

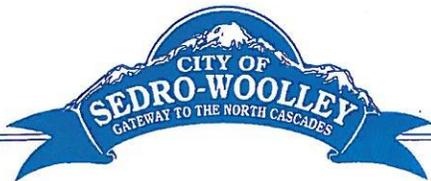
CITY OF SEDRO-WOOLLEY



**2010 Rosenbauer 109 Foot Aerial Ladder Truck
Placed into service – June, 2010**

**Mike Anderson, Mayor
Patsy Nelson, CPA, Finance Director**

Final Budget 2011



Mike Anderson
Mayor

2011 Budget Message

To the Citizens of Sedro-Woolley:

This has been another tough year in Sedro-Woolley. With so many people in our community hurting through job losses and reductions, some storefronts closed and stagnant revenues for city services, 2009 and 2010 brought budget cuts at the city and 2011 continues that trend.

Early in 2009, we acknowledged the changing economy and took swift action to reduce spending in 2009 to buffer the reductions that would occur in the future. As part of our 2009 budget reductions, the city asked its employees to shoulder much of the burden of balancing the budget. Our non-represented employees took furlough days that resulted in approximate cuts in pay of 3.7%. Our AFSCME represented employees switched medical plans mid-year, accepted furlough days that reduced their pay by approximately 3.2% and lost positions (street foreman and PWW II at the WWTP). Our SWPSG represented employees lost positions and waived their COLA for 2010. For 2011, AFSCME employees accepted COLAs of 0.5% which represents a reduction of 1.5% over the contracted amount. SWSPG employees received a COLA of 1.5% for 2011. Non-represented employees received a COLA of 0.5%. Our employees continue to do more with less and have stepped up to the plate to minimize the impact of revenue shortfalls on the services that our community depends on. Moving through 2011 and into 2012, I expect to make similar requests to our employees as benefit costs rise and city revenues fail to keep pace.

My top objective for 2010 was preservation of core services with economic development also a top priority. Both of these must continue to be at the top of our agenda as we move forward from this recession. While our cuts have impacted the basic function of city government, this budget attempts to balance the services and still provide as many of the basic services as possible. Our community, however, will feel the impacts of these reductions in 2011.

In recognizing the state of the economy and the financial distress of our community, I asked and the Council agreed, for the **third** year in a row, that we **not increase property taxes**.

City staff and elected officials have also redoubled their efforts to use state and federal grant dollars to support important projects in Sedro-Woolley. For 2011 these projects include the SR 20 widening project which will add a new commercial corridor for future redevelopment, job creation and sales tax generation as well as the SR 9 sidewalk project for pedestrian safety.

This budget represents the City's policy objectives for the coming year; if it is missing something important to you, or if you have any questions about it, please come and see me at City Hall.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Anderson", is written over the word "Sincerely,".

Mike Anderson, Mayor

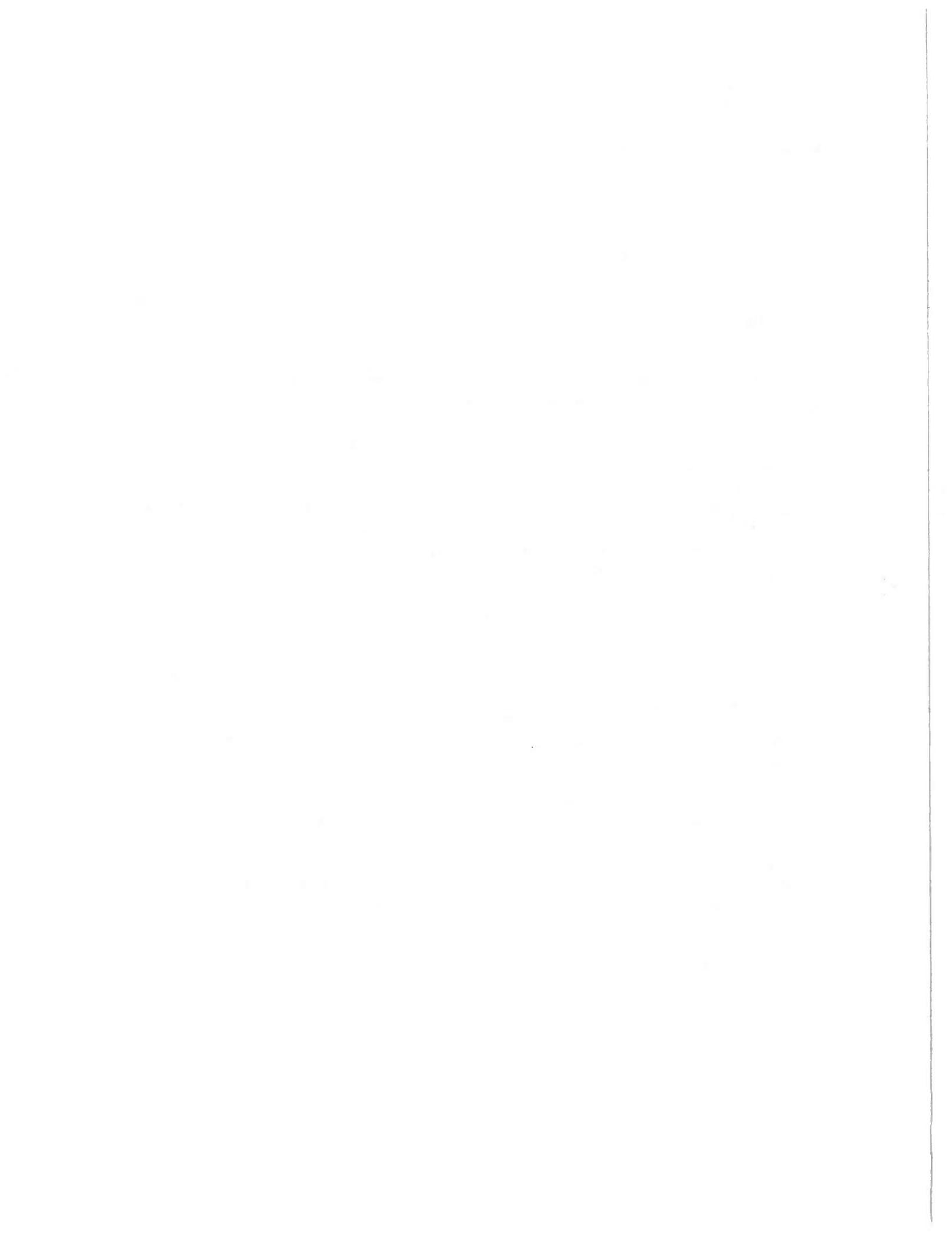
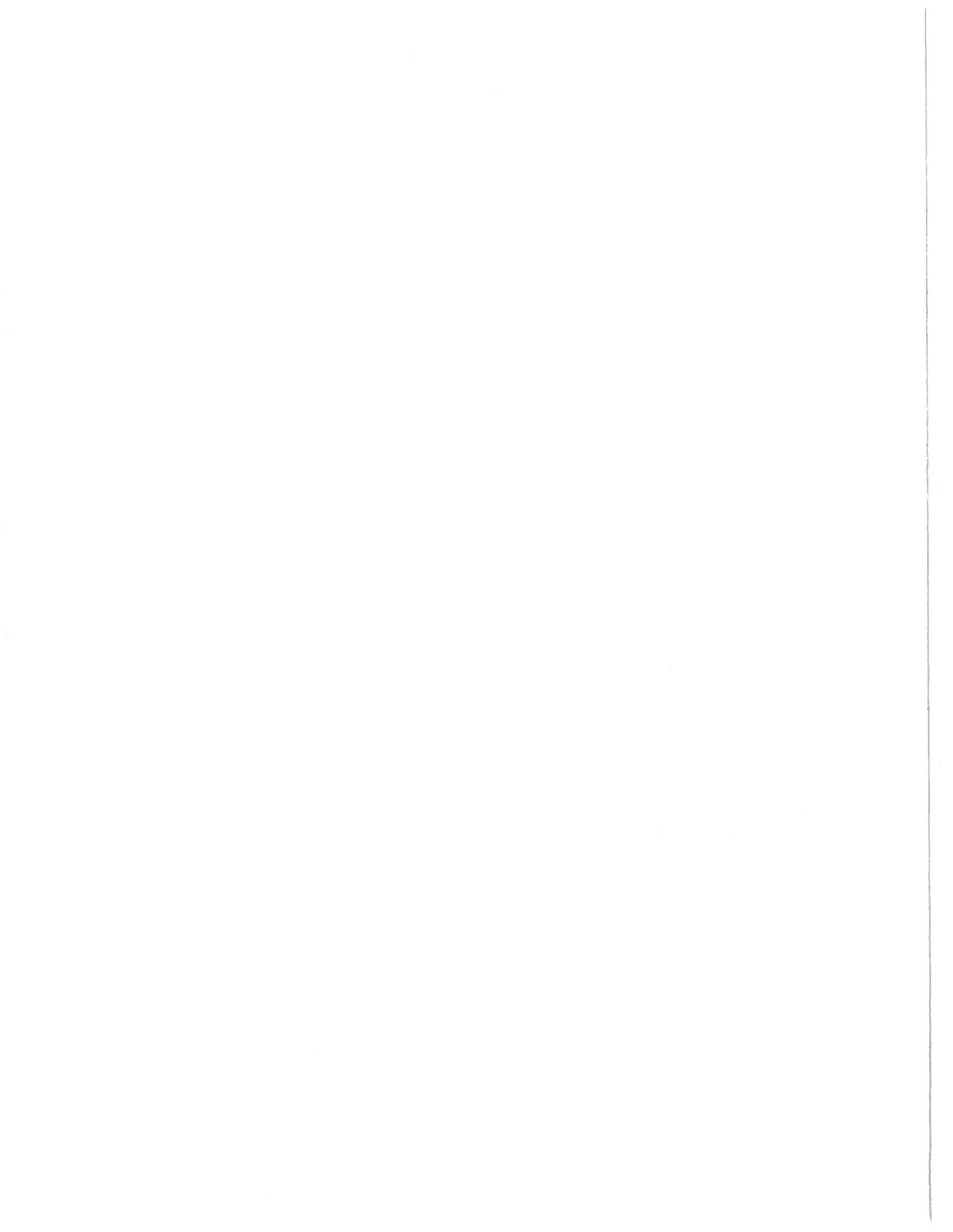


TABLE OF CONTENTS

2011 FINAL BUDGET

| | |
|---------------------------------------|----|
| City Officials | 1 |
| Council Committee Assignments | 2 |
| Citizen's Advisory Groups | 3 |
| Budget Overview | 4 |
| Organizational Chart | 9 |
| Fund Types | 10 |
| Budget Summary - Revenue | 11 |
| Budget Summary - Expenditure | 12 |
| General Fund Revenues | 13 |
| General Fund Expenditures | |
| Legislative | 19 |
| Judicial | 20 |
| Executive | 20 |
| Finance | 20 |
| Civil Service | 22 |
| Legal | 22 |
| Information Technology | 23 |
| Planning | 24 |
| Engineering | 26 |
| Police | 29 |
| Fire | 32 |
| Building | 33 |
| Special Revenue Funds | |
| Parks | 35 |
| Cemetery | 38 |
| Street | 39 |
| Arterial Streets | 40 |
| Library | 40 |
| General Government Debt Service Funds | 45 |
| Capital Project Funds | 47 |
| Enterprise Funds | |
| Sewer | 49 |
| Solid Waste | 54 |
| Internal Service Fund | |
| Equipment Replacement/Fleet | 57 |
| Miscellaneous | |
| Budget Calendar | 59 |
| Personnel Services | 61 |
| Glossary | 63 |
| Schedule of Council Meeting | 75 |



CITY OFFICIALS

COUNCILMEMBERS



Ted Meamber, Ward 1
820 Trail Road, Sedro-Woolley
(360) 856-0203 (H)
Term Exp: December 31, 2011



Hugh Galbraith, Council Ward 5
941 Alderwood Lane, Sedro-Woolley
(360) 856-5946 (H)
Term Exp: December 31, 2011



Tony Splane, Council Ward 2
714 Sapp Road, Sedro-Woolley
(360) 856-4984 (H)
Term Exp: December 31, 2013



Rick Lemley, Council Ward 6
1208 Talcott Street, Sedro-Woolley
(360) 855-1288 (W) (360) 856-1224 (H)
Term Exp: December 31, 2013



Thomas E. Storrs*, Council Ward 3
211 Talcott St., Sedro-Woolley
(360) 855-1293 (H)
Term Exp: December 31, 2013



Brett Sandström, Council At Large
432 Talcott Street, Sedro-Woolley
(360) 855-1095 (H)
Term Exp: December 31, 2013



Keith Wagoner, Council Ward 4
410 Talcott St., Sedro-Woolley
(360) 873-8005 (H)
Term Exp: December 31, 2011

* Mayor Pro-Tem

MAYOR



Mike Anderson
Term Exp: December 31, 2011

CITY SUPERVISOR/ATTORNEY

Eron Berg

DEPARTMENT DIRECTORS

Finance Director

Patsy K. Nelson, CPA

Director of Public Works/City Engineer

Mark A. Frieberger, P.E.

Planning Director & Building Official

Jack R. Moore, BCO

Police Chief

Doug Wood

Fire Chief

Dean Klinger

Library Director

Debra Peterson

IT Director

Bill Chambers

Municipal Court

Brian Stiles, Judge

* Term Expires

**COUNCIL COMMITTEE
ASSIGNMENTS**

In addition to serving on the City Council, Councilors also represent the citizens of Sedro-Woolley on various Council committees. Each year the Mayor appoints committee chair and membership positions and the Council confirms these appointments.

The committees handle numerous issues throughout the year, some of which will go on to the Council for consideration.

As the committees discuss issues, they generally make a recommendation to the Council for action. This recommendation is only a suggestion to the Council. The full Council will vote on issues brought before them and may or may not vote according to the Committee recommendation.

The City Supervisor generally attends Committee meetings as a liaison to Council Committees. Other Staff members attend as needed.

PUBLIC SAFETY COMMITTEE

The Public Safety Committee addresses law enforcement, fire services, animal control, code enforcement, emergency management, and other public safety concerns. Councilmembers serving on the Public Safety Committee are: Tony Splane – Chair, Tom Storrs and Keith Wagoner.

**FINANCE AND PERSONNEL
COMMITTEE**

The Finance and Personnel Committee addresses fiscal issues including appropriations, expenditures and budget adjustments as well as human resource

issues for the City, providing direction on personnel policies, negotiations and other significant issues. Councilmembers serving on this committee are Ted Meamber – Chair, Tom Storrs and Rick Lemley.

UTILITY COMMITTEE

The Utility Committee is responsible for addressing sewer, storm drainage and solid waste issues, related construction projects, and recommendations on rates and fees. Councilmembers serving on the Utility Committee are Rick Lemley – Chair, Tom Storrs and Tony Splane.

PARKS & RECREATION COMMITTEE

The Parks and Recreation Committee addresses long-term and short-term issues relating to the City’s parks. This committee acts as liasons to the Park and Recreation Advisory Board and serves as ex-officio non-voting members of the board. Councilmembers serving on the Parks & Recreation Committee are Keith Wagoner – Chair, Hugh Galbraith and Brett Sandström.

PLANNING COMMITTEE

The Planning Committee is involved with permitting policies as well as long-term planning. This Committee also acts as a liaison to the Planning Commission. Councilmembers serving on the Planning Committee are Brett Sandstrom – Chair, Hugh Galbraith and Ted Meamber.

CITIZENS ADVISORY GROUPS

CIVIL SERVICE COMMISSION

Robbie Robinson, Chairman
 Brock Stiles, Chief Examiner
 Winnie Floyd, Secretary Examiner
 Michael Janicki
 Bill McCann

HOUSING AUTHORITY

(5 Year Term)

| | |
|----------------|-----------|
| Fay Huggins | 12/31/11* |
| Kacy Johnson | 12/31/14* |
| K.B. Johnson | 12/31/15* |
| Terry Karper | 12/31/12* |
| Laurie Fellers | 12/31/13* |

LIBRARY BOARD

| | |
|----------------------|-----------|
| Mick Boroughs, Chair | 12/31/13* |
| Marjean Burke | 12/31/15* |
| Dagni Cole | 12/31/11* |
| Beverly Ringhouse | 12/31/11* |
| Sharon Whiting | 12/31/14* |

LODGING TAX ADVISORY COMMITTEE 2010

Tom Storrs, Chairman
 James Montgomery, Skagit Motel
 Kris Dodge, Three Rivers Inn
 Pola Kelley, Chamber of Commerce
 Jaretta Osborne, Sedro Woolley Museum

PARK AND RECREATION

ADVISORY BOARD (3 Year Term)

| | |
|------------------------------|----------|
| Stephanie Lokkebo, Chair | 9/30/13* |
| Ed Blanton | 9/30/12* |
| VACANT | 9/30/11* |
| Kim Woolsey, Vice Chair | 9/30/13* |
| Todd Torgeson | 9/30/11* |
| Mark Mauden | 9/30/12* |
| Caleb Bradford, SWHS Student | 4/30/11* |
| Mike Krivanac, Alternate | 4/30/11* |

*Term Expires

PLANNING COMMISSION

(6 Year Term)

| | |
|-------------------|-----------|
| Patrick Huggins | 12/31/13* |
| Terry Carter | 12/31/13* |
| Jim Johnson | 12/31/14* |
| Eric Johnson | 12/31/12* |
| Stephanie Lokkebo | 12/31/16* |
| Rick Judd | 12/31/16* |
| Jennifer Eldred | 12/31/11* |

* Term Expires

BUDGET OVERVIEW

The City of Sedro-Woolley provides general governmental services authorized by state law, including public safety, streets, parks and recreation, planning and zoning, permits and inspections, general administration, sewer and storm services, garbage and library services.

Budgeting is an essential element of the financial planning, control and evaluation processes of government. The planning process involves determining the types and levels of services to be provided and allocating available resources among various departments, programs or functions.

Financial control and evaluation procedures typically focus upon assuring that fixed expenditure limitations (appropriations) are not exceeded, and on comparing estimated and actual revenues and expenditures.

The budget authorizes and provides control of financial operations during the fiscal year. Upon adoption, the expenditure estimate, as modified by the Council, are enacted into law through the passage of an appropriations ordinance.

The appropriations constitute maximum expenditure authorizations during the fiscal year, and cannot be exceeded unless approval by the Council in the form of a budget amendment. Expenditures are monitored through the accounting system to assure budgetary compliance.

The City of Sedro-Woolley's accounting and budgeting systems are organized and operated on a fund basis as required by state law. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources.

The funds are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds are budgeted on a cash basis in accordance with the Revised Code of Washington (RCW) 36.33.

While typically thought of as a financial activity done to satisfy state law, budgeting is a process of planning. Fiscal planning involves all elements of government and is one of the most important functions for city officials.

The process of budgeting will not only allocate fiscal resources to meet needs and provide services, but will set a direction for the future. The elements of good planning include identifying community needs, city resources, the capability to meet community needs, and a plan to match such resources to the needs.

The planning for this document starts with the Council retreat in early summer. At that retreat Council discusses many issues including program priorities and capital project prioritization and timing.

The Mayor's budget is presented to the full Council in November. Two public hearings are scheduled with an adoption date in early December.

Related to this process is the City's Capital Facilities Plan as required by the Growth Management Act (GMA). This plan has significant requirements in the area of facilities planning and capital improvement financing.

The GMA exists to ensure that those public facilities and services necessary to support development are adequate to serve the development at the time the development is available for occupancy and use, without decreasing current levels of service below locally established minimum standards. The Capital Facilities Plan (CFP) is segregated into major categories: General Governmental, Transportation, Fire Protection, Police Protection, Solid Waste Management, Sewer, Storm Water and Parks and Recreation.

The City adopted a Capital Facilities Plan as part of its Comprehensive Plan. Subsequent Council policy decisions and amendments to the Comprehensive Plan require periodic review and amendments to the Capital Facilities Plan.

This budget document is developed in a manner to study and review the direction of the City of Sedro-Woolley. This document outlines the manner in which financial resources will be managed during the fiscal year.

The course the City is taking can be changed through the allocation of financial resources. The major groups who participate in the budget process are the Mayor, City Supervisor, City Council,

Finance Director other department directors, city committees and commissions, city staff, and interested citizens.

A budget document is read by a diverse group of people. The budget attempts to describe clearly and completely the nature and scope of policies, plans and programs for the year. It must communicate this information at different levels and for different purposes. One of the most important functions of the budget document is to describe future implications and relationships of policies, plans and programs to members of the public. The budget document is an opportunity for the public to acquire background information necessary to provide meaningful comment and feedback to members of the City Council and City staff during the year.

The City of Sedro-Woolley's budget process is designed to provide essential structure for the financial planning, control and evaluation process of government, presenting a forecast of expected resources and the purposeful distribution of those revenues.

Once adopted, the budget is a formal expression of public policy on the City's objectives and priorities and on how resources will be provided to meet those objectives.

State law establishes the budget process and time limits. The calendar of the City of Sedro-Woolley's budget can be found at the end of this document, in the addendum section, at Addendum A.

The budget can be changed (amended) at any time after it is adopted, by the City Council passing another ordinance in an

open public meeting. Normally, the budget is reviewed during the year to identify any adjustments.

In the City of Sedro-Woolley, policy begins with general direction provided by the City Council. The City budget process serves the function of creating a framework to implement the policies set forth by that body to administer the City organization and deliver the various services to the community.

Under the general guidance of the City Supervisor, department directors have primary responsibility for formulating budget proposals in line with Council priorities.

