

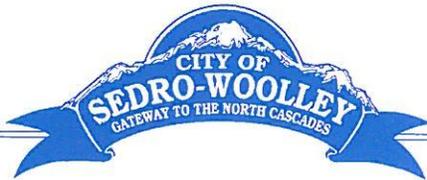
CITY OF SEDRO-WOOLLEY



**SR20/Metcalf to Township Lane Widening & Bicycle/Pedestrian Improvement Project
Dedicated – APRIL 12, 2012**

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

FINAL BUDGET 2012



2012 Budget Message

To the Citizens of Sedro-Woolley:

Our 2012 budget continues a trend of cuts and decreased services that began with the great recession from 2008. In each of the budgets from 2009 to now, departmental spending was trimmed and cut for essential services and deleted entirely for less critical or non-essential programs and services. As a result, 2012 offers fewer opportunities for cuts that don't directly impact services. In the past, the city had more ending fund balances to use the following year; this year that it just not the case. This budget includes city closures that equate to a 5% reduction in pay for all full-time city workers except commissioned police officers and support staff as well as the layoff of one half of a full-time employee.

Our city employees have been part of the budget solution each year. In 2009, our non-represented employees took furlough days that resulted in approximate cuts in pay of 3.7%.; 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). In 2010, the SWPSG represented employees lost positions and waived their COLA. For 2011, AFSCME employees accepted COLAs of 0.5% which represents a reduction of 1.5% over the contracted amount; SWPSG employees received a COLA of 1.5% and switched to a less expensive medical plan; and non-represented employees received a COLA of 0.5%. For 2012, AFSCME and non-represented employees will receive a 1.0% COLA (AFSCME waived its 3.15% COLA); members of the SWPSG will receive a 2.0% COLA and will lose their access to medical coverage for dual covered spouses. More with less has become the way Sedro-Woolley employees do business.

My top objective for 2011 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 2012 including the addition of 13 closure days. On those days, all city services other than emergency services will be closed. I apologize in advance if one of those times is when you were hoping to pay a utility bill or get a building permit, however, this action is necessary to achieve the savings required to balance the budget.

In recognizing the state of the economy and the financial distress of our community, I asked and the Council agreed, for the **fourth** year in a row, that we **not increase property taxes**. However, due to federal mandates implemented by the Washington State Department of Ecology, the increased workload in the city's stormwater utility necessitates a rate increase. I am disappointed that these mandates come at such a difficult time, but the alternatives to a rate increase including financial risk to taxpayers for non-compliance or draconian cuts in other departments do not seem reasonable or feasible.

We continue to focus on infrastructure investment and development to support the residents of today and the economic growth of tomorrow. In 2012, the city will repave Metcalf Street, John Liner

Road, parts of State Street and Third Street as well as West Nelson, Batey and a small section of Jameson. These projects are funded by some city funds, city sewer utility funds (Metcalf Street) and a grant from the Washington State Transportation Improvement Board. We also plan to begin design work on the next phase of our SR 20 Corridor Project, the new intersections at Cook and SR 20 and Edward R. Murrow and Cook Road, funded with a combination of city traffic impact fee money and federal highway dollars.

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", with a long horizontal flourish extending to the right.

Mike Anderson, Mayor

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CITY OFFICIALS

COUNCILMEMBERS



Kevin Loy, Ward 1
128 Garden of Eden Rd., Sedro-Woolley
(360) 856-4190 (H)
Term Exp: December 31, 2015



Hugh Galbraith, Council Ward 5
941 Alderwood Lane, Sedro-Woolley
(360) 856-5946 (H)
Term Exp: December 31, 2015



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, 2015

* Mayor Pro-Tem

MAYOR



Mike Anderson
Term Exp: December 31, 2015

CITY SUPERVISOR/ATTORNEY

Eron Berg

DEPARTMENT DIRECTORS

Finance Director

Patsy K. Nelson, CPA

Director of Public Works

Mark A. Freiburger, 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

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: Hugh Galbraith – Chair, Rick Lemley 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 Tom Storrs – Chair, Brett Sandström and Hugh Galbraith.

UTILITIES COMMITTEE

The Utilities 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 Utilities Committee are Tony Splane – Chair, Kevin Loy and Keith Wagoner.

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 liaisons 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 Brett Sandström – Chair, Keith Wagoner and Kevin Loy.

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 Rick Lemley – Chair, Tony Splane and Tom Storrs.

CITIZENS ADVISORY GROUPS

CIVIL SERVICE COMMISSION

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

HOUSING AUTHORITY

(5 Year Term)

Reta Stephenson	12/31/16*
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	12/31/16*
Beverly Ringhouse	12/31/16*
Sharon Whiting	12/31/14*

LODGING TAX ADVISORY COMMITTEE 2011

Tom Storrs, Chairman
 James Montgomery, Skagit Motel
 Kris Dodge, Three Rivers Inn
 Pola Kelley, Chamber of Commerce
 Jeanne McLennan, Loggerodeo

PARK AND RECREATION ADVISORY BOARD (3 Year Term)

Stephanie Lokkebo	9/30/13*
Lynn Torset	9/30/12*
Mike Riddle	9/30/14*
Kim Woolsey	9/30/13*
Vacant	9/30/11*
Mark Mauden	9/30/12*
Ian Wilson, SWHS Student	5/30/12*

*Term Expires

PLANNING COMMISSION
(6 Year Term)

Patrick Huggins	12/31/13*
Joe Franett	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	12/31/17*

* 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 maintain a reserve fund balance in each fund of 8% or 1/12th of the annual revenues, with the goal of increasing that amount to 12%, 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.

