget includes zero new budget items, although two patrol vehicles will be replaced as part of the Equipment Replacement Fund on page 159. This will keep the department on track to replace 2-3 vehicles each year, following an analysis of the condition of each vehicle.
- Salary and benefit costs comprise 97% of the total expenditure budget.
- Compared to the 2017 budget, expenditures are increasing approximately 3.3% in this division due to salary and benefits.

2018 Preliminary Budget

Police Department

Police Department - Patrol Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 1,664,086	\$ 1,643,705	\$ 1,475,940	\$ 1,682,000	\$ 38,295
Special Assignment Pay	18,445	16,212	14,120	16,000	(212)
Education Incentive Pay	42,900	38,427	32,190	35,000	(3,427)
Merit/Longevity Pay	27,492	29,305	29,240	51,000	21,695
Overtime Pay	122,002	92,820	140,760	149,000	56,180
Overtime - Special Events	13,445	12,240	13,000	13,000	760
Total Salaries & Wages	\$ 1,888,370	\$ 1,832,709	\$ 1,705,250	\$ 1,946,000	\$ 113,291
Benefits	\$ 765,447	\$ 739,860	\$ 687,085	\$ 718,450	\$ (21,410)
Total Benefits	\$ 765,447	\$ 739,860	\$ 687,085	\$ 718,450	\$ (21,410)
Total Salaries & Benefits	\$ 2,653,817	\$ 2,572,569	\$ 2,392,335	\$ 2,664,450	\$ 91,881
<u>Operating Expenses</u>					
Supplies					
Operating Supplies	\$ 315	\$ 2,400	\$ 2,400	\$ 2,400	\$ -
Clothing/Boots	18,582	20,000	20,000	20,000	-
Motor Fuel	27,234	35,000	32,000	33,000	(2,000)
Small Items of Equipment	18,438	17,000	17,000	17,000	-
Total Supplies	\$ 64,570	\$ 74,400	\$ 71,400	\$ 72,400	\$ (2,000)
Other Services & Charges					
Travel & Subsistence	\$ 1,434	\$ 2,000	\$ 2,000	\$ 1,500	\$ (500)
Equipment R&M	9,667	15,000	15,000	15,000	-
Laundry Services	3,027	1,500	1,500	1,500	-
Total Other Services & Charges	\$ 14,128	\$ 18,500	\$ 18,500	\$ 18,000	\$ (500)
Total Operating Expenses	\$ 78,699	\$ 92,900	\$ 89,900	\$ 90,400	\$ (2,500)
Total Police Department - Patrol Division	\$ 2,732,515	\$ 2,665,469	\$ 2,482,235	\$ 2,754,850	\$ 89,381

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.

2017 Accomplishments:

- Continued participation in Regional Police Intelligence (RIG) Group.
- Two detectives now participate on the Snohomish Multi Agency Response Team (SMART).
- Detective continued to participate on the Interagency Child Abduction Response Team (ICART).
- Selected a new Special Operations Sergeant.
- Developed new partnerships through our School Resource Officer program.
- Coordinated with Crime Prevention Officer on Crime Trend Analysis using burglary location maps to investigate incidents.
- Conducted several special operations to combat drug, prostitution, and property crimes throughout the City.
- Trained a detective to conduct pre-employment background investigations.
- Detectives attended the Washington State Homicide Investigators Association Conference.

2018 Goals & Objectives

- Perform more proactive special operations.
- Continue participation in RIG, SMART, and ICART Teams.
- Continue our partnership with the Mukilteo School District through our School Resource Officer Program.
- Increased participation with the Snohomish Regional Drug and Gang Task Force.
- Select and train a third detective to fill the vacant position.
- Provide additional support and training to Patrol.
- Increase training for investigators.

Budget Highlights

- The budget includes zero new budget item:
- Salary and benefit costs comprise 97% of the total expenditure budget. Compared to the 2017 budget, expenditures are increasing approximately 1.5% in this division due to an increase in the budget for investigation costs.

2018 Preliminary Budget

Police Department

Police Department - Special Operations Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 206,073	\$ 460,549	\$ 385,320	\$ 440,200	\$ (20,349)
Special Assignment Pay	11,527	12,159	11,690	20,000	7,841
Education Incentive Pay	6,454	10,314	17,200	17,500	7,186
Merit/Longevity Pay	2,929	6,114	8,180	14,000	7,886
Overtime Pay	10,006	-	2,970	4,500	4,500
Overtime - Shift Cover	1,030	8,670	2,770	3,000	(5,670)
Total Salaries & Wages	\$ 238,019	\$ 497,806	\$ 428,130	\$ 499,200	\$ 1,394
Benefits	\$ 92,747	\$ 136,939	\$ 123,050	\$ 141,000	\$ 4,061
Total Benefits	\$ 92,747	\$ 136,939	\$ 123,050	\$ 141,000	\$ 4,061
Total Salaries & Benefits	\$ 330,766	\$ 634,745	\$ 551,180	\$ 640,200	\$ 5,455
<u>Operating Expenses</u>					
Supplies					
Operating Supplies	\$ 950	\$ 500	\$ 500	\$ 500	\$ -
Clothing/Boots	1,506	1,900	1,890	1,900	-
Motor Fuel	2,408	2,500	2,420	2,500	-
Small Items of Equipment	3,866	500	500	500	-
Total Supplies	\$ 8,730	\$ 5,400	\$ 5,310	\$ 5,400	\$ -
Other Services & Charges					
Travel & Subsistence	\$ 1,712	\$ 2,000	\$ 1,540	\$ 2,000	\$ -
Equipment R&M	176	500	500	-	(500)
Laundry Services	-	200	-	-	(200)
Investigation Costs	9,835	5,000	12,770	10,000	5,000
Total Other Services & Charges	\$ 11,722	\$ 7,700	\$ 14,810	\$ 12,000	\$ 4,300
Total Operating Expenses	\$ 20,452	\$ 13,100	\$ 20,120	\$ 17,400	\$ 4,300
Total Police Department - Special Operations Division	\$ 351,218	\$ 647,845	\$ 571,300	\$ 657,600	\$ 9,755

TRAINING DIVISION

Purpose:

The Training Division, under the supervision of the Assistant Police Chief, 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.

2017 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 five new police officers.
- Successfully met all RCW training hour requirements for commissioned staff per Criminal Justice Training Commission standards.
- Implemented a squad level training plan for commissioned staff members.

2018 Goals & Objectives

- Assure minimum required training hours are met.
- Meet standards for safety training requirement.
- Provide crisis intervention training and other de-escalation concepts so officers are better prepared to deal with increasing number of mental health contacts.
- Continue developing staff members for their respective roles in the organization.
- Develop a succession plan for career development and potential promotions.

Budget Highlights

- The 2018 budget for the Training Division reflects no change in staffing levels.
- The budget includes no new budget items.
- Salary and benefit costs comprise 45% of the total expenditure budget.
- Compared to the 2017 budget, expenditures are increasing approximately 1.2% in this division due to a small increase in the training budget.

Police Department - Training Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Overtime	\$ 12,311	\$ 24,480	\$ 23,700	\$ 24,000	\$ (480)
OT - New World Systems Training	-	-	370	-	-
Total Salaries & Wages	\$ 12,311	\$ 24,480	\$ 24,070	\$ 24,000	\$ (480)
Benefits					
	\$ -	\$ 3,277	\$ -	\$ 3,500	\$ 223
Total Benefits	\$ -	\$ 3,277	\$ -	\$ 3,500	\$ 223
Total Salaries & Benefits	\$ 12,311	\$ 27,757	\$ 24,070	\$ 27,500	\$ (257)
<u>Operating Expenses</u>					
Supplies					
Ammunition	\$ 14,265	\$ 12,900	\$ 12,900	\$ 12,900	\$ -
Small Items of Equipment	2,523	2,800	2,800	2,800	-
Total Supplies	\$ 16,787	\$ 15,700	\$ 15,700	\$ 15,700	\$ -
Other Services & Charges					
Other Professional Services	\$ 4,300	\$ 5,500	\$ 5,500	\$ 5,500	\$ -
Travel & Subsistence	2,717	4,500	3,330	4,500	-
Training & Registration	5,825	6,500	6,250	7,500	1,000
Total Other Services & Charges	\$ 12,842	\$ 16,500	\$ 15,080	\$ 17,500	\$ 1,000
Total Operating Expenses	\$ 29,629	\$ 32,200	\$ 30,780	\$ 33,200	\$ 1,000
Total Police Department - Training Division	\$ 41,940	\$ 59,957	\$ 54,850	\$ 60,700	\$ 743

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 2018, the authorized strength is 29 personnel. They respond from two stations, Station 24 in Old Town and Station 25 in Harbour Pointe. Each station has three personnel on duty around the clock. Those personnel staff a fire engine or an ambulance, depending on the emergency. In addition to the Fire Chief, 2018 administrative staff positions include an Assistant Chief, a Fire Marshal, a Senior Administrative Assistant, and a Training Captain.

The department receives funds from the General Fund, Emergency Medical Services levy and billing for ambulance transports. The total budget for the department for 2018 is \$4,840,871.

Organization Chart:



Position Summary:

Position Title	2017	2018
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:

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Fire Department					
Fire					
Administration	\$ 196,215	\$ 242,009	\$ 315,770	\$ 332,100	\$ 90,091
Operations and Training	1,979,244	1,906,807	1,751,480	1,880,346	(26,461)
Prevention	94,722	17,500	10,650	14,300	(3,200)
EMS	2,366,700	2,535,925	2,572,979	2,614,125	78,200
Total Departmental Summary	\$ 4,636,881	\$ 4,702,241	\$ 4,650,879	\$ 4,840,871	\$ 138,630

Expenditure Summary

- The 2018 budget for the Fire Department maintains the existing staffing levels.
- Salary and benefit costs comprise almost 86% of the total expenditure budget.
- Compared to the 2017 budget, expenditures are increasing approximately 2.1% in this department.

New Budget Item Summary

- Additional funding for Fire Mechanical Services due to a change in service providers beyond the control of the department.
- Automatic External Defibrillator replacement for public access units in City buildings, as well as adding units in Police community service vehicles.

ADMINISTRATION

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.

2017 Accomplishments

- Honored the department's history while making changes in the physical environment, ourselves and operations to prepare the department for the future.
 - Original carpet replaced upstairs at Station 24.
 - Six new employees hired. All six completed a four week recruit academy prior to shift assignment.
- Worked with City Council on strategic matters for the department.
 - Supported the Council's Public Safety Committee on issues related to the fire department.
 - Coordinated information to Council on the Public Safety Communications Center 911 Dispatch consolidation.
- Worked with other city departments on administrative refinements in the department.
 - Adjustments made to the hiring process to provide efficiencies in filling vacant positions.
- Continued WAC 296-305 Safety Standards for Firefighters compliance efforts.
 - Ongoing work to update the department's policies and procedures.
- Continued to improve the city's ability to respond to a large-scale incident or disaster in partnership with Snohomish County Department of Emergency Management.
 - Provided three Map Your Neighborhood classes to the general public. Classes were held for 32 total attendees. D.E.M. assisted with the classroom portion and the on duty crews assisted with the hands-on portion.
 - Emergency Operations Center moved to City Hall. Procedures and equipment updated for the new location and capabilities, and orientations provided for all city departments.
 - Regular participation in meetings with other emergency managers in Snohomish County.
- Monitored inter-local agreements (ILAs) to ensure service to the city.
 - Facilitated semi-annual meetings between Fire District 1 and the Public Safety Committee to review performance under the ILA for incident command and ladder truck services.
 - Facilitated transition of ILAs from Lynnwood Fire Department and Fire District 1 to South Snohomish County Fire and Rescue Regional Fire Authority.
- Continued the work on the wellness/fitness program consistent with NFPA 1500.
 - Fitness equipment acquisition and installation at both fire stations.
 - Worked to develop a service agreement with a medical provider for wellness exams and injury follow-ups.

2018 Goals & Objectives

- Honor the department's history while making changes in the physical environment, ourselves and operations to prepare the department for the future.
 - Exterior painting and station repair issues.
 - Continue to support opportunities for regional and national education and training opportunities for all personnel.
- Work with City Council on strategic matters for the department.
 - Consideration of EMS Levy Re-authorization.
 - Developing facility renewal multi-year plans.
 - EMS service enhancements to the community.
- Work with other city departments on administrative refinements in the department.
- Continue WAC 296-305 Safety Standards for Firefighters compliance efforts.
 - Complete the adoption of updated policies and procedures.
 - Re-examine station environments for opportunities to improve safety.
- 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.
 - Continue Map Your Neighborhood classes in the community.
 - Continue Emergency Management and Emergency Operations Center training and education opportunities for elected officials and staff.
- Monitor inter-local agreements (ILAs) to ensure service to the city.
- Continue the work on the wellness/fitness program consistent with NFPA 1500.

Budget Highlights

- The 2018 budget for this division reflects no change in the number of positions.
- The budget includes three new budget items.
 - Fire Station 25 exterior painting to repair and maintain the exterior of the building.
 - Additional funding for Fire Mechanical Services due to a change in service providers beyond the control of the department (NBI on page 32).
 - Automatic External Defibrillator replacement for public access units in City buildings, as well as adding units in Police community services vehicles (NBI on page 116).
- Salary and benefit costs comprise 89% of the total expenditure budget.
- Compared to the 2017 budget, expenditures are increasing approximately 37% in this division due to inclusion of the Fire Marshal salary in this division. It was incorrectly split between Fire and EMS in the 2017 budget. There is a resulting decrease in EMS administration salaries related to this correction. There is net neutral impact to the General Fund, because of the required General Fund transfer to EMS.
- Professional services funds were added to perform required self-contained breathing apparatus (SCBA) testing and SCBA compressor maintenance.

2018 Preliminary Budget

Fire Department

Fire Department - Administration

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 116,799	\$ 155,988	\$ 206,310	\$ 221,000	\$ 65,012
Overtime	-	306	1,950	2,000	1,694
Total Salaries & Wages	\$ 116,799	\$ 156,294	\$ 208,260	\$ 223,000	\$ 66,706
Benefits					
	\$ 37,847	\$ 52,365	\$ 69,510	\$ 71,900	\$ 19,535
Total Benefits	\$ 37,847	\$ 52,365	\$ 69,510	\$ 71,900	\$ 19,535
Total Salaries & Benefits	\$ 154,646	\$ 208,659	\$ 277,770	\$ 294,900	\$ 86,241
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 1,401	\$ 1,500	\$ 730	\$ 1,400	\$ (100)
Purchase of Forms	292	350	-	300	(50)
Supplies - Administration	1,707	300	740	300	-
Clothing/Boots	2,737	2,000	1,250	2,000	-
Motor Fuel	3,669	4,500	6,540	4,500	-
Small Items of Equipment	-	200	4,130	200	-
Total Supplies	\$ 9,806	\$ 8,850	\$ 13,390	\$ 8,700	\$ (150)
Other Services & Charges					
Other Professional Services	\$ 26,127	\$ 19,000	\$ 17,180	\$ 23,000	\$ 4,000
Communications Expense	3,394	2,600	2,510	2,600	-
Assoc. Dues & Memberships	1,833	2,500	3,940	2,500	-
Laundry Services	409	400	980	400	-
Total Other Services & Charges	\$ 31,763	\$ 24,500	\$ 24,610	\$ 28,500	\$ 4,000
Total Operating Expenses	\$ 41,569	\$ 33,350	\$ 38,000	\$ 37,200	\$ 3,850
Total Fire Department - Administration	\$ 196,215	\$ 242,009	\$ 315,770	\$ 332,100	\$ 90,091

OPERATIONS

Purpose:

Fire Operations is responsible for the emergency and non-emergency response services provided to the community. Under the direction of the Assistant Fire Chief, the division provides fire suppression and emergency medical services as well as initial hazardous materials and technical rescue response to the City.

2017 Accomplishments:

- Improved response to fire and medical emergencies safely and effectively.
 - Took delivery of a new ambulance specifically designed for the department's deployment that is safer for patients and personnel.
 - Increased the use of technology for easier and faster reporting and reference on emergency incidents.
 - Placed three new thermal imaging cameras on the fire engines and rotated the older units to the ambulances.
- Reduce preventable injury rates.
 - Provided equipment for a more ergonomic work environment.
- Support opportunities to work with regional teams.
 - New member assigned to the regional technical rescue task force.
 - Training Captain completed training as Liaison Officer with the regional incident management team.
 - Inclusion of Mukilteo Fire units in regional active shooter response plans because of high quality training and equipment provided in the department.

2018 Goals & Objectives

- Improve the department's ability to respond to fire and medical emergencies safely and effectively.
 - Analyze response time measurement methodologies, determine process hindrances in turn-out time, and implement recommendations to reduce response times.
 - Analyze response maps, work with GIS to incorporate improvements, and verify each address within the city to improve response capability.
- Reduce preventable injury rates.
 - Perform analysis of preventable injuries, identify tools and resources to reduce these injuries and initiate the procurement process.
 - Inventory the cancer risk factors in procedures and stations, provide cancer-prevention education to personnel, and implement best prevention practices.
- Support opportunities to work with regional teams.
 - Facilitate operational and response opportunities for personnel participating in regional technical rescue and incident management teams.

Budget Highlights

- The 2018 budget for this division reflects no change in staffing levels.
- Salary and benefit costs comprise 81% of the total expenditure budget.
- Compared to the 2017 budget, expenditures are increasing slightly by 0.3% in this division due to the scheduled increase in the ladder truck contract.

2018 Preliminary Budget

Fire Department

Fire Department - Operations & Training

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 1,052,029	\$ 881,902	\$ 791,570	\$ 885,000	\$ 3,098
Education Incentive	19,285	7,238	16,790	20,000	12,762
Special Assignment Pay	1,960	2,004	2,000	2,000	(4)
Acting Supervisor Pay	2,239	3,850	1,450	1,500	(2,350)
Paramedic Incentive	15,913	30,157	33,280	35,000	4,843
Merit/Longevity Pay	25,186	16,902	16,480	16,600	(302)
Fire - Holiday Buy Back	41,884	29,000	16,600	30,000	1,000
Overtime	272,686	170,360	229,870	132,000	(38,360)
Total Salaries & Wages	\$ 1,431,183	\$ 1,141,413	\$ 1,108,040	\$ 1,122,100	\$ (19,313)
Benefits	\$ 405,053	\$ 398,682	\$ 331,870	\$ 380,900	\$ (17,782)
Total Benefits	\$ 405,053	\$ 398,682	\$ 331,870	\$ 380,900	\$ (17,782)
Total Salaries & Benefits	\$ 1,836,237	\$ 1,540,095	\$ 1,439,910	\$ 1,503,000	\$ (37,095)
Operating Expenses					
Supplies					
Office Supplies	\$ 751	\$ 850	\$ 1,200	\$ 850	-
Reference Material	1,883	1,500	2,400	1,500	-
Supplies - Fire Suppression	10,536	7,500	6,710	7,500	-
Supplies - Fire Training	6,186	1,300	870	1,300	-
Clothing/Boots	32,365	25,850	13,990	25,850	-
Motor Fuel	4,508	5,500	4,280	5,500	-
Small Items of Equipment	47,083	50,850	13,820	50,850	-
Total Supplies	\$ 103,312	\$ 93,350	\$ 43,270	\$ 93,350	-
Other Services & Charges					
Professional Services	\$ 5,340	\$ 14,500	\$ 14,600	\$ 17,500	\$ 3,000
Communications Expense	9,032	5,870	7,540	5,820	(50)
Equipment & Vehicle R&M	1,774	3,000	770	2,000	(1,000)
Travel & Subsistence	11,909	16,000	16,010	16,000	-
Software Maintenance	-	600	-	1,100	500
Assoc. Dues & Memberships	100	350	200	300	(50)
Training & Registration	11,169	17,000	13,140	17,000	-
Laundry Services	372	-	-	-	-
Total Other Services & Charges	\$ 39,695	\$ 57,320	\$ 52,260	\$ 59,720	\$ 2,400
Intergovernmental Services					
Ladder Truck Contract	\$ -	\$ 216,042	\$ 216,040	\$ 224,276	\$ 8,234
Total Intergovernmental Services	\$ -	\$ 216,042	\$ 216,040	\$ 224,276	\$ 8,234
Total Operating Expenses	\$ 143,007	\$ 366,712	\$ 311,570	\$ 377,346	\$ 10,634
Total Fire Department - Operations & Training	\$ 1,979,244	\$ 1,906,807	\$ 1,751,480	\$ 1,880,346	\$ (26,461)

TRAINING

Purpose:

Training is responsible for 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.

2017 Accomplishments:

- Updated internal training programs.
 - Standardized training within the department for vehicle extrication/motor vehicle collisions, pump operations, rope operations, and body armor use.
 - Developed a new intake and training process to improve efficiency and increase available orientation training hours for new personnel.
 - Multi-week training for six new personnel to ensure operational readiness.
- Provided external training opportunities.
 - Reduced tuition expenses and increased education for personnel through the three year JATC program.
 - External educators brought to the fire department with the ability to collect revenue and offset expenses.
 - Monthly participation in two regional programs.
 - Live fire/multi company operations hosted by Snohomish Fire District 4.
 - Active shooter response hosted by Everett Fire Department.