Budget policy begins with an understanding of the needs and issues important to the community that the government serves. General goals and priorities are identified in order to apply the available financial resources of the City for specific funding proposals. Previous budgets are considered in this process, thereby providing continuity with previous program goals.

FINANCIAL STABILITY POLICY

The City will strive to maintain a reserved fund balance in each fund of 8% or 1/12th of the annual revenues to provide a fiscal cushion that meets seasonal cash flow shortfalls, and assists in facing unpredictable economic downturns.

REVENUE POLICY

The City will estimate its annual revenues by an objective and analytical process, conservative in nature.

CAPITAL BUDGET POLICIES

The City will finance the City's needed capital facilities in an economic, efficient and equitable manner as possible. The burden for financing capital should be borne by the primary beneficiaries of the facility.

DEBT POLICIES

The City will strive to improve its bond rating. The City will maintain adequate available debt capacity for specific priority projects. The City shall use inter-fund borrowing where such borrowing is effective.

INVESTMENT POLICY

The City will maintain three principals on investments: safety, liquidity and yield, while meeting the daily cash flow needs of the City and conforming to all state statutes governing the investment of public funds.

FINANCIAL REPORTING POLICY

The City will strive to improve reporting and enhance comprehension to the user and reader. The City will perform ongoing monitoring of financial trends and evaluation of financial conditions. The City will maintain a high standard of accounting principles.

OPERATING BUDGET POLICY

The City Council will update the citywide priorities each year. The staff will use these priorities for development of the coming year's budget.

The Finance Department is responsible for coordinating all aspects of the budget

process on behalf of the City, analyzing department budget information, preparing budget revenue estimates, assembling the budget document and providing overview financial monitoring and reporting once the budget is adopted.

The Finance Department assists in identifying budget problems, formulating solutions and alternatives, and implementing corrective action approved by the City Supervisor, Mayor or City Council.

The City uses a line-item budget development approach and uses that level of detail as a backbone to the actual budget document. However, the budget is formally adopted at the fund level.

This budget seeks to achieve these four interrelated functions:

A POLICY TOOL

The City's budget process is conducted in a manner that allows City officials an opportunity to comprehensively review the direction of the City and to redirect its activities by means of the allocation of financial resources. On this basis, the budget sets policy for the following year. This budget also facilitates the evaluation of City programs by providing a means to measurably examine the financial activities of the City department over time.

AN OPERATIONS GUIDE

The budget provides financial control by setting forth both legislative and administrative guidance to City employees regarding the character and scope of their activities. This direction is set forth in both summary and detail form in the various products of the budget process.

A FINANCIAL PLAN

The budget outlines the manner in which the financial resources of the City will be managed during the budget period. This allocation of resources is based on understanding both the current year's needs and a long-term view of the development of the City's programs. The budget takes into account unforeseen contingencies and provides for the need for periodic adjustments.

AS A COMMUNICATION MEDIUM

This budget provides management information as a comprehensive tabulation of information regarding both the character and scope of City activity. No budget can be effective unless it communicates. Since this budget has a diverse audience, it seeks to communicate at several levels and for several purposes. It seeks to communicate clear policy at a usable level of detail to City employees, to communicate significant policy issues and options in a form that can be acted on by officials, and to communicate the plans of the City to its constituents in a manner which affords them an opportunity to provide meaningful comments to the elected officials.

BUDGET SUMMARY

While the budget planning and adoption process is discussed above, there are many issues that are important to discuss in order to understand the dynamics of this document. For financial and accounting purposes, municipal operations are divided into two broad categories; general governmental and proprietary. Budgets are established for all funds. There are 31 budgeted funds in the City of Sedro-Woolley and they are classified within

seven basic fund groups, as described below.

General governmental funds include three funds. The first is the **General Fund** which provides basic City services such as City administration, legislative, legal, personnel services, police, fire, planning, building, zoning, facilities and associated support functions. The resources to support these activities are primarily taxes and user fees.

Special Revenue funds account for the proceeds of specific revenue sources other than special assessments, expendable trusts or major capital projects. These revenues finance particular activities or functions as required by law or administrative regulations.

Debt Services funds accumulate resources and account for the payment of principal and interest for the City's general obligation long-term debt and special assessment debt. The City pledges its full faith and credit for payment of these obligations.

- Resources for redemption of Council –approved (limited) issues are usually from the general property tax levy.
- Resources for payment of special assessment debt are from assessments levied against benefited properties.
- Resources for redemption of revenue bonds are from the sales of goods and services.

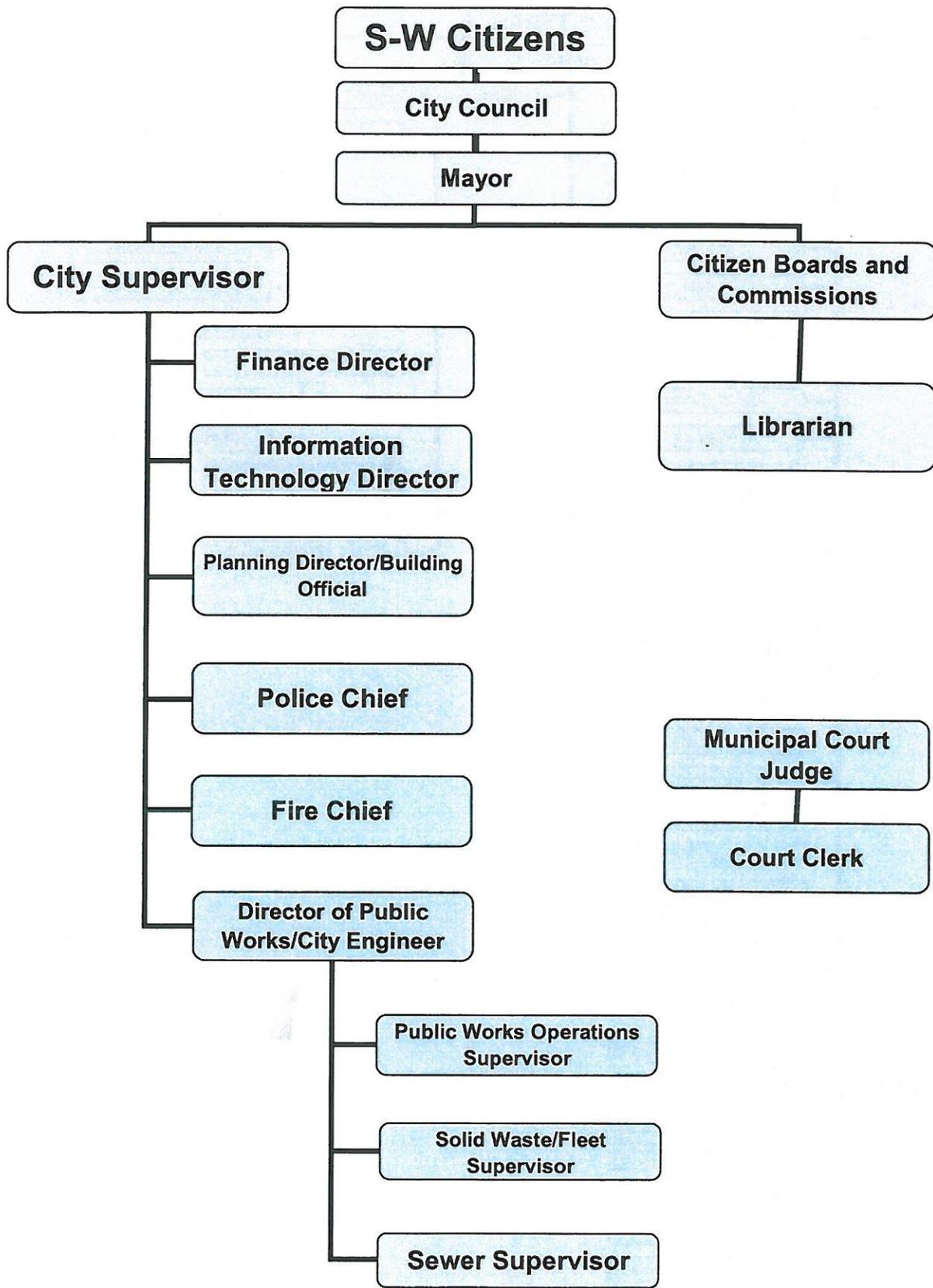
The debt service funds are the General Obligation Debt Service Funds, and the Sewer Revenue Bond Funds.

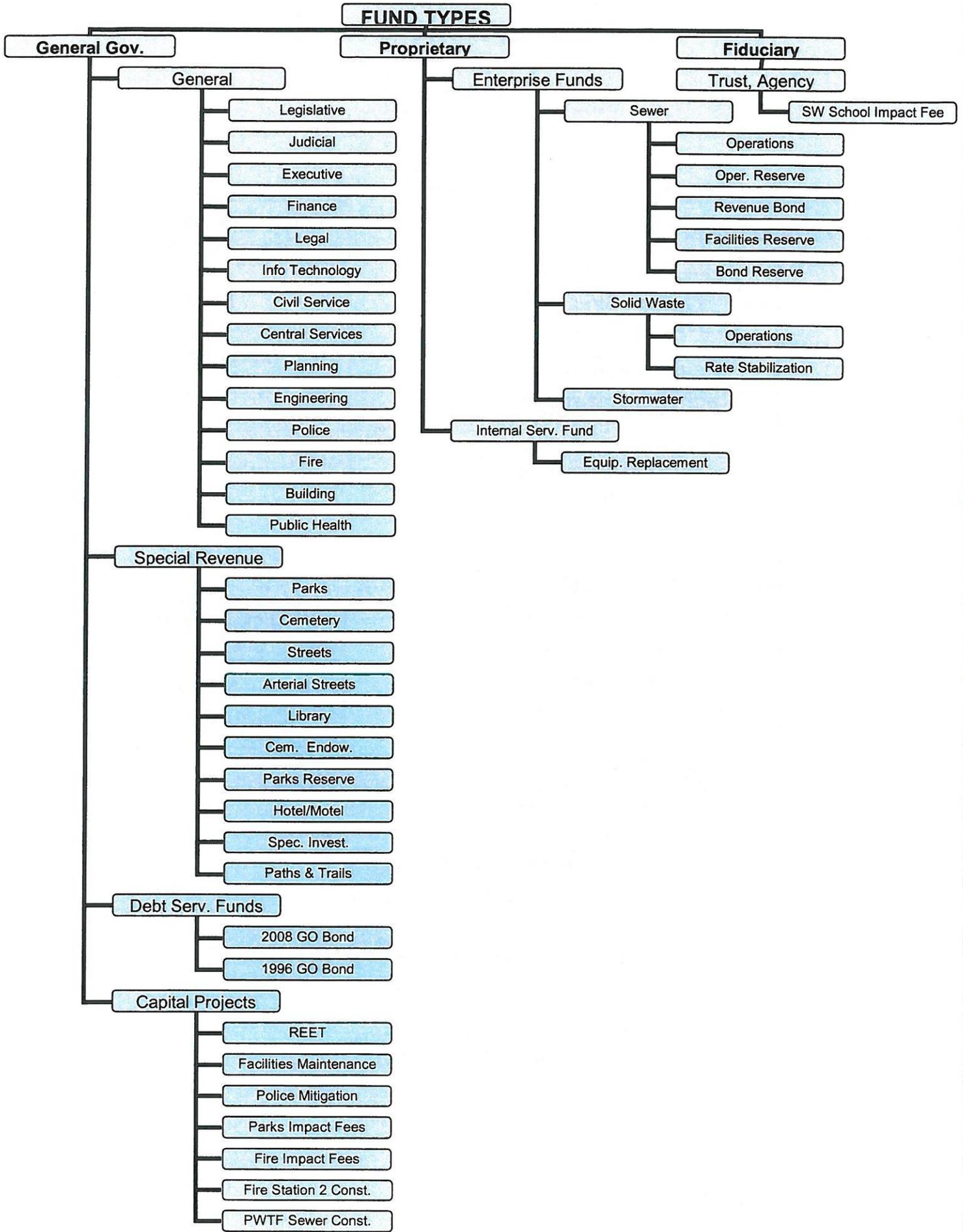
Capital Project funds account for the acquisition or development of major capital facilities, except those projects financed by the enterprise funds. Sources of revenue for these funds can include bond proceeds, federal/state grants, general property taxes, interest earnings, and transfers from other funds.

Enterprise funds are established for government activities that are financed and operate in a manner similar to private business. The user primarily finances costs of providing services to the general public. There are three types of enterprise funds. They are the Sewer Funds, Storm Water Fund and Solid Waste Funds.

Internal Service funds account for the financing of goods and services provided by one department or agency to other departments or agencies in the City. The City's internal services fund is the Equipment Replacement Fund.

Fiduciary funds include pension trust, expendable trust, and agency funds, which are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City has one of these funds, which accounts for impact fees on behalf of the Sedro-Woolley School District.

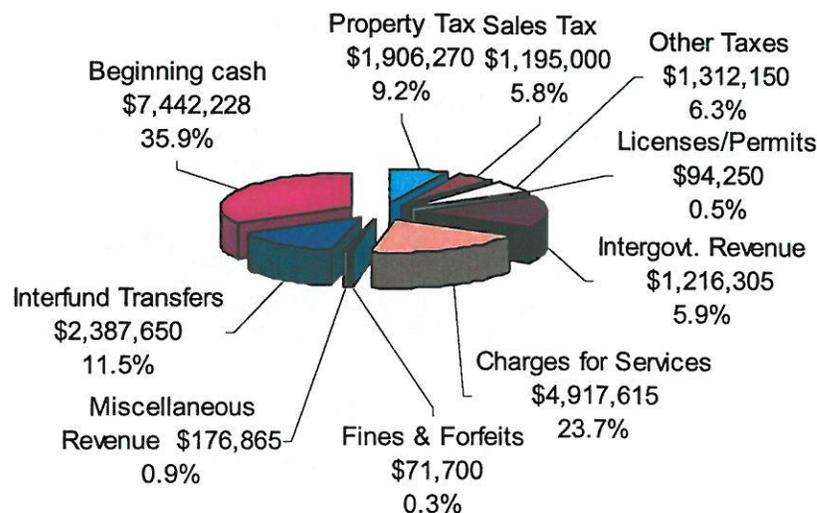




BUDGET SUMMARY 2011 REVENUE

| City of Sedro-Woolley 2011 Budget | | | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|--------------------|----------------------|----------------|----------------|---------------------|------------------|-------------------|
| Revenue Projections - All City Funds (by source) | | | | | | | | | | | |
| Fund Name | Property Tax | Sales Tax | Other Taxes | Licenses/Permits | Intergovt. Revenue | Charges for Services | Fines Forfeits | Misc. Revenue | Interfund Transfers | Beginning Cash | Total |
| General | 672,100 | 1,105,000 | 940,150 | 94,250 | 487,165 | 70,315 | 66,900 | 6,700 | 394,850 | 968,742 | 4,806,272 |
| Parks | 429,300 | - | - | - | 3,525 | 41,100 | - | 550 | 118,700 | 65,215 | 658,390 |
| Cemetery | 62,420 | - | - | - | - | 95,000 | - | 600 | - | 11,310 | 169,330 |
| Streets | 254,500 | 90,000 | - | - | 214,000 | - | - | 650 | 115,000 | 51,147 | 725,297 |
| Arterial Streets | - | - | - | - | - | - | - | 350 | - | 555,839 | 556,189 |
| Library | 263,800 | - | - | - | 34,000 | 6,000 | 4,800 | 80 | 80,000 | 35,940 | 424,620 |
| Cemetery Endowment | - | - | - | - | - | 3,500 | - | - | - | 112,196 | 115,696 |
| Cummulative Reserve - Parks | - | - | - | - | - | - | - | 530 | - | 6,233 | 6,763 |
| Lodging Tax (Tourism) | - | - | 27,000 | - | - | - | - | 200 | - | 31,453 | 58,653 |
| Special Investigations | - | - | - | - | - | - | - | 25 | - | 4,384 | 4,409 |
| Paths & Trails | - | - | - | - | 1,075 | - | - | 150 | - | 39,500 | 40,725 |
| 2008 GO Bond | - | - | 195,000 | - | - | - | - | 1,000 | - | 88,660 | 284,660 |
| 2008 GO Bond Reserve | - | - | - | - | - | - | - | - | 5,850 | 150,000 | 155,850 |
| 1996 GO Bond | 205,000 | - | - | - | - | - | - | 475 | - | 91,776 | 297,251 |
| Current Expense Reserve | - | - | 150,000 | - | - | - | - | 2,000 | 162,000 | 150,051 | 464,051 |
| Facilities Maintenance Reserve | - | - | - | - | - | - | - | 100 | 55,000 | 55,080 | 110,180 |
| Police Mitigation Reserve | - | - | - | - | - | 500 | - | 80 | - | 11,029 | 11,609 |
| Parks Impact Fees | - | - | - | - | - | - | - | 400 | - | 119,564 | 119,964 |
| Fire Impact Fees | - | - | - | - | - | - | - | 100 | - | 13,152 | 13,252 |
| Fire Station 2 Construction | - | - | - | - | - | - | - | - | 27,383 | - | 27,383 |
| Sewer Construction - PWTF | - | - | - | - | 350,000 | - | - | 400 | - | 260,466 | 610,866 |
| Sewer Operations | - | - | - | - | - | 2,976,100 | - | 25,500 | - | 581,148 | 3,582,748 |
| Sewer Operations Reserve | - | - | - | - | - | - | - | 1,600 | 75,000 | 448,729 | 525,329 |
| Sewer Debt Service | - | - | - | - | - | 6,800 | - | 4,300 | 450,000 | 335,664 | 796,764 |
| Sewer Facilities Reserve | - | - | - | - | - | - | - | 10,000 | 481,341 | 1,870,890 | 2,362,231 |
| Sewer Bond Reserve | - | - | - | - | - | - | - | - | - | 376,482 | 376,482 |
| Solid Waste Operations | - | - | - | - | - | 1,518,300 | - | 78,500 | - | 482,136 | 2,078,936 |
| Solid Waste Rate Stabilization | - | - | - | - | - | - | - | 75 | 45,000 | 45,055 | 90,130 |
| Stormwater | 19,150 | - | - | - | 126,540 | 200,000 | - | 1,300 | - | 34,914 | 381,904 |
| Suspense (SWSD) | - | - | - | - | - | - | - | 40,000 | - | - | 40,000 |
| Equipment Replacement & Fleet | - | - | - | - | - | - | - | 1,200 | 377,426 | 445,483 | 824,109 |
| TOTAL | 1,906,270 | 1,195,000 | 1,312,150 | 94,250 | 1,216,305 | 4,917,615 | 71,700 | 176,865 | 2,387,650 | 7,442,228 | 20,720,033 |

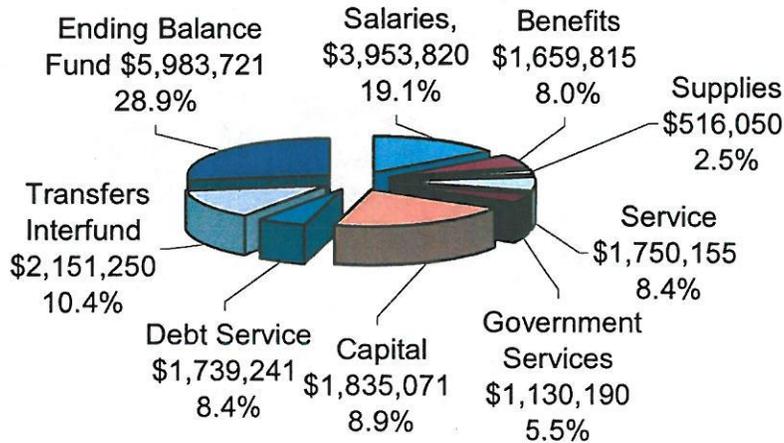
**2011
Revenue Projections
All City Funds by source
\$20,720,033**



**BUDGET SUMMARY
2011 EXPENDITURE**

| City of Sedro-Woolley 2011 Budget Expenditures by Category - All Funds | | | | | | | | | | |
|---|------------------|------------------|-----------------|------------------------|-----------------------|------------------|---------------------|----------------------------|--------------------------|-------------------|
| Fund Name | Salaries | Benefits | Supplies | Service Charges | Gov't Services | Capital | Debt Service | Transfers Interfund | End. Fund Balance | Total |
| General | 2,239,500 | 914,245 | 139,950 | 577,190 | 285,700 | 192,738 | 58,500 | 13,954 | 384,495 | 4,806,272 |
| Parks | 184,100 | 96,725 | 30,500 | 151,250 | 800 | 36,000 | - | 106,313 | 52,702 | 658,390 |
| Cemetery | 76,000 | 35,190 | 12,100 | 12,440 | 2,500 | 2,500 | - | 15,051 | 13,549 | 169,330 |
| Streets | 167,270 | 81,980 | 48,500 | 200,375 | 60 | 75,000 | - | 96,093 | 58,019 | 725,297 |
| Arterial Streets | - | - | - | - | 3,200 | 35,000 | - | - | 517,989 | 556,189 |
| Library | 168,500 | 41,595 | 4,000 | 70,000 | 150 | 21,300 | - | 85,100 | 33,975 | 424,620 |
| Cemetery Endowment | - | - | - | - | - | 100,000 | - | - | 15,696 | 115,696 |
| Cummulative Reserve - Parks | - | - | - | - | - | 6,500 | - | - | 263 | 6,763 |
| Lodging Tax (Tourism) | - | - | - | 48,000 | - | - | - | - | 10,653 | 58,653 |
| Special Investigations | - | - | - | 1,000 | - | - | - | - | 3,409 | 4,409 |
| Paths & Trails | - | - | - | - | - | 5,000 | - | - | 35,725 | 40,725 |
| 2008 GO Bond | - | - | - | - | - | - | 150,550 | 55,000 | 79,110 | 284,660 |
| 2008 GO Bond Reserve | - | - | - | - | - | - | - | - | 155,850 | 155,850 |
| 1996 GO Bond | - | - | - | - | - | - | 211,700 | - | 85,551 | 297,251 |
| Current Expense Reserve | - | - | - | - | - | - | - | 333,383 | 130,668 | 464,051 |
| Facilities Maintenance Reserve | - | - | - | - | - | - | - | - | 110,180 | 110,180 |
| Police Mitigation Reserve | - | - | - | - | - | - | - | 10,000 | 1,609 | 11,609 |
| Parks Impact Fees | - | - | - | 10,000 | - | - | - | - | 109,964 | 119,964 |
| Fire Impact Fees | - | - | - | - | - | - | - | 13,250 | 2 | 13,252 |
| Fire Station 2 Construction | - | - | - | - | - | 27,383 | - | - | - | 27,383 |
| Sewer Construction - PWF | - | - | - | - | - | 500,000 | - | - | 110,856 | 610,856 |
| Sewer Operations | 584,300 | 255,840 | 133,000 | 449,650 | 76,500 | 680,000 | - | 1,116,125 | 287,333 | 3,582,748 |
| Sewer Operations Reserve | - | - | - | - | - | 75,000 | - | - | 450,329 | 525,329 |
| Sewer Debt Service | - | - | - | - | - | - | 467,250 | - | 329,514 | 796,764 |
| Sewer Facilities Reserve | - | - | - | - | - | - | 851,241 | - | 1,510,990 | 2,362,231 |
| Sewer Bond Reserve | - | - | - | - | - | - | - | - | 376,482 | 376,482 |
| Solid Waste Operations | 351,700 | 159,550 | 139,500 | 133,250 | 716,000 | 42,050 | - | 276,245 | 260,641 | 2,078,936 |
| Solid Waste Rate Stabilization | - | - | - | - | - | - | - | - | 90,130 | 90,130 |
| Stormwater | 144,000 | 64,510 | 7,500 | 97,000 | 6,000 | 1,600 | - | 30,736 | 30,558 | 381,904 |
| Suspense (SWSD) | - | - | - | - | 40,000 | - | - | - | - | 40,000 |
| Equipment Replacement & Fleet | 38,450 | 10,180 | 3,000 | - | - | 35,000 | - | - | 737,479 | 824,109 |
| TOTAL | 3,953,820 | 1,659,815 | 516,050 | 1,750,155 | 1,130,910 | 1,835,071 | 1,739,241 | 2,151,250 | 5,983,721 | 20,720,033 |

**2011 All Funds
Expenditures - by Purpose
\$20,720,033**



GENERAL FUND REVENUES

The City's General Fund receives the greatest amount of its operating revenues from a variety of taxes. State law limits those taxes.