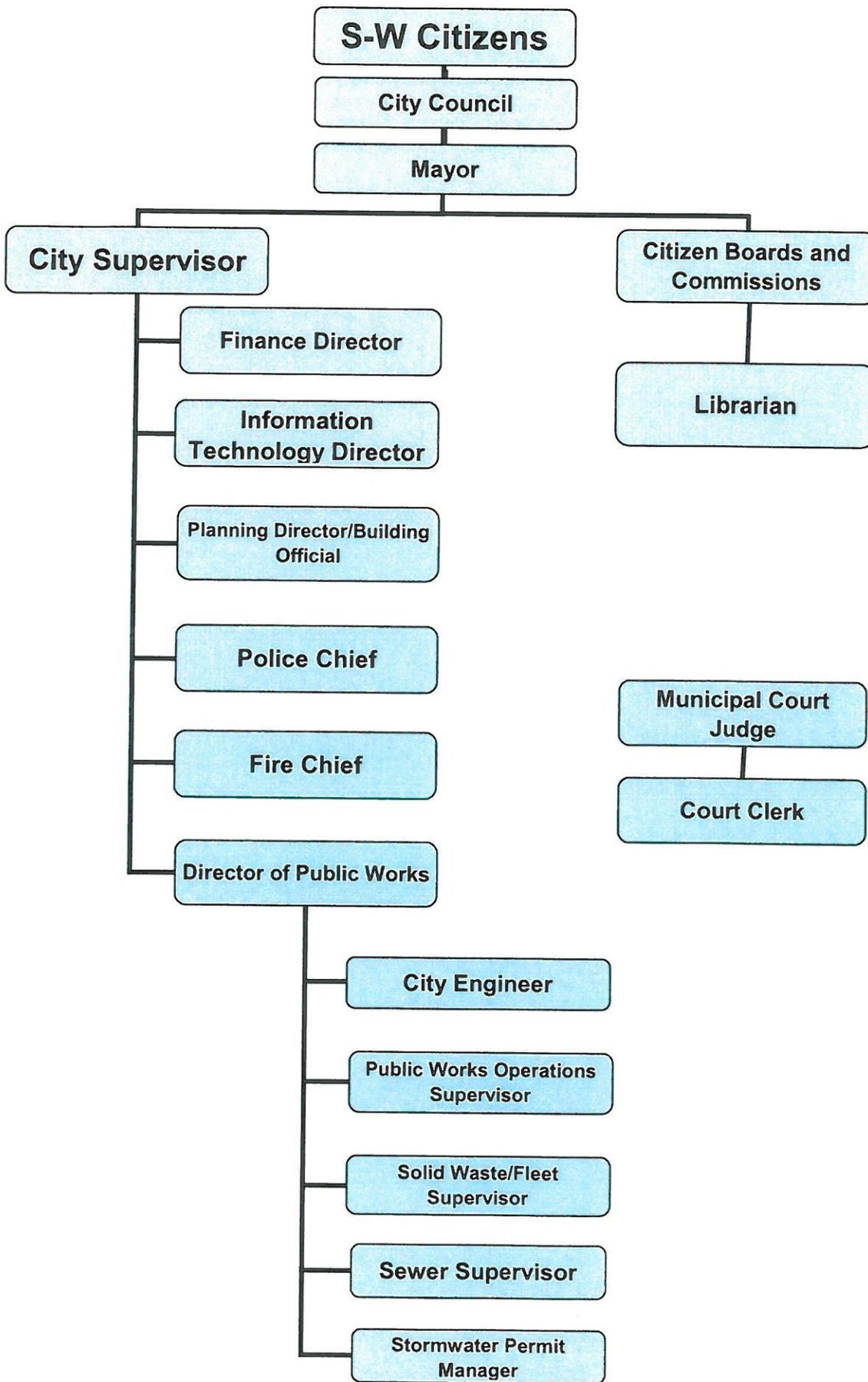
The debt service funds are the General Obligation Debt Service Funds, and the Sewer Revenue Bond Funds.

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.

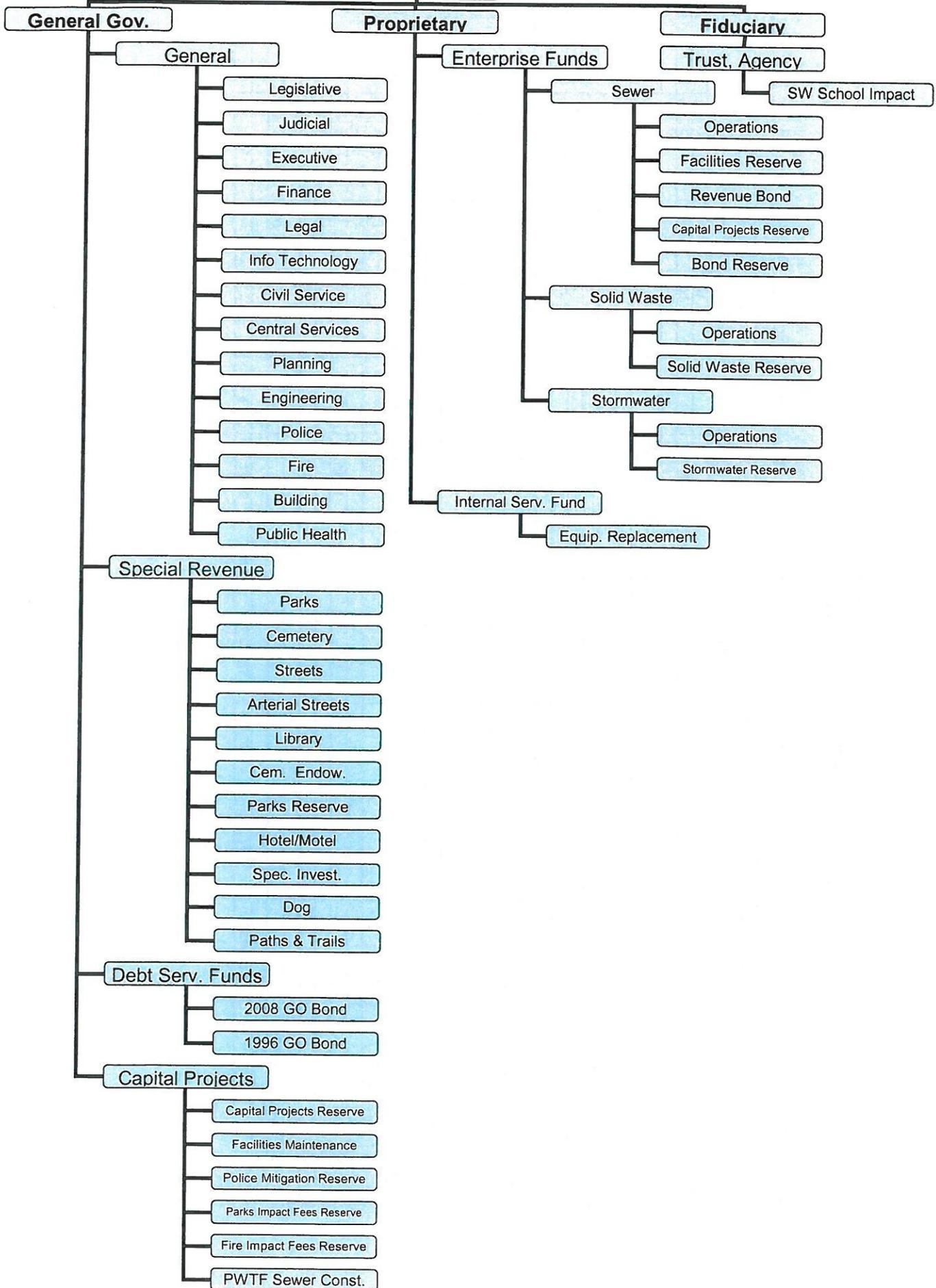
Enterprise funds are established for government activities that are financed and operate in a manner similar to private business. The user primarily finances costs of providing services to the general public. There are three types of enterprise funds. They are the Sewer Funds, Storm Water Fund and Solid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