2018 Goals & Objectives

- Update internal training programs.
 - Improve live fire training operations through utilization of a regional contractor. This provides increased fire attack, forcible entry and ventilation repetitions for personnel.
 - Develop an elevator rescue training program to improve fire fighter safety.
 - Development of the officer and acting officer program, including initial education and qualification requirements as well as the continuing education program for existing officers and acting officers.
- Provide external training opportunities.
 - Increase participation in regional training to enhance training opportunities.
 - Participate in the development of a regional training consortium to facilitate operational and training standardization with neighboring jurisdictions.

Budget Highlights

- The 2018 budget for this division reflects no change in staffing levels.
- Salary and benefit costs comprise 58% of the total expenditure budget.
- Compared to the 2017 budget, expenditures are decreasing approximately 21% in this division due primarily to a reasonable reduction in budgeted overtime expenses.

PREVENTION

Purpose:

Fire Prevention is the community-focused division responsible for prevention 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.

2017 Accomplishments:

- Reduced the risk of fire in commercial structures.
 - New commercial, multi family, and single family residential fire alarms and sprinkler systems reviewed, installed, and tested for approval.
 - New commercial buildings, additions, and tenant improvements inspections completed for final Certificate of Occupancy.
 - Involvement in the first institutional construction in Mukilteo - Mukilteo Memory Care. This required extensive plan review, code analysis, and system testing. Additionally, this project required a major collaborative effort between the building owner, general contractor, Washington State agencies, City departments, and the Fire Marshal.
 - Utilized Tegriss fire system annual inspection reporting software to maintain a 91% annual inspection compliance rating of all commercial fire alarm and fire suppression systems. The system documented two serious situations that were not reported immediately to the Fire Marshal by the technician performing the inspection. The Fire Marshal was able to take immediate action to mitigate inoperable systems within high risk life safety occupancies.
 - Developed and implemented a Fire Department Pre-Application Checklist. The checklist helps expedite the permitting process and delivers enhanced customer service reducing time consuming questions.
 - Company-level inspection program completed 100% of all business inspections.
- Raised the department's visibility to the community through a robust public education program including fire safety, injury prevention, and disaster resilience.
 - Provided fire safety education to 70 Endeavor Elementary 2nd Grade students.
 - Public education contacts through various groups and events such as fire safety talks and rig tours at the fire station and schools, homeowners associations, Kamiak "Crash of Reality", Touch a Truck, National Night Out, YMCA Healthy Kids Day, and a variety of requested customized events.

2018 Goals & Objectives

- Reduce the risk of fire in commercial structures.
 - Facilitate marking all fire department connections, "Fire Control Rooms", and any pertinent doors, areas, and devices with the appropriate signage to assist responding local and out of area crews with timely identification.
 - Continue Pre-Plan development of high risk structures and occupancies.
 - Purchase and implement new inspection software by the beginning of 2019 to track violations, code compliance, and fire risk analysis. Software will include incorporation of the Mukilteo Municipal Codes and international codes related to prevention. Replaces the current paper system that is extremely time-consuming to administer.
 - Complete ICC Fire Plans Examiner certification.

- Raise the department's visibility to the community through a robust public education program including fire safety, injury prevention, and disaster resilience.
 - Provide fire safety education and rig tours to all 2nd Grade Elementary School classes in Mukilteo.
 - Designate both stations as a Safe Place and a Safe Haven. Complete the training and become part of the national registry, train all fire department personnel, mount appropriate signage at each station, and implement department wide.

Budget Highlights

- The 2018 budget for this division reflects no change in staffing levels.
- Compared to the 2017 budget, expenditures are decreasing approximately 18% in this division due the reallocation of the Fire Marshal's salary and benefits to the administrative division.

2018 Preliminary Budget

Fire Department

Fire Department - Prevention

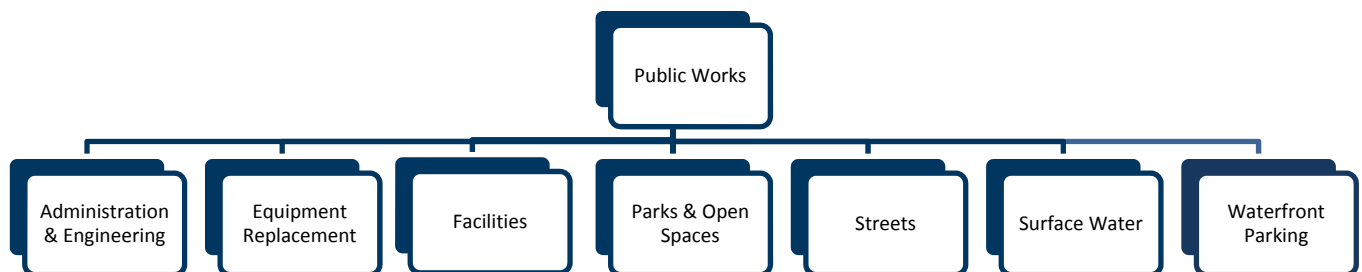
	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 27,101	\$ 4,000	\$ -	\$ -	\$ (4,000)
Overtime - Public Education Activities	1,939	-	-	-	-
Total Salaries & Wages	\$ 29,040	\$ 4,000	\$ -	\$ -	\$ (4,000)
Benefits					
	\$ 11,760	\$ -	\$ -	\$ -	\$ -
Total Benefits	\$ 11,760	\$ -	\$ -	\$ -	\$ -
Total Salaries & Benefits	\$ 40,800	\$ 4,000	\$ -	\$ -	\$ (4,000)
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 491	\$ 800	\$ -	\$ 600	\$ (200)
Reference Material	869	1,000	-	1,000	-
Supplies - Fire Prevention	6,288	2,800	2,800	3,800	1,000
Clothing/Boots	1,806	700	270	700	-
Motor Fuel	498	850	340	850	-
Small Items of Equipment	151	400	1,420	400	-
Total Supplies	\$ 10,103	\$ 6,550	\$ 4,830	\$ 7,350	\$ 800
Other Services & Charges					
Other Professional Services	\$ 42,716	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Communications Expense	982	1,050	820	1,050	-
Equipment & Vehicle R&M	-	400	-	400	-
Assoc. Dues & Memberships	-	500	-	500	-
Laundry Services	121	-	-	-	-
Total Other Services & Charges	\$ 43,819	\$ 6,950	\$ 5,820	\$ 6,950	\$ -
Total Operating Expenses	\$ 53,922	\$ 13,500	\$ 10,650	\$ 14,300	\$ 800
Total Fire Department - Prevention	\$ 94,722	\$ 17,500	\$ 10,650	\$ 14,300	\$ (3,200)

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, 27 school zone flashing lights, 22 rectangular rapid flashing beacons (RRFB's), and 9 radar speed signs.
- 55 miles of storm drains, 6.5 miles of ditches, 4,842 catch basins and 120 public detention and water quality facilities.
- 620 acres of parklands and landscaped areas, including tidelands.
- 75 vehicles and pieces of equipment – excluding police and fire.
- 23 municipal buildings.
- 1,486 Street lights (City owned: 310; PUD owned: 1,176) The City monitors the operation of all street lights, regardless of ownership.

Organization Chart:



Position Summary:

Position Title	2017	2018
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:

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Public Works					
Administration	\$ 445,983	\$ 456,970	\$ 423,332	\$ 460,970	\$ 4,000
Parks	514,026	598,562	598,570	455,550	(143,012)
Streets	825,402	789,968	789,968	714,000	(75,968)
Surface Water	2,347,437	2,997,994	1,754,231	3,486,953	488,959
Facilities Maintenance	624,669	684,095	672,164	675,730	(8,365)
Waterfront Parking	-	-	-	647,500	647,500
Total Departmental Summary	\$ 4,757,518	\$ 5,527,589	\$ 4,238,265	\$ 6,440,703	\$ 913,114

New Budget Item Summary

- There are 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.
- Build new capital facilities 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 flashing lights.
- Responsible for the City's transportation plan and assists with the development and implementation of the City's Capital Improvement Program.

2017 Accomplishments:

- Completed the preliminary design of Harbour Reach Corridor project.
- Continued to implement NPDES Phase II permit requirements.
- Created a cross functional team consisting of members from several City departments to plan and develop the City's ADA Transition Plan.
- Updated the 6-year Transportation Improvement Plan.
- Conducted 16 Traffic Studies and prepared 15 Traffic Action Plans for requestors as part of our Traffic Calming Program.
- Resurfaced 4.8 lane miles as part of the 2017 Pavement Preservation Project.
- Completed the design, bid, and construction of the City Hall Parking Lot Repairs project.
- Completed the bid and construction of the Lighthouse Quarters A & B Preservation project.

2018 Goals & Objectives

- Commence the final design phase of the Harbour Reach Drive Extension project and get it ready to construct in late 2018
- Begin the development of a Comprehensive Asset Management Program for the City
- Staff and support the Transportation Benefit District program in funding the City's Pavement Preservation and Bike Transit Walk Programs

- Evaluate and update the Mukilteo City Code, City Development Standards, and permitting forms to help streamline and simplify the City's permitting process. 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
- Continue with the self-evaluation of the public right of way and development of the City-wide ADA Transition plan
- Complete the design and construct the 61st Place W Retaining Wall Repairs, 61st Place Culvert, Curb Ramp Upgrades, and 2018 Pavement Preservation projects and begin the construction phase of the Harbour Pointe Boulevard SW Widening and Harbour Reach Corridor projects.
- Oversee the grants and funding associated with the construction of the Mukilteo Boys & Girls Club

Budget Highlights

- The 2018 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 2017 budget, expenditures are increasing approximately 0.9% due mainly to a slight increase in salaries.

New Budget Item Summary

- **Hazardous Tree Removal and Replanting:** The City is required to review resident requests to remove hazardous trees. This will begin to adequately fund the cost of removal; in 2017, the City paid \$28,750 for removal. City Staff will provide arborist services.
- **Rosehill Bark:** It is time to replace the bark on the grounds of Rosehill Community Center.

2018 Preliminary Budget

Public Works Department

Public Works - Administration & Engineering Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 223,125	\$ 293,212	\$ 274,022	\$ 295,000	\$ 1,788
Part Time Employees	6,348	-	-	-	-
Overtime	1,125	1,000	600	1,000	-
Total Salaries & Wages	\$ 230,598	\$ 294,212	\$ 274,622	\$ 296,000	\$ 1,788
Benefits					
	\$ 95,053	\$ 125,333	\$ 108,460	\$ 128,650	\$ 3,317
Total Benefits	\$ 95,053	\$ 125,333	\$ 108,460	\$ 128,650	\$ 3,317
Total Salaries & Benefits	\$ 325,652	\$ 419,545	\$ 383,082	\$ 424,650	\$ 5,105
<u>Operating Expenses</u>					
Supplies					
	\$ 7,432	\$ 5,350	\$ 3,810	\$ 4,900	\$ (450)
Total Supplies	\$ 7,432	\$ 5,350	\$ 3,810	\$ 4,900	\$ (450)
Other Services & Charges					
Engineering & Architect Services	\$ 30,919	\$ 8,000	\$ 9,920	\$ 8,000	\$ -
Other Professional Services	3,410	4,500	10,600	4,500	-
Communications Expense	3,615	2,500	4,070	3,300	800
Travel & Subsistence	2,103	1,500	470	1,500	-
Equipment Replacement Charges	48,000	-	-	-	-
Computer System Maint & Subscriptions	20,843	8,695	6,560	7,000	(1,695)
Assoc. Dues & Memberships	830	1,260	1,480	1,500	240
File, Recording Fees	64	800	-	800	-
Printing & Binding	199	500	420	500	-
Training & Registration Costs	2,796	4,200	2,800	4,200	-
Total Other Services & Charges	\$ 112,779	\$ 31,955	\$ 36,320	\$ 31,300	\$ (655)
Intergovernmental Services					
MRSC Small Works Roster Fee	\$ 120	\$ 120	\$ 120	\$ 120	\$ -
Total Intergovernmental Services	\$ 120	\$ 120	\$ 120	\$ 120	\$ -
Total Operating Expenses	\$ 120,331	\$ 37,425	\$ 40,250	\$ 36,320	\$ (1,105)
Total Public Works - Admin & Engineering Division	\$ 445,983	\$ 456,970	\$ 423,332	\$ 460,970	\$ 4,000

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.

2017 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

2018 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 Rosehill Community Center, and 92nd St Park.
- New bark in beds at Rosehill Community Center.
- Reduce chemical use by implementing green alternatives.

Budget Highlights

- The 2018 budget for Parks and Open Space reflects a 33% reduction in salary and benefit costs due to the reallocation of Lighthouse Park staff to the Waterfront Parking fund.
- Salary and benefit costs comprise approximately 71% of the total expenditure budget.
- Compared to the 2017 budget, expenditures are decreasing approximately 24% due to the reallocation of Lighthouse Park expenditures.



2018 BUDGET

Hazard Tree Removal and Replanting

Date Discussed by
Council: 10/23/17

Funding for removal and replanting of hazardous trees after request by resident, and with appropriate analysis by an arborist.

Fund Name

General

Amount Requested

\$15,000

Nature of the expenditure? **Ongoing**

Any Additional
Revenue? If Yes,
Identify Below

Expenditure Purpose and Justification

The City owns 600 wooded acres of open space and parks and roughly 65 miles of right-of-way with street trees and wooded areas. Numerous times during the year the City receives requests from residents and adjacent property owners to have trees on City-owned property removed because they consider them to be dangerous. The City's insurance provider, WCIA, notes that if the City is aware of a dangerous tree on City-owned property, the City could be liable for damage caused by the tree. The proper action is for a certified arborist to do a risk assessment followed by removal if necessary, based on the arborist's recommendation.

In 2018, the City is planning to have the Parks Department Maintenance Lead serve as the City's arborist once she becomes a Certified Arborist this fall. This NBI includes \$15,000 for tree removal and planting replacement trees.

Alternatives and Potential Costs

Mandated service needed to protect the City from liability or damage claims.

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

Department:	Public Works
Division:	Streets and Parks
Prepared by:	Mick Matheson

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

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



2018 BUDGET
Rosehill Bark

Discussed by
Infrastructure
Committee; Discussed
by Council: 10/23/17

The beds at the Rosehill Community Center are in need of bark replacement and replenishment.

Fund Name

General

Amount Requested

\$6,000

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

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

Expenditure Purpose and Justification

The beds at Rose Hill have little to no bark left in them. The beds currently have medium sized dark brown/red bark and due to the location of many of the beds the bark needs to be blown in as they can't be easily accessed with machinery.

Bark is beneficial as it holds moisture in the soil keeping the soil and the plants from drying out. Bark also keeps weeds from growing and is a natural way of weed control.

This project will use recycled wood chips in the lower areas where access is easier, machinery can be used and the aesthetics of the bark aren't as crucial. Recycled wood chips are currently in place at City Hall.

Alternatives and Potential Costs

Using new bark and wood chips to match the original bark throughout the property would cost \$2000 additional.

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

N/A

Department:	Public Works
Division:	Parks
Prepared by:	Matt Nienhuis

Expenditure Account # & Title	Amount
General Fund Parks	\$ 6,000
	\$ -
	\$ -
	\$ -

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

Public Works - Parks Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 177,979	\$ 253,369	\$ 279,730	\$ 180,000	\$ (73,369)
Part Time Employees	43,190	55,000	55,470	-	(55,000)
Acting Supervisor Pay	2,164	7,000	4,230	4,000	(3,000)
Overtime	1,234	2,000	2,600	2,500	500
Standby Pay	5,640	7,000	6,000	6,000	(1,000)
Total Salaries & Wages	\$ 230,206	\$ 324,369	\$ 348,030	\$ 192,500	\$ (131,869)
Benefits	\$ 101,219	\$ 155,393	\$ 139,860	\$ 129,500	\$ (25,893)
Total Benefits	\$ 101,219	\$ 155,393	\$ 139,860	\$ 129,500	\$ (25,893)
Total Salaries & Benefits	\$ 331,426	\$ 479,762	\$ 487,890	\$ 322,000	\$ (157,762)
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 19	\$ 250	\$ 40	\$ 250	\$ -
Operating Supplies	28,502	24,000	28,000	27,250	3,250
Clothing/Boots	4,640	4,500	5,000	3,500	(1,000)
Building Maintenance Supplies	4,277	2,000	200	1,000	(1,000)
Signs	625	1,000	690	500	(500)
Landscape Materials	3,836	3,000	40	8,500	5,500
Flower Basket Program	1,116	1,000	2,210	1,750	750
Motor Fuel	4,767	3,000	3,910	1,500	(1,500)
Small Items of Equipment	8,880	3,500	3,500	2,500	(1,000)
Total Supplies	\$ 56,662	\$ 42,250	\$ 43,590	\$ 46,750	\$ 4,500

Public Works - Parks Division (Continued)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
Other Services & Charges					
Other Professional Services	\$ 4,110	\$ 2,000	\$ 1,140	\$ 16,500	\$ 14,500
Telephone	850	900	720	900	-
Cell Phone	4,070	3,000	3,220	3,000	-
Travel & Subsistence Expense	827	1,800	60	1,800	-
Land Rental	2,280	2,150	4,700	-	(2,150)
Work Equip & Machine Rental	11,611	5,000	11,000	9,000	4,000
Electricity	4,467	5,680	4,240	5,680	-
Sewer Service	11,221	6,620	4,930	6,620	-
Garbage Service	1,491	1,000	-	1,000	-
Water Service	15,022	5,100	6,100	5,100	-
Storm Drainage Charges	22,533	20,000	14,000	15,000	(5,000)
Brush Disposal	2,143	1,000	-	-	(1,000)
Equipment R&M	18,255	10,000	4,500	10,000	-
Other Maintenance & Repair	16,926	3,100	3,290	2,100	(1,000)
Dog Park Maintenance	-	1,000	-	1,000	-
Laundry Service	1,558	1,200	1,690	1,600	400
Training & Registration Costs	4,885	2,500	3,000	3,000	500
HP Maintenance Assn Dues	3,690	4,500	4,500	4,500	-
Total Other Services & Charges	\$ 125,939	\$ 76,550	\$ 67,090	\$ 86,800	\$ 10,250
Total Operating Expenses	\$ 182,601	\$ 118,800	\$ 110,680	\$ 133,550	\$ 14,750
Total Public Works - Parks Division	\$ 514,026	\$ 598,562	\$ 598,570	\$ 455,550	\$ (143,012)

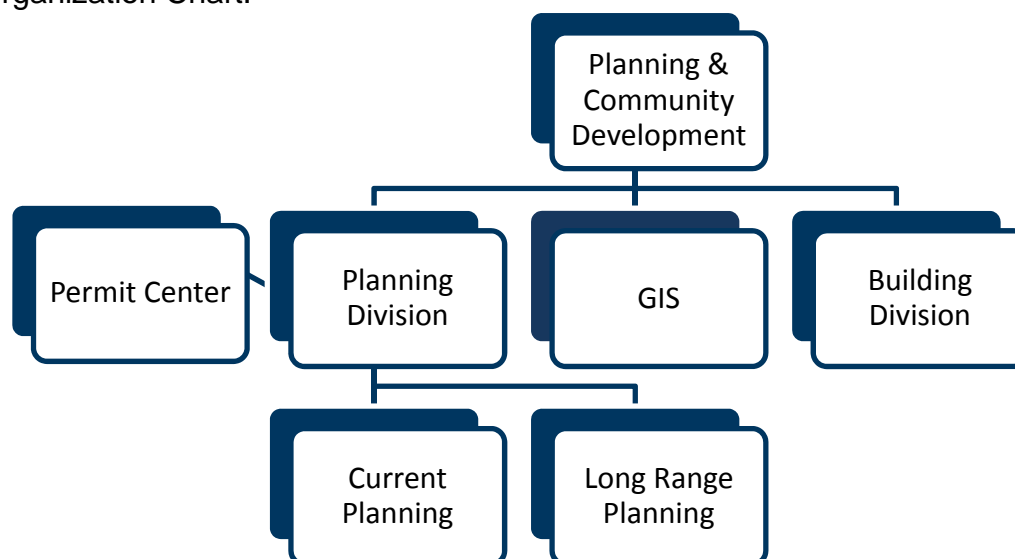
PLANNING & COMMUNITY DEVELOPMENT

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 as outlined in the Comprehensive Plan. 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 services.

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	2017	2018
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:

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Community Development					
Permits	\$ 272,197	\$ 280,236	\$ 273,470	\$ 280,400	\$ 164
Planning	607,040	772,105	621,058	810,410	38,305
Building	132,252	133,128	131,927	139,250	6,122
GIS - General Fund	82,160	92,666	91,835	86,250	(6,416)
GIS - Surface Water Fund	85,014	92,345	81,635	113,750	21,405
Total Departmental Summary	\$ 1,178,664	\$ 1,370,480	\$ 1,199,925	\$ 1,430,060	\$ 59,580

Expenditure Summary

- The 2018 budget for the Planning and Community Development Department maintains the existing staffing levels.
- Salary and benefit costs comprise almost 82% of the total expenditure budget.
- Major projects for 2018 include: Washington State Ferries Terminal Construction, Grant Application for the Waterfront Promenade and Japanese Gulch Creek design, and the NOAA and Tulalip Tribes Development Agreements.