PROPERTY TAX

Property Taxes are collected on 100 percent of assessed valuation (A.V.) as determined by the Skagit County Assessor's Office in accordance with state law. The maximum that the City can levy is 101 percent of the highest of the three (3) most recent years' levies, plus the impact of new construction at the previous year's levy rate, plus miscellaneous adjustments.

The new construction assessed value amount for 2011 is estimated at \$4,600,000 as compared to \$4,250,000 in 2010. State statutes do not allow the city to levy more than \$3.375 per \$1,000 of assessed valuation. The City of Sedro-Woolley is well below the statutory limit, and is at \$2.1952 per \$1,000 of assessed valuation for 2011.

In November 2001, the voters of the state approved Initiative 747, which sets limits for annual increases in property taxes to 1% without a vote of the people.

In November of 1997, the voters of the state approved Referendum 47, which sets limits in three areas for property tax:

- 1) The State tax levy increases now annually limited to the lesser of the I.P.D. inflation factor or 1%.
- 2) The 1997 temporary tax reduction was made permanent; and

- 3) A new limit factor for the local jurisdictions on property tax.

As previously stated cities still are limited to 101%, but now there is an inflation factor called an implicit price deflator (IPD). The IPD for personal consumption in the United States is published for the most recent twelve-month period by the Bureau of Economic Analysis of the Federal Department of Commerce in September of the year before the taxes are due.

As the referendum provides, cities may go above the IPD to any percentage up to the 101 percent. In order to levy the full 101 percent, a substantial need must exist, and a resolution or ordinance must be adopted by a supermajority of the City Council.

Property Tax Levy Rate by Taxing Entities*

Property Tax Levy Rate by Taxing Entities

| <u>District</u> | <u>2010</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Skagit County | \$1.4592 | \$1.3627 | \$ 1.2420 | \$ 1.2097 | \$ 1.3206 |
| Medic 1 | \$0.2500 | \$0.2460 | \$ 0.2273 | \$ 0.2290 | \$ 0.2500 |
| Conservation | \$0.0494 | \$0.0461 | \$ 0.0426 | \$ 0.0429 | \$ 0.0469 |
| State | \$2.2060 | \$2.0292 | \$ 1.9625 | \$ 2.0118 | \$ 2.1725 |
| City General | \$2.1952 | \$2.0451 | \$ 1.8569 | \$ 2.1444 | \$ 2.2598 |
| City Bond | \$0.2703 | \$0.2517 | \$ 0.2291 | \$ 0.2743 | \$ 0.2743 |
| Schools General | \$2.7495 | \$2.5515 | \$ 2.2160 | \$ 2.4852 | \$ 2.6018 |
| School Bond | \$0.9286 | \$0.8728 | \$ 0.7597 | \$ 0.8084 | \$ 0.8955 |
| Hospital 304 | \$0.1569 | \$0.1470 | \$ 0.1344 | \$ 0.1406 | \$ 0.1512 |
| Port #2 | \$0.1286 | \$0.1224 | \$ 0.1174 | \$ 0.1196 | \$ 0.0999 |
| Totals | \$10.3937 | \$9.6745 | \$ 8.7879 | \$ 9.4659 | \$ 10.0725 |

* Per \$1000 of assessed value.

City Regular Levy

| | <u>Assessed Valuation</u> | <u>Property Tax</u> | <u>Rate Per \$1,000</u> |
|------|-------------------------------|-------------------------|---------------------------------|
| 1999 | \$ 329,038,224 | \$ 901,993 | \$ 2.7413 |
| 2000 | \$ 396,626,551 | \$ 929,018 | \$ 2.3423 |
| 2001 | \$ 404,374,295 | \$ 1,096,218 | \$ 2.7109 |
| 2002 | \$ 425,982,646 | \$ 1,186,788 | \$ 2.7860 |
| 2003 | \$ 453,524,658 | \$ 1,255,674 | \$ 2.7687 |
| 2004 | \$ 472,465,429 | \$ 1,320,021 | \$ 2.7939 |
| 2005 | \$ 556,551,581 | \$ 1,363,329 | \$ 2.4496 |
| 2006 | \$ 589,957,949 | \$ 1,495,897 | \$ 2.5356 |
| 2007 | \$ 711,332,593 | \$ 1,607,469 | \$ 2.2598 |
| 2008 | \$ 778,278,230 | \$ 1,668,939 | \$ 2.1444 |
| 2009 | \$ 930,140,024 | \$ 1,727,177 | \$ 1.8569 |
| 2010 | \$ 848,751,838 | \$ 1,735,760 | \$ 2.0451 |
| 2010 | \$ 792,417,170 | \$ 1,739,520 | \$ 2.1952 |

The City remains highly dependent on property tax revenues, as other revenue sources are not increasing sufficiently to meet the basic needs in providing necessary services.

City Bond Levy (Public Safety Bldg.)

| | <u>Assessed Valuation</u> | <u>Property Tax</u> | <u>Rate Per \$1,000</u> |
|------|-------------------------------|-------------------------|---------------------------------|
| 1999 | \$ 319,189,719 | \$ 179,991 | \$ 0.5639 |
| 2000 | \$ 385,636,071 | \$ 175,002 | \$ 0.4538 |
| 2001 | \$ 393,574,160 | \$ 164,986 | \$ 0.4192 |
| 2002 | \$ 415,424,831 | \$ 197,991 | \$ 0.4766 |
| 2003 | \$ 442,734,218 | \$ 197,991 | \$ 0.4472 |
| 2004 | \$ 461,308,584 | \$ 197,994 | \$ 0.4292 |
| 2005 | \$ 550,023,681 | \$ 222,980 | \$ 0.4054 |
| 2006 | \$ 580,714,084 | \$ 191,984 | \$ 0.3306 |
| 2007 | \$ 699,986,348 | \$ 191,923 | \$ 0.2743 |
| 2008 | \$ 765,517,905 | \$ 209,982 | \$ 0.2743 |
| 2009 | \$ 916,624,824 | \$ 209,999 | \$ 0.2291 |
| 2010 | \$ 834,330,418 | \$ 210,000 | \$ 0.2517 |
| 2011 | \$ 777,032,985 | \$ 210,000 | \$ 0.2703 |

RETAIL SALES & USE TAX

Retail Sales and Use Tax consists of two city portions. The first portion is a local tax of one-half of one percent less fifteen percent paid to the county. The second portion includes an "optional" one-half of one percent, less the fifteen percent county share. This provides a combined city portion of 0.0085 from each dollar of local sales. This was authorized by the State Legislature in 1982 and further authorized by the city and provided for in Sedro-Woolley's Municipal Code Title 3, Chapter 3.12. The sales tax was adopted in 1935 as an integral part of the Washington State Revenue Act.

City Sales Tax Collections

City Sales Tax Collections

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 1998 | \$ 896,368 |
| 1999 | \$ 992,269 |
| 2000 | \$ 905,292 |
| 2001 | \$ 895,382 |
| 2002 | \$ 994,203 |
| 2003 | \$ 1,017,025 |
| 2004 | \$ 1,057,128 |
| 2005 | \$ 1,135,459 |
| 2006 | \$ 1,308,946 |
| 2007 | \$ 1,335,930 |
| 2008 | \$ 1,243,787 |
| 2009 | \$ 1,098,954 |
| 2010 | \$ 1,099,021 |
| 2011* | \$ 1,195,000 |

* = projected in budget

STATE SHARED REVENUES

State shared revenues are derived from gasoline taxes, liquor receipts (from profits and excise taxes) and motor vehicle fuel excise taxes. These taxes are collected by the State of Washington and shared with local governments based on population. The Office of Financial Management determines the population

figures used for the distribution of state-shared revenues. Sedro-Woolley's 2011 estimated population is 10,084.

LIQUOR PROFITS AND TAXES

Cities and towns are responsible for the policing of liquor establishments located within their limits but are precluded from taxing them because of the state liquor monopoly. The law provides that a share of the state-collected profits and taxes be returned to cities and towns to help defray the cost of policing liquor establishments.

Liquor Board profits consist of the difference between revenue from state liquor stores, taxes on wine and beer, license fees, penalties and forfeitures and board expenditures. Except for monies from administrative fees and those attributable to Class H licenses, the profits are divided among the state, counties, cities and towns.

Cities and towns receive a 40 percent share. An additional amount is distributed to border area cities and towns. Cities and towns also receive 28 percent of the liquor excise tax receipts. To be eligible to receive liquor taxes and profits, a city or town must devote at least 2 percent of its distribution to support an approved alcoholism or drug addition program.

UTILITY TAX

The City imposes a utility tax on cable at the rate of 6.5%; telecommunications, electricity, and natural gas at the rate of 6 percent. The City also imposes a utility tax of 2 percent on city provided utilities.

LEASEHOLD EXCISE TAX

Most leases of publicly-owned real and personal property in the state are subject to a leasehold excise tax in lieu of a property tax. The State Legislature in 1976 established a 12 percent tax to be levied on the contract rent.

In 1987, the State Legislature increased the rate to a total of 12.84 percent. Cities and counties may collectively levy up to 6 percent of the 12.84 percent. The maximum rate for cities is 4 percent and, if a city levies this amount, the county can levy only 2 percent on leaseholds in the incorporated areas. If a city chooses not to levy its maximum, the county captures the difference to the 6 percent lid.

The City of Sedro-Woolley imposes the leasehold excise tax at the rate of 4 percent. Doing so does not affect the rate that leaseholders must pay; it simply determines who receives the money.

MUNICIPAL COURT FINES

Although the State Supreme Court establishes the schedule of fines for traffic infractions in the Washington Model Traffic Ordinance RCW Chapter 46.90, cities and towns share in the revenue for infractions committed within their boundaries. After the fines are collected, 35 percent is sent to the state. The remainder is deposited in the General Fund to support law enforcement services.

LICENSES, PERMITS & FEES

The City collects license fees, building permit fees and miscellaneous user fees.

EMERGENCY SERVICES

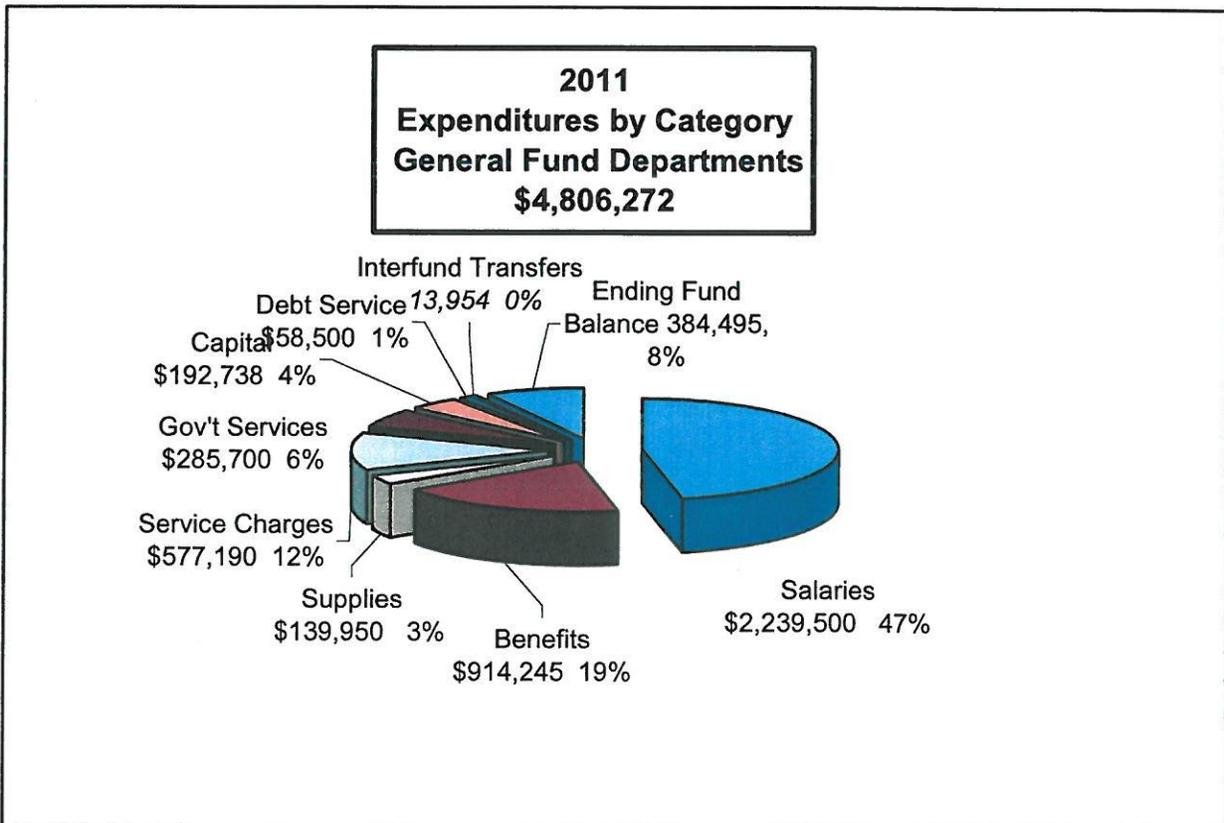
The Sedro-Woolley Fire Department provides fire and emergency services through a governmental contract with Skagit County Fire District No. 8, Monday through Friday, 6:00 am to 6:00 pm. In 2010 the City received \$183,491 from this program and anticipates about the same in 2011.

In 2009 the City entered into a contract with the State of Washington to provide fire and emergency services to the North Cascade Gateway Center located to the northeast of the city. In 2010 the city received \$17,850 from this contract and expects to receive \$18,564 in 2011.

This list is not meant to cover every General Fund Revenue, but it is intended to assist in understanding how and where much of the money comes from in the support of general services of the City.

**BUDGET SUMMARY
2011 EXPENDITURE**

| City of Sedro-Woolley 2011 Budget Expenditures by Category - General Fund Departments | | | | | | | | | | |
|--|------------------|-----------------|-----------------|------------------------|-----------------------|----------------|---------------------|----------------------------|------------------|----------------|
| Department Name | Salaries | Benefits | Supplies | Service Charges | Gov't Services | Capital | Debt Service | Transfers Interfund | Total | % |
| Legislative | 42,000 | 3,325 | 7,350 | 5,500 | 11,500 | - | - | - | 69,675 | 1.45% |
| Judicial | 34,500 | 5,280 | 3,500 | 80,536 | 14,500 | 2,000 | - | - | 140,316 | 2.92% |
| Executive | 60,300 | 17,915 | 500 | 22,200 | - | - | - | - | 100,915 | 2.10% |
| Finance | 56,150 | 30,070 | 9,500 | 51,177 | - | 1,000 | - | - | 147,897 | 3.08% |
| Legal | 18,250 | 7,180 | 150 | 40,250 | 1,400 | - | - | - | 67,230 | 1.40% |
| Civil Service | - | - | 250 | 3,000 | - | - | - | - | 3,250 | 0.07% |
| Information Technologies | 53,510 | 14,170 | 3,000 | 24,050 | - | 12,000 | - | - | 106,730 | 2.22% |
| Central Services | - | - | 2,700 | 7,500 | 200 | - | - | 8,104 | 18,504 | 0.38% |
| Planning | 137,500 | 49,375 | 2,000 | 17,700 | 5,015 | 500 | - | - | 212,090 | 4.41% |
| Engineering | 82,740 | 33,430 | 3,000 | 31,750 | - | 500 | - | - | 151,420 | 3.15% |
| Police | 1,266,000 | 644,090 | 48,500 | 149,917 | 183,043 | 80,000 | - | - | 2,371,550 | 49.34% |
| Fire | 443,100 | 96,610 | 56,000 | 137,600 | - | 96,738 | 58,500 | 5,850 | 894,398 | 18.61% |
| Building | 45,450 | 12,800 | 3,500 | 6,010 | - | - | - | - | 67,760 | 1.41% |
| Emergency Services | - | - | - | - | 21,000 | - | - | - | 21,000 | 0.44% |
| Pollution Control | - | - | - | - | 3,525 | - | - | - | 3,525 | 0.07% |
| Economic Development | - | - | - | - | 2,000 | - | - | - | 2,000 | 0.04% |
| Aging | - | - | - | - | 20,441 | - | - | - | 20,441 | 0.43% |
| Public Health | - | - | - | - | 23,076 | - | - | - | 23,076 | 0.48% |
| Ending Fund Balance | - | - | - | - | - | - | - | - | 384,495 | 8.00% |
| TOTAL | 2,239,500 | 914,245 | 139,950 | 577,190 | 285,700 | 192,738 | 58,500 | 13,954 | 4,806,272 | 100.00% |



GENERAL FUND EXPENDITURES – By Department

LEGISLATIVE

The City Council is the legislative branch of the city government within the City of Sedro-Woolley. Policy-making is the most important responsibility of the City Council.

The general powers and duties of this body are provided in the Revised Code of Washington Chapter 35A.12.

As a comprehensive policy setting directive, the Council develops various master plans. These plans are the foundation for developing the annual final budget. These plans are also opportunities for citizens to have direct input into the major policies affecting the community. City master plans include the GMA Comprehensive Plan, Capital Improvement Plan, Transportation Improvement Plan, Stormwater Management Plan, Comprehensive Solid Waste Management Plan, Comprehensive Sewer System Plan, Design Standards and Guidelines, Police Mitigation Fee Analysis and Proposal, Fire Strategic Review and Impact Fee Plan, Sedro-Woolley School District #101 Capital Facilities Plan.

In developing the master plans, the City Council holds public hearings to allow public input and testimony. This represents hundreds and hundreds of hours of testimony and debate. These master plans are comprehensive and provide fiscal guidance both in the annual budget and the long-term strategic budget development.

After master plans are adopted by the Council, the City's department directors develop annual budget requests to implement the master plans. Each director develops budget requests for the City Supervisor to review. This process results in the City Council's passage of the final annual budget in December of each year.

MISSION STATEMENT

The mission of the Sedro-Woolley City government is to provide services and opportunities which create a community where people choose to live, work and play. This will be achieved through providing the highest quality services we can within the resources with which we're provided; involving residents in all aspects of planning and operations; serving as a clearinghouse for public information and operating facilities which meet the legitimate, identified concerns of the residents of and visitors to our community.

VISION STATEMENT

Sedro-Woolley is a friendly City that is characterized by City government and citizens working together to achieve a prosperous, vibrant and safe community.

| Legislative | | | | |
|---------------------------------|--|---------------|---------------|--------------|
| | | | | |
| | | | | |
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| <u>Expenditures by Category</u> | | | | |
| Salaries | | 42,000 | 42,000 | 0 |
| Benefits | | 3,325 | 3,320 | 5 |
| Supplies | | 7,350 | 5,000 | 2,350 |
| Service Charges | | 5,500 | 5,500 | 0 |
| Government Services | | 11,500 | 11,000 | 500 |
| | | | | |
| Total Expenditures | | 69,675 | 66,820 | 2,855 |

JUDICIAL

The Municipal Court of Sedro-Woolley is a court of limited jurisdiction, presiding over infractions, and misdemeanor and gross misdemeanor criminal matters. Other matters such as felonies are held in Skagit County Superior Court.