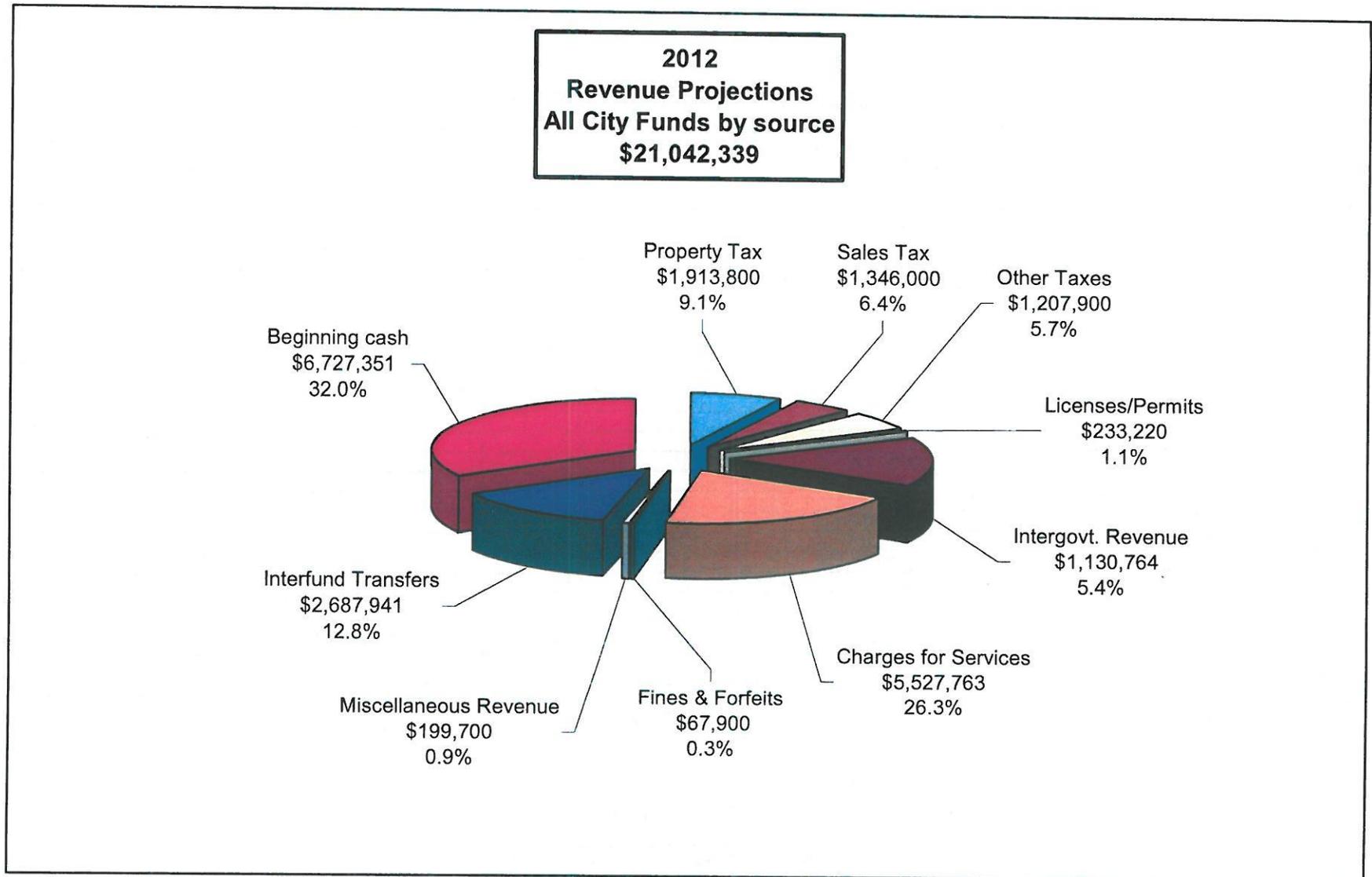
FUND TYPES



BUDGET SUMMARY
2012 REVENUE

City of Sedro-Woolley 2012 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	840,350	1,135,500	898,900	220,220	511,785	96,085	62,700	14,100	395,800	616,782	4,792,222
Parks	410,250	40,000	-	-	-	40,700	-	20,350	149,300	74,389	734,989
Cemetery	57,000	-	-	13,000	-	60,000	-	180	-	9,548	139,728
Streets	154,400	170,500	-	-	221,000	-	-	140	140,000	49,814	735,854
Arterial Streets	-	-	-	-	163,825	320,200	-	500	314,600	441,564	1,240,689
Library	246,800	-	-	-	8,211	6,300	5,200	75	80,000	45,189	391,775
Cemetery Endowment	-	-	-	-	-	1,800	-	-	-	112,996	114,796
Parks Reserve Fund	-	-	-	-	-	-	-	500	-	3,103	3,603
Lodging Tax (Tourism)	-	-	29,000	-	-	-	-	50	-	17,083	46,133
Special Investigations	-	-	-	-	-	-	-	50	-	12,904	12,954
Dog Fund	-	-	-	-	-	-	-	750	-	1	751
Paths & Trails	-	-	-	-	1,100	-	-	60	-	40,716	41,876
2008 GO Bond	-	-	200,000	-	-	-	-	450	-	91,066	291,516
2008 GO Bond Reserve	-	-	-	-	-	-	-	-	-	155,850	155,850
1996 GO Bond	205,000	-	-	-	-	-	-	250	-	81,357	286,607
Capital Projects Reserve	-	-	80,000	-	-	-	-	400	162,000	180,958	423,358
Building Maintenance Reserve	-	-	-	-	-	213	-	120	55,000	73,475	128,808
Police Mitigation Reserve	-	-	-	-	-	61,500	-	35	-	1,472	63,007
Parks Impact Fees	-	-	-	-	-	-	-	190	-	117,921	118,111
Fire Impact Fees	-	-	-	-	-	8,100	-	20	-	14,711	22,831
Sewer Construction - PWTF	-	-	-	-	127,185	-	-	-	-	187,415	314,600
Sewer Operations	-	-	-	-	-	3,040,950	-	37,200	-	304,342	3,382,492
Sewer Operations Reserve	-	-	-	-	-	-	-	725	75,000	487,656	563,381
Sewer Debt Service	-	-	-	-	-	2,000	-	1,350	450,000	331,677	785,027
Sewer Facilities Reserve	-	-	-	-	-	6,630	-	3,500	476,241	1,852,218	2,338,589
Sewer Bond Reserve	-	-	-	-	-	-	-	-	-	376,482	376,482
Solid Waste Operations	-	-	-	-	-	1,558,285	-	76,575	-	318,426	1,953,286
Solid Waste Reserve	-	-	-	-	-	-	-	100	25,000	90,269	115,369
Stormwater	-	-	-	-	97,658	325,000	-	1,280	-	33,425	457,363
Suspense (SWSD)	-	-	-	-	-	-	-	40,000	-	1,950	41,950
Equipment Replacement & Fleet	-	-	-	-	-	-	-	750	365,000	602,592	968,342
TOTAL	1,913,800	1,346,000	1,207,900	233,220	1,130,764	5,527,763	67,900	199,700	2,687,941	6,727,351	21,042,339
	9.1%	6.4%	5.7%	1.1%	5.4%	26.3%	0.3%	0.9%	12.8%	32.0%	100.0%