New Budget Item Summary

- **Downtown Waterfront Redevelopment:** 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 2018 staff will continue work on the engineering designs and permitting for the promenade and Japanese Gulch daylighting site. Grant applications will be prepared and submitted to the Recreation and Conservation Office for construction in 2019 / 2020. The

funds for this work come from a 2017 Port of Everett grant. Expenditures are reflected in Planning Division's professional services budget on page 81.

- **3D GIS Software:** The Planning and Engineering Departments plan to purchase 3D GIS software tools that will complement new regional elevation data (soon to be released) that will allow City staff to construct visual images of our capital projects and street scape. This will enhance the public's understanding of City wide projects by taking a flat 2-dimensional drawing and converting it into a 3-dimensional model; in essence, 3-D models create a sense of realism making it easier to visualize how the project fits within the City's existing landscape. Expenses are reflected in the GIS budget on page 87.
- **Shoreline Master Plan:** This grant funded item is required to be updated by mid-2019. Work must begin in 2018. Expenditures are reflected in Planning Division's professional services budget on page 81.



2018 BUDGET

Downtown Waterfront Redevelopment

Date Discussed by
Council: 3/20/17,
10/23/17
Regarding
Implementation of
Waterfront Master Plan
2017 Budget Page 77

Grant-Funded Consultant Services to Support the Downtown
Waterfront Redevelopment Design Efforts

Fund Name

General

Amount Requested

\$140,000

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 City received a \$200,000 grant from the Port of Everett to develop 30% plans for the waterfront promenade and daylighting of Japanese Gulch. It was anticipated that this work would take two years: portion of 2017 and 2018. In 2018 the City will finalize the 30% plans and apply for Recreation and Conservation Office (RCO) Grants.

The proposed budget for this work would come from a grant from the Port of Everett: \$100,000 was paid in 2017 and the remaining \$100,000 will be paid in March of 2018.

However, out of the 2017 \$100,000 POE grant, the City has spent only about \$60,000 due to a delay in receiving a BNSF permit for survey work. The remaining \$40,000 out of the 2017 funds will be carried forward to 2018 as well as adding the 2018 (\$100,000) POE grant funds to the budget.

Projects Previously Approved by Council	Budget	Est. Carry Forward
Waterfront Redevelopment (2017 budget page 77)	\$ 100,000	\$ 40,000

Alternatives and Potential Costs

Funding is secured; the City and Port signed an Interlocal Agreement in 2017 guaranteeing the full \$200,000 grant.

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

The City is seeking State capital dollars, Snohomish County, and RCO grant funds to complete the project in 2019 and 2020.

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

Expenditure Account # & Title	Amount
Professional Services	\$ 140,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
POE Grant	\$ 140,000
	\$ -
	\$ -
	\$ -



2018 BUDGET GIS Software

Date Discussed by
Council: 10/23/17
Re: GIS Strategic Plan

3D GIS Software to enhance public understanding of projects.

Fund Name
Surface Water

Amount Requested

\$5,300

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

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

Expenditure Purpose and Justification

The Planning and Engineering Departments plan to purchase 3D GIS software tools that will complement new regional elevation data (soon to be released) and will allow City staff to construct visual images of our capital projects and streetscape. This will enhance the public's understanding of City wide projects by taking a flat 2-dimensional drawing and converting it into a 3-dimensional model. In essence, 3-D models create a sense of realism making it easier to visualize how the project fits within the City's existing landscape.

This data can also be fed into interactive maps, allowing map users to explore proposed developments against existing topography and structures within Mukilteo. The software will assist in the further development and refinement of surface water infrastructure data, can construct the City's infrastructure using our area's natural geography, and can create 3D images of the City's streets, sidewalks, bike lanes, and buildings. The package also enables creation of higher quality print maps.

Alternatives and Potential Costs

This is one of the highest priorities identified in the GIS Strategic Plan. Also, there is a high desire to visualize the changes on the waterfront. Without this software, we would either not have the tools or have to pay consultants to do the work.

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

There will be on-going software maintenance costs of around \$750 per year.

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

Expenditure Account # & Title	Amount
GIS Software & Maintenance	\$ 5,300
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
Stormwater Fund	\$ 5,300
	\$ -
	\$ -
	\$ -



2018 BUDGET

Shoreline Master Plan

Date Discussed by
Council:
10/23/17;
related to the Mukilteo
Shoreline Master
Program

Consultant Services to Support the Shoreline Master Plan Update;
funded by full funding grant from the Department of Commerce

Fund Name
General

Amount Requested

\$20,000

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

Any Additional
Revenue? If Yes,
Identify Below

Yes

Expenditure Purpose and Justification

Every eight years the City is required to update its Shoreline Master Plan. The next update for the City of Mukilteo is due June 30, 2019. Work will begin in the winter of 2018 to meet the mandatory statutory timeline established by the Legislature. The Department of Commerce will be providing grant funds to assist with the update process. Grant funds will be used for technical assistance needed to complete the periodic review required by the Department of Ecology. Staff will write the bulk of the plan similar to that of the City's adopted Comprehensive Plan.

Alternatives and Potential Costs

Mandatory update required by the Washington State Legislature. The update is required regardless if the City receives grant funds.

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

One time expenditure (once every eight years)

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

Expenditure Account # & Title	Amount
Professional Services	\$ 20,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
Commerce Grant	\$ 20,000
	\$ -
	\$ -
	\$ -

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 to retain city businesses, and oversee waterfront redevelopment. The division also provides staff support to the City Council, Planning Commission, and Hearing Examiner, including general and specialized land use research, drafting ordinances, policies and programs, and facilitating large-scale and multi-agency development projects.

The division'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.

2017 Accomplishments

- Completed, in partnership with the Recreation Department, the 6-year Parks, Recreation and Arts Plan update and the Peace Park strategic planning process.
- Finalized the Tank Farm Binding Site Plan, easements and property transfers.
- 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. Adopted two WSF Mitigation Agreements.
- Processed four Code Amendments: Commute Trip Reduction, Commuter Parking Lot Extension, Cell Towers, and Mitigation Impact Fees.
- Processed two Interlocal Agreements: Port Grant Funding and Annexation Agreement with Snohomish County.
- Progressed the Pedestrian Bridge designs with the Engineering Department and the Parks and Arts Commission.
- Formed a staff advisory group to review, streamline, and update the City's permit review and processing systems.
- Continued to: process daily permit applications, conduct field visits, and perform code enforcement activities.

2018 Goals & Objectives

- Continue the re-evaluation of the City's permit processing times for development applications to improve customer service and timeliness.
- Provide oversight & coordination of waterfront projects.
- Update the City's Shoreline Master Plan and Regulations.
- Update the City's sign code based on the US Supreme Court ruling requiring codes to be "content neutral".
- Work with Sound Transit, Tulalip Tribes, and private property owners on parking project feasibility issues.
- Continue staff support for Planning Commission, Hearing Examiner & Council Land Use and Economic Development committee.

Budget Highlights

- Salary and benefit costs comprise 72% of the total expenditure budget.
- Compared to the 2017 budget, expenditures have increased in this division due to salary and benefit costs and the professional services requests to continue moving the waterfront development plans forward and to update the City's Shoreline Master Plan. However, most of this increase is being covered by a grant from the Port of Everett to support the waterfront redevelopment work and a grant from the Department of Commerce to support the Shoreline Master Plan update process. These grant revenues are reflected in General Fund revenues on page 13.

Planning Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 384,893	\$ 435,535	\$ 344,910	\$ 425,000	\$ (10,535)
Overtime	4,047	9,425	7,440	8,000	(1,425)
Total Salaries & Wages	\$ 388,940	\$ 444,960	\$ 352,350	\$ 433,000	\$ (11,960)
Benefits					
	\$ 143,755	\$ 171,085	\$ 119,430	\$ 153,350	\$ (17,735)
Total Benefits	\$ 143,755	\$ 171,085	\$ 119,430	\$ 153,350	\$ (17,735)
Total Salaries & Benefits	\$ 532,695	\$ 616,045	\$ 471,780	\$ 586,350	\$ (29,695)
<u>Operating Expenses</u>					
Supplies					
	\$ 1,320	\$ 1,850	\$ 1,360	\$ 1,850	\$ -
Total Supplies	\$ 1,320	\$ 1,850	\$ 1,360	\$ 1,850	\$ -
Other Services & Charges					
Other Professional Services	\$ 51,608	\$ 120,500	\$ 120,500	\$ 190,500	\$ 70,000
Reimbursable Consulting	1,660	5,000	2,000	3,000	(2,000)
Reimbursable Copies	710	1,000	500	1,000	-
Communication Expense	4,911	4,710	6,690	4,710	-
Travel & Subsistence Expense	3,813	2,500	4,610	2,500	-
Legal Publications	2,618	3,500	2,618	3,500	-
Assoc. Dues & Memberships	2,263	2,500	2,000	2,500	-
Training & Registration Costs	3,578	4,500	1,500	4,500	-
Hearing Examiner	1,865	10,000	7,500	10,000	-
Total Other Services & Charges	\$ 73,026	\$ 154,210	\$ 147,918	\$ 222,210	\$ 68,000
Total Operating Expenses	\$ 74,345	\$ 156,060	\$ 149,278	\$ 224,060	\$ 68,000
Total Planning Division	\$ 607,040	\$ 772,105	\$ 621,058	\$ 810,410	\$ 38,305

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, the Parks & Arts Commission, and Hearing Examiners 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.

2017 Accomplishments:

- Issued roughly 520 permits.
- Responded to over 4,800 phone calls.
- Provided customer support to over 3,800 walk-in customers at the front counter.
- Continued to manage parking permit programs.
- Participated in the working group to improve the City's permit process.

2018 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 2018 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.

Permit Center Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 162,527	\$ 175,726	\$ 179,120	\$ 176,000	\$ 274
Overtime	5,331	15,757	8,000	9,000	(6,757)
Total Salaries & Wages	\$ 167,858	\$ 191,483	\$ 187,120	\$ 185,000	\$ (6,483)
Benefits					
	\$ 79,163	\$ 82,703	\$ 81,550	\$ 89,350	\$ 6,647
Total Benefits	\$ 79,163	\$ 82,703	\$ 81,550	\$ 89,350	\$ 6,647
Total Salaries & Benefits	\$ 247,021	\$ 274,186	\$ 268,670	\$ 274,350	\$ 164
<u>Operating Expenses</u>					
Supplies					
	\$ 4,056	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Total Supplies	\$ 4,056	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Other Services & Charges					
Communication Expense	\$ 653	\$ 700	\$ 660	\$ 700	\$ -
Travel & Subsistence	481	600	-	600	-
Equipment M&R	19,215	-	-	-	-
Training, Registration & Dues	771	750	140	750	-
Total Other Services & Charges	\$ 21,119	\$ 2,050	\$ 800	\$ 2,050	\$ -
Total Operating Expenses	\$ 25,176	\$ 6,050	\$ 4,800	\$ 6,050	\$ -
Total Permit Center Division	\$ 272,197	\$ 280,236	\$ 273,470	\$ 280,400	\$ 164

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.

2017 Accomplishments:

- Reviewed over 260 permit applications.
- Conducted approximately 750 building inspections.

2018 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 2018 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.

Building Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 70,733	\$ 82,970	\$ 72,590	\$ 85,000	\$ 2,030
Special Assignment Pay	10,610	-	10,820	-	-
Total Salaries & Wages	\$ 81,343	\$ 82,970	\$ 83,410	\$ 85,000	\$ 2,030
Benefits					
	\$ 42,413	\$ 39,208	\$ 39,760	\$ 43,700	\$ 4,492
Total Benefits	\$ 42,413	\$ 39,208	\$ 39,760	\$ 43,700	\$ 4,492
Total Salaries & Benefits	\$ 123,756	\$ 122,178	\$ 123,170	\$ 128,700	\$ 6,522
<u>Operating Expenses</u>					
Supplies					
	\$ 1,466	\$ 2,350	\$ 1,510	\$ 2,350	\$ -
Total Supplies	\$ 1,466	\$ 2,350	\$ 1,510	\$ 2,350	\$ -
Other Services & Charges					
Contract Services	\$ 4,260	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Communication Expense	936	1,450	740	1,150	(300)
Travel & Subsistence Expense	504	500	402	500	-
Assoc. Dues & Memberships	455	500	405	450	(50)
Training & Registration	875	950	700	900	(50)
Printing & Binding	-	200	-	200	-
Total Other Services & Charges	\$ 7,030	\$ 8,600	\$ 7,247	\$ 8,200	\$ (400)
Total Operating Expenses	\$ 8,496	\$ 10,950	\$ 8,757	\$ 10,550	\$ (400)
Total Building Division	\$ 132,252	\$ 133,128	\$ 131,927	\$ 139,250	\$ 6,122

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 by the public. 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.

2017 Accomplishments:

- Contracted with the Department of Commerce to prepare a GIS Needs Assessment for the City.
- Based on the Needs Assessment, began working on a 6-Year GIS Strategic Plan.
- Created a City GIS webpage with both interactive maps and pdf copies for use by the general public.
- Provided widespread mapping support for multiple large scale planning and engineering projects, including the Parks, Recreation, Open Space and Arts Plan and the waterfront redevelopment projects.
- Created several story maps that are available to the public including: Historic Imagery Viewer, Historic Photo Collection Map, Mukilteo Parks, Pavement Condition Map, Pioneer Cemetery Story Map and Plat Finder Map.
- Mapped 130+ public and private stormwater facilities and connecting infrastructure in the City.
- Verified stormwater connections and increased data accuracy over approximately one third of the city.

2018 Goals & Objectives

- Finalize the 6-Year GIS Strategic Plan.
- Finalize the stormwater facility inventory and data update project.
- Create “story maps” for the Comprehensive Plan and City public facilities.

Budget Highlights

- The 2018 budget for this division reflects no change in staffing levels.
- Salary and benefit costs comprise 91% of the total expenditure budget.

GIS Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
Salaries & Benefits					
Salaries & Wages					
Full Time Employees	\$ 71,058	\$ 129,142	\$ 120,830	\$ 133,800	\$ 4,658
Total Salaries & Wages	\$ 71,058	\$ 129,142	\$ 120,830	\$ 133,800	\$ 4,658
Benefits					
Total Benefits	\$ 25,155	\$ 43,769	\$ 42,400	\$ 48,800	\$ 5,031
Total Salaries & Benefits	\$ 96,214	\$ 172,911	\$ 163,230	\$ 182,600	\$ 9,689
Operating Expenses					
Supplies					
Total Supplies	\$ 27,983	\$ 3,000	\$ 1,500	\$ 3,000	\$ -
Other Services & Charges					
Other Professional Services	\$ 20,000	\$ 2,500	\$ 3,000	\$ 2,500	\$ -
GIS Software & Maintenance	6,610	-	-	5,300	5,300
Communication Expense	272	800	740	800	-
Travel & Subsistence	502	3,000	2,750	3,000	-
Assoc. Dues & Memberships	13,036	600	50	600	-
Printing & Binding	1,327	1,000	1,000	1,000	-
Training & Registration Costs	1,230	1,200	1,200	1,200	-
Total Other Services & Charges	\$ 42,978	\$ 9,100	\$ 8,740	\$ 14,400	\$ 5,300
Total Operating Expenses	\$ 70,961	\$ 12,100	\$ 10,240	\$ 17,400	\$ 5,300
Total GIS Division	\$ 167,174	\$ 185,011	\$ 173,470	\$ 200,000	\$ 14,989

GIS Division (General Fund)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 47,968	\$ 65,165	\$ 64,210	\$ 57,800	\$ (7,365)
Total Salaries & Wages	\$ 47,968	\$ 65,165	\$ 64,210	\$ 57,800	\$ (7,365)
Benefits					
	\$ 16,322	\$ 22,001	\$ 22,000	\$ 25,450	\$ 3,449
Total Benefits	\$ 16,322	\$ 22,001	\$ 22,000	\$ 25,450	\$ 3,449
Total Salaries & Benefits	\$ 64,291	\$ 87,166	\$ 86,210	\$ 83,250	\$ (3,916)
<u>Operating Expenses</u>					
Supplies					
	\$ 1,224	\$ 500	\$ 500	\$ 500	\$ -
Total Supplies	\$ 1,224	\$ 500	\$ 500	\$ 500	\$ -
Other Services & Charges					
Other Professional Services	\$ -	\$ 2,500	\$ 3,000	\$ -	\$ (2,500)
GIS Software & Maintenance	3,305	-	-	-	-
Communication Expense	-	100	-	100	-
Travel & Subsistence	385	1,500	1,500	1,500	-
Assoc. Dues & Memberships	12,675	300	25	300	-
Training & Registration Costs	280	600	600	600	-
Total Other Services & Charges	\$ 16,646	\$ 5,000	\$ 5,125	\$ 2,500	\$ (2,500)
Total Operating Expenses	\$ 17,870	\$ 5,500	\$ 5,625	\$ 3,000	\$ (2,500)
Total GIS Division (General Fund)	\$ 82,160	\$ 92,666	\$ 91,835	\$ 86,250	\$ (6,416)

GIS Division (Surface Water Fund)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 23,090	\$ 63,977	\$ 56,620	\$ 76,000	\$ 12,023
Total Salaries & Wages	\$ 23,090	\$ 63,977	\$ 56,620	\$ 76,000	\$ 12,023
Benefits	\$ 8,833	\$ 21,768	\$ 20,400	\$ 23,350	\$ 1,582
Total Benefits	\$ 8,833	\$ 21,768	\$ 20,400	\$ 23,350	\$ 1,582
Total Salaries & Benefits	\$ 31,923	\$ 85,745	\$ 77,020	\$ 99,350	\$ 13,605
<u>Operating Expenses</u>					
Supplies	\$ 26,759	\$ 2,500	\$ 1,000	\$ 2,500	\$ -
Total Supplies	\$ 26,759	\$ 2,500	\$ 1,000	\$ 2,500	\$ -
Other Services & Charges					
Other Professional Services	\$ 20,000	\$ -	\$ -	\$ 2,500	\$ 2,500
GIS Software & Maintenance	3,305	-	-	5,300	5,300
Communication Expense	272	700	740	700	-
Travel & Subsistence	117	1,500	1,250	1,500	-
Assoc. Dues & Memberships	360	300	25	300	-
Printing & Binding	1,327	1,000	1,000	1,000	-
Training & Registration Costs	950	600	600	600	-
Total Other Services & Charges	\$ 26,332	\$ 4,100	\$ 3,615	\$ 11,900	\$ 7,800
Total Operating Expenses	\$ 53,091	\$ 6,600	\$ 4,615	\$ 14,400	\$ 7,800
Total GIS Division (Surface Water Fund)	\$ 85,014	\$ 92,345	\$ 81,635	\$ 113,750	\$ 21,405

RESERVE FUNDS

- City Reserve
- LEOFF I 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.

2018 Preliminary Budget

Reserve Funds

City Reserve Fund (012)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Revenue and transfers-in					
Transfers-in	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenue and transfers-in	\$ -	\$ -	\$ -	\$ -	\$ -
Total resources	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Expenditures and transfers-out					
Transfers-out	\$ -	\$ -	\$ -	\$ -	\$ -
Total expenditures and transfers-out	\$ -	\$ -	\$ -	\$ -	\$ -
Ending fund balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -

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 2018 Budget includes a transfer in from the General Fund of \$20,000 to fund anticipated 2018 expenditures.

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

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 44,330	\$ 7,137	\$ 7,137	\$ 29,847	\$ 22,710
Revenue and transfers-in					
Transfers-in	\$ -	\$ 35,000	\$ 35,000	\$ 20,000	\$ (15,000)
Total revenue and transfers-in	\$ -	\$ 35,000	\$ 35,000	\$ 20,000	\$ (15,000)
Total resources	\$ 44,330	\$ 42,137	\$ 42,137	\$ 49,847	\$ 7,710
Expenditures and transfers-out					
Personnel benefits	\$ 35,793	\$ 36,000	\$ 11,960	\$ 18,500	\$ (17,500)
OFM assessment fee	1,400	1,400	330	1,500	100
Total expenditures and transfers-out	\$ 37,193	\$ 37,400	\$ 12,290	\$ 20,000	\$ (17,400)
Ending fund balance	\$ 7,137	\$ 4,737	\$ 29,847	\$ 29,847	\$ 25,110

SPECIAL REVENUE FUNDS

- Transportation Benefit District
- Waterfront Parking
- Street
- Recreation & Cultural Services
- Hotel/Motel Lodging Tax
- Emergency Medical Services
- Drug Enforcement

TRANSPORTATION BENEFIT DISTRICT

Purpose:

A Transportation Benefit District (TBD) is a Quasi-municipal corporation and independent taxing district created for the sole purpose of funding transportation improvements within the district. On April 3, 2017, after conducting a public hearing, the Mukilteo City Council approved Ordinance #1399 that formed the Mukilteo Transportation Benefit District. The ordinance specifies that the boundaries of the TBD include the entire City of Mukilteo as the boundaries currently exist or as they may exist following future annexations.