The Court personnel manage the court’s caseload, record proceedings and collect all fines, forfeiture and costs that are initiated by the Sedro-Woolley Police Department. The Judge is provided through a professional services contract.

| Judicial | | | | |
|---------------------------------|--|----------------|----------------|-------------|
| | | | | |
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| <u>Expenditures by Category</u> | | | | |
| Salaries | | 34,500 | 33,265 | 1,235 |
| Benefits | | 5,280 | 4,550 | 730 |
| Supplies | | 3,500 | 3,500 | 0 |
| Service Charges | | 80,536 | 83,151 | -2,615 |
| Government Services | | 14,500 | 14,000 | 500 |
| Capital | | 2,000 | 2,000 | 0 |
| Total Expenditures | | 140,316 | 140,466 | -150 |

EXECUTIVE

The Mayor of a code-city Mayor-Council municipality is the chief executive and, as such, is responsible for carrying out the policies of the Council. The City Supervisor is tasked with carrying out the day-to-day duties under the direct supervision of the Mayor.

The Executive Department provides overall administration of the affairs of the City. This includes enacting the Council’s policies, officially representing the City for the public and other Governmental entities, and

providing City department overview and liaison.

| Executive | | | | |
|---------------------------------|--|----------------|----------------|---------------|
| | | | | |
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| <u>Expenditures by Category</u> | | | | |
| Salaries | | 60,300 | 60,300 | 0 |
| Benefits | | 17,915 | 16,230 | 1,685 |
| Supplies | | 500 | 1,000 | -500 |
| Service Charges | | 22,200 | 26,100 | -3,900 |
| Capital | | 0 | 0 | 0 |
| Total Expenditures | | 100,915 | 103,630 | -2,715 |

FINANCE

The Finance Department provides a variety of financial and administrative services for the City, which includes:

- Cashiering services;
- Cash and investment portfolio management;
- Debt management, including EMMA reporting requirements;
- Budget preparation and administration;
- Annual financial report preparation;
- Business license issuance and monitoring
- Utility Tax reporting;
- Grant revenue and expenditure reporting;
- Local Improvement District assessment collections;
- Utility billing for sewer, solid waste and storm;
- Accounts receivable and collections;
- Payroll and employee benefits;
- Federal and State payroll tax reporting;
- Accounts payable and audit of vendor claims;

- Monthly and annual financial reporting of all revenues and expenditures;
- Prepares for and facilitates the City's annual audit;
- Custodian of the City's legislative history;
- Production of Council agendas, packets and minutes;
- Publish required legal notices;
- Notary services (City related documents only);
- Archival and destruction responsibilities of the City's official public records;
- Process all incidents and claims in a timely manner;
- City-wide mail processing;
- Manage the City's inventory system;
- Assist the City Supervisor in risk management and personnel issues.
- Manage the City's Identity Theft Prevention program per the FCC's Red Flag Rule.
- Continued the process of becoming a passport acceptance facility.
- Completed scanning, archiving and preservation of the City's oldest records which include those from the Town of Sedro, Town of Woolley, Town of Sedro-Woolley as well as the City of Sedro-Woolley funded by a \$10,000 grant. Citizens may now access these old records and conduct research on-line.
- Continued to improve the City's budget process and financial reporting.
- Outsourced the printing and mailing of monthly utility billings allowing compliance with US Postal regulations.
- Continually evaluated and updated the City's expected revenues as a result of the declining national economy to determine the amount of cost cutting necessary.

2010 Accomplishments

- Successfully completed the annual audit by the State Auditor which was the City's third Federal Audit in three years with no findings.
- Successfully switched banks and all banking services including migrating from the use of warrants to checks.
- Updated the City's asset inventory system.
- Provide staffing to the City's Safety Committee, Wellness Committee, Well City award documentation and wellness events.

2011 Goals

- Successfully complete the annual audit by the State Auditors which again will be a Federal audit.
- Assist with the final close out and accounting for Public Works Trust Fund Construction Loans.
- Continue to improve the City's budget process and financial reporting.
- Evaluate and select new financial accounting software.
- Complete staff passport acceptance facility training and begin issuing passports.
- Continue to provide staffing for the Safety Committee, Wellness Committee and Wellness events.

- Update business license section of City code.
- Pursue a partnership with Washington State Department of Licensing for issuance, collection and recordkeeping of City business licenses.
- Transition to electronic Council packets.
- Continue to evaluate our processes and strive to be even more efficient, doing more with less.

| Finance | | | | |
|---------------------------------|--|----------------|----------------|--------------|
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| <u>Expenditures by Category</u> | | | | |
| Salaries | | 56,150 | 54,250 | 1,900 |
| Benefits | | 30,070 | 26,020 | 4,050 |
| Supplies | | 9,500 | 8,500 | 1,000 |
| Service Charges | | 51,177 | 54,995 | -3,818 |
| Capital | | 1,000 | 1,000 | 0 |
| Total Expenditures | | 147,897 | 144,765 | 3,132 |

LEGAL

The City Attorney's Office provides legal advice, opinions and representation to the Mayor, City Council, and staff on a broad range of matters:

- General civil litigation
- Law enforcement/prosecution
- Labor law, employment, personnel issues
- Land use/environmental issues
- Risk management
- Utility and water law
- Contract drafting and negotiation
- Real Estate transactions
- Ordinance and resolution drafting
- Prosecution in Municipal Court

The City Attorney's Office prioritizes aggressive and prompt response to lawsuits, and focuses on early pre-litigation involvement and intervention, thereby minimizing the City's litigation exposure and limiting our dependence on outside legal counsel.

Good risk management, active legal consultation with City Departments and the City Council, open channels of communication with citizens, and early legal intervention reduce the risk of litigation and limit our taxpayer's exposure to the financial liabilities associated with lawsuits against the City.

| Legal | | | | |
|---------------------------------|--|---------------|---------------|-------------|
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| <u>Expenditures by Category</u> | | | | |
| Salaries | | 18,250 | 18,150 | 100 |
| Benefits | | 7,180 | 6,525 | 655 |
| Supplies | | 150 | 100 | 50 |
| Service Charges | | 40,250 | 41,635 | -1,385 |
| Government Services | | 1,400 | 1,400 | 0 |
| Capital | | 0 | 0 | 0 |
| Total Expenditures | | 67,230 | 67,810 | -580 |

CIVIL SERVICE

The City Civil Service governs the selection, appointment or employment of any person to any office, place, position or employment subject to Civil Service within the Police and Fire Departments.

| Civil Service | | | | |
|---------------------------------|--|--------------|--------------|------------|
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| <u>Expenditures by Category</u> | | | | |
| Supplies | | 250 | 250 | 0 |
| Service Charges | | 3,000 | 3,000 | 0 |
| Total Expenditures | | 3,250 | 3,250 | 0 |

INFORMATION TECHNOLOGY

The Information Technology Department provides services to support all information systems the City uses to accomplish goals and perform its mission. These services include:

- Procurement, implementation and review of technology hardware and software systems
- Administration of the City-wide Local Area Network (LAN) and Internet Protocol (IP) telephone system
- Website development and maintenance
- Client support for critical proprietary applications in public safety, municipal court, wastewater treatment and financial systems
- Deployment and maintenance of networked security surveillance systems
- Database development, deployment and administration
- Securing, archiving and restoring data on the City network
- Coordination and client support for County-hosted email
- Facilitate end-user application training and coaching

2010 Accomplishments

Accomplishments for 2010 include:

- Updated design of City website and intranet
- Upgraded operating systems on all City Hall domain controllers and file servers
- Deployed SQL Server for Finance Department to support Vision SQL Reporting

- Deployed eleven more ultra energy-efficient (< 40 Watts at peak) desktop computers to replace older workstations and reduce energy costs
- Deployed dual monitors at key City workstations to increase efficiency
- Extended fiber optic cable to new fire station
- Extended IP telephone network to new fire station
- Configured and deployed Fire/EMS reporting workstations at new fire station

2011 Goals & Objectives

The main focus for IT in 2011 will continue to be on projects that reduce power consumption, increase productivity and enhance security.

These goals include:

- Continue to expand and/or enhance video security surveillance systems
- Continue to consolidate and streamline network topology
- Replace aging computer workstations with more energy-efficient systems
- Design and build-out secondary Data Center at new fire station
- Continue to enhance email and electronic data archiving
- Replace older City Hall domain controllers and file-servers
- Explore ways to improve City website by automating more tasks and by allowing departments to update their own content

| IT | | | | |
|---------------------------------|--|----------------|----------------|----------------|
| | | | | |
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| <u>Expenditures by Category</u> | | | | |
| Salaries | | 53,510 | 53,240 | 270 |
| Benefits | | 14,170 | 13,600 | 570 |
| Supplies | | 3,000 | 2,500 | 500 |
| Service Charges | | 24,050 | 27,925 | -3,875 |
| Capital | | 12,000 | 29,620 | -17,620 |
| Total Expenditures | | 106,730 | 126,885 | -20,155 |

CENTRAL SERVICES

This fund handles items which are shared among general fund departments such as vehicles.

| Central Services | | | | |
|---------------------------------|--|---------------|--------------|--------------|
| | | | | |
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| <u>Expenditures by Category</u> | | | | |
| Supplies | | 2,700 | 2,200 | 500 |
| Service Charges | | 7,500 | 3,800 | 3,700 |
| Government Services | | 200 | 200 | |
| Transfers | | 8,104 | 3,106 | 4,998 |
| Total Expenditures | | 18,504 | 9,306 | 9,198 |

PLANNING

Mission Statement

Promote the general health, safety, and welfare of the citizens of Sedro-Woolley; assist the citizens with code and permit processes; work with developers and contractors to achieve their goals; and work with other City departments to provide a coordinated effort.

We strive to achieve these goals and contribute to the overall mission of the City by:

- Administration and compliance with the codes and standards

2011 Budget

adopted by the State of Washington that regulate land development.

- Administration and compliance with the City of Sedro-Woolley Municipal Code as it relates to land use and development within the City.
- Provide information to the development industry clientele and assist them in understanding proper application of the adopted codes and ordinances.
- Insure that citizens of our city are notified of development activity and are provided with ample opportunity to participate in the public process.

Summary

The Planning Department serves the City by performing a multitude of tasks from reviewing private development projects to assisting with Municipal Code updates and establishing long range goals and policies through Comprehensive Plan revisions.

Sedro-Woolley's Municipal Code, as well as State and Federal law requires various processes and actions to be accurately performed in a timely manner. For instance, many actions require that we review or prepare specific information, properly document the required steps, provide public notification, hold public hearings, submit documentation to the State or other agencies for review, prepare and retain detailed records, etc.

The Planning Department acts as an information center to assist citizens in understanding the rules and policies of the City and how those might apply to their property or to a project proposal. The Planning Department often focuses

on public outreach, listening to what the community wants and suggesting changes to the Planning Commission and City Council accordingly.

The time spent completing these tasks in a thorough manner and ensuring that the City's goals and policies are accurately represented in our Municipal Code and Comprehensive Plan, lays the groundwork for Sedro-Woolley to be ready for the type of growth and development our community desires.

2010 Accomplishments

- In 2010, the Planning Department assisted the City Council and Planning Commission with the following:
 - Revised the Municipal Code
 - Bars in the Central Business District
 - Permit and application extensions
 - Shipping Container regulations
 - Small animal ordinance
 - Height restrictions
 - Impact fee alternate payment schedule
 - Duplexes in R-7 zone
 - Quasi-public uses in the Central Business District
- Updated the Comprehensive Plan Parks & Recreation Element, including Planning Commission field trip, etc. School Capital Facilities Plan
- Represented the City in the Skagit County Envision 2060 planning process
- Annexed property along Fruitdale Road
- Annexed property along Jones Road
- Processed applications as follows:
 - Administrative Zoning Waivers (2)
 - Binding Site Plan Modifications (2)
 - Boundary Line Adjustments (11)
 - Conditional Use Permits (1)
 - Home Occupation Permits (13)
 - Pre-application Meetings (9)
 - Short Plats (2)
 - Variances (1)
 - Subdivisions (2)
 - Building Permit review (63)
- Completed census reports-O.F.M. and Federal
- Performed design review
- Performed zoning review

2011 Goals & Objectives

- Expand Urban Growth Area and annex City-owned River Road property
 - for youth
- Update the Sedro-Woolley Comprehensive Plan—Parks & Recreation Element
- The Planning Department will assist in proposing revisions to the Parks & Recreation Element of the Comprehensive Plan, including impact fee calculations.
 - **City Council Goal VI:** Expand recreational opportunities – Parks
 - **City Council Goal VI:** Provide youth activities
 - **City Council Goal II:** Educate and inform Citizens about the Goals and Vision (of City)

- **Comprehensive Plan Goal GMA9:** Provide open space and recreation opportunities to community residents
- **Comprehensive Plan Goal P1:** To provide sufficient park and recreation facilities to meet current and future demands
- **Comprehensive Plan Goal LU10:** To create a safe, active environment for youth
- Revise Municipal Code sections for Subdivisions and Zoning
- The Planning Department will assist in revising the Municipal Code Chapters 16 and 17 to clarify zoning and development requirements.
 - **City Council Goal II:** Make City Government more user friendly
 - **City Council Goal II:** Develop predictable processes
 - **City Council Goal IV:** Streamline the permitting processes
 - **Comprehensive Plan Goal GMA 7:** Ensure fair, predictable and timely permit processes
- The Planning Department will draft a new Municipal Code Chapter 17.XX, Sedro-Woolley Shoreline Master Plan. Washington State Department of Ecology has required all jurisdictions to update or draft a plan in 2011, for which they are providing financial assistance.
 - **City Council Goal II:** Develop predictable processes
- **City Council Goal IV:** Streamline the permitting processes
- **Comprehensive Plan Goal LU16:** To protect, sustain and maintain Sedro-Woolley's critical areas, sensitive areas and natural resource lands for present and future generations.
- **Comprehensive Plan Goal LU17:** To control the impacts of development activities on the quality of surface and ground water.

| Planning | | | | |
|---------------------------------|--|----------------|----------------|--------------|
| | | | | |
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| Expenditures by Category | | | | |
| Salaries | | 137,500 | 137,000 | 500 |
| Benefits | | 49,375 | 46,015 | 3,360 |
| Supplies | | 2,000 | 2,000 | 0 |
| Service Charges | | 17,700 | 19,400 | -1,700 |
| Government Services | | 5,015 | 5,015 | 0 |
| Capital | | 500 | 0 | 500 |
| | | | | |
| Total Expenditures | | 212,090 | 209,430 | 2,660 |

ENGINEERING AND PUBLIC WORKS

Mission Statement

To provide overall leadership, management, administration, and support for all the divisions of the Public Works and Engineering Departments. To provide safe, reliable, efficient Public Works services to the community. To provide sound technical advice to the City Supervisor, City Council, City staff, and the public. To ensure the effective and efficient integration of Public Works efforts as well as appropriate County/State plans into the overall

operation of the City.

2010 Public Works/Engineering Accomplishments

- Public Works Department continued its efforts to catalogue all record documents and project files for easier location and access. Work will complete in 2011.
- Settled contractor claim and city cross claim and closed out the Metcalf Sewer Project.
- The Township Sewer Extension, Alderwood to north city limits Project was designed and constructed, extending service from Alderwood to the north city limits.
- 2005 Transportation Plan projects implementation continued in 2010. Construction was completed on the Fruitdale-McGarigle Road Project, along with the associated Wetland Mitigation Project. Local road reconstruction projects took place on Ball, Warner, Fifth and Eighth Streets, with construction performed by city forces.
- In-house design and construction of the Stormwater Vactor Dewatering Facility.
- Grant applications to support the Transportation Plan and Stormwater projects were submitted under the Safe Routes to Schools program, TIB Urban Arterial and Urban Sidewalk Programs, the Transportation Enhancement Program, and the Ecology Pass-Through Grant Program.
- Continued modifications to the City GIS mapping system to refine the sanitary sewer and

stormwater system and to update the mapping for completed capital projects.

- Completed the 2010 NPDES Stormwater Permit Annual Report, including development of tracking systems for all required elements of the Permit.
- Updated the Equipment Repair & Replacement Fund program to meet 2010 Budget requirements and city equipment replacement needs.
- Hired an Assistant City Engineer who will perform in-house design work and project management.

Project Summary

| PROJECT DESCRIPTION | TOTAL PE/CE/CN | STATUS |
|--|------------------|----------|
| <u>2010 PROJECT RECAP</u> | | |
| FRUITDALE MCGARIGLE ROAD PROJECT (90% Completed in 2009) | 3,407,943 | COMPLETE |
| FRUITDALE MCGARIGLE ROAD WETLAND MITIGATION PROJECT | 138,783 | COMPLETE |
| TOWNSHIP SEWER EXTENSION PROJECT | 228,407 | COMPLETE |
| 2010 STREET PROJECTS STORMWATER VACTOR DEWATERING FACILITY – IN HOUSE CONSTRUCTION | 78,534 | COMPLETE |
| TOTAL | 4,382,722 | |

| PROJECT DESCRIPTION | TOTAL PE/CE/CN | STATUS |
|--|----------------|-----------------|
| <u>2011 PROJECTS PLANNED</u> | | |
| <u>STREET</u> | | |
| F&S GRADE ROAD/W JONES ROAD/GARDEN OF EDEN ROAD ENGINEERING REPORT | 20,000 | NOT STARTED |
| 2010 STREET PROJECT - REMOVE METCALF, PUGET AND REED BNSF RR CROSSINGS | 75,000 | NOT STARTED |
| SR-20, METCALF TO TOWNSHIP LANE WIDENING & PEDESTRIAN/BICYCLE IMPROVEMENTS | 1,568,071 | DESIGN 30% |
| SR-9, LUCAS TO PARK COTTAGE AND MCGARIGLE TO SUMMER MEADOWS PEDESTRIAN/BICYCLE SAFETY IMPROVEMENTS PROJECT | 796,500 | PENDING FUNDING |
| SR20 CORRIDOR FREIGHT MOBILITY & REVITALIZATION PROJECT - PHASE 1 COOK ROAD & SR9 - PRELIMINARY ENGR | 819,000 | PENDING FUNDING |

STORMWATER

| | | |
|--------------------------------------|---------|-----------------|
| UPDATE STORMWATER MANAGEMENT PLAN | 100,000 | NOT STARTED |
| BRICKYARD CREEK MAINTENANCE PROJECTS | TBD | PENDING FUNDING |

WASTEWATER

| | | |
|--------------------------------------|---------|-------------|
| UPDATE 2005 COMPREHENSIVE SEWER PLAN | 100,000 | NOT STARTED |
| 2010 SEWER PROJECT | 450,000 | NOT STARTED |
| WTF RING DIKE PRELIMINARY DESIGN | 50,000 | NOT STARTED |

SOLID WASTE

| | | |
|--------------------------|-----------|-----------------|
| YARD PAVING AND DRAINAGE | 10,000 | DESIGN COMPLETE |
| TOTAL | 3,888,571 | |

2011 Goals

- Develop and manage plans and execute programs that aid in the informed decision making by Public Works divisions, other City Departments, City Supervisor, and Council.
- Oversee the development, timely and cost-efficient administration of capital projects.
- Secure the means to finance capital projects necessary for a healthy infrastructure by careful management of current resources and a continuing vigilance for favorable financing.
- Continue to upgrade administrative systems to increase efficiencies and save tax- and rate-payers money.
- Continue to increase customer satisfaction with Public Works services.
- Perform Public Works functions in a safe and accident free manner in accordance with Accident Prevention Policies.

Objectives

- Complete updates to the Sedro-Woolley Public Works Department Standards, including the permitting and fee system.
- Complete electronic storage of city record drawings.
- Manage sewer utility system upgrades to ensure regulatory compliance and the safe, reliable provision of essential City services including improvements to the wastewater collection system, sewer trunk line improvements, and wastewater treatment in accordance with the 2005 Comprehensive Sewer Plan. Plan for infill of sewer to underserved areas of the city, including the Curtis Street/State Street vicinity, Bingham Park area, and Fruitdale Road/Wicker Road area.
- Update the 1997 City Storm Water Management Plan in coordination with the Brickyard Creek Sub-flood Control Zone. Identify and program stormwater system improvements including capacity improvements for Brickyard Creek and the West Jones/F&S Grade Road and Garden of Eden Road areas.
- Continue to manage implementation and compliance activities for the NPDES Phase II Stormwater Permit. Prepare and submit 2010 Annual Report.
- Complete files for all private stormwater systems within the city and develop and implement compliance monitoring system.
- Complete Interlocal Agreement with Skagit County for absorbing the Brickyard Creek Sub-flood Control Zone elements within the

City limits by 12/31/2011.
Ensure County has completed maintenance projects prior to the date of absorption.

- Continue emphasis on transportation planning and street maintenance and improvement operations per the 2005 Transportation Plan. Continue planning for next level of projects, including SR20 Corridor Freight Mobility and Revitalization Project and West Jones/F&S Grade Road & Garden of Eden Road area. Design and construct 2011 Street Rehabilitation projects.
- Implement MUTCD Target Compliance sign retroreflectivity requirements, including a complete inventory of existing signage.
- Continue to support the activities of all Public Works elements and other City departments by providing current, accurate GIS data to the fullest extent possible.
- Provide project management and technical support for the development, bidding, contract compliance, and project close out for capital facilities projects and small works projects City code and state law.
- Monitor sewer and stormwater utility rate and connection revenue for compliance with planned rate increases to ensure the lowest possible utility rates that will support the City's adopted plans for utility system maintenance and capital projects.
- Continue to search for grant funding opportunities and low interest loans in conjunction with the City's capacity to finance the loans & provide assistance in

grant and loan preparation to all Public Works divisions and City departments.