BUDGET SUMMARY
2012 REVENUE

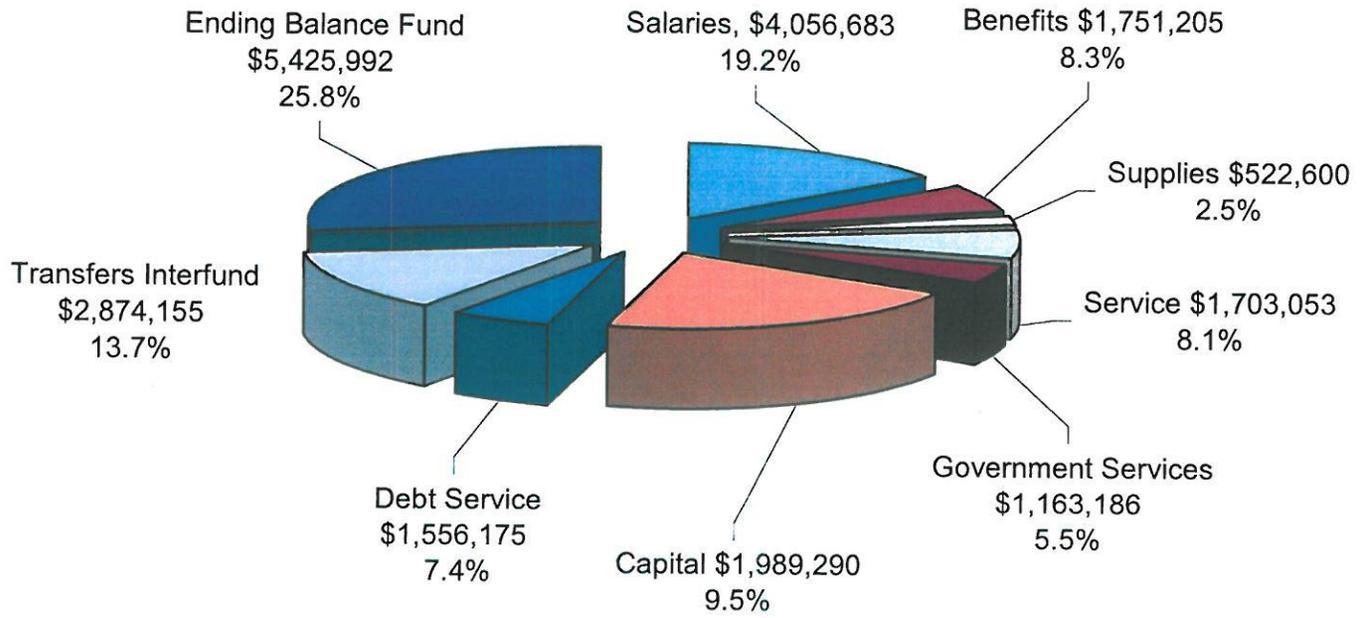


BUDGET SUMMARY
2012 EXPENDITURE

City of Sedro-Woolley 2012 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	2,274,883	897,745	136,500	549,611	303,876	124,105	113,975	7,985	383,542	4,792,222
Parks	196,000	109,035	37,600	168,000	900	69,000	-	95,680	58,774	734,989
Cemetery	59,000	29,600	12,300	12,525	2,000	-	-	12,550	11,753	139,728
Streets	148,600	78,660	47,200	232,750	60	75,000	-	94,675	58,909	735,854
Arterial Streets	-	-	-	-	3,200	782,785	-	-	454,704	1,240,689
Library	167,000	43,790	4,000	52,225	150	9,800	-	80,000	34,810	391,775
Cemetery Endowment	-	-	-	-	-	100,000	-	-	14,796	114,796
Parks Reserve Fund	-	-	-	-	-	3,000	-	-	603	3,603
Lodging Tax (Tourism)	-	-	-	39,200	-	-	-	-	6,933	46,133
Special Investigations	-	-	-	1,000	-	10,000	-	-	1,954	12,954
Dog Fund	-	-	500	-	-	-	-	-	251	751
Paths & Trails	-	-	-	-	-	5,000	-	-	36,876	41,876
2008 GO Bond	-	-	-	-	-	-	150,550	55,000	85,966	291,516
2008 GO Bond Reserve	-	-	-	-	-	-	-	-	155,850	155,850
1996 GO Bond	-	-	-	-	-	-	215,300	-	71,307	286,607
Capital Projects Reserve	-	-	-	-	-	-	-	307,000	116,358	423,358
Building Maintenance Reserve	-	-	-	-	-	-	-	15,000	113,808	128,808
Police Mitigation Reserve	-	-	-	-	-	-	-	-	63,007	63,007
Parks Impact Fees	-	-	-	5,000	-	-	-	45,000	68,111	118,111
Fire Impact Fees	-	-	-	-	-	-	-	22,800	31	22,831
Sewer Construction - P WTF	-	-	-	-	-	-	-	314,600	-	314,600
Sewer Operations	638,500	305,435	144,000	458,635	80,500	362,000	-	1,118,366	275,056	3,382,492
Sewer Operations Reserve	-	-	-	-	-	75,000	-	-	488,381	563,381
Sewer Debt Service	-	-	-	-	-	-	453,000	-	332,027	785,027
Sewer Facilities Reserve	-	-	-	-	-	-	623,350	418,514	1,296,725	2,338,589
Sewer Bond Reserve	-	-	-	-	-	-	-	-	376,482	376,482
Solid Waste Operations	352,700	177,305	127,500	124,225	718,000	40,000	-	256,435	157,121	1,953,286
Solid Waste Reserve	-	-	-	-	-	-	-	-	115,369	115,369
Stormwater	185,500	95,050	10,000	59,882	14,500	1,600	-	30,550	60,281	457,363
Suspense (SWSD)	-	-	-	-	40,000	-	-	-	1,950	41,950
Equipment Replacement & Fleet	34,500	14,585	3,000	-	-	332,000	-	-	584,257	968,342
TOTAL	4,056,683	1,751,205	522,600	1,703,053	1,163,186	1,989,290	1,556,175	2,874,155	5,425,992	21,042,339

BUDGET SUMMARY
2012 EXPENDITURE

**2012 All Funds
Expenditures - by Purpose
\$21,042,339**



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 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*

<u>District</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Skagit County	\$ 1.5539	\$ 1.4592	\$ 1.3627	\$ 1.2420	\$ 1.2097	\$ 1.3206
Medic 1	\$ 0.2500	\$ 0.2500	\$ 0.2460	\$ 0.2273	\$ 0.2290	\$ 0.2500
Conservation	\$ 0.0527	\$ 0.0494	\$ 0.0461	\$ 0.0426	\$ 0.0429	\$ 0.0469
State	\$ 2.3689	\$ 2.2060	\$ 2.0292	\$ 1.9625	\$ 2.0118	\$ 2.1725
City General	\$ 2.4322	\$ 2.1952	\$ 2.0451	\$ 1.8569	\$ 2.1444	\$ 2.2598
City Bond	\$ 0.2960	\$ 0.2703	\$ 0.2517	\$ 0.2291	\$ 0.2743	\$ 0.2743
Schools General	\$ 2.9151	\$ 2.7495	\$ 2.5515	\$ 2.2160	\$ 2.4852	\$ 2.6018
School Bond	\$ 1.0477	\$ 0.9286	\$ 0.8728	\$ 0.7597	\$ 0.8084	\$ 0.8955
Hospital 304	\$ 0.1711	\$ 0.1569	\$ 0.1470	\$ 0.1344	\$ 0.1406	\$ 0.1512
Port #2	\$ 0.2016	\$ 0.1286	\$ 0.1224	\$ 0.1174	\$ 0.1196	\$ 0.0999
Totals	\$11.2892	\$10.3937	\$9.6745	\$ 8.7879	\$ 9.4659	\$ 10.0725

* Per \$1000 of assessed value.