The City of Mukilteo has formed the Mukilteo Transportation Benefit District for the purpose of constructing transportation improvements to preserve city streets and improve pedestrian and bicyclist safety. State law requires that any sales tax revenues approved by voters for a Transportation Benefit District may only be spent for transportation improvements as identified by the Governing Board of the Mukilteo Transportation Benefit District. The Governing Board has identified two projects from the City of Mukilteo Transportation Improvement Program for funding: the annual pavement preservation program and Bike Transit Walk program for construction of sidewalks, walkways, bike lanes or shared-use paths.

2017 Accomplishments:

- Established the Transportation Benefit District (TBD) and TBD Fund.
- Placed a measure on the November ballot for a 0.1% Sales Tax.
- Produced an informational mailer for voters.

2018 Goals & Objectives

- Continue progress on the City's Pavement Preservation Program.

Budget Highlights

- The 2018 Budget includes one New Budget Item for Pavement Preservation.



2018 BUDGET

2018 Annual Street Preservation

Previously Discussed by
Council and
Transportation Benefit
District

Preservation of roadway surface with various pavement preservation techniques. As planned, this annual program also funds project management and overhead costs.

Fund Name
Transportation
Benefit District

Amount Requested

\$ **823,000**

Nature of the expenditure?

Ongoing

Any Additional
Revenue? If Yes,
Identify Below

Yes

Expenditure Purpose and Justification

Based on the Pavement Preservation Program, Wise Investments in Transportation Taskforce and City Council recommendations, this proposal includes funding of the preservation need at \$900,000. In addition to updating the City's Pavement Condition Index (PCI) rating and resurfacing recommended streets throughout the City, the 2018 program will also be used to fund required matching components of one pavement preservation grant as well as fund the resurfacing component of the Harbour Pointe Blvd. Widening Project. Future years will fund other streets, based on the Pavement Preservation Program, along with project management and outreach support from contracting consultants.

88th Street SW Pavement Preservation Project - A federal grant was received in late 2016 for the resurfacing of 88th Street SW. Design is scheduled to begin in 2018 with construction anticipated in 2019. There is a 13.5% matching requirement for this grant. The City match amount required to complete the design is \$8,700.

Harbour Pointe Blvd. Widening - The Harbour Pointe Blvd Widening project design is currently underway and is scheduled for construction in 2018. The project is funded with a Transportation Improvement Board grant and has a 40% City-matching requirement. The original scope and budget of the project did not include the resurfacing of Harbour Pointe Blvd in the project limits. Due to the existing condition of the pavement, the proposed lane reconfigurations, and due to the fact a contractor will be on-site constructing the project, staff recommends resurfacing Harbour Pointe Blvd in the area of the project limits as a part of the project. The current estimate for this resurfacing

Funding History

Budget

Est. Carry Forward

2016-2017 Pavement Preservation	\$ 1,003,555	\$ 155,946
Total	\$ 1,003,555	\$ 155,946

Alternatives and Potential Costs

If the sales tax measure does not pass, Council could fund the difference through General Fund revenues and other service level reductions or could reduce the level of investment in pavement in 2018. If not funded, the deferred cost of pavement surface maintenance will increase over time. This will reduce the level of service to the community. The Council could choose to decrease funding for this program. In addition, Council could choose to fund the matching portions of the grants via the general fund. An alternative could include hiring additional staffing to do public outreach, project management and engineering.

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

This is an ongoing program.

This proposal assumes passage of the sales tax ballot measure, which would begin collections in April, for three quarters of the year.

Department:	Public Works
Division:	Engineering
Prepared by:	Mick Matheson, Public Works Director

Expenditure Account # & Title	Amount
PCI Street Condition Index	\$ 21,000
Pavement Preservation	\$ 543,300
88th St SW Pavement	\$ 8,700
Harbour Pt Blvd S Widening	\$ 250,000

Revenue Account # & Title	Amount
REET II	\$ 450,000
0.1% Sales Tax, beginning in April	\$ 238,000
REET I Transfer, Bond Savings	\$ 25,000
Gen. Fund Business License Fees Revenue	\$ 60,000
Gen. Fund Reduction in Paine Field Defense	\$ 50,000

Transportation Benefit District Fund (101)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue and transfers-in					
Retail Sales & Use Tax	\$ -	\$ -	\$ -	\$ 238,000	\$ 238,000
Transfers-in	-	13,000	13,000	740,946	727,946
Total revenue and transfers-in	<u>\$ -</u>	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>978,946</u>	<u>\$ 727,946</u>
Total resources	<u>\$ -</u>	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ 978,946</u>	<u>\$ 727,946</u>
Expenditures and transfers-out					
Other services & charges	\$ -	\$ 13,000	\$ 13,000	\$ -	\$ (13,000)
Capital Outlay	-	-	-	978,946	978,946
Total expenditures and transfers-out	<u>\$ -</u>	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ 978,946</u>	<u>\$ 965,946</u>
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

WATERFRONT PARKING

Purpose:

The Mukilteo Lighthouse Park was constructed in the 1950s on a filled tideland and has provided continuous public beach access up to the present. The former Washington State Park was deeded to the City in 2003. In 2004, the City adopted a Lighthouse Park Master Plan to make physical improvements to the approximately 14.4 acre site. Phases I & II of the Plan are completed.

The City has instituted a paid parking program to encourage parking space turnover and to pay for the services needed to maintain the park and waterfront. Net revenues from the program are planned to be used to fund pedestrian improvements, park maintenance, park enhancement, implementation of the Waterfront Master Plan, and potentially long-term parking solutions, such as a parking garage. The 2018 budget is the first budget year these revenues and expenditures will be shown in a separate fund; they were previously included in the General Fund.

The fund includes salary and benefits for Community Service Officer-Rangers who enforce parking regulations and Public Works-Parks employees who maintain the grounds and buildings within the park. All of these employees provide assistance and service to visitors of the park as needed.

2017 Accomplishments:

- Maintained a high level of service for visitors of Lighthouse Park.
- Implemented the Passport Inc. mobile payment platform for web and app based parking payments in the downtown paid parking area.
- Installed new boat launch pay machine.

2018 Goals & Objectives

- Continue to provide a high level of service to visitors of Lighthouse Park.

Budget Highlights

- The 2018 Budget is the first year for the Lighthouse Park Parking revenues and expenditures to be shown in a separate fund; in prior budget years these amounts were included within the General Fund, in Public Works Parks Division and Police Community Support Division. These expenses can be found on pages 44 and 71-72 of the 2017 final budget. Expenses from banking fees are also included, 2017 expenses can be found on page 29 of the 2017 final budget.
- Increases from 2017 expenses reflect salary and benefit increases governed by collective bargaining agreements and the replacement of the ranger vehicle.

2018 Preliminary Budget

Special Revenue Funds

Waterfront Parking Fund (105)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue and transfers-in					
LH Park day use parking fees	\$ -	\$ -	\$ -	\$ 450,000	\$ 450,000
Boat launch revenue	-	-	-	30,000	30,000
Annual boat launch permits	-	-	-	10,000	10,000
Commuter parking fees	-	-	-	157,500	157,500
Total revenue and transfers-in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 647,500</u>	<u>\$ 647,500</u>
Total resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 647,500</u>	<u>\$ 647,500</u>
Expenditures and transfers-out					
Salaries & wages	\$ -	\$ -	\$ -	\$ 290,000	\$ 290,000
Personnel benefits	-	-	-	133,100	133,100
Supplies	-	-	-	28,920	28,920
Other services & charges	-	-	-	195,480	195,480
Total expenditures and transfers-out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 647,500</u>	<u>\$ 647,500</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Public Works - Waterfront Parking Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ -	\$ -	\$ -	\$ 219,000	\$ 219,000
Part Time Employees	-	-	-	67,000	67,000
Overtime	-	-	-	3,500	3,500
Standby Pay	-	-	-	500	500
Total Salaries & Wages	\$ -	\$ -	\$ -	\$ 290,000	\$ 290,000
Benefits	\$ -	\$ -	\$ -	\$ 133,100	\$ 133,100
Total Benefits	\$ -	\$ -	\$ -	\$ 133,100	\$ 133,100
Total Salaries & Benefits	\$ -	\$ -	\$ -	\$ 423,100	\$ 423,100
<u>Operating Expenses</u>					
Supplies					
Operating Supplies	\$ -	\$ -	\$ -	\$ 15,570	\$ 15,570
Clothing/Boots	-	-	-	2,500	2,500
Building Maint Supplies	-	-	-	1,000	1,000
Signs	-	-	-	500	500
Landscape Materials	-	-	-	500	
Motor Fuel	-	-	-	4,100	4,100
Small Items of Equipment	-	-	-	4,750	4,750
Total Supplies	\$ -	\$ -	\$ -	\$ 28,920	\$ 28,920

Public Works - Waterfront Parking Division (Continued)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
Other Services & Charges					
Other Professional Services	\$ -	\$ -	\$ -	\$ 500	\$ 500
Postage	-	-	-	500	500
Cell Phone	-	-	-	1,300	1,300
Land Rental	-	-	-	2,150	2,150
Repairs and Maintenance	-	-	-	10,000	10,000
Banking Fees	-	-	-	72,000	72,000
Equipment Replacement Charges	-	-	-	33,000	33,000
Facilities Maintenance Service Charge	-	-	-	76,030	76,030
Total Other Services & Charges	\$ -	\$ -	\$ -	\$ 195,480	\$ 195,480
Total Operating Expenses	\$ -	\$ -	\$ -	\$ 224,400	\$ 224,400
Total Public Works - Lighthouse Parking Division	\$ -	\$ -	\$ -	\$ 647,500	\$ 647,500

STREET FUND

Purpose:

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 flashing lights, 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.

2017 Accomplishments:

- Installed pavement markings on Washington Avenue; speed limit markings on Possession Way, Chennault Beach Road, and Washington Avenue, Installed radar speed signs on Harbour Heights Parkway. Installed Rapid Flashing Beacons for the crosswalk on 5th at Cornelia, Harbour Pointe Boulevard SW at 55th Place W, Harbour Pointe Boulevard at 108th Place SW, and Harbour Pointe Boulevard at 50th Place W.
- Continued to implement the City's retro-reflectivity monitoring program and continue street sign replacement and repair program.
- Managed contracts/agreements for street striping, vegetation control.
- Pavement patching on 107th Street SW, 104th PI SW, four locations on Harbour Pointe Blvd, Harbour Pointe Boulevard path, and 133 St SW.
- Repaired concrete sidewalks at 19th St, 100th PI, Beverly Park Road, and Discovery Crest.
- Restriped crosswalks, boat trailer parking and commuter parking lot.
- The City contracted to remove 44 hazard trees. City crews removed 13 trees as well.

2018 Goals & Objectives

- Continue a GIS inventory of all City owned street signs.
- Evaluate public right-of-way pedestrian access routes for compliance with ADA requirements.
- Re-evaluate road striping throughout City.

Budget Highlights

- The 2018 budget for this division reflects a 3% reduction in salary and benefit costs due to reallocation of expenditures based on staff duties.
- The budget includes no new budget items.
- Salary and benefit costs comprise approximately 61% of the total expenditure budget.
- Compared to the 2017 budget, expenditures are decreasing by just under 10%.
- This fund is budgeted to have a \$0 fund balance at the end of the year. Since revenues are not adequate to cover planned expenditures, this budget includes a transfer in from the General Fund of \$186,500. The 2017 amended budget included a transfer of \$254,361.

2018 Preliminary Budget

Special Revenue Funds

Street Fund (111)

	2016	2017	2017	2018	Increase/ (Decrease)
	Actuals	Amended Budget	Estimated Actuals	Budget	
Beginning fund balance	\$ 561	\$ -	\$ -	\$ -	\$ -
Revenue and transfers-in					
Commercial parking tax	\$ 53,555	\$ 55,000	\$ 55,000	\$ 55,000	\$ -
Multimodal transportation - cities	21,386	-	-	30,000	
Street fuel tax	451,156	480,607	480,607	435,000	(45,607)
Other charges for services	4,962	-	-	7,500	7,500
Other miscellaneous revenue	985	-	-	-	-
Transfers-in	292,797	254,361	254,361	186,500	(67,861)
Total revenue and transfers-in	<u>\$ 824,841</u>	<u>\$ 789,968</u>	<u>\$ 789,968</u>	<u>\$ 714,000</u>	<u>\$ (105,968)</u>
Total resources	<u>\$ 825,402</u>	<u>\$ 789,968</u>	<u>\$ 789,968</u>	<u>\$ 714,000</u>	<u>\$ (105,968)</u>
Expenditures and transfers-out					
Salaries & wages	\$ 306,153	\$ 302,369	\$ 300,849	\$ 276,200	\$ (26,169)
Personnel benefits	140,449	151,409	129,980	161,800	10,391
Supplies	98,034	56,500	59,310	62,500	6,000
Other services & charges	228,316	219,690	215,829	153,500	(66,190)
Intergovernmental services	46,450	54,000	84,000	54,000	-
Capital outlay	6,000	6,000	-	6,000	-
Total expenditures and transfers-out	<u>\$ 825,402</u>	<u>\$ 789,968</u>	<u>\$ 789,968</u>	<u>\$ 714,000</u>	<u>\$ (75,968)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2018 Preliminary Budget

Special Revenue Funds

Public Works - Streets Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 294,963	\$ 287,869	\$ 287,869	\$ 264,000	\$ (23,869)
Overtime	5,123	6,000	5,960	5,000	(1,000)
Acting Supervisor Pay	3,337	4,500	1,140	1,200	(3,300)
Standby Pay	2,730	4,000	5,880	6,000	2,000
Total Salaries & Wages	\$ 306,153	\$ 302,369	\$ 300,849	\$ 276,200	\$ (26,169)
Benefits	\$ 140,449	\$ 151,409	\$ 129,980	\$ 161,800	\$ 10,391
Total Benefits	\$ 140,449	\$ 151,409	\$ 129,980	\$ 161,800	\$ 10,391
Total Salaries & Benefits	\$ 446,602	\$ 453,778	\$ 430,829	\$ 438,000	\$ (15,778)
<u>Operating Expenses</u>					
Supplies					
Operating Supplies	\$ 12,308	\$ 6,000	\$ 10,000	\$ 10,000	\$ 4,000
Clothing/Boots	2,800	3,000	3,000	3,000	-
Aggregate	4,905	4,500	4,500	4,500	-
Traffic Control Device Supply	60,824	28,000	21,560	28,000	-
Motor Fuel	9,253	7,000	8,770	9,000	2,000
Small Items of Equipment	7,637	5,000	11,480	5,000	-
Street Lighting Equipment	306	3,000	-	3,000	-
Total Supplies	\$ 98,034	\$ 56,500	\$ 59,310	\$ 62,500	\$ 6,000

Public Works - Streets Division (Continued)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
Other Services & Charges					
Equipment Replacement Charges	\$ 19,890	\$ 67,890	\$ 68,090	\$ -	\$ (67,890)
Contract Services	61,104	30,000	36,920	30,000	-
Telephone	850	800	720	800	-
Cell Phone	2,105	1,500	2,170	2,200	700
Travel & Subsistence	2,475	1,200	20	1,200	-
Work Equip & Machine Rental	4,005	2,000	-	2,000	-
Electricity Street Lights	109,422	92,000	93,970	92,000	-
Construction Debris Disposal	366	1,000	40	600	(400)
Equipment R&M	14,274	8,000	6,300	8,000	-
Vehicle R&M	8,913	12,000	7,170	12,000	-
Laundry Services	1,558	1,300	1,690	1,700	400
Training & Registration	3,353	2,000	5,710	3,000	1,000
Total Other Services & Charges	\$ 228,316	\$ 219,690	\$ 222,800	\$ 153,500	\$ (66,190)
Total Operating Expenses	\$ 326,350	\$ 276,190	\$ 282,110	\$ 216,000	\$ (60,190)

Intergovernmental Services

Intergovernmental Services					
Lane Striping & Marking	\$ 32,478	\$ 29,000	\$ 52,029	\$ 30,000	\$ 1,000
Street Light Maintenance	13,544	22,000	22,000	22,000	-
Repairs in Row	-	1,000	1,000	1,000	-
Row Veg Maintenance	428	2,000	2,000	1,000	(1,000)
Total Intergovernmental Services	\$ 46,450	\$ 54,000	\$ 77,029	\$ 54,000	\$ -
Total Intergovernmental Services	\$ 46,450	\$ 54,000	\$ 77,029	\$ 54,000	\$ -

Public Works - Streets Division (Continued)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Capital</u>					
Capital Outlay					
Other Machinery & Equipment	\$ 6,000	\$ 6,000	\$ -	\$ 6,000	\$ -
Total Capital Outlay	\$ 6,000	\$ 6,000	\$ -	\$ 6,000	\$ -
Total Capital	\$ 6,000	\$ 6,000	\$ -	\$ 6,000	\$ -
Total Public Works - Streets Division	\$ 825,402	\$ 789,968	\$ 789,968	\$ 714,000	\$ (75,968)

RECREATION & CULTURAL SERVICES

Purpose:

The Recreation and Cultural Services Department provides an array of recreational opportunities to the Mukilteo community. Whether someone desires to improve his her fitness level, learn a new skill, take a class on reducing stress, schedule a room for a party, quietly read a book in the Rosehill Room, or engage with others around a board game, the department offers something for activities for all ages. From preschool to seniors, we have something for everyone!

The department offers an assortment of special events each year, too, which include traditional favorites such as “Boo Bash” and “Touch a Truck”. Another great way to get involved would be to volunteer for the department. Programs such as “Beach Watchers” enable volunteers to help beautify our waterfront in Mukilteo, and provide opportunities for community members to get to know their neighbors.

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.

Position Summary:

Position Title	2017	2018
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:

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Recreation	725,473	872,113	872,113	834,135	\$ (37,978)
Total Departmental Summary	\$ 725,473	\$ 872,113	\$ 872,113	\$ 834,135	\$ (37,978)

2017 Accomplishments

- Rosehill served 211 total participants across 20 camps.
- In co-sponsorship with the Mukilteo Chamber of Commerce, Rosehill offered two Movies in the Park events, exceeding 350 total participants.
- The popularity of the Osher Lifelong Learning series has allowed for additional offerings, including evening lectures and new classes.
- Coordinated with Beach Watchers to offer 10 free educational sessions at low tide on the beach at Lighthouse Park.
- In honor of the victims of the Mukilteo shooting that took place in 2016, a Community Picnic was held at Lighthouse Park, which hosted approximately 100 participants.
- In support of connecting families and building community spirit, offered 16 free community events at the Rosehill Community Center in 2017. Approximately 9,000 people attended these events.
- Coordinated with the Planning Department for the public process for development of the Peace Park design.
- Tracked overnight stays at Mukilteo hotels generated from rentals at the Rosehill Community Center. Generated more than 550 overnight stays.
- Partnered with the Mukilteo Senior Association and Snohomish County on a grant to offer expanded senior program offerings to the Mukilteo senior community.

2018 Goals & Objectives

- Complete the Department's business plan.
- 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.
- Continue to develop the marketing strategy to fund the Recreation Class Scholarship Program.
- Reach a 90%+ cost recovery rate on direct expenses.

Budget Highlights

- The 2018 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 continuing 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 Rosehill Community Center.
- This fund is budgeted to have a \$0 fund balance at the end of the year. Since revenues are not adequate to cover planned expenditures, this budget includes a transfer in from the General Fund of \$218,335. The 2017 amended budget included a transfer of \$248,043.