- Continue emphasis on procurement policies and methods that comply with City code and state requirements and assure the best value at the best price.
- Continue management of the Equipment Repair and Replacement Fund.
- Provide updates and training on the latest procurement methods, laws, and policies.
- Continue Records Management Program implementation.
- Continue to support and improve the Customer Request Program.

| Engineering | | | | |
|---------------------------------|--|----------------|----------------|---------------|
| | | | | |
| | | | | |
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| <u>Expenditures by Category</u> | | | | |
| Salaries | | 82,740 | 78,500 | 4,240 |
| Benefits | | 33,430 | 31,930 | 1,500 |
| Supplies | | 3,000 | 3,000 | 0 |
| Service Charges | | 31,750 | 44,200 | -12,450 |
| Capital | | 500 | 0 | 500 |
| | | | | |
| Total Expenditures | | 151,420 | 157,630 | -6,210 |

POLICE

The Department is currently organized into three divisions: 1) Administration and Support Services; 2) Patrol; and 3) Investigations.

Administration

The Chief of Police provides overall management and direction, planning, budgeting, scheduling, inspections, and training for the Department, with the assistance of the Police Lieutenant.

Support Services

Support Services handles telephone and in-person requests for service from the public; processes and maintains all reports generated by Police Department Officers and staff; performs data entry in department database and regional/national law enforcement telecommunications systems; conducts background checks on arrested persons, processes all citations, and prepares all report packages for dissemination; produces mandated State and Federal statistical reports. The Evidence Technician is responsible for the records management, maintenance, and security of the Police Department's evidence/property room. (SWPD contracts with Skagit County for Jail, Skagit 911 for dispatch services and with the City of Wapato for jail services.)

Patrol

The Patrol Division is the "backbone" of the police operation. This program provides 24 hour-a-day, seven-days-a-week law enforcement coverage. The officers perform all facets of law enforcement, including responding to emergency situations and service calls. Other primary responsibilities are ensuring safety and protection of persons and property through proactive and directed patrol, conducting criminal investigations, collecting evidence, recovering lost or stolen property, and apprehending violators. Patrol also facilitates the safe, expeditious movement of vehicle, bicycle, and pedestrian traffic, and renders services of problem solving and community oriented policing to promote the peace and enhance the quality of life for residents and visitors.

Investigations

The Investigations Division conducts professional and comprehensive follow-up investigations of reported major crimes and manages self-initiated investigations, criminal intelligence gathering, and crime trend analysis. The Investigations Division enhances contact with victims of major crimes and maintains an effective relationship with the Prosecutor, Courts, and other local, state, and national law enforcement agencies.

2010 Accomplishments

2010 was an extremely challenging year for the Sedro-Woolley Police Department. We had two separate Officer involved shootings. The involved Officers performed excellently and we are happy that neither of the Officers were injured and were able to go home to their families. Even so, the subsequent investigation and recovery was very difficult. Through all of the events of the past year every member of the department pulled together and performed their jobs flawlessly and unselfishly. We all made it through and are a stronger department.

2010 was also an extremely tight budget year. We have been very conscious of our spending and once again the entire department is doing their part. This was never more apparent that while we negotiated a new collective bargaining agreement. All of the employees recognize that times are tough and a reasonable solution was reached.

We are still staffed below our 2008 level, down a patrol Officer and Code Enforcement Officer/Animal Control and everyone is helping pick up the slack in those areas. The Planning

Department has a portion of the Code Enforcement and that seems to be working very well.

As always we operate on our getting back to basics. Simply put if someone commits a crime in Sedro-Woolley we intend on catching them and holding them responsible. The responsibility aspect of this is getting more challenging all of the time with the Skagit County Jail operating at full capacity and continued budget restraints. We have taken steps to help find alternatives to local incarceration. We are housing our long term prisoners in the Wapato Washington city Jail. This saves approximately \$18 per day that a person is in jail.

We also established an Offender Work Program where people can serve their time, working for the city, instead of sitting in jail. We are also able to have people do their community service work here in town also. The program is working great and we are able to hold people accountable for their actions and the citizens are benefiting greatly from the work that they do. During 2010, Offenders worked over 2400 hours for the City of Sedro-Woolley. This program is receiving praise from citizens, business people, city officials, prosecutors, judges and even the defense attorneys and the offenders themselves.

One of the key accomplishments was our new dog kennel. This was built entirely by Offenders and Police Department staff. One Offender was allowed to work off 80 days that he was due to serve in jail. The materials were purchased from the savings. We now have a facility where we can house dogs, for a few days, and hopefully reunite them with their owners saving the citizens and city money. Officers also

do not have to transport dogs to the pound and be out of the city.

We responded to 8559 complaints in 2010. This is 500 less than last year. The Officers have been doing a good job of proactive patrol helping us to strive to meet our vision statement of: "Safe and enjoyable community living". Many of our calls and crime stats are down but many of those we do have are more extreme in nature.

| | 2008 | 2009 | 2010 |
|---------------------|---------------|--------------|--------------|
| Animal Problems | 542 | 510 | 453 |
| Traffic Infractions | 504 | 562 | 364 |
| DUI | 64 | 64 | 50 |
| Adult Arrests | 729 | 746 | 610 |
| Juvenile Arrests | 120 | 104 | 105 |
| Total Calls | 10,026 | 9,059 | 8,559 |

2011 Goals

- Continue following through with our 2010 goals.
- We will continue to provide the same level of service with decreased funding and manpower.
- We were able to order one new patrol car in 2010. We are scheduled to purchase two more in 2011. This is helping our fleet situation but it is important to continue to make this a priority because our patrol Officers and their vehicles are the back bone of our department.
- Continue being vigilant in curbing any gang activity in Sedro-Woolley. We are doing a good job now working with other departments, schools and community groups. We have a good gang intelligence officer. This continues to be a high priority.

- Continue to evaluate our jobs and strive to be even more efficient in how do things. Further utilizing our ingenuity, volunteers and Community service workers.

| Police | | | | |
|---------------------------------|--|------------------|------------------|---------------|
| | | | | |
| | | | | |
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| Expenditures by Category | | | | |
| Salaries | | 1,266,000 | 1,278,400 | -12,400 |
| Benefits | | 644,090 | 588,482 | 55,608 |
| Supplies | | 48,500 | 49,100 | -600 |
| Service Charges | | 149,917 | 158,815 | -8,898 |
| Government Services | | 183,043 | 140,807 | 42,236 |
| Capital | | 80,000 | 83,173 | -3,173 |
| | | | | |
| Total Expenditures | | 2,371,550 | 2,298,777 | 72,773 |

FIRE

Mission Statement

The Sedro-Woolley Fire Department is dedicated to providing service to protect the public from loss of life, health and property arising from natural and man made events. This department is committed to develop and implement a response system that reduced the danger to human life and keeps the damage to property at a minimum.

Volunteer Association Mission Statement

It is the association's mission to support the Sedro-Woolley Fire Department in providing service to protect the public from loss of life, health, and property by providing members that actively participate in our community, serve as role models, and promote camaraderie through social events, fund raising, and recognizing individual achievements.

Major Service and Programs

The Fire Department provides Emergency response for fire and medical emergencies; we also provide fire prevention programs for the general public, Sedro-Woolley School District and the Upper Skagit Reservation. We conduct life safety inspections for our businesses within the city limits. We provide for the citizens of Sedro-Woolley and Skagit County free CPR and First Aid classes.

Administration

The administration consists of the Fire Chief, Assistant Chief and Battalion Chief. The Fire Chief provides the overall management and direction, planning, budgeting, scheduling and maintenance. The Assistant Chief provides for training, fire prevention and inspections. The Battalion Chief, which is a volunteer position, provides for volunteer operations and fire ground operations and investigations.

Department Make Up

The department is made up with career staff, part time staff and volunteers. Currently the City employs on the career side: A Chief and an Assistant Chief. We have 13 part time employees and 32 volunteers. Within the volunteer ranks we have 1 Battalion Chief, 2 Captains, 4 Lieutenants, 1 Safety Officer and a Support Officer.

2010 Accomplishments

- Service levels
- Part Time & volunteer Staffing Levels
- Building Station 2

- Putting the new ladder truck and engine into serve.

2010 Call Data

| Calls | 1 st Qtr | 2 nd Qtr | 3 rd Qtr | 4 th Qtr |
|---------------|---------------------|---------------------|---------------------|---------------------|
| City | 338 | 313 | 286 | 341 |
| D8East | 14 | 9 | 16 | 9 |
| D8 North | 9 | 22 | 13 | 19 |
| D8 South | 10185 | 80 | 95 | 89 |
| Totals | 462 | 424 | 410 | 458 |

Total Calls for 2010: 1754

2011 Goals

- Continue to provide the citizens of Sedro-Woolley the quality service they have come to expect from their Fire Department.
- Continue to work on Station 2 and refine the response plan, which will be a work in progress over the next few years.
- Work on getting new MDT's through a FEMA grant and working with the dispatch center and Mount Vernon fire to get the system up and running.
- Due to funding issues within the City work on maintaining all levels of services within the current budget.

| Fire | | | | |
|---------------------------------|--|--|----------------|-------------------|
| | | | Budget | Budget |
| | | | Year | Year |
| | | | 2011 | 2010 |
| | | | | Increase |
| | | | | <Decrease> |
| <u>Expenditures by Category</u> | | | | |
| Salaries | | | 443,100 | 442,000 |
| Benefits | | | 96,610 | 79,845 |
| Supplies | | | 56,000 | 56,900 |
| Service Charges | | | 137,600 | 107,850 |
| Capital | | | 96,738 | 1,295,001 |
| Loan Payment | | | 58,500 | 0 |
| Transfer | | | 5,850 | 0 |
| | | | | 5,850 |
| Total Expenditures | | | 894,398 | 1,981,596 |
| | | | | -1,087,198 |

2011 Budget

BUILDING

Mission Statement

Promote the general health, safety, and welfare of the citizens of Sedro-Woolley; assist the citizens with code and permit processes; work with developers and contractors to achieve their goals; and work with other City departments to provide a coordinated effort.

Summary

We strive to achieve these goals and contribute to the overall mission of the City by:

- Administration and compliance with the codes and standards adopted by the State of Washington that regulate building construction.
- Administration and compliance with the City of Sedro-Woolley Municipal Code as it relates to buildings and properties located in the City.
- Provide information to the public and assist them in understanding proper application of the adopted codes and ordinances.
- Insure that individuals and companies that do business in the City meet the regulatory standards set forth in the building code and local ordinances for the business and occupation in which they are operating.

In addition to his normal duties, in 2011 our City's building inspector will be also assisting in the following areas/departments:

- Side sewer inspections- Sewer Department

- Grease trap inspection program- Sewer Department
- Facilities Maintenance- Parks/Maintenance Department
- Road project inspections- Engineering Department
- Code enforcement program

2010 Accomplishments

In 2010, the Building Department assisted the City Council with the following:

- Developed or revised 26 handouts/applications for public information
- Performed plan review to verify building code compliance
- Performed building inspections to verify building code compliance
- Performed as the Building/Planning/Engineering Code Enforcement Officer

2011 Goals & Objectives

- More efficient processing of building permit applications
- The Building Department will review all applications within one week of submittal.
 - **City Council Goal II**
 - Make City Government more user-friendly
 - **City Council Goal II**
 - Develop a predictable process
 - **City Council Goal IV**
 - Streamline the permitting process
 - Help customers better understand

the permitting process

- The Building Department will update, revise or produce additional informational handouts for use in self-service area of city hall and on the website.

- **City Council Goal II**
 - Make City Government more user friendly
 - Continue managing and tracking Code Enforcement cases
- **Council Goal II**
 - Improve our image

The Building Department will continue to respond to citizen complaints, manage compliance requests and uniformly enforce existing city codes to assist in improving the image of our city.

| Building | | | | |
|---------------------------------|--|---------------|---------------|--------------|
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| <u>Expenditures by Category</u> | | | | |
| Salaries | | 45,450 | 44,750 | 700 |
| Benefits | | 12,800 | 11,745 | 1,055 |
| Supplies | | 3,500 | 2,500 | 1,000 |
| Service Charges | | 6,010 | 6,360 | -350 |
| Capital | | 0 | 0 | 0 |
| Total Expenditures | | 67,760 | 65,355 | 2,405 |

SPECIAL REVENUE FUNDS

Special revenue fund types are used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes. The city presently has ten special revenue funds:

- Parks Funds
- Cemetery Fund
- Streets Fund
- Arterial Streets Fund
- Library Fund
- Cemetery Endowment Fund
- Parks Reserve Fund
- Hotel/Motel Fund
- Special Investigations Fund
- Paths and Trails Fund

PARKS FUND

The Parks Department oversees the City's parks, flower basket program, mowing and building maintenance. The department supervises the rental of park shelters, RV Park, Community Center and Hammer Heritage Square.

2010 has been a year of change for our department. The Parks, Street and Cemetery Departments were combined under one supervisor to form the new Public Works Operations Department to make the best use of our limited manpower. Under this new model, we all work together to accomplish our tasks. Even with this change it has been a difficult year for the department. We find ourselves tasked with park and facilities maintenance, storm water system maintenance, street maintenance, and managing the Union Cemetery. In

the past two years department wide we have lost 2 full time employees as well as two seasonal employees. We are struggling to keep up with basic maintenance of the facilities, storm water system and streets. We desperately need to recover these positions to provide a better level of service to our citizens. With all of our staffing issues, we were still able to prioritize and accomplish a few projects for the citizens.

Accomplishments for 2010

- General parks and facilities routine and preventative maintenance
- Completed lighting upgrade for Library under a PSE retrofit grant which will reduce energy use and maintenance. Also upgrading lighting as time permits for City Hall and other facilities to replace incandescent lights with compact fluorescents.
- Reactivated the Parks Board and coordinated initial meetings.
- Installed data cables from City Hall to the Public Safety building for security camera installation.
- Worked closely with the Offender Work Program crew to provide general right of way maintenance, downtown cleanup and stormwater facility brush clearing.
- General street maintenance including pothole patching monthly, sign maintenance, brush and tree trimming, and right of way mowing.
- Street reconstruction of portions of Warner, Ball, 5th and 8th streets (8 blocks total)

- Upgraded and added crosswalks and additional signage for Klinger Street from Cook Road to Brickyard Creek to deal with ongoing complaints regarding vehicle speeding.
- General Storm Water System Maintenance. Catch basin and storm drain cleaning and ditch maintenance was limited in 2010 due to manpower shortages and prioritization of the street reconstruction projects. All city owned stormwater detention facilities were inspected and cleaned as needed.
- General operation of the cemetery including 69 burials and inurnments

Issues facing the department for 2011

As the city's population continues to rise, the usage of our parks and facilities is at an all time high. Street surfacing continues to age and deteriorate, with inadequate funding and manpower available to improve overall pavement conditions. The stormwater system is in need of more maintenance and attention. And of course the cemetery is always expected to be kept at a higher standard. Even with a tough economy, our citizens still expect a certain standard of service. Our largest concern in 2011 is being able to continue to provide our services with limited staff. Complicating this are increasing stormwater maintenance requirements under the Ecology NPDES Stormwater Permit and MUTCD signage upgrade requirements.

Parks & Public Lands, and open spaces maintained by our department:

- Riverfront Park
- Memorial Park
- Bingham Park
- Hammer Heritage Square
- Lions Park
- Holland Drug Park
- F&S Grade Road Park & Ride
- Harry Osborne Park & Train
- Sedro-Woolley Ball Park
- Riverfront R.V. Park & Boat Launch
- Library Grounds
- Community Center Grounds
- Senior Center Grounds
- Bull Blocks in between Bank of America and Skagit State.
- Highway 20 and Highway 9 Entrance Signs
- Old City Dump on Bassett Road
- Fire Dept Training Property
- Fire Dept Grounds

Facilities – Oversee, Maintain and Repair :

- Community Center
- Senior Center
- Parks Maintenance Building
- Municipal/Public Safety Building
- Library
- Park Shelters
- Street maintenance shop
- Cemetery maintenance shop
- Sedro-Woolley Fire Station 2

Other Duties of our Department

Street Facilities maintained by our department

The Operation's Department is responsible for the maintenance of

nearly 60 miles of city owned streets and alleys within city limits including but not limited to:

- Pothole patching – once per month typically
- Street Sweeping – 2 to 3 times per week
- Traffic sign maintenance – as needed. Upgrade signage to the latest MUTCD standards as per mandated implementation schedule.
- Annual Street surfacing projects (reconstruction, chip seal, etc.)
- City Parking Lot maintenance
- Alley and shoulder grading citywide
- Pavement markings, including road striping, stop bars, cross walks, and city parking striping
- Alley and shoulder grading citywide
- Downtown street lighting (36 luminaries)
- Traffic Control Signals (7 locations)
- Right of way mowing and trimming
- Tree and vegetation trimming in the right of way
- Dead animal removal and disposal
- Assist with Capital Street projects as needed

Stormwater System

Our Department is responsible for the maintenance and operation of the city's stormwater facilities including:

- City owned Stormwater Detention Facilities – 11 total

- Detention Vaults, Ecology Embankments, etc. – 3 locations
- Stormwater system piping 8" to 36" diameter (241,960 LF) and catch basins (2,490 each)
- Road Culverts – 4,450 LF
- Drainage Ditches – 39,340 LF
- Stormwater Pump Station – 1 total (currently maintained by WTF Department)

Union Cemetery

Our Department is responsible for the maintenance and operation of the city's cemetery including:

- Grounds maintenance
- Burials
- Inurnments
- Some record keeping

Other Duties of our Department:

- Flower baskets and barrels downtown, and all city flower beds
- Facility Rentals
- Park Benches and concrete benches downtown
- Picnic Tables
- Christmas Decorations
- Locating a City Christmas Tree and putting it up and taking it down.
- 4th of July Decorations
- American Flags Downtown during holidays and celebrations.
- Other miscellaneous activities requested by the city leadership or citizens

2011 Goals

- Our goals for 2011 are to attempt to maintain our current levels of service with our reduced staffing
- Continue to plan for the future and work toward our long term goals
- Maintain our public parks, facilities, and streets and sidewalks, in a safe manner consistent with city policy and in a manner that we can be proud of
- Continue pavement maintenance program by utilizing all tools at our disposal, including use of Skagit County chip sealing and pavement marking crews under Interlocal agreement.
- Implement 2011 MUTCD Target Compliance Date sign retroreflectivity requirements.
- Continue with year four of our five year cycle to inspect and clean as needed all stormwater facilities citywide.

- Complete 2011 Target Compliance Date sign requirements, including inventory of all existing signs and upgrade as required.
- Complete inspection and cleaning as needed of 20% of the Stormwater system, and all stormwater detention facilities.
- Complete 2011 Street Project, including lowering the BNSF crossings at Metcalf, Puget and Reed.
- Assist Rotary with improvements to the Cascade Trail.
- Implement the Memorial Tree Donation Program, which allows citizens to purchase street trees from the Lemley property for installation at city parks or right of way.
- Continue to work with the Parks Board to address long term park and recreation needs for the city.

2011 Objectives

- Complete Equipment Storage Building at the Street facility to provide covered storage for our motor grader, bucket truck and road salt-sand mixture.
- Street sweeping 2-3 days per week
- Right of way mowing as needed
- Alley maintenance at least once per year
- Complete annual long line pavement marking in coordination with Skagit County crew
- Re-stripe city parking spaces, stop bars and crosswalks as needed

| Parks | | | | |
|---------------------------------|--|---------|---------|------------|
| | | | | |
| | | | | |
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| Expenditures by Category | | | | |
| Salaries | | 184,100 | 184,000 | 100 |
| Benefits | | 96,725 | 85,830 | 10,895 |
| Supplies | | 30,500 | 30,300 | 200 |
| Service Charges | | 151,250 | 152,845 | -1,595 |
| Government Services | | 800 | 800 | 0 |
| Capital | | 36,000 | 88,000 | -52,000 |
| Transfers - Internal | | 106,313 | 91,938 | 14,375 |
| | | | | |
| Total Expenditures | | 605,688 | 633,713 | -28,025 |

CEMETERY FUND

The City of Sedro-Woolley operates Union Cemetery which was formerly the IOOF Cemetery and Wicker’s Cemetery. The Cemetery fund provides the resources for the cemetery operating department of public works. The

Cemetery Department is responsible for the complete in ground burial of full bodies and inurnment of cremains be it in the ground or in above ground Columbarium (Niche Wall). This includes coordination of burial schedules, opening and closing of graves, set up and removal of burial equipment and eventually setting of grave markers. In addition cemetery ground and equipment are kept in top condition at all times.

2010 Accomplishments

- An additional 48 Niche Unit Columbarium for cremains was purchased and installed. Space still remains in the previous unit, but the opportunity to partner with a neighboring cemetery resulted in a favorable price for the new unit. 69 burials and inurnments were performed.

2011 Goals and Objectives

- Continue to maintain the cemetery grounds and buildings in a manner the City of Sedro-Woolley administration and citizens can be proud of.
- Purchase new lowering equipment. Complete plan for maintaining and repaving cemetery road system.

| Cemetery | | | | |
|---------------------------------|--|----------------|----------------|--------------|
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| Expenditures by Category | | | | |
| Salaries | | 76,000 | 76,650 | -650 |
| Benefits | | 35,190 | 33,865 | 1,325 |
| Supplies | | 12,100 | 12,100 | 0 |
| Service Charges | | 12,440 | 11,495 | 945 |
| Government Services | | 2,500 | 2,500 | 0 |
| Capital | | 2,500 | 7,000 | -4,500 |
| Transfers - Internal | | 15,051 | 6,211 | 8,840 |
| | | | | |
| Total Expenditures | | 155,781 | 149,821 | 5,960 |

STREET FUND

The Street fund provides the resources for the street operating department of public works. The Street Department is responsible for the maintenance of streets, alleys, sidewalks and shoulders within the City of Sedro-Woolley. This includes street sweeping, vegetation management, tree removal, grading, pavement and shoulder repair, snow and ice removal, pavement marking and signage.