City Regular Levy

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
2011	\$ 792,417,170	\$ 1,739,520	\$ 2.1952
2012	\$ 724,366,210	\$ 1,761,865	\$ 2.4323

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.)

City Public Safety Building Bond

	<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
2012	\$ 709,541,665	\$ 210,000	\$ 0.2960

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	\$ 1,178,990
2012	\$ 1,220,000

* = 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 2012 estimated population is 10,590.

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 % 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 2011 the City received \$175,356 from this program and anticipates about \$213,600 in 2012.

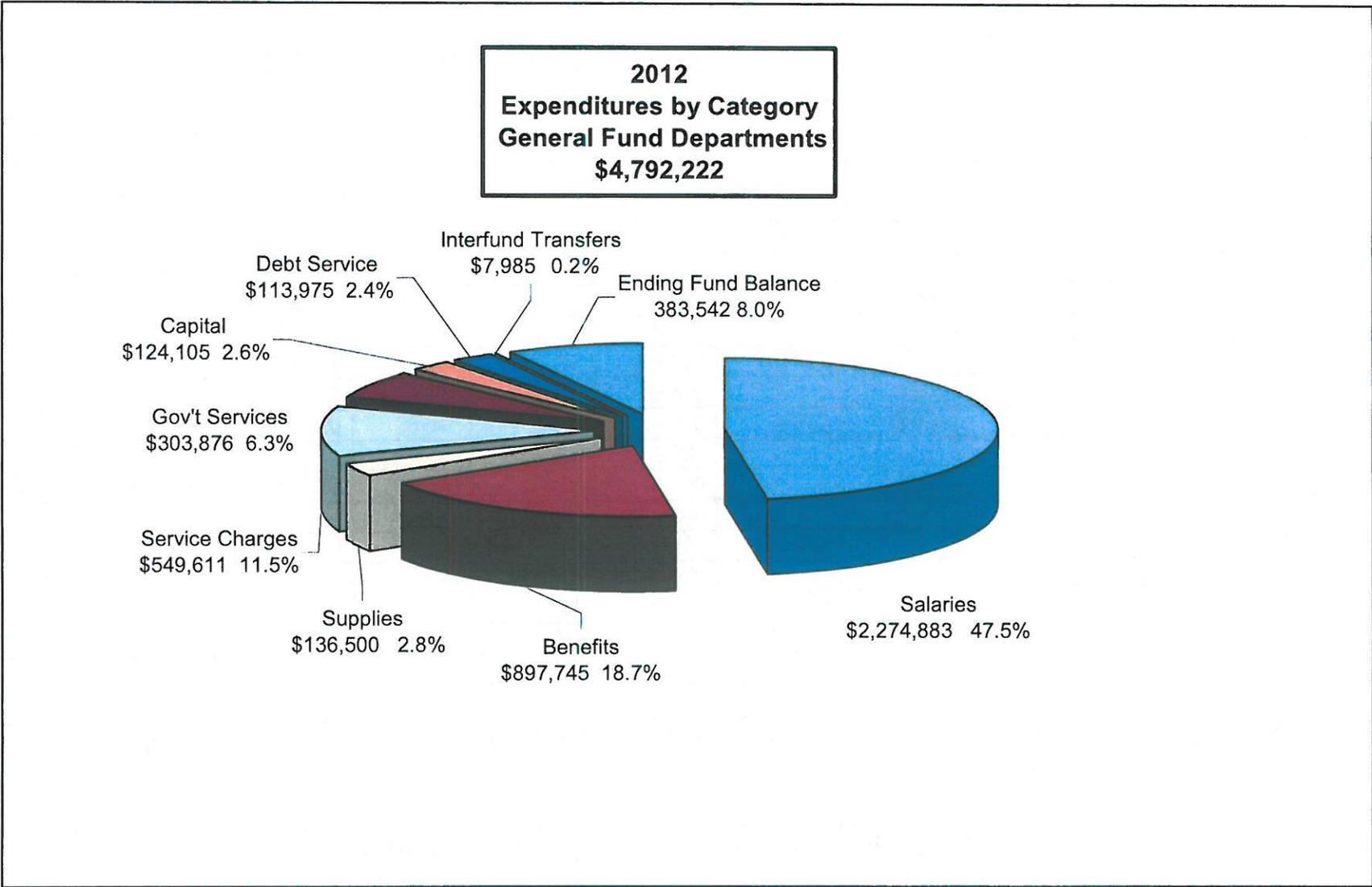
In 2009 the City entered into a contract with the State of Washington to provide fire and emergency services to the North Cascade Gateway Center located to the northeast of the city. In 2011 the city received \$18,564 from this contract and expects to receive \$19,307 in 2012.

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
2012 EXPENDITURE

City of Sedro-Woolley 2012 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	3,350	5,350	7,000	11,200	-	-	-	68,900	1.44%
Judicial	37,125	6,200	3,500	80,876	14,725	2,000	-	-	144,426	3.01%
Executive	57,800	18,795	500	32,000	-	-	-	-	109,095	2.28%
Finance	54,750	32,185	10,000	54,890	-	1,000	-	-	152,825	3.19%
Legal	17,500	7,625	100	45,400	1,400	-	-	-	72,025	1.50%
Civil Service	-	-	250	3,000	-	-	-	-	3,250	0.07%
Information Technologies	49,800	14,055	2,700	21,000	-	12,000	-	-	99,555	2.08%
Central Services	-	-	3,600	5,000	-	-	-	7,985	16,585	0.35%
Planning	100,160	39,015	1,500	11,700	5,015	8,600	-	-	165,990	3.46%
Engineering	63,500	26,610	3,000	25,950	-	3,000	-	-	122,060	2.55%
Police	1,317,188	601,185	52,500	138,310	202,271	21,000	-	-	2,332,454	48.67%
Fire	457,000	114,865	52,500	118,110	-	75,905	113,975	-	932,355	19.46%
Building	78,060	33,860	1,000	6,375	-	600	-	-	119,895	2.50%
Emergency Services	-	-	-	-	21,000	-	-	-	21,000	0.44%
Pollution Control	-	-	-	-	3,514	-	-	-	3,514	0.07%
Economic Development	-	-	-	-	2,000	-	-	-	2,000	0.04%
Aging	-	-	-	-	20,441	-	-	-	20,441	0.43%
Public Health	-	-	-	-	22,310	-	-	-	22,310	0.47%
Ending Fund Balance									383,542	8.00%
TOTAL	2,274,883	897,745	136,500	549,611	303,876	124,105	113,975	7,985	4,792,222	100.00%

BUDGET SUMMARY
2012 EXPENDITURE



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 body, 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, Fire Strategic Review and Impact Fee Plan and the 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 many 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	Budget
		Year	Year	Year
		2010	2011	2012
<u>Expenditures by Category</u>				
Salaries		42,000	42,000	42,000
Benefits		3,320	3,325	3,350
Supplies		5,000	7,350	5,350
Service Charges		5,500	5,500	7,000
Government Services		11,000	11,500	11,200
Total Expenditures		66,820	69,675	68,900