2018 Preliminary Budget

Special Revenue Funds

Recreation & Cultural Services (114)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue and transfers-in					
Grants	\$ 51,101	\$ 40,670	\$ 40,670	\$ 52,000	\$ 11,330
Recreation program fees	80,669	105,000	105,000	95,000	(10,000)
Alcohol use fee	6,650	15,000	15,000	15,000	-
Other charges for services	2,880	3,550	3,550	3,100	(450)
Community center room rentals	394,889	410,000	410,000	400,000	(10,000)
Outdoor community center rentals	6,950	6,000	6,000	7,500	1,500
Weight room rentals	13,594	12,000	12,000	14,000	2,000
Picnic shelter rentals	9,710	12,700	12,700	12,700	-
Light Station rentals	1,425	2,500	2,500	2,500	-
Parking space rentals	10,222	10,300	10,300	11,000	700
Investment interest	-	800	800	-	(800)
Sponsorships	4,550	5,500	5,500	3,000	(2,500)
Other miscellaneous revenue	5,280	50	50	-	(50)
Transfers-in	137,553	248,043	248,043	218,335	(29,708)
Total revenue and transfers-in	<u>\$ 725,473</u>	<u>\$ 872,113</u>	<u>\$ 872,113</u>	<u>\$ 834,135</u>	<u>\$ (37,978)</u>
Total resources	<u>\$ 725,473</u>	<u>\$ 872,113</u>	<u>\$ 872,113</u>	<u>\$ 834,135</u>	<u>\$ (37,978)</u>
Expenditures and transfers-out					
Salaries & wages	\$ 390,158	\$ 415,281	\$ 447,780	\$ 458,500	\$ 43,219
Personnel benefits	145,959	148,247	133,360	177,900	29,653
Supplies	13,011	20,050	19,253	18,400	(1,650)
Other services & charges	176,345	288,535	271,720	179,335	(109,200)
Total expenditures and transfers-out	<u>\$ 725,473</u>	<u>\$ 872,113</u>	<u>\$ 872,113</u>	<u>\$ 834,135</u>	<u>\$ (37,978)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Recreation Department

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 256,018	\$ 271,516	\$ 297,380	\$ 300,000	\$ 28,484
Part Time Employees	131,270	143,265	149,730	158,000	14,735
Overtime	2,870	500	670	500	-
Total Salaries & Wages	\$ 390,158	\$ 415,281	\$ 447,780	\$ 458,500	\$ 43,219
Benefits					
	\$ 145,958	\$ 148,247	\$ 133,360	\$ 177,900	\$ 29,653
Total Benefits	\$ 145,958	\$ 148,247	\$ 133,360	\$ 177,900	\$ 29,653
Total Salaries & Benefits	\$ 536,116	\$ 563,528	\$ 581,140	\$ 636,400	\$ 72,872
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 3,249	\$ 4,500	\$ 2,633	\$ 4,000	\$ (500)
Operating Supplies	7,628	9,550	4,860	8,400	(1,150)
Small Items of Equip and Misc.	2,134	6,000	11,760	6,000	-
Total Supplies	\$ 13,011	\$ 20,050	\$ 19,253	\$ 18,400	\$ (1,650)

Recreation Department (Continued)

	2015 Actuals	2016 Amended Budget	2016 Estimated Actuals	2017 Budget	\$ Increase/ (Decrease)
Other Services & Charges					
Other Professional Services	\$ 4,670	\$ 6,750	\$ 42,610	\$ 6,750	\$ -
Park Plan Professional Services	-	100,000	100,000	-	(100,000)
Instructors Professional Services	53,545	65,000	33,120	60,000	(5,000)
WSU Beach Watchers - Other Prof Services	7,500	7,500	-	7,500	-
Communication Expense	12,938	13,340	11,110	13,040	(300)
Travel & Subsistence Expense	389	1,800	2,190	200	(1,600)
Advertising	11,023	15,270	15,270	15,270	-
Community Advertising - Recreation Guide	25,554	26,000	24,620	26,000	-
Work Equip & Machine Rental	1,231	575	540	575	-
Short-Term Facility/Field Rental	2,948	5,000	140	5,000	-
Office Equipment M&R	8,265	5,400	5,400	5,000	(400)
Other Maintenance & Repair	442	1,200	60	1,200	-
Assoc. Dues & Memberships	678	600	150	600	-
Printing and Binding	1,692	3,000	3,000	2,100	(900)
Contractual Services	41,670	34,500	32,970	33,500	(1,000)
Training & Registration	3,670	2,600	540	2,600	-
Miscellaneous	132	-	-	-	-
Total Other Services & Charges	\$ 176,345	\$ 288,535	\$ 271,720	\$ 179,335	\$ (109,200)
Total Operating Expenses	\$ 189,356	\$ 308,585	\$ 290,973	\$ 197,735	\$ (110,850)
Total Recreation Department	\$ 725,473	\$ 872,113	\$ 872,113	\$ 834,135	\$ (37,978)

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 \$245,000 in 2018. This is an increase of 2% over the 2017 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 \$312,830 for 2018. The City portion includes:
 - \$30,000 for Community Center Staffing
 - \$28,000 for Lighthouse Festival Overtime
 - \$10,000 for Rosehill Marketing
 - \$40,000 for Light Station painting and paver replacement
 - \$25,000 for Rosehill exterior staining/painting
 - \$8,000 for Japanese Gulch wayfinding signage (originally granted in 2017, carried over)

2018 Preliminary Budget

Special Revenue Funds

Hotel/Motel Lodging Tax Fund (116)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 318,239	\$ 281,952	\$ 281,952	\$ 208,102	\$ (73,850)
Revenue and transfers-in					
Hotel/motel transient tax	\$ 249,614	\$ 240,000	\$ 240,000	\$ 245,000	\$ 5,000
Investment interest	-	1,250	1,250	-	(1,250)
Total revenue and transfers-in	<u>\$ 249,614</u>	<u>\$ 241,250</u>	<u>\$ 241,250</u>	<u>\$ 245,000</u>	<u>\$ 3,750</u>
Total resources	<u>\$ 567,853</u>	<u>\$ 523,202</u>	<u>\$ 523,202</u>	<u>\$ 453,102</u>	<u>\$ (70,100)</u>
Expenditures and transfers-out					
Community organization support	\$ 191,388	\$ 216,050	\$ -	\$ 65,000	\$ (151,050)
Tourism grants	-	-	214,050	129,830	129,830
Major event support	37,613	45,000	45,000	60,000	15,000
Staff Support	56,900	62,050	56,050	58,000	(4,050)
Total expenditures and transfers-out	<u>\$ 285,901</u>	<u>\$ 323,100</u>	<u>\$ 315,100</u>	<u>\$ 312,830</u>	<u>\$ (10,270)</u>
Ending fund balance	<u>\$ 281,952</u>	<u>\$ 200,102</u>	<u>\$ 208,102</u>	<u>\$ 140,272</u>	<u>\$ (59,830)</u>

EMERGENCY MEDICAL SERVICES

Purpose:

The Emergency Medical Services (EMS) Fund accounts for property tax revenue generated from the EMS levy and charges for ambulance 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 EMS Division of the Fire Department provides Basic and Advanced Life Support services to the community.

Please refer to the Fire Department Operations section to review department goals and accomplishments related to EMS.

Budget Highlights

- The 2018 budget for this division reflects no change in staffing levels.
- The budget includes one new budget item: replacement Automatic External Defibrillators (AEDs) for City facilities and new AEDs for select community policing units.
- Salary and benefit costs comprise 87% of the total expenditure budget.
- Compared to the 2017 budget, expenditures are increasing approximately 3% in this division due to changes in salary and benefits, routine annual increase in the Medical Services Officer inter-local agreement, and funds to purchase the replacement AEDs.
- This fund is budgeted to have a \$0 fund balance at the end of the year. Since revenues are not adequate to cover planned expenditures, this budget includes a transfer from the General Fund of \$169,283. The 2017 amended budget included a transfer of \$134,025.



2018 BUDGET

Replacement of Automatic External Defibrillators

Previously Discussed by
Infrastructure
Committee; Discussed by
Council: 9/5/17,
10/23/17

Replacement of 5 Automatic External Defibrillators and 3 new additional units

Fund Name

EMS

Amount Requested

\$14,000

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

Any Additional
Revenue? If Yes,
Identify Below

Expenditure Purpose and Justification

The City currently has five Automatic External Defibrillators (AEDs) in City buildings. These include City Hall, Public Works, Lighthouse Park, Rosehill Community Center, and the Police Department. These were purchased more than ten years ago. As software driven devices, they cannot be updated to meet current cardiac arrest resuscitation standards for number, strength and frequency of shocks. The pads attached to the patient are proprietary to these AEDs and are not compatible with the pads used by the Fire Department's defibrillators. This necessitates a cardiac arrest patient will consume two sets of pads during the resuscitation. This initiative is to replace the existing AEDs as well as add AEDs for the School Resource, Crime Prevention, and Ranger vehicles since those officers are often in direct contact with the public before the fire department arrives. This is a fire department initiative and the AEDs purchased will be compatible with the existing fire department equipment. The fire department will manage these devices through our existing preventative maintenance program.

Alternatives and Potential Costs

If required to reduce the request, staff priority would be to purchase only the three new units for the police vehicles of staff who are in frequent contact with the public, and replace others next year.

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

N/A

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

Expenditure Account # & Title	Amount
EMS	\$ 14,000
	\$ -
	\$ -
	\$ -

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

Emergency Medical Services Fund (126)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ -	\$ 37,054	\$ 37,054	\$ -	\$ (37,054)
Revenue and transfers-in					
EMS Levy	\$ 1,830,003	\$ 1,861,000	\$ 1,861,000	1,880,842	\$ 19,842
Grants	-	-	-	-	-
Charges for Services	573,552	540,700	540,700	564,000	23,300
Investment interest	199	200	200	-	(200)
Transfers-in	-	134,025	134,025	169,283	35,258
Total revenue and transfers-in	<u>\$ 2,403,754</u>	<u>\$ 2,535,925</u>	<u>\$ 2,535,925</u>	<u>\$ 2,614,125</u>	<u>\$ 78,200</u>
Total resources	<u>\$ 2,403,754</u>	<u>\$ 2,572,979</u>	<u>\$ 2,572,979</u>	<u>\$ 2,614,125</u>	<u>\$ 41,146</u>
Expenditures and transfers-out					
Salaries & wages	\$ 1,374,598	\$ 1,629,554	\$ 1,689,190	\$ 1,706,250	\$ 76,696
Personnel benefits	401,912	603,621	562,559	573,050	(30,571)
Supplies	72,710	87,750	94,010	102,750	15,000
Other services & charges	343,148	105,500	117,720	117,100	11,600
Intergovernmental services	99,403	109,500	109,500	114,975	5,475
Transfers-out	74,929	-	-	-	-
Total expenditures and transfers-out	<u>\$ 2,366,700</u>	<u>\$ 2,535,925</u>	<u>\$ 2,572,979</u>	<u>\$ 2,614,125</u>	<u>\$ 78,200</u>
Ending fund balance	<u>\$ 37,054</u>	<u>\$ 37,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2018 Preliminary Budget

Special Revenue Funds

Fire Department - Emergency Medical Services

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 1,015,245	\$ 1,432,985	\$ 1,251,430	\$ 1,398,000	\$ (34,985)
Special Assignment Pay	2,706	2,767	2,770	5,250	2,483
Education Premium Pay	17,113	9,990	23,180	25,000	15,010
Acting Supervisor Pay	2,140	3,925	2,010	2,500	(1,425)
Paramedic Incentive Pay	47,742	41,646	45,950	46,000	4,354
Merit/Longevity Pay	15,222	23,341	22,750	24,500	1,159
Fire - Holiday Buy Back	30,806	23,100	22,920	23,000	(100)
Overtime	243,624	91,800	318,180	182,000	90,200
Total Salaries & Wages	\$ 1,374,598	\$ 1,629,554	\$ 1,689,190	\$ 1,706,250	\$ 76,696
Benefits	\$ 401,912	\$ 603,621	\$ 562,559	\$ 573,050	\$ (30,571)
Total Benefits	\$ 401,912	\$ 603,621	\$ 562,559	\$ 573,050	\$ (30,571)
Total Salaries & Benefits	\$ 1,776,510	\$ 2,233,175	\$ 2,251,749	\$ 2,279,300	\$ 46,125
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 431	\$ 450	\$ 370	\$ 450	\$ -
Reference Material	195	800	-	800	-
Supplies - Training	-	1,500	1,090	1,500	-
Supplies - EMG Medical Services	51,301	35,000	36,840	35,000	-
Clothing/Boots	10,465	12,000	12,000	11,000	(1,000)
Motor Fuel	8,066	8,000	9,020	9,000	1,000
Small Items of Equipment	2,251	30,000	34,690	45,000	15,000
Total Supplies	\$ 72,710	\$ 87,750	\$ 94,010	\$ 102,750	\$ 15,000
Other Services & Charges					
Billing Services	\$ 28,208	\$ 35,000	\$ 35,000	\$ 42,600	\$ 7,600
Professional Services	17,083	15,000	37,370	15,000	-
Communication Expense	4,393	3,000	3,950	3,000	-
Equipment Replacement Charges	278,629	36,000	36,000	40,000	4,000
Hazardous Waste Disposal	-	500	-	500	-
Equipment & Vehicle R&M	14,763	16,000	5,400	16,000	-
Laundry Services	72	-	-	-	-
Total Other Services & Charges	\$ 343,148	\$ 105,500	\$ 117,720	\$ 117,100	\$ 11,600

Fire Department - Emergency Medical Services (Continued)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
Intergovernmental Services					
Lynnwood EMS Contract	\$ 99,403	\$ 109,500	\$ 109,500	\$ 114,975	\$ 5,475
Total Intergovernmental Services	\$ 99,403	\$ 109,500	\$ 109,500	\$ 114,975	\$ 5,475
Total Operating Expenses	\$ 515,261	\$ 302,750	\$ 321,230	\$ 334,825	\$ 32,075
<u>Non-Operating Expenses</u>					
Transfers-out	\$ 74,929	\$ -	\$ -	\$ -	\$ -
Total Transfers-out	\$ 74,929	\$ -	\$ -	\$ -	\$ -
Total Non-Operating Expenses	\$ 74,929	\$ -	\$ -	\$ -	\$ -
Total Fire Department - Emergency Medical Services	\$ 2,366,700	\$ 2,535,925	\$ 2,572,979	\$ 2,614,125	\$ 78,200

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.

2017 Accomplishments:

- MPD participated in four separate Drug Marketing Interdiction and Special Operations 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

2018 Goals & Objectives

- Continue to investigate drug cases.
- Continue participating in Drug Marketing Interdiction events and special operations working in conjunction with the Snohomish County Regional Narcotics Task Force.
- 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.
- Salary and benefit costs comprise 12% of the total expenditure budget.
- Total expenditures for 2018 are equal to the expenditure budget for 2017.

2018 Preliminary Budget

Special Revenue Funds

Drug Enforcement Fund (104)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 33,497	\$ 20,502	\$ 20,502	\$ 506	\$ (19,996)
Revenue and transfers-in					
Other miscellaneous revenue	\$ 7,574	\$ -	\$ 2,004	\$ 24,000	\$ 24,000
Total revenue and transfers-in	<u>\$ 7,574</u>	<u>\$ -</u>	<u>\$ 2,004</u>	<u>\$ 24,000</u>	<u>\$ 24,000</u>
Total resources	<u>\$ 41,071</u>	<u>\$ 20,502</u>	<u>\$ 22,506</u>	<u>\$ 24,506</u>	<u>\$ 4,004</u>
Expenditures and transfers-out					
Overtime	\$ 414	\$ 6,000	\$ 6,000	\$ 6,000	\$ -
Supplies	13,905	7,500	7,000	7,500	-
Special operations	6,250	5,000	4,000	5,500	500
Narcotics task force	-	5,500	5,000	5,000	(500)
Total expenditures and transfers-out	<u>\$ 20,569</u>	<u>\$ 24,000</u>	<u>\$ 22,000</u>	<u>\$ 24,000</u>	<u>\$ -</u>
Ending fund balance	<u>\$ 20,502</u>	<u>\$ (3,498)</u>	<u>\$ 506</u>	<u>\$ 506</u>	<u>\$ 4,004</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 bonds were refunded in 2017 that resulted in a net present value savings to the City of \$316,941.

Bonds mature in 2029 and interest payments are made semi-annually in June and December and principal payments are made annually in December. The funding source to make debt service payments has historically come 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

- In 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.

2018 Preliminary Budget

Debt Service Funds

Limited Tax General Obligation Bond Fund (275)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 9,259	\$ 996	\$ 996	\$ 453	\$ (543)
Revenue and transfers-in					
Transfers-in	\$ 901,000	\$ 907,913	\$ 884,913	\$ 880,345	\$ (27,568)
Total revenue and transfers-in	<u>\$ 901,000</u>	<u>\$ 907,913</u>	<u>\$ 884,913</u>	<u>\$ 880,345</u>	<u>\$ (27,568)</u>
Total resources	<u>\$ 910,259</u>	<u>\$ 908,909</u>	<u>\$ 885,909</u>	<u>\$ 880,798</u>	<u>\$ (28,111)</u>
Expenditures and transfers-out					
Administration fee	\$ 300	\$ 300	\$ 300	\$ 300	\$ -
Bond principal	545,000	560,000	670,000	650,000	90,000
Bond interest	363,963	347,613	215,156	230,045	(117,568)
Total expenditures and transfers-out	<u>\$ 909,263</u>	<u>\$ 907,913</u>	<u>\$ 885,456</u>	<u>\$ 880,345</u>	<u>\$ (27,568)</u>
Ending fund balance	<u><u>\$ 996</u></u>	<u><u>\$ 996</u></u>	<u><u>\$ 453</u></u>	<u><u>\$ 453</u></u>	<u><u>\$ -</u></u>

CAPITAL PROJECTS FUNDS

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

PARK ACQUISITION & DEVELOPMENT FUND

Purpose:

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

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

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

Budget Highlights

- **Peace Park – Design & Development:** The design and development of a Mukilteo Peace Park.



2018 BUDGET

Peace Park Construction

Previously Discussed by
Council, prior phase
funded in 2017 budget;
Discussed by Council:
9/5/17, 10/23/17

Funding for the Mukilteo Peace Park, matched with a grass roots community fundraising campaign to supplant or supplement construction costs. City funding will cover in-ground costs, and community support will cover above-ground costs (benches, handrailings, arbor).

Fund Name
Park Acq. & Devel.

Amount Requested

\$ 50,000

Nature of the expenditure?

Ongoing

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

Yes

Expenditure Purpose and Justification

In 2017, the City began a public process to build a Peace Park. The goal of the park is create a welcoming and lasting place of hope, reflection and inspiration for future generation. The public process resulted in two favored options and to locate the park at Byer's Park on the Mukilteo Speedway. The Parks and Arts Commission recommended that we move forward with some type of hybrid of these designs with a water feature, seating, pavers/tiles/brick surface design and landscaping. Staff anticipates that the park design will need to be broken into two phases: 1) 2018 simple concept that incorporates and entry, seating, pavement design and landscaping, and 2) phase two in 2019 or 2020 would incorporate the water element.

Funding and work will be supplemented with a community fundraising effort, seeking monetary donations, in-kind donations, and volunteer work.

Funding History**Budget****Est. Carry Forward**

2017- Peace Park Design & Development	\$ 40,000	\$ 27,500
Total	\$ 40,000	\$ 27,500

Alternatives and Potential Costs

Delay implementation of the Peace Park.

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

This project will deliver a functional Peace Park by July, 2018. Should the Council decide to proceed with future phases, a completed project would require an additional \$225,000. However, the 2018 project will result in a functional park. The City will pursue volunteers and in-kind contributions of services and materials. Currently, a landscape architect is contributing services for free. Other businesses have offered to donate materials and supplies, including a granite company for benches.

Department:	Recreation & Planning
Division:	
Prepared by:	Patricia Love and Jeff Price

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

Revenue Account # & Title	Amount
Park Acquisition & Development	\$ 50,000
	\$ -
	\$ -
	\$ -

2018 Preliminary Budget

Capital Projects Funds

Park Acquisition & Development Fund (322)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 228,650	\$ 233,190	\$ 233,190	\$ 224,842	\$ (8,348)
Revenue and transfers-in					
Park mitigation fees	\$ 12,190	\$ 9,752	\$ 9,752	\$ 50,000	\$ 40,248
Total revenue and transfers-in	<u>\$ 12,190</u>	<u>\$ 9,752</u>	<u>\$ 9,752</u>	<u>\$ 50,000</u>	<u>\$ 40,248</u>
Total resources	<u>\$ 240,840</u>	<u>\$ 242,942</u>	<u>\$ 242,942</u>	<u>\$ 274,842</u>	<u>\$ 31,900</u>
Expenditures and transfers-out					
Interfund loan interest	\$ 7,650	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	45,600	18,100	77,500	31,900
Total expenditures and transfers-out	<u>\$ 7,650</u>	<u>\$ 45,600</u>	<u>\$ 18,100</u>	<u>\$ 77,500</u>	<u>\$ 31,900</u>
Ending fund balance	<u><u>\$ 233,190</u></u>	<u><u>\$ 197,342</u></u>	<u><u>\$ 224,842</u></u>	<u><u>\$ 197,342</u></u>	<u><u>\$ -</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 be \$50,000.
- The 2018 budget includes a transfer out to the General Fund for a portion of the Capital Project Engineer's salary and benefits, as the 2016 and 2017 budgets did.
- In the 2016 and 2017 budgets, \$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.