The street fund receives revenues from state distributions of motor vehicle fuel taxes.

These state distributions are not sufficient resources to maintain city streets. The city's general fund provides subsidies in order for the street fund to operate.

2010 Accomplishments

- Streets completed reconstruction of eight blocks of local access streets in 2010 utilizing the Asphalt Zipper and a contract paving crew. The crew provided support as needed for the capital improvement projects on Fruitdale and McGarigle. In

addition, normal pothole patching, sign maintenance, alley maintenance and other routine activities were completed.

- Stormwater system cleaning utilizing the new Vactor system continued with approximately 10% of the city system inspected and cleaned. Drainage ditches were also cleaned.

2011 Goals and Objectives

- Work to maintain streets and sidewalks to afford safe passage for motorists and pedestrians through evaluation, identification and prioritization of failed road surfaces and sidewalks and develop an overall street operations and maintenance plan.
- Lower abandoned BNSF crossings on Metcalf, PugetStreet. Support the SR20 Metcalf to Township Widening Project.
- Replace undersize culverts on John Liner Road and on SR-9 to complement drainage system improvements on McGarigle Road and on SR-9 from the 2009 capital project.
- Inspect and clean as needed 20% of the stormwater system.
- Implement a sign inspection program in compliance with the MUTCD Target Compliance Date schedule, and upgrade signs to meet retroreflectivity requirements.

| Streets | | | | |
|---------------------------------|--|----------------|----------------|---------------|
| | | | | |
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| Expenditures by Category | | | | |
| Salaries | | 167,270 | 163,650 | 3,620 |
| Benefits | | 81,980 | 65,635 | 16,345 |
| Supplies | | 46,500 | 42,500 | 4,000 |
| Service Charges | | 200,375 | 189,570 | 10,805 |
| Government Services | | 60 | 60 | 0 |
| Capital | | 75,000 | 75,000 | 0 |
| Transfers - Internal | | 96,093 | 45,268 | 50,825 |
| | | | | |
| Total Expenditures | | 667,278 | 581,683 | 85,595 |

ARTERIAL STREETS FUND

The arterial street fund is responsible for administration, maintenance and improvement of the City’s arterial street system. This fund receives revenues from GMA Transportation Impact Fees, grants and developer agreements.

| Arterial Streets | | | | |
|---------------------------------|--|---------------|------------------|-------------------|
| | | | | |
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| Expenditures by Category | | | | |
| Salaries | | 0 | 0 | 0 |
| Benefits | | 0 | 0 | 0 |
| Supplies | | 0 | 0 | 0 |
| Service Charges | | 0 | 0 | 0 |
| Government Services | | 3,200 | 3,197 | 3 |
| Capital | | 35,000 | 1,137,006 | -1,102,006 |
| Transfers | | 0 | 0 | 0 |
| | | | | |
| Total Expenditures | | 38,200 | 1,140,203 | -1,102,003 |

LIBRARY FUND

The Sedro-Woolley Public Library exists to provide books, materials, and information – in a wide variety of formats. We encourage everyone in our community to develop a lifelong love of reading, and of learning. We strive to open the world of ideas, and imagination, to all who wish to enter.

2010 Accomplishments

- Our circulation continues to grow, but at a somewhat slower pace. Many of our staff and patrons continue to personally donate new materials for our collections. The Library added a new audio database collection as part of a Washington State Library Initiative. This collection, called NetLibrary, has recently offered e-books as part of the options open to our patrons. Together with our OverDrive audio subscription, we offer now online access to well over 3,500 downloadable books.
- We completed our migration to a new TLC Library Catalog, which has enriched online features, such as added book reviews, content, and color book covers. We also added new library cards to our operations.
- The Library successfully completed a \$4,000 Federal LSTA Grant, partnered along with the Evergreen Elementary School Librarian. This Grant, brokered by the Washington State Library, allowed us to purchase extensive collections of 5th & 6th Grade history and social studies materials for both sites.
- A Sedro-Woolley Soroptimist Grant for \$1,000 allowed for the purchase of books and materials for our Young Adult collections – which included both fiction and non-fiction titles.
- The Library began a new Storytime, or Lapsit, for Babies. We will be adding a new

program, called PlayBright, to that offering in 2011. We continued our Play and Learns for 4 and 5 yr olds, which focused on early literacy, science, and math skills. This year our Summer Reading Program had its biggest enrollment ever – with well over 225 children participating.

- In 2010, the Sedro-Woolley Library joined the Skagit Library Reciprocal Borrowing agreement. We are now successfully partnered with the La Conner Regional Library, the Anacortes Public Library, and the Mount Vernon City Library. The agreement is going smoothly with few glitches. There are several hundred books circulating per month to patrons amongst all participants. We will be expanding to the Upper Skagit Library, at some point, this Spring.

2011 Goals and Objectives

- Several new grants will proceed in 2011. The largest of these is a new LSTA Grant for Economic Development, also brokered by the WA State Library. This Grant, for nearly \$25,000, is earmarked for materials, speakers, and support to develop this Library as a small business incubator. We will be partnering with local community groups, such as the Chamber of Commerce, and EDASC, to accomplish this. A second LSTA Grant, for \$9,950, is earmarked for Rural Heritage. This Grant will allow us to work with the

Sedro-Woolley Museum to scan, photoshop, and then digitally publish, many of our historical photographs and documents.

- The Library is a key partner in the Sedro-Woolley Early Learning League (which consists of members of the school district, library, preschools, and Volunteers of America, and others). Our major achievements have included our wildly successful Science, Reading, and Math - Family Nights for area preschoolers. Science Night which was held in November 2010, had hoped to host 100 families, but our actual gate count exceeded 240. We handed out science projects, tips, magnifying glasses, magnets, and activities, all in the space of 90 minutes. Our objective is to help our 4 and 5 yr olds be ready for kindergarten (currently less than 50% are ready – which is actually average for Washington state). Reading Night will be held January 25th, 2011, and Math Night is March 1st. A \$1,400 Grant, from the Washington Foundation for Early Learning, and written by the Librarian, is assisting with the purchase of materials for these events.
- The Library is also looking at expanding services upwards, from our recent efforts in Early Learning. One such recent effort is our successful Book and Movie Night. We chose the books, watch the movie made from the book, and then discuss the differences between the two. We have more than 20 people who regularly participate each

month. The Librarian is one of 80 Fellows across the country who is in the Transforming Life after 50 Project. Over the space of a year, we will be learning new techniques to engage our adult populations 50+. Within the next 20 years, there will be more Americans over the age of 50, than under the age of 18. This is a profound shift in American society – how will libraries fit in? How will our communities be affected by this monumental change?

- In late 2011, or early 2012, the Library will be receiving Broadband access of 100,000 mbps, or more. This project, a joint effort by NOAH-Net, the Washington State Library, and the Gates Foundation – called WA Libraries at Lightspeed, will significantly impact our ability to offer computer access to this community. Plus, other City departments will be joining us in accessing this Broadband project.

| Library | | | | |
|---------------------------------|--|---------|---------|------------|
| | | | | |
| | | | | |
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| Expenditures by Category | | | | |
| Salaries | | 168,500 | 167,100 | 1,400 |
| Benefits | | 41,595 | 38,900 | 2,695 |
| Supplies | | 4,000 | 3,800 | 200 |
| Service Charges | | 70,000 | 40,300 | 29,700 |
| Government Services | | 150 | 150 | 0 |
| Capital | | 21,300 | 31,553 | -10,253 |
| Transfer - Internal | | 85,100 | 84,900 | 200 |
| Total Expenditures | | 390,645 | 366,703 | 23,942 |

CEMETERY ENDOWMENT FUND

The Cemetery Endowment fund collects a fee for each burial space sold in the Sedro-Woolley Union Cemetery. Interest earnings on the fund are transferred to

the Cemetery fund for maintenance of Union Cemetery.

PARKS RESERVE FUND

The Parks Reserve Fund receives receipts for the sale of pavers at Hammer Heritage Square and pays for the installation and maintenance of the pavers.

HOTEL/MOTEL FUND

A lodging tax is imposed upon recommendation of the city's Lodging Tax Advisory Committee, in accordance with Sedro-Woolley's Municipal Code Chapter 3.06.

All such taxes collected in this fund are for the purpose of paying all or part of the cost of tourism promotion, acquisition of tourism, related facilities, operation and maintenance of tourism, related facilities and for such other purposes as authorized in RCW Chapter 67.28.

Lodging tax funds may be used to pay for tourism promotion and any engineering, planning, financial, legal and professional services incident to the development and operation of tourism related facilities to secure the payment of all or any portion of general obligation bonds or revenue bonds issued for such purpose as specified.

The sole source of revenue is the lodging tax. This tax is derived by taking 2 percent of the state's 6.5 percent sales tax and rebating it back to the community for local programs to promote and accommodate tourism.

SPECIAL INVESTIGATIONS FUND

The Special Investigations Fund receives all monies and proceeds of the sale of property seized during drug investigations and forfeitures pursuant to RCW 69.50.050. The monies received shall be used solely for the purposes of drug enforcement, drug awareness education, and the purchase, lease and maintenance of equipment and other items necessary for drug enforcement. There is no staff assigned to operate this fund. It is used primarily to account for earmarked monies.

PATHS AND TRAILS FUND

The Paths and Trails Fund receives 0.05% of the Motor Vehicle Fuel Tax. Proceeds are to be used for the development of paths or trails for the pedestrians of the City.

GENERAL GOVERNMENT DEBT SERVICE FUNDS

The City issues long term debt instruments to finance large capital projects. These are typically for items that have long useful lives for which this financing method will reduce the annual debt service burden on its citizens. Since local governments are permitted to issue tax-exempt bonds, this financing option helps reduce the cost of borrowing.

State law limits general obligation bond issues. These bonds may be issued in two different methods: voted bonds and non-voted bonds. Washington State law limits the voted bond indebtedness to two and one-half percent (2.5%), including non-voted debt, of the city's current assessed valuation (A.V.)

Cities are also authorized to issue general obligation bonds for an additional two and one-half percent (2.5%) of the city's current assessed valuation for parks and open spaces and utilities. Both of these bond issues must be voted and approved by a 60 percent majority vote of the registered voters.

Bonds of this type are unlimited tax obligations of the City, and are backed by the full faith and credit of the City. The City presently has one voted bond outstanding.

In 1996 the citizens approved issuance of \$2,355,000 general obligation for the construction of a new Public Safety Building. In 2005, the outstanding bonds were refunded at a lower rate of interest. The source of monies to repay this debt

comes from property taxes earmarked for this purpose.

Non-voted bonds are called "Councilmanic" bonds and are limited by state law to one and one-half percent (1.5%) of the city's current assessed valuation. The city currently has two general government Councilmanic bonds outstanding.

In 2007 the City issued a bond anticipation note not to exceed \$3,800,000 for the construction of the new City Hall. Upon project completion, in 2008 the City issued a \$2,925,000 general obligation bond with the United States Department of Agriculture (USDA) to repay the bond anticipation note. The source of monies to repay the USDA comes from a utility tax on cell phone usage.

In 2010 the City issued a \$525,000 promissory note to the USDA for the loan portion of the ladder truck. USDA also awarded a grant of \$200,000 for this valuable piece of equipment.

The City also issued a \$267,500 promissory note to USDA and received a USDA grant of \$157,500 for a fire truck.

| Summary of General Government | | | |
|-------------------------------|-----------|-----------|--------------|
| Obligation Bonds | | | |
| (Voted and Non-Voted Bonds) | | | |
| | Total | Total | Total |
| Year | Principal | Interest | Debt Service |
| 2010 | 207,814 | 202,657 | 410,471 |
| 2011 | 225,165 | 195,056 | 420,221 |
| 2012 | 237,612 | 186,259 | 423,871 |
| 2013 | 255,159 | 176,912 | 432,071 |
| 2014 | 267,809 | 166,661 | 434,470 |
| 2015 | 280,568 | 155,903 | 436,471 |
| 2016 | 303,438 | 144,633 | 448,071 |
| 2017 | 76,425 | 132,446 | 208,871 |
| 2018 | 79,534 | 129,337 | 208,871 |
| 2019 | 82,769 | 126,102 | 208,871 |
| 2020 | 86,136 | 122,735 | 208,871 |
| 2021 | 89,640 | 119,231 | 208,871 |
| 2022 | 93,286 | 115,584 | 208,870 |
| 2023 | 97,081 | 111,790 | 208,871 |
| 2024 | 101,030 | 107,840 | 208,870 |
| 2025 | 105,140 | 103,731 | 208,871 |
| 2026 | 109,417 | 99,453 | 208,870 |
| 2027 | 113,868 | 95,002 | 208,870 |
| 2028 | 118,501 | 90,370 | 208,871 |
| 2029 | 123,321 | 85,549 | 208,870 |
| 2030 | 70,008 | 80,541 | 150,549 |
| 2031 | 72,896 | 77,653 | 150,549 |
| 2032 | 75,903 | 74,646 | 150,549 |
| 2033 | 79,034 | 71,515 | 150,549 |
| 2034 | 82,294 | 68,255 | 150,549 |
| 2035 | 85,689 | 64,861 | 150,550 |
| 2036 | 89,224 | 61,326 | 150,550 |
| 2037 | 92,904 | 57,646 | 150,550 |
| 2038 | 96,737 | 53,813 | 150,550 |
| 2039 | 100,727 | 49,823 | 150,550 |
| 2040 | 104,882 | 45,668 | 150,550 |
| 2041 | 109,208 | 41,341 | 150,549 |
| 2042 | 113,713 | 36,837 | 150,550 |
| 2043 | 118,404 | 32,146 | 150,550 |
| 2044 | 123,288 | 27,262 | 150,550 |
| 2045 | 128,374 | 22,176 | 150,550 |
| 2046 | 133,669 | 16,881 | 150,550 |
| 2047 | 139,183 | 11,367 | 150,550 |
| 2048 | 136,379 | 5,626 | 142,005 |
| 2049 | 0 | 0 | 0 |
| Totals | 5,006,229 | 3,566,634 | 8,572,863 |

CAPITAL PROJECT FUNDS

Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The City has six non-utility capital project funds called the Current Expense Capital Fund, Facilities Maintenance Reserve Fund, and Mitigation Reserve for Police, Parks Impact Fee Reserve Fund, Fire Impact Fee Reserve Fund and the Fire Station 2 Construction Fund. The City has one utility capital improvement fund called the Public Works Trust Fund Sewer Construction Fund.

CURRENT EXPENSE CAPITAL FUND

Revenues come from different sources for this fund. The real estate excise tax is the major source of revenue for this fund.

The real estate excise tax (R.E.E.T.) that is levied by the State is deposited into this fund. This tax is levied on all sales of real estate, measured by the full selling price, including any liens, mortgages and other debts given to secure the purchase.

The state levies this tax at the rate of 1.28 percent. A locally imposed tax is also authorized. In 1990 and 1992, the State Legislature made a number of changes in the locally imposed R.E.E.T.

As Sedro-Woolley is required to plan under the Growth Management Act (GMA), new language was enacted regarding the first quarter (.025) percent of the tax. Based on the GMA, Sedro-Woolley was given the option of levying

a second quarter percent to help defray the costs of implementing the Growth Management Act. The city receives the second quarter of R.E.E.T., which results in a combined rate of 1.78%.

The first quarter percent of the R.E.E.T. receipts must be spent solely on capital projects that are listed in the Capital Facilities Plan element of the comprehensive plan. Capital projects are defined as:

“Those public works projects of a local government for planning acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems; traffic signals; bridges; domestic water systems; storm and parks recreational facilities; fire/protection facilities; trails; libraries; administrative judicial facilities; and river and/or waterway flood control.”

The second quarter percent of the R.E.E.T. that is levied and is part of this budget can only be levied by those cities that are required to plan under GMA. In this quarter percent of R.E.E.T. “capital projects” mean:

“Those public works projects of a local government for planning acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems and planning, construction reconstruction, repair, rehabilitation or improvement to parks.”

When other operating divisions or funds expend monies for qualified projects, transfers-out of the R.E.E.T. Fund are used to reimburse the operating division. The interest income is based on prudent investing with the inclusion of construction project scheduling and cash flow analysis.

FACILITIES MAINTENANCE RESERVE FUND

Excess cell phone utility tax receipts which are greater than the annual payment on the USDA bond for the construction of city Hall, are transferred from the 2008 GO Bond Fund to the Facilities Maintenance Reserve Fund annually. The purpose of this fund is to reserve and accumulate unexpended resources for use in mitigating impacts of future major building maintenance and repairs.

MITIGATION RESERVE FOR POLICE FUND

The Mitigation Reserve for Police Fund receives contributions from area developers to mitigate the impact of their development on the Police Department. Monies are transferred to the General Fund for eligible expenditures.

PARKS IMPACT FEE RESERVE FUND

This fund receives payment from area developers as authorized by the Sedro-Woolley Comprehensive Plan under GMA. Monies are transferred from this fund to the Parks Funds for eligible projects.

FIRE IMPACT FEE RESERVE FUND

The Fire Impact Fee Reserve Fund receives payment from area developers as authorized by the Sedro-Woolley Comprehensive Plan under GMS. Monies are transferred from this fund to the General Fund for eligible projects.

FIRE STATION 2 CONSTRUCTION FUND

The City of Sedro-Woolley was one of 110 recipients out of over 6,000 applicants chosen to receive ARRA monies through a FEMA grant for the construction of a second fire station on the north side of town. This station will enable the Fire Department to more efficiently provide fire and emergency services to this growing portion of the City. Expenditures from this capital projects fund is restricted to pre-construction and construction costs specifically related to Fire Station 2.

PUBLIC WORKS TRUST FUND SEWER

The Public Works Trust Fund Sewer Construction Fund is a capital project fund restricted to expenditures for approved sewer collection system improvements. The interest earnings on this fund are also restricted to the approved utility improvement.

ENTERPRISE FUNDS

SEWER FUNDS

The sewer funds are Enterprise funds. Receipts come from fees collected for service instead of by taxation.

The sewer funds consist of Sewer Operating Fund, Waste Water Treatment Plant Reserve Fund, Sewer Revenue Bond Fund, Cumulative Reserve for Sewer Facilities Fund and 1990 Revenue Bond Reserve Fund.

SEWER OPERATING FUND

Collection Division Function

To maintain the wastewater collection system in order to provide for the safe transmission of wastewater from the source to the Wastewater Treatment Plant and from the Plant to the Skagit River.

2010 Collection Accomplishments

- Cleaned and CCTV inspected 6.07 miles of the approximate 44 miles of wastewater collection system.
- Responded to 19 sewer complaints in a professional and timely manner.
- Performed sewer line maintenance of known problem areas using root control, rodent control and adding grease eating bacteria to the collection system. Distributed rag and grease flyer notices to high maintenance areas.
- Performed 52 wet well cleanings; repaired a broken force main discharge line inside the State Street wet well.
- Repaired 7 defective sewer lines in City right-of-way using wastewater staff and equipment; added one new manhole for carnival grey water at Riverfront Park; performed 2 Vac truck excavations and replaced two sidewalk sections.
- Removed abandoned force main crossing Brickyard Creek on SR-20.
- Installed risers on 19 existing manholes bringing grade to ground level. Cleared brush around manholes and performed manhole inspections.
- Assisted Street Department with Asphalt hauling.
- Performed pump station ground maintenance including weeding, mowing and spraying.
- Building Inspector performed Pre-Treatment and Oil/Water Separator inspections at commercial kitchens, restaurants and industrial sites.
- Performed 325 utility locates for both sewer and storm lines as required by Washington Utilities Coordinating Council (WUCC).
- Upgraded IT Pipe capabilities with Send It and Receive It modules for software transfer between CCTV Truck and City server.
- Worked with Bright Rain Solutions to convert our existing sewer GIS system and Arc map to a Geodata base format. This allows for an improved, in-depth inventory of our current pipes and manholes.
- Completed the 2010 Sanitary Sewer Flow Monitoring project with SFE Global. The report provided wet weather flow data for basins A, M and N between

January 29, 2010 and April 29, 2010 and indicates I&I rates have been reduced with the 2009-2010 sewer upgrades.

- Sewer repairs hired out:
Excavation West Inc. repaired two sewer main defects in the alley between Talcott and Nelson Streets in the 200 block. GG Excavation installed a new manhole on Cascade Vista Drive to improve cleaning access; installed a two-inch pressure line on Fruitdale Road which allowed the City to abandon a former side sewer located in Brickyard Creek. Interwest Construction Inc. repaired one sewer main defect in the alley between Warner and Talcott Streets in the 100 block; repaired two sewer main defects in the alley between Jameson and Fidalgo Streets in the 300 block.
- New sewer construction: Plat's Plus Incorporated installed 1030 lineal feet of 8-inch diameter PVC Pipe and 46 lineal feet of 18-inch diameter steel casing under SR-9 from Alderwood Lane to the City limits. Jansma Construction installed 104 lineal feet of 8-inch diameter HDPE under SR-20 and 96 lineal feet of 8-inch PVC pipe on the south side of SR-20 for the new Skagit Farmers Supply building.