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	Budget
		Year	Year	Year
		2010	2011	2012
<u>Expenditures by Category</u>				
Salaries		33,265	34,500	37,125
Benefits		4,550	5,280	6,200
Supplies		3,500	3,500	3,500
Service Charges		83,151	80,536	80,876
Government Services		14,000	14,500	14,725
Capital		2,000	2,000	2,000
Total Expenditures		140,466	140,316	144,426

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	Budget
		Year	Year	Year
		2010	2011	2012
<u>Expenditures by Category</u>				
Salaries		60,300	60,300	57,800
Benefits		16,230	17,915	18,795
Supplies		1,000	500	500
Service Charges		26,100	22,200	32,000
Capital		0	0	0
Total Expenditures		103,630	100,915	109,095

FINANCE

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

- Cashiering services;
- Cash and investment portfolio management;
- Daily deposits and other banking activities;
- Debt management; including EMMA reporting requirements;
- Budget preparation and administration;
- Annual financial report preparation;
- Business license approval 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;
- Codification of ordinances and updating of municipal code books;
- 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;
- Manage distribution and safekeeping of City keys;
- Schedule and coordinate burials at Union Cemetery;
- Maintain Cemetery records and assist with genealogy research;
- Scheduling of parks and facilities;
- Ordering of supplies for various City departments.

2011 Accomplishments

- Successfully completed the annual audit by the State Auditor which was the City's fourth Federal Audit in four years with no findings.
- Provide staffing to the City's Safety Committee, Wellness Committee, Well City award documentation and wellness events.
- Continued to improve the City's budget process and financial reporting.
- 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.
- Completed partnership with the State of Washington for transfer of issuance, collection, renewal and recordkeeping of City business licenses to the Department of Revenue;
- Updated the business license section of the City code;
- Replaced City credit cards with Purchase Cards through the State contract with added security and control.

2012 Goals

- Successfully complete the annual audit by the State Auditors .
- Assist with the final close out and accounting for Public Works Trust Fund Construction Loans.
- Continue to evaluate and select new financial accounting software.
- Continue to provide staffing for the Safety Committee, Wellness Committee and Wellness events.

- Continue to evaluate our processes and strive to be even more efficient, doing more with less.
- Continue to maintain a high level of customer service.

Finance				
		Budget	Budget	Budget
		Year	Year	Year
		2010	2011	2012
<u>Expenditures by Category</u>				
Salaries		54,250	56,150	54,750
Benefits		26,020	30,070	32,185
Supplies		8,500	9,500	10,000
Service Charges		54,995	51,177	54,890
Capital		1,000	1,000	1,000
Total Expenditures		144,765	147,897	152,825

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	Budget
		Year	Year	Year
		2010	2011	2012
<u>Expenditures by Category</u>				
Salaries		18,150	18,250	17,500
Benefits		6,525	7,180	7,625
Supplies		100	150	100
Service Charges		41,635	40,250	45,400
Government Services		1,400	1,400	1,400
Capital		0	0	0
Total Expenditures		67,810	67,230	72,025

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	Budget
		Year	Year	Year
		2010	2011	2012
<u>Expenditures by Category</u>				
Supplies		250	250	250
Service Charges		3,000	3,000	3,000
Total Expenditures		3,250	3,250	3,250

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
- Administration of the City-wide LAN and 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

2011 Accomplishments

Accomplishments for 2011 include:

- Deployed PowerMinder software to reduce workstation power consumption
- Reviewed and reconfigured wired phone service for substantial cost savings
- Transitioned Police staff mobile phones to Verizon Wireless
- Upgraded firewall between City and Skagit County

- Configured and evaluated Google Apps for Government
- Assisted with transition to State of Washington Business License System
- Developed Animal Control information tab on City website
- Began deployment of Windows 7 workstations
- Began deployment of MS Office 2010 Pro Suite
- Began deployment of Windows 2008 servers
- Deployed seven more energy-efficient (< 40 Watts at peak) desktop computers to replace older workstations and reduce energy costs
- Completed trials/testing of two email archiving appliances
- Replaced network switches at Parks HQ and Solid Waste with fan-less low power units

2012 Goals & Objectives

The main focus for IT in 2012 will continue to be on projects that reduce power consumption, increase productivity and enhance security. These goals include:

- Assist Police and Fire with mobile data projects
- Design and deploy network backup system for SCADA
- Facilitate transition of Library catalog to Evergreen system
- Assist with Spillman Mobile 4.6 upgrade
- Upgrade Windows 2003 servers to Windows 2008 domain
- Extend City LAN wirelessly to Hammer Heritage Square
- Deploy web camera on Hammer Heritage Square clock tower

- Extend Public LAN wirelessly to Community Center and Senior Center
- Design and deploy disk-based server data backup system
- Deploy email archiving appliance
- Continue to expand and/or enhance video security surveillance systems
- Continue to consolidate and streamline network topology
- Continue to replace aging computer equipment with more energy-efficient systems

IT				
		Budget	Budget	Budget
		Year	Year	Year
		2010	2011	2012
Expenditures by Category				
Salaries		53,240	53,510	49,800
Benefits		13,600	14,170	14,055
Supplies		2,500	3,000	2,700
Service Charges		27,925	24,050	21,000
Capital		29,620	12,000	12,000
Total Expenditures		126,885	106,730	99,555

CENTRAL SERVICES

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

Central Services				
		Budget	Budget	Budget
		Year	Year	Year
		2010	2011	2012
Expenditures by Category				
Supplies		2,200	2,700	3,600
Service Charges		3,800	7,500	5,000
Government Services		200	200	0
Transfers		3,106	8,104	7,985
Total Expenditures		9,306	18,504	16,585

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 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.

2011 Accomplishments

- In 2011, the Planning Department assisted the City Council and Planning Commission with the following:
- Continued work on required grant-funded shorelines Master Plan update.
- Revised the Municipal Code to establish guidelines for duplexes in R-7 zone.
- Updated the Comprehensive Plan

- Rezone of Burlington Northern Property along Northern Street.
- Parks and Recreation Element.
- Represented the City in the Skagit county Envision 2060 planning process.
- Prepared and submitted federal grant application for Brickyard Creek Sub-Area Plan and City-wide Buildable Lands Analysis.
- Revised Sedro-Woolley Design Standards and Guidelines for development in the Mixed Commercial Zone.
- Processed Applications
 - Administrative Zoning Waivers (2)
 - Binding Site Plan Modifications (2)
 - Boundary Line Adjustments (3)
 - Conditional Use Permits (1)
 - Home Occupation Permits (10)
 - Pre-application Meetings (9)
 - Short Plats (1)
 - Variances (1)
 - Subdivisions (2)
 - Building Permit Review (38)
- Completed census reports – O.F.M. and Federal
- Performed design review
- Performed zoning review

2012 Goals & Objectives

- Expand Urban Growth Area along SR9 North and city-owned River Road property.
- The Planning Department will work with Skagit County and the Department of Commerce using

the countywide Planning Policies to expand the city's UGA both on SR9 North and along River Road.