Transportation Impact Fee Fund (323)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 1,394,335	\$ 895,667	\$ 895,667	\$ 434,251	\$ (461,416)
Revenue and transfers-in					
Street mitigation fees	\$ 49,899	\$ 40,000	\$ 200,000	\$ 50,000	\$ 10,000
Total revenue and transfers-in	\$ 49,899	\$ 40,000	\$ 200,000	\$ 50,000	\$ 10,000
Total resources	\$ 1,444,234	\$ 935,667	\$ 1,095,667	\$ 484,251	\$ (451,416)
Expenditures and transfers-out					
Capital outlay	\$ 11,842	\$ -	\$ -	\$ -	\$ -
Transfers-out	536,725	661,416	661,416	481,665	(179,751)
Total expenditures and transfers-out	\$ 548,567	\$ 661,416	\$ 661,416	\$ 481,665	\$ (179,751)
Ending fund balance	\$ 895,667	\$ 274,251	\$ 434,251	\$ 2,586	\$ (271,665)

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 2018 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 bond issues used to construct the Rosehill Community Center.
- Fund balances at the end of 2018 are projected to be \$2,237,400 for the REET I Fund.
- Fund balances at the end of 2018 are projected to be \$66,759 for the REET II Fund.
- REET II includes \$17,087,000 in new capital budget items (listed below) and \$4,672,216 in carry-forward projects (listed in Exhibit 11 on page 12).

New Budget Item Summary

Transportation Projects

- **2018 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 Transit Walk Construction Program:** Construct bike path projects that are identified in the City's By the Way Bike Transit Walk plan.
- **Traffic Calming:** This continues to fund the City's Traffic Calming program that was adopted by Council Resolution 2015-07.
- **Harbour Reach Corridor Project:** This will fund design, right-of-way acquisition and construction for the project which is expected to be completed in 2019. 2018 revenues and expenditures are based entirely on state grant funding.
- **Harbour Pointe Boulevard Widening:** This funds the right-of-way acquisition for this project.



2018 BUDGET
2018 ADA Upgrades

Previously Discussed by
Council, continuing
program

Replace curb ramps that have been prioritized for replacement in the
City's' Public Right Of Way ADA Transition Plan

Fund Name

REET II

Amount Requested

\$ 50,000

Nature of the expenditure? **Ongoing**

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

No

Expenditure Purpose and Justification

In 2015 the City began preparing an ADA Transition Plan for Public Right-of-Way. The City, with assistance from the on-call engineering consultant, developed a GIS data collection tool to map, inventory and measure 30 different elements to check ADA compliance of existing curb ramps throughout the City. The inventory 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 has allowed municipalities to use a PROW ADA Transition plan to prioritize replacement over time.

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

Funding History	Budget	Est. Carry Forward
2017 ADA Upgrades	\$ 50,000	\$ 50,000
ADA Transition Plan	\$ 35,000	\$ 27,819
Total	\$ 85,000	\$ 77,819

Alternatives and Potential Costs

The Council could choose to reduce the level of funding for 2018 which will increase the financial burden on future years.

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

Department:	Public Works
Division:	Engineering
Prepared by:	Mick Matheson, Public Works Director

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

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



2018 BUDGET

Annual BTW Program

Previously discussed by Council, plan adopted March, 2017; discussed 9/5/17 and 10/23/17

This will begin implementation of the adopted Bike Transit Walk Plan. It includes the design and construction of new bike path and sidewalk amenities for the improvement of the City's non-motorized system. Design and construction opportunity is made possible by the past strategy of banking funds over multiple years in order to pay for projects.

Fund Name

REET II

Amount Requested

\$ 120,000

Nature of the expenditure?

Ongoing

Any Additional Revenue? If Yes, Identify Below

No

Expenditure Purpose and Justification

Bike paths and sidewalks provide connectivity throughout the City and allow cyclists and pedestrians to safely travel between locations. The purpose of annually allocating REET II funds for bike path and sidewalk construction is to build a reserve to construct bike paths and sidewalk projects that have been identified in the City's award-winning Bike Transit Walk (BTW) Plan. The BTW Plan was adopted by the Council on March 6, 2017.

Projects Previously Approved by Council	Budget	Est. Carry Forward
2014 Annual Bike Path Construction	\$ 25,000	\$ 25,000
2016 Annual Bike Path Construction	\$ 50,000	\$ 50,000
2017 Annual Bike Path Construction	\$ 50,000	\$ 50,000
2014/2015 Annual Sidewalk Construction	\$ 67,000	\$ 67,000
2016 Annual Sidewalk Construction	\$ 50,000	\$ 50,000
2017 Annual Sidewalk Construction	\$ 50,000	\$ 50,000
Total	\$ 292,000	\$ 292,000

Alternatives and Potential Costs

Reduce funding level and delay implementation of various projects, thereby reducing the level of service to the community.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

Department:	Public Works
Division:	Engineering
Prepared by:	Mick Matheson, Public Works Director

Expenditure Account # & Title	Amount
REET II	\$ 120,000
	\$ -
	\$ -
	\$ -

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



2018 BUDGET

Traffic Calming Program

Previously Discussed by
Council, Continuing
Program; Discussed by
Infrastructure
Committee; Discussed by
Council: 9/5/17,

2018 Traffic Calming Program

Fund Name

REET II

Amount Requested

\$ 31,500

Nature of the expenditure? ☒ Ongoing

Any Additional
Revenue? If Yes,
Identify Below

☐ No

Expenditure Purpose and Justification

In 2015 Council adopted a Traffic Calming Program via Resolution 2015-07. Included in this program are traffic calming devices such as signs, radar speed indicator signs, construction materials for lane striping, raised crosswalks, and speed humps. This budget has increased from the previous years' budget allocation by \$6,500, to include the purchase of a Police Department moveable radar trailer, to replace the current malfunctioning trailer. This budget does not cover the staff time to administer this program.

Funding History

	Budget	Est. Carry Forward
2017 Traffic Calming Program	\$ 25,000	\$ 15,000
Total	\$ 25,000	\$ 15,000

Alternatives and Potential Costs

Council could choose to fund the Traffic Calming Program to match the 2017 budget number of \$25,000, however this would preclude the purchase of a Police Department moveable radar trailer.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

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Department:	Public Works
Division:	Engineering
Prepared by:	Mick Matheson, Public Works Director

Expenditure Account # & Title	Amount
REET II	\$ 25,000
Equipment Reserve	\$ 6,500
	\$ -
	\$ -

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



2018 BUDGET

Harbour Reach Corridor Project

Previously Discussed by Council, prior phases funded in 2016 and 2017 budgets

Design, right-of-way acquisition, and construction of the Harbour Reach Corridor Project, to be completed in 2019. This is the full anticipated cost of the entire project. The Harbour Reach Corridor Project will improve freight mobility and connectivity near SR525 and Paine Field by improving and extending Harbour Reach Drive to Beverly Park Road.

Fund Name

REET II

Amount Requested

\$ 16,852,000

Nature of the expenditure? ☐ One-Time

Any Additional Revenue? If Yes, Identify Below

☐ Yes

Expenditure Purpose and Justification

The Harbour Reach Corridor 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 Snohomish County Paine Field Airport in traffic impact mitigation fees that were dedicated to this project. In 2017 the City will apply for approximately \$2,852,000 in Transportation Improvement Board (TIB) state funding in order to complete the construction of both the north and south segments. This expenditure will cover the right-of-way acquisition, construction management and inspection and construction of the project. Design of the project first began in 2016, with construction anticipated for mid-2018. It is anticipated that construction will be complete in early 2019, therefore the remaining budget will be carried forward at the end of 2018 as part of the 2019 budget process.

Summary of past Council-approved budget items associated with this project:

- 2016 Approved Budget: \$950,000 of Transportation Impact Mitigation Fee funding used to begin the preliminary design of the project.
- 2017 Approved Budget: \$1,100,000 of the Connecting Washington funds used to advance the project into final design.

Funding History

	Budget	Est. Carry Forward
2016 - Transportation Impact Fee	\$ 950,000	
2017 - Connecting Washington Grant	\$ 1,100,000	
Total	\$ 2,050,000	\$ 1,012,000

Alternatives and Potential Costs

If the TIB grant is not received, the north section of the project, from Harbour Pointe Blvd SW to Chennault Beach and Harbour Pointe Blvd intersection, would be eliminated, and design elements of the south section will be reevaluated.

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

Department:	Public Works
Division:	Engineering
Prepared by:	Mick Matheson, Public Works Director

Expenditure Account # & Title	Amount
REET II	\$ 16,852,000
	\$ -
	\$ -
	\$ -

Revenue Account # & Title	Amount
State CWA Funds	\$14,000,000
State TIB Funds	\$ 2,852,000
	\$ -
	\$ -



2018 BUDGET

Harbour Pointe Blvd. SW Widening Project

Discussed by
Infrastructure
Committee; Project
Previously Discussed by
Council in 2015, 2016,
2017

Right-of-Way acquisition of several properties
on the southwest side of Harbour Pointe Blvd
for the Harbour Pointe Boulevard SW Widening Project.

Fund Name

REET II

Amount Requested

\$ 40,000

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

This budget item funds a portion of the right-of-way acquisition phase of the project. The design phase was approved by Council in the 2015 and 2016 Budgets, and the construction phase was approved by Council in the 2017 Budget. In addition, \$250,000 from the 2018 pavement preservation allocation is planned for the pavement preservation portion of the project, which has been discussed at the Infrastructure Committee. The project is funded in part by a Transportation Improvement Board (TIB) Grant.

The main purpose of this project is to provide safety improvements to mitigate accidents along this section of Harbour Pointe Boulevard SW. The project will reconfigure the channelization at the intersection of Harbour Pointe Boulevard and Cyrus Way to add left turn phases to all directions of travel to provide for protected and permissive turning movements. The project includes construction of a shared use path along with landscaping on the south side of Harbour Pointe Boulevard, and a sidewalk on the west side of Cyrus Way to complete the missing segments. The shared use path has been identified as a priority project in the BTW Plan. Pedestrian improvements at the intersection of Harbour Pointe Boulevard SW and Cyrus Way, including upgraded ADA curb ramps, will also be completed.

Funding History	Budget	Est. Carry Forward
2015-17 Harbor Pointe Blvd. Widening	\$ 1,649,650	\$ 1,408,859
Total	\$ 1,649,650	\$ 1,408,859

Alternatives and Potential Costs

Right-of-Way acquisitions are a requirement for the completion of this project.

Identify Ongoing Operating and Maintenance Life Cycle Expenses

Department:	Public Works
Division:	Engineering
Prepared by:	Mick Matheson, Public Works Director

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

Revenue Account # & Title	Amount

2018 Preliminary Budget

Capital Projects Funds

Real Estate Excise (REET) I Fund (331)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 2,427,847	\$ 2,716,538	\$ 2,716,538	\$ 2,476,719	\$ (239,819)
Revenue and transfers-in					
Real estate excise tax	\$ 1,108,361	\$ 700,000	\$ 700,000	\$ 700,000	\$ -
Grants	20,543	-	-	-	-
Investment interest	6,821	-	-	-	-
Total revenue and transfers-in	<u>\$ 1,135,725</u>	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ -</u>
Total resources	<u>\$ 3,563,572</u>	<u>\$ 3,416,538</u>	<u>\$ 3,416,538</u>	<u>\$ 3,176,719</u>	<u>\$ (239,819)</u>
Expenditures and transfers-out					
Capital outlay	\$ 15,411	\$ -	\$ -	\$ -	\$ -
Transfers-out	831,623	939,819	939,819	939,319	(500)
Total expenditures and transfers-out	<u>\$ 847,034</u>	<u>\$ 939,819</u>	<u>\$ 939,819</u>	<u>\$ 939,319</u>	<u>\$ (500)</u>
Ending fund balance	<u>\$ 2,716,538</u>	<u>\$ 2,476,719</u>	<u>\$ 2,476,719</u>	<u>\$ 2,237,400</u>	<u>\$ (239,319)</u>

2018 Preliminary Budget

Capital Projects Funds

Real Estate Excise (REET) II Fund (332)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 741,236	\$ 1,122,439	\$ 1,122,439	\$ 1,078,952	\$ (43,487)
Revenue and transfers-in					
Real estate excise tax	\$ 1,108,361	\$ 700,000	\$ 700,000	\$ 700,000	\$ -
Grants	136,775	3,269,615	383,360	20,085,385	16,815,770
Investment interest	71	50	100	-	(50)
Transfers-in	500,504	769,496	769,496	1,004,965	235,469
Total revenue and transfers-in	<u>\$ 1,756,275</u>	<u>\$ 4,739,161</u>	<u>\$ 1,852,956</u>	<u>\$ 21,790,350</u>	<u>\$ 17,051,189</u>
Total resources	<u>\$ 2,497,511</u>	<u>\$ 5,861,600</u>	<u>\$ 2,975,395</u>	<u>\$ 22,869,302</u>	<u>\$ 17,007,702</u>
Expenditures and transfers-out					
Professional services	\$ 19,400	\$ -	\$ -	\$ -	\$ -
Capital outlay	1,273,320	6,544,650	1,832,869	22,103,271	15,558,621
Transfers-out	82,352	86,574	63,574	699,272	612,698
Total expenditures and transfers-out	<u>\$ 1,375,072</u>	<u>\$ 6,631,224</u>	<u>\$ 1,896,443</u>	<u>\$ 22,802,543</u>	<u>\$ 16,171,319</u>
Ending fund balance	<u>\$ 1,122,439</u>	<u>\$ (769,624)</u>	<u>\$ 1,078,952</u>	<u>\$ 66,759</u>	<u>\$ 836,383</u>

Real Estate Excise Tax Reporting Requirements

Note: 2019 and 2020 projections will be filled in prior to final budget book publication.

REET I

	2016 Actual	2017 Estimated	2018 Budgeted	2019 Projected	2020 Projected
Beginning Fund Balance	\$ 2,427,847	\$ 2,716,538	\$ 2,476,719	\$ 2,236,900	\$ 1,997,081
<u>Revenues</u>					
REET	\$ 1,108,361	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000
Grants	20,543	-	-	-	-
Investment Interest	6,821	-	-	-	-
Total Revenue	\$ 1,135,725	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000
Total Resources	\$ 3,563,572	\$ 3,416,538	\$ 3,176,719	\$ 2,936,900	\$ 2,697,081
<u>Expenditures</u>					
Capital Outlay	\$ 15,411	\$ -	\$ -	\$ -	\$ -
Transfers-Out	831,623	939,819	939,819	939,819	939,819
Total Expenditures	\$ 847,034	\$ 939,819	\$ 939,819	\$ 939,819	\$ 939,819
Ending Fund Balance	\$ 2,716,538	\$ 2,476,719	\$ 2,236,900	\$ 1,997,081	\$ 1,757,262
Percent of available funds used for maintenance			0.00%		
Percent of capital projects attributed to REET I			3.15%		

REET II

	2016 Actual	2017 Estimated	2018 Budgeted	2019 Projected	2020 Projected
Beginning Fund Balance	\$ 741,236	\$ 1,122,439	\$ 1,078,952	\$ 566,759	\$ 1,266,759
<u>Revenues</u>					
REET	\$ 1,108,361	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000
Transfers In	500,504	769,496	1,004,965	-	-
PUD Rebate	10,564				
SR 526 SIP CMAQ Grant		2,650	57,350		
SR 526 Snohomish County		6,000	98,000		
HPB Widening TIB Grant	70,526	116,210	845,826		
HRD Extension - State Grants		240,000	17,512,000		
Lodging Tax Grant	52,137		8,000		
Tank Farm Remediation		9,000	233,500		
Mukilteo Ball Fields			1,275,000		
88th Street STP Grant			55,709		
Other	14,183	9,600			
Total Revenue	\$ 1,756,275	\$ 1,852,956	\$ 21,790,350	\$ 700,000	\$ 700,000
Total Resources	\$ 2,497,511	\$ 2,975,395	\$ 22,869,302	\$ 1,266,759	\$ 1,966,759

Continued on next page...

2018 Preliminary Budget

Capital Projects Funds

Note: 2019 and 2020 projections will be filled in prior to final budget book publication.

	2016 Actual	2017 Estimated	2018 Budgeted	2019 Projected	2020 Projected
<u>Expenditures</u>					
Transfers Out	\$ 82,352	\$ 63,574	\$ 699,272	\$ -	\$ -
Pavement Condition	19,400				
Bldg & Fixture M&R	71,052				
Streets	116,833				
Bike Path	23,333	-	245,000		
HP Boulevard Seal Coat	148,522				
Street Imps - Pavement Preservation	176,406	847,609			
Chip Seal Program	10,283				
Sidewalks	45,190		167,000		
Traffic Calming	25,000	10,000	40,000		
Annual ROW ADA Improvements	16,671	37,181	27,819		
ADA Upgrades			100,000		
Harbour Point Blvd & 5th Street	61,768				
Harbour Point Blvd Widening		240,791	1,448,859		
Waterfront Promenade Design	105,916				
School Zone Pedestrian Safety	6,669				
Lighthouse Facility	17,004				
SR 526 Shared Use Path		179,645	113,235		
2017 SR 526 Shared Use Path - Right-of-Way Acquisition			69,500		
Harbour Reach Drive Extension	439,830	400,000	17,864,000		
Mukilteo B&G Club Ballfields			1,275,000		
Tank Farm Site Remediation	8,843	38,843	203,658		
2017 Pedestrian Activated Crosswalk Lighting Program		18,800	16,200		
2017 City Hall Parking Lot Repairs		60,000	25,000		
2017 Japanese Gulch Way Finding		-	8,000		
Total Expenditures	\$ 1,375,072	\$ 1,896,443	\$ 22,302,543	\$ -	\$ -
Ending Fund Balance	\$ 1,122,439	\$ 1,078,952	\$ 566,759	\$ 1,266,759	\$ 1,966,759
<i>Percent of available funds used for maintenance</i>			1.41%		
<i>Percent of capital projects attributed to REET II</i>			12.89%		

MUNICIPAL FACILITIES FUND

Purpose:

The purpose of this Fund was to account for transfers from the General Fund to be used to construct City facilities. The fund had no activity for several years and was carrying a fund balance of \$220,010. The 2017 budget included a transfer of the fund balance to close the fund.

Budget Highlights

- There is no budget activity for 2018; the fund is closed.

Municipal Facilities Fund (341)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 220,010	\$ 220,010	\$ 220,010	\$ -	\$ (220,010)
Revenue and transfers-in					
Transfers-in	\$ -	\$ -		\$ -	\$ -
Total revenue and transfers-in	\$ -	\$ -	\$ -	\$ -	\$ -
Total resources	\$ 220,010	\$ 220,010	\$ 220,010	\$ -	\$ (220,010)
Expenditures and transfers-out					
Transfers-out	\$ -	\$ 220,010	\$ 220,010	\$ -	\$ (220,010)
Total expenditures and transfers-out	\$ -	\$ 220,010	\$ 220,010	\$ -	\$ (220,010)
Ending fund balance	\$ 220,010	\$ -	\$ -	\$ -	\$ -

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 goals are outlined in the City's 2015 Comprehensive Surface Water Management Plan as Key Performance Indicators and Implementation Measures. 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, providing technical assistance to City residents, and implementing stormwater related outreach programs.

Expenditure Summary:

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Surface Water Fund					
Public Works	\$ 2,347,437	\$ 2,997,994	\$ 1,754,231	\$ 3,486,953	\$ 488,959
GIS	85,014	92,345	81,635	113,750	21,405
Total Departmental Summary	\$ 2,432,452	\$ 3,090,339	\$ 1,835,866	\$ 3,600,703	\$ 510,364

2017 Accomplishments:

- Completed inspection and cleaning of all city owned catch basins by August 2017 (as required by the NPDES Permit).
- Maintained compliance with NPDES Phase II requirements.
- Inspected all municipally owned stormwater facilities.
- Responded to 42 Service Requests (as of September 2017).
- Reviewed 85 stormwater permit submittals (including resubmittals) (as of September 2017).
- Responded to 8 spill reports.
- Engaged over 15 residents who installed 200 storm drain markers with clean water messaging.
- Provided stormwater lessons to 9 classes (237 students) in the Mukilteo School District
- Identified pond renovation and other facility CIP projects.
- Provided training to 35 restaurants on spill clean-up and assisted with preparation of Spill Prevention Plans for these restaurants. Each participant received a no-cost Spill Kit.
- Mapped all of the known publically owned stormwater flow control and water quality facilities in GIS.
- Created inspection program in GIS Collector for stormwater flow control and water quality facilities.
- Revised SmartGov permitting tools to more seamlessly track development-related NPDES requirements.
- Coordinated with Snohomish County to explore partnering in Natural Yard Care training opportunities for Mukilteo residents in 2018.

2018 Goals & Objectives

- Complete the design of a Decant Facility to remove sediment from saturated soils generated from catch basin cleaning with the intent to apply for construction grants in Fall of 2018.
- Re-evaluate upcoming stormwater utility needs and capacity, in light of anticipated NPDES Permit requirements (Permit reissuance is delayed by one year, so this goal is moved accordingly).
- 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.
- Research and make recommendations on GIS-based software that allows field tracking and reporting of inspection and maintenance work that is tied to the asset.
- Map private stormwater flow control and water quality facilities that are tied into the City's stormwater network.
- Identify strategy for asset condition assessment (entire City to be complete by 2021).
- Continue to clarify and delineate responsibility for public and private stormwater systems.
- Continue to adopt regional outreach messaging into stormwater programs.

Budget Highlights

- The 2018 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 2017 budget, expenditures are increasing by nearly \$500,000. This is due to the one-time purchase of capital equipment items.