2011 Goals

- Perform corrective and preventive maintenance duties of the wastewater collection system in order to reduce liability and prevent sewer overflows and back-ups; reduce the number of emergency calls; maintain an

accurate inventory of pipes and manholes in the wastewater collection system.

2011 Objectives

- Clean and CCTV Inspect all sewer lines throughout the collection system over a four-year schedule.
- Perform maintenance and treatment of known collection system problems.
- Identify and remove infiltration and inflow (I&I) from the collection system through smoke testing, dye testing and CCTV inspections.
- Repair or replace damaged sewers in the City right-of-way as identified by CCTV Inspections.
- Perform pump station wet well maintenance on a weekly basis.
- Provide excellent customer service by assisting the public with sewer complaints and questions.
- Collect GPS and field data on new manholes; update wastewater collection maps as new sewer lines are added.
- Work cooperatively with businesses and residents to reduce the discharge of fats, oils and grease (FOG) into the sanitary sewer system.
- Work with businesses on the maintenance of oil/water separators to remove petroleum products from the wastewater stream; maintenance of sand traps to reduce grit and gravel; and maintenance of amalgam separators to reduce heavy metals discharged to the sanitary sewer system.

Wastewater Treatment Division

Function

To provide for the treatment of Wastewater in compliance with Federal/State Laws and Regulations and in agreement with the City's concerns for public safety, health and environmental quality.

2010 WWTP Accomplishments

- Treated 288,969,196 gallons of Wastewater reducing Total Suspended Solids by 97% and Biochemical Oxygen Demand by 98%. We are currently using 38% of the Wastewater Treatment Plants hydraulic capacity, 27% of the TSS capacity and 36% of the BOD capacity. Average daily flows were 0.782 million gallons per day.
- Treated 2,491,240 gallons of Biosolids resulting in 155.49 Dry Tons of Class B Biosolids.
- Successfully passed two laboratory performance audits to maintain laboratory accreditation.
- Received Department of Ecology's 2009 Outstanding Performance Award for exemplary operation of the City's Wastewater Treatment Plant. Special recognition was given for five consecutive years of excellence.
- Performed pump station and emergency generator inspections twice per week in addition to daily SCADA monitoring. Installed plug material on all pump station conduits to prevent Hydrogen Sulfide corrosion and ensure stations are intrinsically safe. The City currently has ten sewer pump stations and one stormwater pump station.
- Used 49,000,575 gallons of re-use water for plant clean-up, polymer mixing and sewer line cleaning resulting in a savings of \$117,916.27 by not having to purchase PUD water.
- Performed Brickyard Creek Fecal Coliform testing twice per month meeting educational requirement of the NPDES Phase 2 Stormwater permit.
- Performed regular maintenance activities and inspections on WWTP and pump station equipment. Major upgrades include the installation of a new Hycor Screen auger and press zone, replaced the transfer switch on Cook Road Pump Station, installed a new motor on 3WLP Pump #622, installed a new blower on Digester #253, replaced operator interface on the Belt Filter Press, installed a new CFM meter on the digester discharge line and replaced the inside bearing on Rotor #4. Maintenance activities were logged and tracked using Job Cal software.
- Raised four backflow preventers at WWTP & Pump Stations to meet PUD Standards.
- Sealed asphalt cracks around WWTP. Added torch down rings to seal asphalt around grease interceptor manhole lids.
- Installed new SCADA computer plus additional operational reports for QA/QC.
- Monitored nitrification cycle and controlled filamentous bacteria using ORP technology and chemical dosing. Replaced DO

probes on the Oxidation Ditch and Digester #1.

- Completed second year of Effluent/River Temperature Study as required by NPDES permit.
- Continued brush clearing, stump removal, chipping, site clean-up and disc work on City property located at 501 Alexander Street. Excavation West Inc. performed site leveling with a dozer on the front half of property. This area will be seeded in the spring of 2011.
- Continued working on energy efficiency and replaced more WWTP outdoor light fixtures with energy efficient models.
- Terre Source, LLC completed a Feasibility Study for composting Biosolids on the Third Street property. While results concluded a composting project is feasible, the Third Street site is not large enough to handle a full scale operation for the amount of Biosolids generated. There was also concern regarding composting odors in close proximity to residential homes. City staff felt the project was not cost effective at this time and will continue sending Biosolids to Boulder Park in Eastern Washington.
- Provided on-the-job training for two Skagit Valley College interns studying to become Wastewater Treatment Plant Operators.
- Attended workshops on Asset Management, Nutrient Removal trends, GIS Applications in the Field, Solids Dewatering Technologies, CCTV Repairs,

Energy Efficiency and Biosolids Composting.

| Sewer Operations | | | | |
|---------------------------------|--|------------------|------------------|-----------------|
| | | Budget | Budget | Increase |
| | | Year | Year | <Decrease> |
| | | 2011 | 2010 | |
| Expenditures by Category | | | | |
| Salaries | | 584,300 | 575,500 | 8,800 |
| Benefits | | 255,840 | 231,925 | 23,915 |
| Supplies | | 133,000 | 133,000 | 0 |
| Service Charges | | 449,650 | 427,360 | 22,290 |
| Government Services | | 76,500 | 74,500 | 2,000 |
| Capital | | 680,000 | 814,220 | -134,220 |
| Transfers - Internal | | 1,116,125 | 1,191,931 | -75,806 |
| | | | | |
| Total Expenditures | | 3,295,415 | 3,448,436 | -153,021 |

WASTEWATER TREATMENT PLANT RESERVE FUND

This fund was created in 2008 for the purpose of creating a reserve for future plant equipment replacement. Monies are transferred to this fund from the Sewer Operating Fund.

SEWER DEBT SERVICE

The City's utility funds may also issue long-term debt instruments to finance large capital projects. These are typically for utility plant or collection system improvements that have long useful lives for which this financing method will reduce the annual debt service burden on its utility customers (ratepayers). Since local governments are permitted to issue tax-exempt bonds, this financing option helps reduce the cost of borrowing. These debt instruments are usually issued as revenue bonds.

The source of monies to repay the revenue bond debt service comes from utility revenues, not property taxes. In addition to revenue bonds, cities may apply to Washington State for low interest and/or interest-free loans. This is

a competitive process that involves city staff presenting a proposal in Olympia for an application for Public Works Trust Fund Loans and State Revolving Fund Loans. Because of the low interest and interest-free loans, this method of financing public works is very beneficial to the city's ratepayers. The application process is competitive. Those cities scoring highest in the State's evaluation process receive the favorable loans. The more significant qualifying criteria requires cities to:

- Impose the ¼ of one percent real estate excise tax
- Develop a long-term plan for financing public works needs
- Use all local revenue sources which are reasonably available for funding public works
- Adopt a comprehensive plan
- Demonstrate a history of maintaining the city's utility system
- Demonstrate a commitment to professional management

The evaluating criteria are weighted 60% professional management and 40% city need.

The city has received three Public Works Trust Fund (PWTF) low interest State Loans. The sewer projects relating to these loans are currently under construction. One is a PWTF loan for pre-construction of sewer projects totaling \$706,500 for 20 years at an interest rate of 0.5%. Another is a PWTF loan for constructing sewer projects totaling \$7,000,000 at an interest rate of 0.5%. The third PWTF loan for \$5,156,950 at an interest rate of 0.5% also is for sewer projects.

In 1998, the city utility issued \$6,410,000 in revenue bonds for a new

Waste Water Treatment Plant. The source of monies to repay the debt service for this issue comes from the revenues of the utility.

| Public Works Trust Fund Loans | | | |
|------------------------------------|------------|----------|--------------|
| Repayment Based Upon Current Draws | | | |
| | Total | Total | Total |
| Year | Principal | Interest | Debt Service |
| 2010 | 578,271 | 43,538 | 621,809 |
| 2011 | 578,271 | 47,970 | 626,241 |
| 2012 | 578,271 | 45,079 | 623,350 |
| 2013 | 578,271 | 42,188 | 620,458 |
| 2014 | 578,271 | 39,296 | 617,567 |
| 2015 | 578,271 | 36,405 | 614,676 |
| 2016 | 578,271 | 33,513 | 611,784 |
| 2017 | 578,271 | 30,622 | 608,893 |
| 2018 | 578,271 | 27,731 | 606,001 |
| 2019 | 578,271 | 24,839 | 603,110 |
| 2020 | 578,271 | 21,948 | 600,219 |
| 2021 | 578,271 | 19,057 | 597,327 |
| 2022 | 578,271 | 16,165 | 594,436 |
| 2023 | 578,271 | 13,274 | 591,545 |
| 2024 | 578,271 | 10,383 | 588,653 |
| 2025 | 578,271 | 7,491 | 585,762 |
| 2026 | 539,993 | 4,600 | 544,593 |
| 2027 | 189,993 | 1,900 | 191,893 |
| 2028 | 189,993 | 950 | 190,943 |
| Totals | 10,172,311 | 466,949 | 10,639,260 |

| Sewer Utility Revenue Bonds | | | |
|-----------------------------|-----------|----------|--------------|
| | Total | Total | Total |
| Year | Principal | Interest | Debt Service |
| 2010 | 335,000 | 125,700 | 460,700 |
| 2011 | 355,000 | 111,900 | 466,900 |
| 2012 | 355,000 | 97,700 | 452,700 |
| 2013 | 345,000 | 83,700 | 428,700 |
| 2014 | 355,000 | 69,700 | 424,700 |
| 2015 | 370,000 | 55,200 | 425,200 |
| 2016 | 385,000 | 40,100 | 425,100 |
| 2017 | 395,000 | 24,500 | 419,500 |
| 2018 | 415,000 | 8,300 | 423,300 |
| Totals | 3,310,000 | 616,800 | 3,926,800 |

SOLID WASTE UTILITY

Mission Statement

To provide solid waste pick up in a safe and timely fashion for the residents of our City and our valued Commercial Customers.

SOLID WASTE OPERATING FUND

2010 Accomplishments

- We decreased our cost of disposal for brush, for a savings of \$15,000 plus.
- We saved money in reserves.
- We started a building fund for a future building for Solid Waste.
- Constructed a Stormwater Vactor dewatering facility on the Solid Waste site.
- Bid and awarded contracts for replacement of 2 ea 30 CY containers and 20 ea 1 to 6 CY containers.
- Bid and purchased a pole mounted CCTV camera for the Stormwater Utility.
- Expanded Yard Waste operation to two days, and ran Free Yard Waste Days during October and the first week of November.
- Completed eight site cleanups under Building Department Enforcement Actions.
- Supported the Walley Street Block Cleanup sponsored by the Chamber and Sedro Woolley School District.

2011 Goals

- Continue to maintain service levels.
- Expand yard waste operations to enhance services for the citizens of the city. Explore wood debris, concrete, asphalt and related debris handling.
- Expand our successful electronics recycling operation to include other metals and appliances.
- Continue to support efforts by the Building Dept. and civic groups to clean up the city.
- Continue to manage the ERR fund to support Public Works Department operations and ensure up to date equipment fleet is maintained.

2011 Objectives

- Develop and Pave a portion of our adjacent property so it may be better utilized for yard waste and recycling services.
- Continue to manage other waste such as street sweepings, asphalt, and concrete with our custom built bunkers made from ecology blocks.
- Work cooperatively with businesses and residents to reduce garbage going to the landfills (this will be done by website educational information).
- Begin site selection and design for future solid waste and fleet shop building.
- Purchase of new F-350 truck for multi use.
- Plan ride on bid for new garbage truck late 2011 for early purchase in 2012.

| Solid Waste | | | | |
|---------------------------------|--|-----------|-----------|------------|
| | | | | |
| | | | | |
| | | Budget | Budget | |
| | | Year | Year | Increase |
| | | 2011 | 2010 | <Decrease> |
| | | | | |
| <u>Expenditures by Category</u> | | | | |
| Salaries | | 351,700 | 349,250 | 2,450 |
| Benefits | | 159,550 | 135,900 | 23,650 |
| Supplies | | 139,500 | 141,500 | -2,000 |
| Service Charges | | 133,250 | 115,235 | 18,015 |
| Government Services | | 716,000 | 708,445 | 7,555 |
| Capital | | 42,050 | 32,530 | 9,520 |
| Transfers - Internal | | 276,245 | 246,167 | 30,078 |
| | | | | |
| Total Expenditures | | 1,818,295 | 1,729,027 | 89,268 |

INTERNAL SERVICE FUND

EQUIPMENT REPLACEMENT/FLEET DIVISION

The City's Equipment Rental and Revolving fund, ER&R fund, and Fleet Division is established to provide equipment rental services within the City and to maintain City equipment. The ER&R fund increases government efficiency by giving the City a way to allow expensive equipment and supplies to, in essence, be rented to the entity's other departments while also amortizing the purchase over the life of the equipment. The ER&R fund is an internal service fund which operates at zero profit. Participating departments include the public works departments and administration. At this time, the Police and Fire Departments are not included in the ER&R fund/Fleet Division programs.

Mission Statement

To manage and maintain Public Works Departments fleet equipment in a manner that keeps the fleet in excellent working condition, minimizes down time and provides for scheduled equipment replacement.

Staffing

Part time Supervisor (shared with Solid Waste)
Part time Mechanic (two days per week)

2010 Accomplishments

- Serviced all rolling stock in Public Works (approx 50 units).
- Completed many small repairs to Public Works units.

- We continue to track all equipment on computer by cost and repairs of each unit. This enables us to assess costs and use of each unit.
- Updated ERR database for equipment hours and mileage use during year.
- Bid and purchased a Cues Pole Mounted CCTV camera for the Stormwater Utility.

2011 Goals

- Manage Public Works Department fleet to maintain the equipment in excellent working condition.
- Manage purchase of maintenance tools and equipment per the ERR
- Keep the ERR program updated for equipment usage.
- Perform routine maintenance and major repairs in house as much as possible and in a timely manner to support Public Works operations.
- Begin process of site selection and design for future solid waste and fleet shop building.

2011 Objectives

- Purchase of new F-350 truck for Solid Waste Department per the ERR.
- Plan ride on bid for new garbage truck late 2011, for an early purchase in 2012 per ERR. Build time is estimated at 120 days.
- Update ERR for 2010 mileage and hours of usage.
- Keep equipment down time to a minimum.
- Perform all scheduled fleet maintenance.

| Equipment Replacement & Fleet | | | | | |
|---------------------------------|--|--|--------|--------|------------|
| | | | | | |
| | | | | | |
| | | | Budget | Budget | |
| | | | Year | Year | Increase |
| | | | 2011 | 2010 | <Decrease> |
| | | | | | |
| <u>Expenditures by Category</u> | | | | | |
| Salaries | | | 38,450 | 38,000 | 450 |
| Benefits | | | 10,180 | 10,425 | -245 |
| Supplies | | | 3,000 | 2,500 | 500 |
| Capital | | | 35,000 | 16,500 | 18,500 |
| Transfer | | | 0 | 14,050 | -14,050 |
| | | | | | |
| Total Expenditures | | | 86,630 | 81,475 | 5,155 |

ADDENDUM A

2011 Budget Calendar

- | | |
|------------------------|---|
| 09/08/10 | Call letter (including Council goals) issued to Departments |
| 09/22/10 | Budget requests from Departments due to Finance Director |
| 09/29/10 | Proposed preliminary budget (unbalanced) detailing estimated revenues and expenditures by Fund due to City Supervisor |
| October | City Supervisor meets with Departments to review budget requests and compare to Council stated goals |
| 10/05/10 | Council Worksession - Mayor informs Council of status of 2010 estimated revenues and 2011 preliminary estimated revenues & expenditures |
| 11/01/10 & 11/08/10 | Publish notice of property tax public hearing and budget public hearing |
| 11/02/10 | Council Worksession – distribute Mayor’s 2011 Preliminary Budget (balanced) |
| 11/03/10 | Copies of Proposed budget available for the public |
| 11/10/10 | Public Hearing on Property Tax Levy for 2011 - first read of Property Tax Ordinance |
| 11/10/10 11/23/10 | Council schedules budget public hearing - first read of budget ordinance Adoption of Property Tax Ordinance – second read |
| 11/23/10 | Public Hearing on 2011 Budget – second read of budget ordinance (must be adopted before 12/31/10) |
| 12/08/10 | 2011 salary ordinance |
| 01/07/11 | 2011 Department budget narratives including 2010 accomplishments & 2011 goals & objectives due to Finance Director |

STATUTORY LEGAL DEBT MARGIN

| | | | |
|---|------------------------------|--------------------|------------------------------------|
| | Total Taxable Property Value | \$848,751,838 | |
| | | | <u>Remaining Debt Capacity</u> |
| General Purpose Indebtedness (Legal Limit 2.5% of Taxable Property Value) | | \$ 21,218,796 | |
| General Purpose Indebtedness <u>Without</u> A Vote (Legal Limit 1.5%) | | \$ 12,731,278 | |
| Less: Outstanding Debt | \$ (3,654,817) | | |
| Less: Contracts Payable | | | |
| Less: Excess of Debt with a Vote | | | |
| Add: Assets Available | <u>242,923</u> | | |
| Subtotal | | <u>(3,411,894)</u> | |
| Equals Remaining Debt Capacity Without a Vote | | | <u>\$ 9,319,384</u> |
| General Purpose Indebtedness <u>With</u> A Vote (Legal Limit 1%) | | \$ 8,487,518 | |
| Less: Outstanding Debt | \$ (1,170,000) | | |
| Less: Contracts Payable | | | |
| Add: Assets Available | <u>97,927</u> | | |
| Subtotal | | <u>(1,072,073)</u> | |
| Equals remaining Dept Capacity With a Vote | | | <u>\$ 7,415,445</u> |
| Utility Purpose Indebtedness <u>With</u> a Vote (Legal Limit 2.5%) | | \$ 21,218,796 | |
| Less: Outstanding Debt | \$ - | | |
| Less: Contracts Payable | - | | |
| Add: Assets Available | <u>-</u> | | |
| Subtotal | | <u>-</u> | |
| Equals Remaining Dept Capacity - Utility Purpose, Voted | | | <u>\$ 21,218,796</u> |
| Open Space, Park & Capital Facilities Indebtedness <u>With</u> a Vote (Legal Limit 2.5%) | | \$ 21,218,796 | |
| Less: Outstanding Debt | \$ - | | |
| Less: Contracts Payable | - | | |
| Add: Assets Available | <u>-</u> | | |
| Subtotal | | <u>-</u> | |
| Equals Remaining Debt Capacity - Open Space, Park and Capital Facilities With a Vote | | | <u>\$ 21,218,796</u> |

PERSONNEL SERVICES

The City of Sedro-Woolley provides quality services and programs for its citizens with a responsive staff of 56 full-time and 27 part-time budgeted positions for 2011. Sedro-Woolley has competitive market-based salaries and benefits. Salary and benefits make up a major portion of the operating budgets.

The Police Department commissioned employees and Police Department support employees received a 1.5% COLA in 2011. The general bargaining unit employees received a COLA of 0.5%.

Non-represented employees also received a COLA increase in 2011 of 0.5%.

Benefits for regular status full-time employees include vacation and sick leave and paid holidays. Employees may qualify for additional types of leave such as jury, emergency, bereavement, military and family medical leave.

The City provides medical and dental benefits to its retired LEOFF I employees. City employees participate in the Social Security program and the City matches their contributions (7.65%).

Substantially all City full-time and qualifying part-time employees participate in either the Public Employees Retirement System (PERS) or the Law Enforcement Officer's and Firefighters Retirement System (LEOFF). PERS and LEOFF are statewide local government retirement systems administered by the Department of Retirement Systems.

Pension Rate of Contribution

| January 1, 2011 - June 30, 2011 | | | |
|----------------------------------|-------|----------|----------|
| Plan | City | Employee | Total |
| LEOFF II | 5.24% | 8.46% | 13.70% |
| PERS II | 5.31% | 3.90% | 9.21% |
| PERS III | 5.31% | variable | variable |
| July 1, 2011 - December 31, 2011 | | | |
| Plan | City | Employee | Total |
| LEOFF II | 5.24% | 8.46% | 13.70% |
| PERS II | 8.61% | 4.59% | 13.20% |
| PERS III | 8.61% | variable | variable |

Monthly premiums for medical, dental and vision coverage for a family of 4 persons is \$1,838. Employees pay a percentage of their medical costs for dependents.

The City funds positions at their full annual cost for budgetary purposes even if it is projected that vacancies might occur. It is the City Council's objective to provide sufficient funding for recruiting and maintaining highly qualified personnel.

BARGAINING UNITS

- General Government AFSCME Local 176 SW (28 members, contract expires December 31, 2012 but has been extended to 2014)
- Sedro-Woolley Public Safety Guild (14 members, contract expires December 31, 2013); with a wage opener for 2011.

LABOR RELATIONS

The City employees who are eligible under state law to be represented by a

Labor organization are employed under provisions on such matters as salaries, vacation, sick leave, medical and dental insurance, working conditions and grievance procedures.

The City strives to complete these agreements in a timely manner, consistent with all applicable state laws and promote labor relations policies mutually beneficial to administrative management and employees.

| Personnel Status Report | | | | | |
|--|-------------|-------------|-------------|-------------|--|
| Full-Time Equivalents (Non-Seasonal) | | | | | |
| Department | 2007 | 2008 | 2009 | 2010 | |
| Judicial | 0.5 | 0.5 | 0.5 | 0.5 | |
| Executive/Legal | 1.0 | 1.5 | 1.5 | 1.5 | |
| Finance | 5 | 5 | 5 | 5 | |
| Central Services | 1 | 1 | 0 | 0 | |
| Information Technology | - | - | 1 | 1 | |
| Building, Planning & Engineering | 6 | 7 | 7 | 6 | |
| Police | 20.5 | 21.5 | 21 | 18.3 | |
| Fire | 4 | 4 | 4 | 6 | |
| Public Works Operations <i>(Parks, Cemetery, Streets, Stormwater)</i> | 9 | 10 | 10 | 8 | |
| Library | 4 | 4 | 4.5 | 4.5 | |
| Sewer | 8 | 8 | 8 | 7 | |
| Sanitation / Fleet | 4.3 | 4.8 | 5.3 | 5.3 | |
| TOTAL | 63.3 | 67.3 | 67.8 | 63.1 | |

GLOSSARY

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

ACCURAL BASIS OF ACCOUNTING:

The method of accounting under which revenues are recorded when they are earned (whether or not cash is received, whether cash disbursements are made at that time or not).