- **City Council Goal V:** Promote economic development.
- **City Council Goal VI:** Expand recreational opportunities – Parks.
- **City Council Goal VI:** Provide youth activities.
- **Comprehensive Plan Goal H1:** To provide sound, adequate housing for all current and future Sedro-Woolley residents.
- **Comprehensive Plan Goal P1:** To provide sufficient park and recreation opportunities to current and future demands.
- **Comprehensive Plan Goal GMA9:** Provide open space and recreation opportunities to community residents.
- **Comprehensive Plan Goal LU10:** To create a safe, active environment for youth.
- Update the Sedro-Woolley Comprehensive Plan – Housing Element and consider rezoning properties near Rhodes Road.
- The Planning Department will assist in proposing revisions to the Housing Element of the Comprehensive Plan.
 - **City Council Goal II:** Educate and inform Citizens about the Goals and Vision (of City).
 - **Comprehensive Plan Goal H1:** To provide Sound adequate housing

for all current and future Sedro-Woolley residents.

- 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 GMA7:** Ensure fair, predictable and timely permit process.
- Revise Shoreline Master Plan
- The Planning Department will continue to work on drafting a new Municipal Code Chapter 17.XXX, Sedro-Woolley Shoreline Master Plan. Washington State Department of Ecology has required all jurisdictions to update or draft a plan, 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 recourse 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.
- Adopt Urban Village Mixed Use zoning regulations and design standards.
- The Planning Department will work with the Planning Commission to draft proposed regulations to facilitate UVMU development in areas identified in the Comprehensive Plan.
 - **City Council Goal V:** Promote economic development.
 - **Comprehensive Plan Goal H1:** To provide sound, adequate housing for all current and future Sedro-Woolley residents.
- Develop an Urban Forestry Program and become registered as a *Tree City USA*.
- The Planning Department will work with the Planning commission to survey the trees in the city and develop a database and long term plan for management.
 - **City Council Goal III:** Infrastructure investments.
 - **Comprehensive Plan Goal LU5:** Encourage high standards of appearance in all residential areas and other high visibility areas.
 - **Comprehensive Plan Goal LU7:** Preserve historically significant buildings, trees and sites within the Sedro-Woolley UGA through the

development of historic preservation and urban forestry program.

- **Comprehensive Plan Goal LU7:** Preserve historically significant buildings, trees and sites within the Sedro-Woolley UGA through the development of historic preservation and urban forestry program.
- **Comprehensive Plan Goal LU17:** Preserve and enhance vegetation as a means of protecting both water quality and wildlife habitat.

Planning				
		Budget	Budget	Budget
		Year	Year	Year
		2010	2011	2012
<u>Expenditures by Category</u>				
Salaries		137,000	137,500	100,160
Benefits		46,015	49,375	39,015
Supplies		2,000	2,000	1,500
Service Charges		19,400	17,700	11,700
Government Services		5,015	5,015	5,015
Capital		0	500	8,600
Total Expenditures		209,430	212,090	165,990

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.

2011 Public Works/Engineering Accomplishments

- Public Works Department completed its efforts to catalogue all record documents and project files for easier location and access.
- The SR20, Metcalf to Township Lane Widening and Bicycle/Pedestrian Improvements Project was funded, designed and constructed to 86% completion, adding center turn lanes, storm drainage, curbs, sidewalks and pedestrian facilities to Moore Street. Included was the lowering of SR20 under the BNSF Railroad Trestle west of Metcalf, providing 16' of vertical clearance. The project completed sidewalk improvements from Patrick Street to Township.
- Asphalt overlay work was completed on 8th from Alexander to Jameson, and Haines from Northern to Moore.
- The former elevated BNSF railroad crossing on Reed Street was removed, and Reed Street repaved at grade.
- The Solid Waste Department storage yard was finish graded and paved.
- Designed, bid, awarded and managed the 2011 Sanitary Sewer CIPP Project.
- Designed, bid, awarded and managed the 2011 Pipe Burst/Manhole Rehab Project.
- Bid, awarded and managed 18 miscellaneous Public Works contracts totaling \$179,758
- Awarded and managed 14 Professional Services agreements totaling \$26,484.
- Grant applications to support the Transportation Plan and Stormwater projects were prepared and submitted under the TIB Urban Arterial Program (funded \$2,256,720), Skagit County EDC (funded \$300,000), TIB Expanded Preservation Program (funded \$163,825), STP-R funding through SCOG for Phase 1 SR20 Corridor Project (funded \$625,000), Ecology Local Source Control Program (funded \$52,202) and the Ecology Capacity Grant Program extension (funded \$50,000). Total grants for 2012 \$3,447,747.
- 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 2011 NPDES Stormwater Permit Annual Report, including development of tracking systems for all required elements of the Permit.
- Continued permit compliance activities including documentation of catch basin and stormwater pipeline cleaning activities. Coordinated concentrated effort to complete cleaning of remaining systems by permit compliance date of 2/15/2012.
- Completed individual files for all private stormwater systems within the city, inspected all

private ponds and issued letters outlining maintenance and reporting responsibilities to responsible parties.

- Updated the Equipment Repair & Replacement Fund program to meet 2011 Budget requirements and city equipment replacement needs.

Project Summary

PROJECT DESCRIPTION	TOTAL PE/CE/CN	STATUS
2011 PROJECT RECAP		
SR20, METCALF TO TOWNSHIP LANE WIDENING AND BICYCLE/PEDESTRIAN IMPROVEMENTS PROJECT	3,403,372 (2,867,339 IN 2011)	86%
2011 SANITARY SEWER CIPP PROJECT	220,847	COMPLETE
2011 PIPE BURST/MANHOLE REHAB PROJECT	160,441	COMPLETE
2011 STREET PROJECTS & SOLID WASTE YARD PAVING	115,280	COMPLETE
2011 ON-CALL PROJECTS – 18 TOTAL	179,757	COMPLETE
2011 ON-CALL PROFESSIONAL SERVICES AGREEMENTS - 14 TOTAL	26,484	COMPLETE
TOTAL 2011	3,597,148	

PROJECT DESCRIPTION	TOTAL PE/CE/CN	STATUS
2012 PROJECTS PLANNED		
STREET		
SR20, METCALF TO TOWNSHIP LANE WIDENING AND BICYCLE/PEDESTRIAN IMPROVEMENTS PROJECT	488,733	COMPLETION
METCALF STREET & STATE STREET HMA OVERLAY PROJECT	426,000	DESIGN PHASE
JOHN LINER ROAD & W NELSON ROAD HMA OVERLAY PROJECT	182,028	DESIGN PHASE
SR20 CORRIDOR FREIGHT MOBILITY & REVITALIZATION PROJECT - PHASE 1 COOK ROAD & SR9 - PRELIMINARY ENGR	722,543	DESIGN & ROW PHASE
SR-9, LUCAS TO PARK COTTAGE AND MCGARIGLE TO SUMMER MEADOWS PEDESTRIAN/BICYCLE SAFETY IMPROVEMENTS PROJECT	890,000	SEEKING FUNDING
STORMWATER		
FRUITDALE ROAD STORM SEWER CIPP PROJECT (WITH SKAGIT COUNTY)	450,000	DESIGN
UPDATE STORMWATER MANAGEMENT PLAN	20,000	NOT STARTED
BRICKYARD CREEK MAINTENANCE PROJECTS	TBD	PENDING FUNDING
WASTEWATER		

UPDATE 2005 COMPREHENSIVE SEWER PLAN	50,000	NOT STARTED
2012 SEWER PROJECT	275,000	NOT STARTED
WTF RING DIKE PRELIMINARY DESIGN	50,000	NOT STARTED
SOLID WASTE		
STREET VACTOR DEWATERING FACILITY MODIFICATIONS	25,000	NOT STARTED
TOTAL	3,579,304	

2012 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.