New Budget Item Summary

Surface Water Equipment Replacement Items

- Street Sweeper
- Backhoe
- Storm System Camera



2018 BUDGET
Street Sweeper

Previously Discussed by
Infrastructure
Committee; Discussed by
Council: 9/5/17,
10/23/17

Purchase new street sweeper for Surface Water Utility

Fund Name

Surface Water

Amount Requested

\$310,000

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

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

Expenditure Purpose and Justification

The current 2007 sweeper will meet its life span of 10 years and requires significant maintenance leading to down time. The sweeper runs almost every day and down time doesn't allow Public Works to maintain the streets to the level of service required. These are high use, high wear items that need to be replaced on schedule for maximum performance.

The current sweeper cost \$162,000 when originally purchased. The City has spent \$84,000 on maintenance over the life span of the sweeper.

A functional sweeper is required for the NPDES permit.

Alternatives and Potential Costs

Stretch out the life cycle of the existing sweeper costing thousands of dollars in yearly repair bills and weeks of down time. Rental units are rarely available.

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

N/A

Department:	Public Works
Division:	Storm Water
Prepared by:	Matt Nienhuis

Expenditure Account # & Title	Amount
Surface Water Fund	\$ 310,000
	\$ -
	\$ -
	\$ -

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



2018 BUDGET
Replace Backhoe

Previously Discussed by
 Infrastructure
 Committee; Discussed by
 Council: 9/5/17, 10/23/17

Replace 10 year old Surface Water Backhoe

Fund Name

Surface Water

Amount Requested

\$115,000

Nature of the expenditure?

One-Time

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

Expenditure Purpose and Justification

The city currently has two backhoes, a 1999 Ford(secondary) and 2008 John Deere(primary). Backhoes begin to need major maintenance at the 10 year life span. Proposal is to replace the 1999 Ford with a new machine and move the 2008 machine to secondary.

Current Value of 1999 Ford-\$10,000

Current value of 2008 JD-\$35,000

The Ford works adequate for use as a secondary backhoe, therefore I feel it makes more financial sense to trade in the primary John Deere backhoe.

Alternatives and Potential Costs

Stretch out the life cycle of the existing backhoes. If the 2008 John Deere isn't moved to the secondary machine there is a high likelihood that it will need major repairs soon (\$15,000-\$20,000).

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

N/A

Department:	Public Works
Division:	Surface Water
Prepared by:	Matt Nienhuis

Expenditure Account # & Title	Amount
Surface Water Fund	\$ 115,000
	\$ -
	\$ -
	\$ -

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



2018 BUDGET

Storm System Camera

Discussed by
Infrastructure Committee;
Discussed by Council:
9/5/17, 10/23/17

Replace nine year old storm system camera

Fund Name
Surface Water

Amount Requested

\$55,000

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

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

Expenditure Purpose and Justification

The current 2009 storm system camera has exceeded its 6 year life. It's also very undersized for the City's needs as it is a push camera made for small pipes and short distances. The surface water program requires a motorized machine with a lighted swivel camera large enough to get a good picture of the City's stormwater infrastructure. This is an important piece of equipment for storm water to assess pipe condition, find blockages, and use during emergency situations.

Alternatives and Potential Costs

Stretch out the life cycle of the existing camera.

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

N/A

Department:	Public Works
Division:	Storm Water
Prepared by:	Matt Nienhuis

Expenditure Account # & Title	Amount
Surface Water Fund	\$ 55,000
	\$ -
	\$ -
	\$ -

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

2018 Preliminary Budget

Enterprise Funds

Surface Water Management Fund (440)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 1,143,550	\$ 1,349,211	\$ 1,349,211	\$ 2,340,060	\$ 990,849
Revenue and transfers-in					
Grants	\$ 240,843	\$ -	\$ 4,604	\$ 20,000	\$ 20,000
Interlocal agreement	-	-	-	10,000	10,000
Storm drainage fees & charges	2,397,269	2,821,520	2,821,520	3,132,000	310,480
Other miscellaneous revenue	-	-	591	-	-
Total revenue and transfers-in	<u>\$ 2,638,112</u>	<u>\$ 2,821,520</u>	<u>\$ 2,826,715</u>	<u>\$ 3,162,000</u>	<u>\$ 340,480</u>
Total resources	<u>\$ 3,781,662</u>	<u>\$ 4,170,731</u>	<u>\$ 4,175,926</u>	<u>\$ 5,502,060</u>	<u>\$ 1,331,329</u>
Expenditures and transfers-out					
Salaries & wages	\$ 681,158	\$ 743,208	\$ 630,740	894,000	\$ 150,792
Personnel benefits	317,601	342,806	326,730	390,350	47,544
Supplies	61,976	69,395	38,660	55,710	(13,685)
Other services & charges	427,116	482,485	209,405	248,380	(234,105)
City overhead charge	160,000	133,027	133,027	135,700	2,673
Intergovernmental services	135,827	128,380	127,690	146,039	17,659
Capital outlay	336,313	1,161,950	340,526	1,692,824	530,874
Transfers-out	312,460	29,088	29,088	37,700	8,612
Total expenditures and transfers-out	<u>\$ 2,432,451</u>	<u>\$ 3,090,339</u>	<u>\$ 1,835,866</u>	<u>\$ 3,600,703</u>	<u>\$ 510,364</u>
Ending fund balance	<u>\$ 1,349,211</u>	<u>\$ 1,080,392</u>	<u>\$ 2,340,060</u>	<u>\$ 1,901,357</u>	<u>\$ 820,965</u>

Public Works - Surface Water Maintenance

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 614,064	\$ 626,431	\$ 539,690	\$ 759,500	\$ 133,069
Part Time Employees	18,502	30,000	12,420	40,000	10,000
Overtime	11,922	15,500	10,400	13,500	(2,000)
Acting Supervisor Pay	7,400	2,100	7,110	-	(2,100)
Standby Pay	6,180	5,200	4,500	5,000	(200)
Total Salaries & Wages	\$ 658,069	\$ 679,231	\$ 574,120	\$ 818,000	\$ 138,769
Benefits	\$ 308,768	\$ 321,038	\$ 306,330	\$ 367,000	\$ 45,962
Total Benefits	\$ 308,768	\$ 321,038	\$ 306,330	\$ 367,000	\$ 45,962
Total Salaries & Benefits	\$ 966,836	\$ 1,000,269	\$ 880,450	\$ 1,185,000	\$ 184,731
<u>Operating Expenses</u>					
Supplies					
Office Supplies	\$ 2,226	\$ 2,500	\$ 120	\$ 1,750	\$ (750)
Reference Material	372	700	150	550	(150)
Operating Supplies	7,707	12,100	6,270	10,000	(2,100)
Vehicle R&M Tools/EQ	78	1,250	-	1,250	-
Clothing/Boots	4,359	8,200	6,440	8,200	-
Aggregate	138	12,185	470	6,000	(6,185)
Motor Fuel	10,934	17,000	12,080	13,000	(4,000)
Small Items of Equipment	9,404	12,960	12,130	12,460	(500)
Total Supplies	\$ 35,217	\$ 66,895	\$ 37,660	\$ 53,210	\$ (13,685)

Public Works - Surface Water Maintenance (Continued)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
Other Services & Charges					
Facilities Maintenance Service Charge	-	17,630	17,630	16,500	(1,130)
Other Professional Services	67,484	71,900	27,340	27,000	(44,900)
City Atty. Other Services	14,061	-	9,200	25,000	25,000
Hazardous Waste Testing	960	5,680	-	5,680	-
Contract Services	-	4,470	-	4,470	-
Telephone	850	1,010	720	1,010	-
Postage	-	700	120	350	(350)
Cell Phones	2,844	3,260	3,120	3,260	-
Assoc. Dues & Memberships	-	180	310	180	-
Travel & Subsistence	1,319	4,900	1,880	4,800	(100)
Legal Publications	774	600	-	300	(300)
Work Equip & Machine Rental	4,020	10,000	-	10,000	-
Equipment Replacement Charges	161,000	89,000	89,000	-	(89,000)
Insurance	7,696	-	-	-	-
Hazardous Waste Disposal	37,531	42,800	610	42,800	-
Brush Disposal	946	7,900	2,250	5,000	(2,900)
Equipment R&M	2,602	21,250	11,920	21,250	-
Vehicle R&M	74,674	67,150	31,820	32,000	(35,150)
Computer System Maint & Subscriptions	-	2,500	-	2,500	-
Laundry Services	1,558	1,680	1,690	1,680	-
Training & Registration	4,300	6,975	8,150	7,700	725
Education & Outreach	13,968	15,000	30	15,000	-
Vactor Service	4,197	10,000	-	10,000	-
Other Professional Services	-	93,800	-	-	(93,800)
Total Other Services & Charges	\$ 400,784	\$ 478,385	\$ 205,790	\$ 236,480	\$ (241,905)
Total Operating Expenses	\$ 436,001	\$ 545,280	\$ 243,450	\$ 289,690	\$ (255,590)

Public Works - Surface Water Maintenance (Continued)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Intergovernmental Services</u>					
Intergovernmental Services					
Mukilteo Water District	\$ 57,666	\$ 60,395	\$ 50,360	\$ 66,274	\$ 5,879
Snohomish County - ILA	-	2,020	-	2,020	-
WRIA ILA	5,148	11,900	10,420	8,200	(3,700)
Dept of Ecology	40,891	27,335	27,760	29,545	2,210
Taxes & Assessments	32,122	26,730	39,150	40,000	13,270
Total Intergovernmental Services	\$ 135,827	\$ 128,380	\$ 127,690	\$ 146,039	\$ 17,659
Total Intergovernmental Services	\$ 135,827	\$ 128,380	\$ 127,690	\$ 146,039	\$ 17,659
<u>Payments for Services</u>					
Payments for Services					
Overhead Costs	\$ 160,000	\$ 133,027	\$ 133,027	\$ 135,700	\$ 2,673
Total Payments for Services	\$ 160,000	\$ 133,027	\$ 133,027	\$ 135,700	\$ 2,673
Total Payments for Services	\$ 160,000	\$ 133,027	\$ 133,027	\$ 135,700	\$ 2,673
<u>Capital Outlay</u>					
Capital Outlay	\$ 336,313	\$ 1,161,950	\$ 340,526	\$ 1,692,824	\$ 530,874
Total Capital Outlay	\$ 336,313	\$ 1,161,950	\$ 340,526	\$ 1,692,824	\$ 530,874
Total Capital Outlay	\$ 336,313	\$ 1,161,950	\$ 340,526	\$ 1,692,824	\$ 530,874
<u>Transfers-out</u>					
Transfers-out	\$ 312,460	\$ 29,088	\$ 29,088	\$ 37,700	\$ 8,612
Total Transfers-out	\$ 312,460	\$ 29,088	\$ 29,088	\$ 37,700	\$ 8,612
Total Transfers-out	\$ 312,460	\$ 29,088	\$ 29,088	\$ 37,700	\$ 8,612
Total Public Works - Surface Water Maintenance	\$ 2,347,437	\$ 2,997,994	\$ 1,754,231	\$ 3,486,953	\$ 488,959

2018 Preliminary Budget

Enterprise Funds

GIS Division (Surface Water Fund)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 23,090	\$ 63,977	\$ 56,620	\$ 76,000	\$ 12,023
Total Salaries & Wages	\$ 23,090	\$ 63,977	\$ 56,620	\$ 76,000	\$ 12,023
Benefits					
	\$ 8,833	\$ 21,768	\$ 20,400	\$ 23,350	\$ 1,582
Total Benefits	\$ 8,833	\$ 21,768	\$ 20,400	\$ 23,350	\$ 1,582
Total Salaries & Benefits	\$ 31,923	\$ 85,745	\$ 77,020	\$ 99,350	\$ 13,605
<u>Operating Expenses</u>					
Supplies					
	\$ 26,759	\$ 2,500	\$ 1,000	\$ 2,500	\$ -
Total Supplies	\$ 26,759	\$ 2,500	\$ 1,000	\$ 2,500	\$ -
Other Services & Charges					
Other Professional Services	\$ 20,000	\$ -	\$ -	\$ 2,500	\$ 2,500
GIS Software & Maintenance	3,305	-	-	5,300	5,300
Communication Expense	272	700	740	700	-
Travel & Subsistence	117	1,500	1,250	1,500	-
Assoc. Dues & Memberships	360	300	25	300	-
Printing & Binding	1,327	1,000	1,000	1,000	-
Training & Registration Costs	950	600	600	600	-
Total Other Services & Charges	\$ 26,332	\$ 4,100	\$ 3,615	\$ 11,900	\$ 7,800
Total Operating Expenses	\$ 53,091	\$ 6,600	\$ 4,615	\$ 14,400	\$ 7,800
Total GIS Division (Surface Water Fund)	\$ 85,014	\$ 92,345	\$ 81,635	\$ 113,750	\$ 21,405

Surface Water Reserve Fund (445)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ -	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Revenue and transfers-in					
Transfers-in	\$ 300,000	\$ -	\$ -	\$ -	\$ -
Total revenue and transfers-in	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total resources	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>
Expenditures and transfers-out					
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total expenditures and transfers-out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending fund balance	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>

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.
- The 2018 transfer from the General Fund includes an additional \$25,000 for future replacement of the financial system software (the NBI can be found on page 36).

2018 Preliminary Budget

Internal Service Funds

Technology Replacement Fund (120)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 59,353	\$ 50,620	\$ 50,620	\$ 28,120	\$ (22,500)
Revenue and transfers-in					
5% Administrative fee	\$ 19,661	\$ 24,500	\$ 24,500	\$ 18,475	\$ (6,025)
Transfers-in	50,000	64,000	64,000	100,525	36,525
Total revenue and transfers-in	<u>\$ 69,661</u>	<u>\$ 88,500</u>	<u>\$ 88,500</u>	<u>\$ 119,000</u>	<u>\$ 30,500</u>
Total resources	<u>\$ 129,014</u>	<u>\$ 139,120</u>	<u>\$ 139,120</u>	<u>\$ 147,120</u>	<u>\$ 8,000</u>
Expenditures and transfers-out					
Small items of equipment	\$ 17,392	\$ 14,600	\$ 14,600	\$ 14,500	\$ (100)
Capital outlay	61,002	96,400	96,400	96,500	100
Total expenditures and transfers-out	<u>\$ 78,394</u>	<u>\$ 111,000</u>	<u>\$ 111,000</u>	<u>\$ 111,000</u>	<u>\$ -</u>
Ending fund balance	<u>\$ 50,620</u>	<u>\$ 28,120</u>	<u>\$ 28,120</u>	<u>\$ 36,120</u>	<u>\$ 8,000</u>

EQUIPMENT REPLACEMENT RESERVE FUND

Purpose:

The Equipment Replacement Reserve fund is managed by Public Works. Vehicles are maintained through warranties, service via an agreement with a local repair shop, and on minor things, utilizes City maintenance workers. Replacement of all vehicles is managed by this division.

2017 Accomplishments:

- Created a 6 year equipment and fleet replacement plan.
- Replaced 2 Police Patrol cars with new Ford Explorers, EMS Medic Ambulance, two Public Works pickups.
- Purchased a mini excavator and equipment trailer for Public Works Storm Water Department; a dump trailer and paint trailer for Public Works Streets Department; three thermal imaging cameras and two LUCAS chest compression systems for the Fire Department.
- Replaced scissor lift for Rosehill.
- Centralized vehicle and equipment maintenance record keeping.

2018 Goals & Objectives

- Update the 6 year equipment and fleet replacement plan.
- Continue to research cost efficient ways of maintaining the City's vehicles and equipment through the use of regional partnerships.
- Maintain all city owned equipment and vehicles such that reliability and life cycles are maximized.
- Develop equipment and fleet maintenance tracking system using Cams.

Budget Highlights

The following vehicles are recommended for replacement:

- Police Department:
 - Two Patrol vehicles
 - One Community Service Officer- Park Ranger vehicle
- Public Works:
 - Electric utility vehicle, two mowers and aerator for Parks Division



2018 BUDGET

Police Patrol Vehicles

Previously Discussed by
Infrastructure Committee;
Discussed by Council:
9/5/17, 10/23/17

Replace two Police Department Patrol vehicles

Fund Name
Equipment

Amount Requested

\$124,000

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

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

Expenditure Purpose and Justification

To purchase and replace two police patrol vehicles that have reached their industry standard service life and have met the criteria established in the Capital Asset: Vehicle and Equipment Replacement program. The two vehicles are patrol sedans that will no longer be usable as everyday patrol cars. Should they be servicable in another capacity, the off-line patrol sedans will be repurposed for non-patrol use within the department, offered to other city departments for use, or they will be surplus.

Alternatives and Potential Costs

Do not replace, which will negatively impact the police department's ability to maintain mission ready vehicles responsible for response to 911 (emergency and non-emergency) calls for service. Not replacing two patrol vehicles creates a larger financial burden to replace four or more total police vehicles in subsequent budget years.

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

N/A

Department:	Police
Division:	Patrol
Prepared by:	Matt Nienhuis

Expenditure Account # & Title	Amount
510.38.594.210.6408	\$ 124,000
Equipment Replacement Reserve Fund	\$ -
	\$ -
	\$ -

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



2018 BUDGET

Community Service Officer- Park Ranger Vehicle

Previously Discussed by
Infrastructure Committee;
Discussed by Council:
9/5/17, 10/23/17

Replace seven year old ranger vehicle

Fund Name
Equipment

Amount Requested

\$33,000

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

Any Additional
Revenue? If Yes,
Identify Below

Expenditure Purpose and Justification

To purchase and replace the 2011 Ford Crown Victoria vehicle that has reached their industry standard service life and has met the criteria established in the Capital Asset: Vehicle and Equipment Replacement program. For the past two years, CSO-Rangers utilized this 2011 vehicle which was a surplused patrol vehicle. This vehicle has exceeded its industry standard service life. Currently, the vehicle is plagued with numerous electrical problems which impact the Rangers' ability to provide consistent enforcement. With current scheduling and demands, the CSO-Ranger vehicle will be utilized seven days a week, similarly to the operations tempo of a patrol vehicle. The 2011 Crown Victoria will be replaced by a Ford C-Max or equivalent hybrid electric vehicle.

Alternatives and Potential Costs

Do not replace, which will negatively impact the police department's ability to provide effective and efficient parking enforcement for the downtown parking corridor and throughout the City.

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

N/A

Department:	Police
Division:	Patrol
Prepared by:	Chief Kang

Expenditure Account # & Title	Amount
Waterfront Parking Fund	\$ 33,000
Equipment Replacement Reserve Fund	\$ 33,000
	\$ -
	\$ -

Revenue Account # & Title	Amount
Equipment Replacement Reserve Fund	\$ 33,000
	\$ -
	\$ -
	\$ -



2018 BUDGET

Park Mowers & Aerator Replacement

Previously Discussed by
Infrastructure
Committee; Discussed by
Council: 9/5/17,
10/23/17

Replace eleven-year old riding mower, twelve-year-old walk behind
mower, and an aerator for the Parks Division

Fund Name
Equipment

Amount Requested

\$30,000

Nature of the expenditure? One-Time

Any Additional
Revenue? If Yes,
Identify Below

Expenditure Purpose and Justification

This proposal includes three pieces of equipment(in order of priority):

\$10,000: The current 2006 riding mower has exceeded its 10 year life span and needs replacement. This is a high wear, high use piece of equipment and an integral part of maintaining parks. Over the last year it has needed new pumps and a new head on the engine. Each year more and more problems plague this older mower. To date the City has spent \$3300 maintaining this equipment.

\$10,000: The current aerator has well exceeded its 10 year life span and needs replacement. We don't have a model year on it but it's old and difficult to operate. This is a high wear piece of equipment and an integral part of maintaining the turf in the parks. We would like to expand the aerating program and this newer more efficient machine will cut the time required to aerate the City's lawns each year. Additional aerating will also help the crew use fewer herbicides and fertilizer. In addition these types of aerators are not available for rent.

\$10,000: The current 2005 walk behind mower has well exceeded its 10 year life span and needs replacement. This is a high wear, high use piece of equipment and an integral part of maintaining parks. Each year more and more problems plague older mowers costing significant money and downtime.

Alternatives and Potential Costs

Stretch out the life cycle of the existing mowers. The longer the life cycle is extended the higher the chance of a major repair or equipment failure. The mowers are valued at \$2500 each. If we run the existing equipment until failure the surplus value will be little to nothing. Down time impacts level of service in maintaining parks and city facilities.

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

N/A

Department:	Public Works
Division:	Parks
Prepared by:	Matt Nienhuis

Expenditure Account # & Title	Amount
Equipment Replacement Reserve	\$ 30,000
	\$ -
	\$ -
	\$ -

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



2018 BUDGET

Parks John Deere Gator Replacement

Previously Discussed by
Infrastructure
Committee; Discussed by
Council: 9/5/17, 10/23/17

Replace 13 year old John Deere Gator with electric utility vehicle for
Parks Division

Fund Name
Equipment

Amount Requested**\$13,000**Nature of the expenditure? **One-Time**

Any Additional
Revenue? If Yes,
Identify Below

Expenditure Purpose and Justification

The current 2005 John Deere Gator has well exceeded its 10 year life span and needs replacement. This is a high use piece of equipment and an integral part of maintaining Lighthouse Park during the spring, summer and fall.