AD VALOREM TAXES: A tax levied on the assessed value of real property.

AGENCY FUND: A fund used to account for assets held by a government as an agent for individuals, private organizations, other governments and/or other funds.

ALLOCATIONS: To set aside or designate funds for specific purposes. An allocation does not authorize the expenditure of funds.

AMORTIZATION: (1) The portion of the cost of a limited life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

ANNUAL DEBT SERVICE: the amount required to be paid in a calendar year for (1) interest on all Parity Bonds then outstanding; (2) principal of all Parity Bonds then outstanding, but excluding any outstanding Term Bonds, and (3) payments into any Sinking Fund Account for the amortization of outstanding Parity Bonds divided by the number of calendar

years to the last maturity or mandatory redemption date thereof.

ANNUAL FINANCIAL REPORT: The official annual report of a government. IT includes (a) the five combined financial statements – overview and their related notes and (b) combined statements by fund type and individual fund and account group financial statements prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-regulated legal and contractual provisions, required supplementary information, extensive introductory material and a detailed statistical section.

APPROPRIATION: An authorization made by the City Council, which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

APPROPRIATION ORDINANCE: The official enactment by the City Council establishing the legal authority for City officials to obligate and expend resources.

ASSESSED VALUATION: The estimated value placed upon real and personal property by the Skagit County Assessor as the basis for levying property taxes.

ASSETS: Property owned by a government, which has monetary value.

AUDIT: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to be:

- Ascertain whether financial statements fairly present financial position and result of operations;
- Test whether transactions have been legally performed;
- Identify areas for possible improvements in accounting practices and procedures,
- Ascertain whether transactions have been recorded accurately and consistently; and
- Ascertain the stewardship of officials responsible for governmental resources.

AUDITOR'S REPORT: In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with generally accepted accounting practices or some other comprehensive basis system of accounting.

BARS: The State of Washington prescribed Budgeting, Accounting and Reporting System Manual required for all governmental entities in the state of Washington.

BASE BUDGET: Ongoing expense for personnel, contractual services, and the replacement of supplies and equipment required to maintain service levels previously authorized by the City Council.

BASIC FINANCIAL STATEMENTS: Those financial statements, including notes thereto, necessary for the fair presentation of the financial position and results of operations of an entity in conformity with GAAP. The basic financial statements include a balance

sheet, an "all-inclusive" operating statement, a budget comparison statement (for all government funds for which annual appropriated budgets are adopted), and a statement of changes in financial position (for proprietary funds, pension trust funds and non-expendable trust funds).

BASIS OF ACCOUNTING: A term used to refer to when revenues, expenditures, expenses and transfers – and the related assets and liabilities – are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or accrual method.

BOND: (Debt Instrument) A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.

BOND ANTICIPATION NOTES: (BANS) Short-term interest-bearing notes issued in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue from which they are related.

BOND REGISTRAR: The fiscal agency of the State of Washington in either Seattle, Washington, or New York, New York, for the purposes of registering and authenticating the bonds, maintaining the bonds, maintaining the bond register, effecting transfer of ownership of the bonds and paying interest on the principal

of (and any premium pursuant to call on) the bonds.

BUDGET (Operating): A plan of financial operation embodying and estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which the City and its departments operate.

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

CAPITAL ASSETS: Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

CAPITAL BUDGET: A plan of proposed capital expenditures and the means of financing them. The capital budget may be enacted as part of the complete annual budget including both operating and capital outlays. The capital budget is based on the Capital Improvement Plan (CIP).

CAPITAL IMPROVEMENT PLAN: A plan of proposed capital expenditures to be incurred each year over a period of six future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

CAPITAL PROGRAM: A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth

each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected public facilities.

CAPITAL OUTLAY: Expenditures, which result in the acquisition of or additions to fixed assets. Examples include land, buildings, machinery and equipment, and construction projects.

CAPITAL PROJECTS: Projects, which purchase or construct capital assets. Typically, a capital project encompasses a purchase of land or construction of a building or facility, with a life expectancy of more than 10 years.

CASH BASIS: The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

CASH FLOW BUDGET: (CASH BUDGET) A projection of the cash receipts and disbursements anticipated during a given time period.

CDBG: Community Development Block Grants – grant funds administered through Department of Community Trade and Economic Development (CTED) of the State of Washington.

CENTENNIAL CLEAN WATER PROGRAM: (CCWP) In 1986, legislation was passed which provides grants to public entities for financing water pollution control activities and facilities to protect surface and underground water from pollution. In addition, a state revolving loan program was established to provide loans or combinations of grants/loans to finance public facilities.

CERTIFICATE OF DEPOSIT: A negotiable or non-negotiable receipt for monies deposited in a bank or other financial institution for a specified period for a specified rate of interest.

CIWA: The Cities Insurance Association of Washington is a group of cities across the state that provides pooled and self-insurance services for liability, auto, property, and all other insurance coverage.

COLA: Cost of Living Allowance.

COMMUNITY PARK: Those parks so designated in the City of Sedro-Woolley Parks and Recreation Element of the Comprehensive Plan.

CONCURRENT OR CONCURRENCY: The improvements that are in place at the time the impacts of development occur, or that the necessary financial commitments are in place. Public facilities and services shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current services levels below locally established minimum standards.

CONTINGENCY: A budgetary reserve set-aside for emergencies or unforeseen expenditures not otherwise budgeted for.

COST ACCOUNTING: Accounting that assembles and records all costs incurred to carry out a particular activity or to deliver a particular service.

COUNCILMANIC BONDS: Councilmanic bonds refer to bonds issued with the approval of the Council, as opposed to voted bonds that must be approved by vote of the public. Councilmanic bonds must not exceed 1.50

percent of the assessed valuation, or voted bonds 2.50 percent.

CPI: Consumer Price Index is a measure of the change in prices over time for a fixed market basket of goods and services.

DEBT: An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants and notes.

DEBT LIMITS: The maximum amount of gross or net debt, which is legally permitted.

DEBT SERVICE: Payment of interest and repayment of principal to holders of the City's debt instruments.

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

DEFICIT: (1) The excess of an entity's liabilities over its assets (See Fund Balances). (2) The excess of expenditures or expenses over revenues during a single accounting period.

DELINQUENT TAXES: Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or canceled, the unpaid balances continue to be delinquent taxes until abated, canceled, paid or converted into tax liens.

DEMAND DEPOSIT: A bank deposit of monies that are payable by the bank upon demand to the depositor.

DEVELOPMENT ACTIVITY: Any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any change in the use of land, that creates additional demand and need for public facilities.

DOUBLE BUDGETING: The result of having funds or departments within a government purchase services from one another rather than from outside vendors, When internal purchasing occurs, both funds must budget the expenditure (one to buy the services and the other to add the resources to its budget so they have something to sell). This type of transaction results in inflated budget values because the same expenditure dollar is budgeted twice: once in each fund's budget. The revenue side of both funds is similarly inflated.

DUE FROM OTHER FUNDS: An asset account used to indicate amounts owed to a particular fund by another fund for goods or services rendered. This account includes only short-term obligations on open account, not interfund loans.

ENCUMBRANCES: Obligations in the form of purchase orders, contracts or salary commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

ENDING FUND BALANCE: The cash balance remaining at the end of the fiscal year available for appropriation in future years.

ENTERPRISE FUND: Separate financial accounting used for government operations that are financed and operate in a manner similar to business enterprises,

and for which preparation of an income statement is desirable.

EQUIPMENT REPLACEMENT: The Equipment Replacement Fund operates as a self-sufficient motor and equipment pool. Customer departments pay for the equipment through charges billed monthly. These charges include a form of depreciation, which is accumulated as a sinking fund for future asset replacement.

EXPENDITURES: Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

FEDERAL AID URBAN SYSTEM: (FAUS) Provides funds for the construction, reconstruction, and improvement of urban streets and roads. A local match of 16.6 percent is required.

FEE IN LIEU OF: (FILO) Charges are contributions made by developers toward future improvements of City facilities resulting from the additional demand on the City's facilities generated from the development.

FISCAL YEAR: A twelve (12) month period designated as the operating year by an entity. For Sedro-Woolley, the fiscal year is the same as the calendar year (also called budget year).

FIXED ASSETS: Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment,

improvements other than buildings and land.

FLOAT: The amount of money represented by warrants outstanding and in the process of collection.

FULL FAITH AND CREDIT: A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

FTE: Full-time equivalent employee.

FUND: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

FUND BALANCE: The excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit.

GAAFR: Governmental Accounting, Auditing and Financial Reporting. The "blue book" published by the Government Finance Officers Association to provide guidance for the application of accounting principals for governments.

GAAP: Generally Accepted Accounting Principles are standards used for accounting and reporting used for both private industry and government.

GASB: Government Accounting Standards Board, established in 1985, to regulate the rules and standards for all governmental units.

GENERAL FIXED ASSETS: Capital assets that are not a part of any fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental funds.

GENERAL FUND: The fund supported by taxes, fees and other revenues that may be used for any lawful purpose.

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

GOALS: The objective of specific tasks and endeavors.

GRANT: A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.

GUARANTY FUND: A fund established by a bond issuer, which is pledged, as security for the payment of one or more bond issues. Normally used for local improvement districts (LID).

IAC: Interagency Committee for Outdoor Recreation.

ISTEA: Inter-modal Surface Transportation Efficiency Act.

IMPACT FEES: A fee assessed on new development that creates additional demand and need for public facilities.

INFRASTRUCTURE: Assets that are the underlying foundation especially the basic installations and facilities on which the

continuance and growth of a jurisdiction depends (streets, roads, and sewer).

INTERFUND PAYMENTS:

Expenditures made to other funds for services rendered. This category includes interfund repairs and maintenance.

INTERGOVERNMENTAL COSTS:

Costs or expenses paid from one government to another government for services. These costs include but are not limited to such things as: dispatch and jail services, animal control services, audit and voter costs.

INTERGOVERNMENTAL

SERVICES: Intergovernmental purchases of those specialized services typically performed by local governments.

INTERNAL CONTROL: A plan of organization for purchasing, accounting, and other financial activities, which, among other things, provides that:

- The duties of employees are subdivided so that no single employee handles financial action from beginning to end,
- Proper authorization from specific responsible officials are obtained before key steps in the processing of a transaction are completed.
- Records and procedures are arranged appropriately to facilitate effective control.

INTERNAL SERVICE FUND: Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

INVESTMENT: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals and base payments.

IPD: Implicit Price Deflator.

LATECOMERS FEES: Fees paid by developers or future service users for their share of past improvements financed by others.

LEASING: A financial technique whereby ownership of the project of equipment remains with the financing entity, and where title may or may not transfer to the City at the end of the lease.

LEOFF: Law Enforcement Officers and Firefighters Retirement System provided in the State of Washington.

LEVY: (1) To impose taxes, special assessments or services charges for the support of government activities. (2) The total amount of taxes, special assessments or service charges imposed by a government.

LEVY LID: A statutory restriction on the annual increase in the amount of property tax a given public jurisdiction can assess on regular or excess levies.

LIABILITY: Debt or other legal obligations arising out of transactions in the past that must be liquidated, renewed or refunded at some future date.

LID: Local Improvement District or Special Assessments made against certain properties to defray part or all of the cost of a specific improvement or services deemed to primarily benefit those properties.

MATURITIES: The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

MILL: The property tax rate, which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of property valuation.

MITIGATION FEES: Contributions made by developers toward future improvements of city facilities resulting from the additional demand on the city's facilities generated from the development.

MODIFIED ACCRUAL BASIS: The basis of accounting under which expenditures, other than accrued interest on general long-term debt, are recorded at the time liabilities are incurred and revenues are recorded when received in cash expect for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

NET REVENUE: The revenue of the system less the cost of maintenance and operation of the system.

NOTES TO THE FINANCIAL STATEMENTS: The disclosures required for a fair presentation of the financial statements of government in conformity with GAAP and not included on the face of the financial statements themselves.

OBJECT: As used in expenditure classification, this term applies to the type of item purchased or the service obtained (as distinguished from the results obtained from expenditures).

OPERATING FUNDS: Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

OPERATING TRANSFER: Routine and/or recurring transfers of assets between funds.

ORDINANCE: A statues or regulation enacted by City Council.

OTHER SERVICES AND CHARGES: A basic classification for services, other than personnel services, which are needed by the City. This items includes professional services, communication, travel, advertising, training, dues and subscriptions, printing, equipment rental and costs (ER&R), insurance, public utility services, repairs and maintenance.

PARITY BOND: Any and all sewer revenue bonds of the City the payment of which, both principal and interest, constitutes a lien and charge upon the revenue of the system and upon assessments equal in rank with the lien and charge on such revenue of the system and assessments for payments required to pay and secure the payment of the bonds.

PERS: Public Employees Retirement System provided for, other than Police and Fire, by the State of Washington.

PERSONNEL BENEFITS: Those benefits paid by the City as part of the conditions of employment. Examples include insurance & retirement benefits.

PERSONNEL COSTS: Costs that include all salaries, wages, and benefits for all part-time, full-time, seasonal and temporary employee costs.

PROCLAMATION: An official act by the Mayor or Executive Officer made through a public forum.

PROGRAM: A specific and distinguishable unit of work or service performed.

PROGRAM ENHANCEMENT: Programs, activities or personnel requested to improve or add to the current baseline services.

PROGRAM MEASURES: A unit of standard used for the quantitative comparison in the manner of functioning to capacity or quantity as determined.

PROGRAM REVENUE: These are revenues that are produced as a result of an activity of a program and are subject to quantity of services provided to the public or governmental units (i.e. permits, charges for fire services, recreational activities), or revenues dedicated to a specific use (i.e. grants, taxes or debt funds).

PROPRIETARY FUND TYPES: Sometimes referred to as income determination or commercial-type funds, the classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. The GAAP used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position and changes in financial position.

PUBLIC FACILITIES: The capital owned or operated by the City or other governmental entities.

PUBLIC WORKS TRUST FUNDS: (PWTF) Is a low-interest revolving loan fund which helps local governments finance critical public works needs. To be eligible for trust fund financing, the applicant must be a local government entity, with a long-term plan for financing public works needs. If the applicant is a city or county, it must be imposing the options one-quarter percent real estate excise tax for capital purposes. Eligible projects include streets and roads, bridges, storm sewers, sanitary sewers, and water systems. Loans will only be made for the purpose of repair, replacement, reconstruction, or improvement of existing eligible public works systems to meet current standards and to adequately serve the needs of the existing populations. New capital improvement projects are not eligible. The maximum loan amount has been seven million with a minimum local match of ten percent. Interest rates vary from one-half to three percent, depending on the match.

RCW: Revised Code of Washington. Laws of the State of Washington enacted by the State Legislature.

REET: (Real Estate Excise Tax) A tax upon the sale of real property from one person or company to another.

RESERVE: An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

RESOLUTION: A formal statement of a decision or expression of an opinion of the City Council.

RESOURCES: Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

REVENUE: Income received by the City in support of a program of services to the community. It includes such items as property taxes, fees, user charges, grants, fines and forfeits, interest income and miscellaneous revenue.

REVENUE BONDS: Bond issue pledging future revenues, usually water, sewer or drainage charges, to cover debt payments.

REVENUE ESTIMATE: A formal estimate of how much revenue will be earned from a specific revenue source for some future period, typically, a future fiscal year.

STP: Surface Transportation Program.

STPE: Surface Transportation Program – Enhancement.

STPH: Surface Transportation Program – Hazard Elimination.

STPUS: Surface Transportation Program – Urban Small.

SALARIES AND WAGES: Amounts paid for personal services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts.

SERVICE MEASURES: Specific quantitative measures of work performed within an activity or program (e.g., total miles of street cleaned). Also, a specific quantitative measure of results obtained through a program or activity (e.g., reduced incidence of vandalism due to new street lighting program).

SINGLE AUDIT: An audit performed in accordance with the Single Audit Act of

1984 and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal grantor agencies.

SINKING FUND ACCOUNT: An account created in the bond fund to amortize the principal of term bonds.

SPECIAL ASSESSMENT: A compulsory levy made against certain properties from earnings of enterprise funds. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

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

SUPPLEMENTAL APPROPRIATION: An appropriation approved by the Council after the initial budget appropriation.

SUPPLIES: A basic classification of expenditures for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas, inventory or resale items, and small tools and equipment.

SURETY BOND: Any letter of credit, insurance policy, surety bond or other equivalent credit facility or any combination thereof issued to the City to satisfy all or part of the amount required to be maintained in the Reserve Account to make such payment of principal and

interest as the same become due at maturity or on any mandatory redemption date.

TIA: Transportation Improvement Account.

TAX: Charge levied by a government to finance services performed for the common benefit.

TAX ANTICIPATION NOTES: (TANS) Notes issued in anticipation of taxes, which are retired usually from taxes collected (typically by school districts).

TAX LEVY ORDINANCE: An ordinance through which taxes are levied.

TAX RATE LIMIT: The maximum legal rate at which a municipality may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes.

TERM BONDS: Any parity bonds designated by the Council as "term bonds" pursuant to an ordinance which authorizes the issuance of parity bonds and provides for mandatory payments into a sinking fund account established for the term bonds so designated and provides for mandatory redemption of such term bonds from such sinking fund account.

THIRTEENTH MONTH: This is the month (January) following the end of the fiscal year in which prior expenditures shall be charged against the prior year's budget. This is a budgetary provision in state law (35A.33.150 RCW). It requires cities to charge the previous budget for items purchased before yearend, but not yet invoiced to the city up to the twentieth day in January. This provision is similar to

accounts payable accruals in the private business community.

TRANSPORTATION IMPROVEMENT ACCOUNT (TIA): Provides funding for transportation projects through two urban programs. Urban projects must be attributable to congestion caused by economic growth. They must be consistent with state, regional and local selection processes. The TIB requires multi-agency planning and coordination and public/private cooperation to further the goal of achieving a balanced transportation system in Washington State.

TRANSPORTATION IMPROVEMENT BOARD (TIB): The purpose of the TIB is to administer funding for local governments for transportation projects. This is accomplished through the Transportation Improvement Account Program and the Urban Arterial Trust Account Program. Revenues are from the state fuel tax, local matching funds, and private sector contributions.

TRUST FUND: Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, and/or other funds.

UATA: Urban Arterial Trust Account.

UTILITY LOCAL IMPROVEMENT DISTRICTS: (ULID) Created only for improvements to sewer, water, and other utilities and differs from a LID in that all assessment revenues must be pledged for payment of debt service of bonds issued to finance the improvements.

WAC: Washington Administrative Code.

WARRANT: An order drawn by a municipal officer(s) directing the treasurer of the municipality to pay a specified amount to the bearer, either after the current or some future date.

YIELD: The rate earned on an investment based on the price paid for the investment, the interest earned during the period, held and the selling price or redemption value of the investment.

2011 City Council, Planning Commission & Parks Advisory Board Meeting Dates
All Meetings are open to the public

Time & Location:

City Council meetings – 7:00 P.M., Council Chambers, 325 Metcalf Street

Planning Commission meetings – 6:30 P.M., Council Chambers, 325 Metcalf Street

City Council worksessions – 7:00 P.M., Public Safety Training Room, 325 Metcalf Street

City Council & Planning Commission joint worksessions – 7:00 P.M., Public Safety Training Room, 325 Metcalf Street

Parks Advisory Board meetings – 6:00 P.M., Council Chambers, 325 Metcalf Street

January 3 – Parks Advisory Board

January 4 – Council worksession

January 12 – Council meeting

January 18 – Planning Commission meeting

January 26 – Council meeting

July 5 – Council worksession

July 11 – Parks Advisory Board

July 13 – Council meeting

July 19 – Planning Commission meeting

July 27 – Council meeting

February 1 – Joint Council & PC worksession

February 9 – Council meeting

February 15 – Planning Commission meeting

February 23 – Council meeting

August 2 – Council worksession

August 10 – Council meeting

August 16 – Planning Commission meeting

August 24 – Council meeting

March 1 – Council worksession

March 7 – Parks Advisory Board

March 9 – Council meeting

March 15 – Planning Commission meeting

March 23 – Council meeting

September 5 – Parks Advisory Board

September 6 – Joint Council & PC worksession

September 14 – Council meeting

September 20 – Planning Commission meeting

September 28 – Council meeting

April 5 – Council worksession

April 13 – Council meeting

April 19 – Planning Commission meeting

April 17 – Council meeting

October 4 – Council worksession

October 12 – Council meeting

October 18 – Planning Commission meeting

October 26 – Council meeting

May 2 – Parks Advisory Board

May 3 – Council worksession

May 11 – Council meeting

May 17 – Planning Commission meeting

May 25 – Council meeting

November 1 – Council worksession

November 7 – Parks Advisory Board

November 9 – Council meeting

November 15 – Planning Commission meeting

November 22 – Council meeting (Tuesday)

June 7 – Joint Council & PC worksession

June 8 – Council meeting

June 21 – Planning Commission meeting

June 22 – Council meeting

December 6 – Council worksession

December 14 – Council meeting

December 20 – Planning Commission meeting

December 28 – Council meeting