The utility vehicle is getting heavier usage as the Parks Division now has to maintain the newly acquired Edgewater Park several times a day.

Recommend to trade in now while the machine still has good market value rather than continuing to extend the life cycle and run until failure.

Alternatives and Potential Costs

An alternative would be to stretch out the life cycle of the existing Gator. The longer the life cycle is extended the higher the chance of major repair or equipment failure. The current machine is valued at \$3500 as is. If we run the existing until failure the value will be little to nothing.

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

N/A

Department:	Public Works
Division:	Parks
Prepared by:	Matt Nienhuis

Expenditure Account # & Title	Amount
Equipment Replacement Reserve	\$ 13,000
	\$ -
	\$ -
	\$ -

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

2018 Preliminary Budget

Internal Service Funds

Equipment Replacement Reserve Fund (510)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ 2,172,951	\$ 1,952,502	\$ 1,952,502	\$ 1,371,427	\$ (581,075)
Revenue and transfers-in					
Interfund loan interest	\$ 7,650	\$ -	\$ -	\$ -	\$ -
Equipment replacement charges	507,519	193,000	193,000	73,000	(120,000)
Investment interest	7,695	7,200	7,200	-	(7,200)
Other miscellaneous revenue	14,347	-	-	-	-
Total revenue and transfers-in	<u>\$ 537,211</u>	<u>\$ 200,200</u>	<u>\$ 200,200</u>	<u>\$ 73,000</u>	<u>\$ (127,200)</u>
Total resources	<u>\$ 2,710,162</u>	<u>\$ 2,152,702</u>	<u>\$ 2,152,702</u>	<u>\$ 1,444,427</u>	<u>\$ (708,275)</u>
Expenditures and transfers-out					
Vehicle equipment removal	\$ 909	\$ -	\$ -	\$ -	\$ -
Capital outlay	756,751	781,275	781,275	206,500	(574,775)
Total expenditures and transfers-out	<u>\$ 757,660</u>	<u>\$ 781,275</u>	<u>\$ 781,275</u>	<u>\$ 206,500</u>	<u>\$ (574,775)</u>
Ending fund balance	<u>\$ 1,952,502</u>	<u>\$ 1,371,427</u>	<u>\$ 1,371,427</u>	<u>\$ 1,237,927</u>	<u>\$ (133,500)</u>

FACILITIES MAINTENANCE FUND

Purpose:

The Facilities Maintenance Division maintains the City's 23 buildings. Revenues are derived through charges for services from benefitting funds.

General facility maintenance and operation activities include: utility expenses, janitorial, inspection and coordination of custodial service, HVAC service, security systems, 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
- Rosehill 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

2017 Accomplishments:

- LED lighting retrofit at Rosehill and Police Department.
- Streamlined the service request process with online "Fix it" form.
- Converted all building cleaning and operating supplies to "green" products.
- Added compost at buildings.
- Brought the custodian service in-house.
- Painted Lighthouse quarters A&B and repaired rotting deck and posts on Lighthouse quarters A.
- Implemented quarterly building maintenance tasks.
- Completed 537 service requests.

2018 Goals & Objectives

- Complete an energy audit and explore energy saving ideas and grants.
- Paint exterior of Rosehill Community Center, Fire Station 25, and Light Station. Stain exterior of City Hall.
- Complete 6 year facility management program development.

Budget Highlights

- The 2018 budget for this division reflects no change in staffing levels.
- Salary and benefit costs comprise 44% of the total expenditure budget.
- Compared to the 2017 amended budget, expenditures are decreasing approximately 1%.

2018 Preliminary Budget

Internal Service Funds

Facilities Maintenance Fund (518)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ (15,957)	\$ (22,978)	\$ (22,978)	\$ 12,072	\$ 35,050
Revenue and transfers-in					
Grants	\$ -	\$ 42,500	\$ 42,500	\$ -	\$ (42,500)
Charges for services	607,600	664,714	664,714	675,730	11,016
Other miscellaneous revenue	10,048	-	-	-	-
Total revenue and transfers-in	<u>\$ 617,648</u>	<u>\$ 707,214</u>	<u>\$ 707,214</u>	<u>675,730</u>	<u>(31,484)</u>
Total resources	<u>\$ 601,691</u>	<u>\$ 684,236</u>	<u>\$ 684,236</u>	<u>\$ 687,802</u>	<u>\$ 3,566</u>
Expenditures and transfers-out					
Salaries & wages	\$ 154,330	\$ 182,384	\$ 158,830	\$ 194,000	\$ 11,616
Personnel benefits	70,165	93,132	76,950	100,900	7,768
Supplies	22,583	26,400	24,570	24,150	(2,250)
Other services & charges	377,591	376,345	405,980	350,680	(25,665)
Transfers-out	-	5,834	5,834	6,000	166
Total expenditures and transfers-out	<u>\$ 624,669</u>	<u>\$ 684,095</u>	<u>\$ 672,164</u>	<u>\$ 675,730</u>	<u>\$ (8,365)</u>
Ending fund balance	<u>\$ (22,978)</u>	<u>\$ 141</u>	<u>\$ 12,072</u>	<u>\$ 12,072</u>	<u>\$ 11,931</u>

2018 Preliminary Budget

Internal Service Funds

Public Works - Facilities Maintenance Division

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
<u>Salaries & Benefits</u>					
Salaries & Wages					
Full Time Employees	\$ 129,252	\$ 161,884	\$ 137,460	\$ 169,000	\$ 7,116
Part Time Employees	15,589	18,000	15,030	20,000	2,000
Acting Supervisor Pay	4,150	-	2,030	-	-
Overtime	1,590	500	350	1,000	500
Standby Pay	3,750	2,000	3,960	4,000	2,000
Total Salaries & Wages	\$ 154,330	\$ 182,384	\$ 158,830	\$ 194,000	\$ 11,616
Benefits	\$ 70,165	\$ 93,132	\$ 76,950	\$ 100,900	\$ 7,768
Total Benefits	\$ 70,165	\$ 93,132	\$ 76,950	\$ 100,900	\$ 7,768
Total Salaries & Benefits	\$ 224,496	\$ 275,516	\$ 235,780	\$ 294,900	\$ 19,384

Operating Expenses

Supplies

Operating Supplies - Lighthouse	\$ 351	\$ 700	\$ -	\$ 700	\$ -
Operating Supplies - Chamber of Commerce	58	100	-	100	-
Office Supplies	297	500	40	350	(150)
Operating Supplies	-	250	250	250	-
Clothing/Boots	1,728	2,500	2,500	2,400	(100)
Motor Fuel	1,189	1,350	1,650	1,350	-
Small Items of Equipment	1,226	2,000	2,120	2,000	-
Operating Supplies - PW Shops	1,428	3,500	1,740	2,500	(1,000)
Operating Supplies - City Hall	1,873	2,000	3,130	2,000	-
Operating Supplies - Rosehill	9,138	8,000	6,300	7,000	(1,000)
Operating Supplies - Police Dept	2,284	2,500	690	2,500	-
Operating Supplies - Fire Dept	3,010	3,000	6,150	3,000	-
Total Supplies	\$ 22,583	\$ 26,400	\$ 24,570	\$ 24,150	\$ (2,250)

2018 Preliminary Budget

Internal Service Funds

Public Works - Facilities Maintenance Division (Continued)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
Other Services & Charges					
Contract Services	\$ 86	\$ -	\$ 190	\$ -	\$ -
Cell Phone	562	400	690	700	300
Travel & Subsistence	-	500	240	500	-
Natural Gas	313	-	-	-	-
Sewer Service	296	-	-	-	-
Water Service	162	-	-	-	-
Storm Drainage Chgs.	925	-	1,030	-	-
Alarm System	-	240	-	240	-
Vehicle R&M	481	2,000	70	2,000	-
Training & Registration	1,476	3,500	1,110	3,500	-
Janitorial Service	36,340	14,000	14,100	-	(14,000)
Total Other Services & Charges	\$ 40,642	\$ 20,640	\$ 17,430	\$ 6,940	\$ (13,700)
Other Services & Charges - Lighthouse					
Contract Services - Lighthouse	\$ -	\$ 43,250	\$ -	\$ -	\$ (43,250)
Work Equip & Machine Rental - Lighthouse	-	300	-	300	-
Natural Gas - Lighthouse	1,180	1,400	1,680	1,400	-
Electricity - Lighthouse	29	200	550	200	-
Sewer Service - Lighthouse	-	500	1,360	500	-
Garbage Service - Lighthouse	-	-	-	1,000	-
Water Service - Lighthouse	3,367	2,000	1,990	2,000	-
Storm Drainage Chgs. - Lighthouse	298	240	17,500	5,000	4,760
Alarm System - Lighthouse	-	30	-	30	-
Bldg & Fixture M&R - Lighthouse	5,700	4,000	16,000	29,500	25,500
Total Other Services & Charges - Lighthouse	\$ 10,573	\$ 51,920	\$ 39,080	\$ 39,930	\$ (11,990)

2018 Preliminary Budget

Internal Service Funds

Public Works - Facilities Maintenance Division (Continued)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
Other Services & Charges - PW Shops					
Work Equip & Machine Rental - PW Shops	\$ -	\$ 500	\$ -	\$ 500	\$ -
Natural Gas - PW Shops	3,981	3,400	7,280	3,400	-
Electricity - PW Shops	5,102	4,900	5,170	4,900	-
Sewer Service - PW Shops	6,694	2,500	6,220	2,500	-
Water Service - PW Shops	3,346	1,200	2,870	1,200	-
Storm Drainage Chgs. - PW Shops	319	1,200	450	1,200	-
Alarm System - PW Shops	-	115	-	115	-
Bldg & Fixture M&R - PW Shops	15,368	13,000	11,900	13,000	-
Total Other Services & Charges - PW Shops	\$ 34,811	\$ 26,815	\$ 33,890	\$ 26,815	\$ -
Other Services & Charges - City Hall					
Contract Services - City Hall	\$ 213	\$ 5,000	\$ 6,050	\$ 6,020	\$ 1,020
Work Equip & Machine Rental - City Hall	-	500	-	500	-
Electricity - City Hall	22,794	18,800	25,750	18,800	-
Sewer Service - City Hall	673	700	690	700	-
Water Service - City Hall	1,872	1,600	1,560	1,600	-
Storm Drainage Chgs. - City Hall	969	850	1,200	850	-
Alarm System - City Hall	-	-	-	-	-
Bldg & Fixture M&R - City Hall	37,357	17,000	23,860	24,000	7,000
Total Other Services & Charges - City Hall	\$ 63,878	\$ 44,450	\$ 59,110	\$ 52,470	\$ 8,020
Other Services & Charges - Rosehill					
Contract Services - Rosehill	\$ 6,674	\$ -	\$ -	\$ -	\$ -
Natural Gas - Rosehill	1,871	2,500	1,730	2,500	-
Electricity - Rosehill	27,144	24,000	24,000	24,000	-
Sewer Service - Rosehill	4,847	4,200	5,040	4,200	-
Water Service - Rosehill	4,905	2,200	2,920	2,200	-
Storm Drainage Chgs. - Rosehill	6,553	6,300	8,310	8,300	2,000
Alarm System - Rosehill	-	2,200	-	2,200	-
Bldg & Fixture M&R - Rosehill	33,843	33,500	30,000	30,000	-
Janitorial Services - Rosehill	-	-	-	-	-
Total Other Services & Charges - Rosehill	\$ 85,838	\$ 74,900	\$ 72,000	\$ 73,400	\$ (1,500)

2018 Preliminary 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

2018 Preliminary Budget

Internal Service Funds

Public Works - Facilities Maintenance Division (Continued)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	\$ Increase/ (Decrease)
Other Services & Charges - Police Dept					
Contract Services - Police Dept	\$ -	\$ 750	\$ -	\$ 750	\$ -
Work Equip & Machine Rental - Police Dept	-	500	110	250	(250)
Natural Gas - Police Dept	5,738	8,400	3,780	8,400	-
Electricity - Police Dept	36,747	32,495	51,150	32,495	-
Sewer Service - Police Dept	4,708	3,400	4,070	3,400	-
Water Service - Police Dept	2,443	1,500	2,540	1,500	-
Storm Drainage Chgs. - Police Dept	8,568	8,275	10,860	10,770	2,495
Alarm System - Police Dept	5,903	2,200	4,330	2,200	-
Bldg & Fixture M&R - Police Dept	10,642	32,900	35,000	20,000	(12,900)
Total Other Services & Charges - Police Dept	\$ 74,749	\$ 90,420	\$ 111,840	\$ 79,765	\$ (10,655)
Other Services & Charges - Fire Dept					
Contract Services - Fire Dept	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -
Work Equip & Machine Rental - Fire Dept	-	500	-	500	-
Natural Gas - Fire Dept	5,134	6,400	8,270	6,400	-
Electricity - Fire Dept	17,751	13,900	11,750	13,900	-
Sewer Service - Fire Dept	8,360	7,500	9,290	7,500	-
Water Service - Fire Dept	4,898	4,200	5,160	4,200	-
Storm Drainage Chgs. - Fire Dept	5,410	2,700	6,860	6,860	4,160
Bldg & Fixture M&R - Fire Dept	25,548	30,000	31,300	30,000	-
Total Other Services & Charges - Fire Dept	\$ 67,100	\$ 67,200	\$ 72,630	\$ 71,360	\$ 4,160
Transfers-out					
Transfers-out	\$ -	\$ 5,834	\$ 5,834	\$ 6,000	\$ 166
Total Transfers-out	\$ -	\$ 5,834	\$ 5,834	\$ 6,000	\$ 166
Total Transfers-out	\$ -	\$ 5,834	\$ 5,834	\$ 6,000	\$ 166
Total Operating Expenses	\$ 400,174	\$ 408,579	\$ 436,384	\$ 380,830	\$ (27,749)
Total Public Works - Facilities Maintenance Division	\$ 624,669	\$ 684,095	\$ 672,164	\$ 675,730	\$ (8,365)

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 Surface Water Management Funds.

Budget Highlights

- The City continues to follow the Building Manager Program which was developed in 2015 that led to the establishment of 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.
- The 2018 budget includes no transfer-in from the General Fund based on the projected 2017 ending fund balance.
- 2018 Capital outlays are budgeted at a total of \$181,000, projecting an ending fund balance of \$357,039.

New Budget Item Summary

- This budget includes four new budget items:
 - Rosehill Staining/Painting
 - Fire Station 25 Painting
 - City Hall Exterior Refinishing
 - Light Station Paint and Pavers



2018 BUDGET

Rosehill Staining/Painting

Discussed by
Infrastructure
Committee; Discussed by
Council: 9/5/17, 10/23/17

Refinish 6 year old stain on Rosehill siding and soffits that has failed

Fund Name
Facility Renewal

Amount Requested

\$50,000

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

Any Additional
Revenue? If Yes,
Identify Below

Expenditure Purpose and Justification

The red stain on the interior and exterior of Rose Hill has failed. Some parts are dried out from the sun and some are still sticky to the touch. The red stain is on the horizontal tongue and groove boards inside and outside of the facility. The area by the front doors is so sticky that wet paint signs are posted so people don't touch or lean against it.

Beige stained plywood soffits are also stained and have mold growing on them. these will require cleaning and either two coats of stain applied or two coats of paint applied.

To repair the finish it will require a house and siding cleaner to clean the surface, one coat of oil based primer and then two coats of latex paint.

Alternatives and Potential Costs

1-Clean and paint the walls where the finish has failed and the soffits. Leave the parts fading due to sun exposure until 2019. \$15,000-\$20,000 savings.

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

n/a

Department:	Public Works
Division:	Facilities
Prepared by:	Matt Nienhuis

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

Revenue Account # & Title	Amount
Hotel Motel Lodging Tax	\$ 25,000
	\$ -
	\$ -
	\$ -



2018 BUDGET

Fire Station 25 Paint

Discussed by
Infrastructure
Committee; Discussed by
Council: 9/5/17,
10/23/17

Paint the exterior of Fire Station 25

Fund Name

Facility Renewal

Amount Requested

\$25,000

Nature of the expenditure? One-Time

Any Additional
Revenue? If Yes,
Identify Below

Expenditure Purpose and Justification

The exterior paint at Fire Station 25 is cracking and peeling and in poor condition. It requires cleaning, priming and repainting. In places the bare wood has been exposed and may require replacement due to deterioration.

This does not include the repainting of the training tower.

Alternatives and Potential Costs

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

N/A

Department:	Public Works
Division:	Facilities
Prepared by:	Matt Nienhuis

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

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



2018 BUDGET

City Hall Exterior Finish

Discussed by
Infrastructure Committee;
Discussed by Council:
9/5/17, 10/23/17

Refinish 9 year old exterior stain and metal paint on City Hall

Fund Name

Facility Renewal

Amount Requested

\$20,000

Nature of the expenditure? One-Time

Any Additional
Revenue? If Yes,
Identify Below

Expenditure Purpose and Justification

The stain on the tongue and groove siding of City Hall has faded and is no longer properly protecting the wood. The areas with the most exposure to the sun have little finish left protecting the wood siding. Stained exterior siding needs to be restained every 5 years and it has exceeded that lifespan.

Facilities maintenance has touched up a few places as needed but no major refinishing has happened.

Alternatives and Potential Costs

In addition the paint on the metal roofing trim is peeling and needs to be painted with direct to metal paint. That could be added for an additional \$15,000.

Another option is to not refinish the exterior risking more exposure and damage to the siding. The cost of the siding originally installed was \$343,000.

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

N/A

Department:	Public Works
Division:	Facilities
Prepared by:	Matt Nienhuis

Expenditure Account # & Title	Amount
Facility Renewal	\$ 20,000
	\$ -
	\$ -
	\$ -

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



2018 BUDGET

Light Station Paint and Sidewalks

Discussed by Lodging Tax
Committee &
Infrastructure
Committee; Discussed by
Council: 9/5/17,
10/23/17

Repair and paint the exterior of the Mukilteo Light Station
and replace rubber sidewalks

Fund Name

Facility Renewal

Amount Requested

\$40,000

Nature of the expenditure? One-Time

Any Additional
Revenue? If Yes,
Identify Below

Expenditure Purpose and Justification

Due to the harsh marine environment and the age of the light station it is time to paint again. New paint will keep the light station 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 repair of any unsound substrate material on the exterior surfaces of the lighthouse
- 2.) Priming all bare wood and other surfaces with primer colored to match the final coat on the exterior surfaces of the lighthouse
- 3.) Caulking and filling areas as necessary
- 4.) Areas of damaged and soft wood will be replaced
- 5.) Paint colors will match the existing buildings

The rubber sidewalks are becoming a trip hazard due to the panels separating from each other and the outer edges bending up. These will be replaced by concrete or pavers.

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

Mukilteo Historical Society President has offered to work with their Board to partner with a \$10,000-\$12,000 donation.

Department:	Public Works
Division:	Facilities
Prepared by:	Matt Nienhuis

Expenditure Account # & Title	Amount
Facility Renewal	\$ 40,000
Hotel/Motel Lodging Tax Grant	\$ 40,000
	\$ -
	\$ -

Revenue Account # & Title	Amount
Facility Renewal Grant Revenue	\$ 40,000
	\$ -
	\$ -
	\$ -

2018 Preliminary Budget

Internal Service Funds

Facility Renewal Fund (520)

	2016 Actuals	2017 Amended Budget	2017 Estimated Actuals	2018 Budget	Increase/ (Decrease)
Beginning fund balance	\$ -	\$ 307,149	\$ 307,149	\$ 455,339	\$ 148,190
Revenue and transfers-in					
Grants	\$ 92,981	\$ 22,000	\$ 22,000	\$ 65,000	\$ 43,000
Transfers-in	500,000	242,830	242,830	17,700	(225,130)
Total revenue and transfers-in	<u>\$ 592,981</u>	<u>\$ 264,830</u>	<u>\$ 264,830</u>	<u>\$ 82,700</u>	<u>\$ (182,130)</u>
Total resources	<u>\$ 592,981</u>	<u>\$ 571,979</u>	<u>\$ 571,979</u>	<u>\$ 538,039</u>	<u>\$ (33,940)</u>
Expenditures and transfers-out					
Capital outlay	\$ 285,832	\$ 162,640	\$ 116,640	\$ 181,000	\$ 18,360
Total expenditures and transfers-out	<u>\$ 285,832</u>	<u>\$ 162,640</u>	<u>\$ 116,640</u>	<u>\$ 181,000</u>	<u>\$ 18,360</u>
Ending fund balance	<u>\$ 307,149</u>	<u>\$ 409,339</u>	<u>\$ 455,339</u>	<u>\$ 357,039</u>	<u>\$ (52,300)</u>

SUPPLEMENTAL INFORMATION