2012 Objectives

- Continue updates to the Sedro-Woolley Public Works Department Standards, including the permitting and fee system.
- Review and adjust as needed

Engineering Fees for Development.

- Provide project management and technical support for the development, bidding, contract compliance, and project close out for capital facilities projects and small works projects per City code and state law.
- 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.
- 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, SR9/Jameson Arterial Extension Project and West Jones/F&S Grade Road & Garden of Eden Road area.
- In house design, bid and construct the 2012 Street Rehabilitation projects including PWF funded Metcalf Street HMA Overlay Project and TIB funded John Liner Road HMA Overlay Project.
- Select consultant and begin design phase for the Phase 1 SR20 Cook Road Realignment project, with the goal of securing TIB funding for construction in 2013.
- In house design support for the Memorial Park Rotary project and Skateboard Park project.
- 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 2011 Annual Report. Monitor 2013 Permit issuance.
- Continue inspection and tracking of private stormwater systems. Provide private system operating training seminar in conjunction with Skagit Conservation District.
- Initiate Local Source Control Program and begin required inspection and tracking program.
- Complete Interlocal Agreement with Skagit County for absorbing the Brickyard Creek Sub-flood Control Zone elements within the City limits by 3/31/2012.
- Coordinate a cooperative project with Skagit County to complete stormwater projects of mutual benefit.
- 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.
- In house design, bid and

- construct the 2012 Sewer Project.
- 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. Submit TIB, Safe Routes to Schools and other grant opportunities as they arise.
- 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	Budget
		Year	Year	Year
		2010	2011	2012
Expenditures by Category				
Salaries		78,500	82,740	63,500
Benefits		31,930	33,430	26,610
Supplies		3,000	3,000	3,000
Service Charges		44,200	31,750	25,950
Capital		0	500	3,000
Total Expenditures		157,630	151,420	122,060

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.

2011 Accomplishments

The Sedro-Woolley Police Department continues to work hard and serve the citizens well. Our statistics continue to

be very consistent and we meet and exceeded our goals for 2011.

We have been able to successfully provide the same level of service with decreased manpower and funds. Our department has a positive attitude and strives to deliver the level of service that you expect.

We purchased 1 patrol car in 2011, along with one in late 2010. Our patrol officer’s vehicles are doing O.K. but some of the other staff cars are aging and we will have to look at a replacement plan in the future. There are no plans to purchase a vehicle in 2012; however, we need to keep this as a priority so our fleet does not fall too far behind.

We have been successful in keeping a handle on the gang problem in town. Many of our neighbors are experiences a rise in gang activity and violence however, other than an occasional incident; we are avoiding many of the problems.

We continue to evaluate our jobs and we are working on ways to be even more efficient. We recognize that we will have to continue to do this in 2012, also.

Our stated goal for the last several years is getting back to basics. Officers continue to focus on aggressive patrol and enforcement of criminal and traffic laws, which has made it uncomfortable for drug dealers and drug users to live in our community. We have expanded on this by doing many small drug operations. We target low level drug suppliers using confidential informants. Skagit County has a drug task force; however, they focus on large dealers with gang involvements. We have been targeting the smaller heroine dealers who are problems to the community.

Most of our vehicle prowls and burglaries are done by people stealing to support their drug habits. We have been successful in busting several drug houses. We do work with Task Force and they used information gained from one of our cases to work a very big drug case.

Our offender work program continues to work extremely well. It is saving on jail bills and everyone in town sees the work performed by these people who are working off their time and/or fines. It has, and continues to be, a great program.

We responded to 8470 complaints in 2011. This is 89 less than last year. There was a change in dispatching procedure. They used to issue a case number every time that they advised us of a fire call or aid call. While they still advise us of the calls there is a case number issued only if we take any action. If we added those back in we would be more than last year. This method is a better reflection of what we do.

	2008	2009	2010	2011
Animal Problems	542	510	453	430
Traffic Infractions	504	562	364	511
DUI	64	64	50	55
Adult Arrests	729	746	610	586
Juvenile Arrests	120	104	105	106
Burglaries	89	104	147	151
Total Calls	10,026	9,059	8,559	8,470

2012 Goals

- Continue to provide the same level of service with decreased funding and manpower. Our officers are focused on

preventing crime and prosecuting those who break the law. The continued tight, city budgets do present challenges; however, we are committed to work together to work through problems.

- Work on bringing down the amount of burglaries. This is a huge problem in the city as well as in the counties and state. It is one of our top priorities.
- Expand the citizens on patrol. Our Senior Crime Watch can help patrol and be visible in the community. We have a great group of volunteers and truly augment our department.
- The lack of space in the Skagit County Jail continues to be a huge problem for the county law enforcement. We are working with leaders from other agencies to develop a long range plan for dealing with offenders. We continue to house long term offenders in Wapato, however, a long term solution needs to be developed for Skagit County. We hope to be part of that plan.
- Continue to monitor the downtown bar situation. We have been experiencing more than usual amounts of problems down town. Our department has been working on identifying problem people and establishments. We have and will continue to keep the down town viable and safe for all.

Thank you for your continued support of these goals. Your police department is functioning at a very high level and is respected by all of the agencies in the county. All the members of the department are doing a very good job, working as a team,

2011 Call Data

Calls	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr
City	310	265	318	290
D8East	8	10	8	18
D8 North	20	13	21	13
D8 South	83	86	86	98
Totals	421	374	433	419

Total Calls for 2011: 1674

2012Goals

- Continue to provide the citizens of Sedro-Woolley the quality service they have come to expect from their Fire Department.
- Continue to monitor new response plan, and refine as needed. This will be ongoing over the next few years.
- Continue to work on getting the new MDT's through a FEMA grant and working with the dispatch center and Mount Vernon fire to get the system up and running.
- Place hazardous materials decon unit received from Skagit County DEM into service and train personnel.
- Due to funding issues within the City, work on maintaining all levels of service within current budget.

Fire				
		Budget	Budget	Budget
		Year	Year	Year
		2010	2011	2012
<u>Expenditures by Category</u>				
Salaries		442,000	443,100	457,000
Benefits		79,845	96,610	114,865
Supplies		56,900	56,000	52,500
Service Charges		107,850	137,600	118,110
Capital		1,295,001	96,738	75,905
Loan Payment		0	58,500	113,975
Transfer		0	5,850	0
Total Expenditures		1,981,596	894,398	932,355

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.

The Building Department staff was reduced to less than one (1) F.T.E. for 2012. The primary goal will be to perform plan review in a timely fashion and continue to perform all inspections with same/next day service. The amount of time available to work on code enforcement requests will be reduced and may affect prompt customer service in that area.

2011 Accomplishments

In 2011, the Building Department assisted the City Council with the following:

- 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.

2012 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	Budget
			Year	Year	Year
			2010	2011	2012
Expenditures by Category					
Salaries			44,750	45,450	78,060
Benefits			11,745	12,800	33,860
Supplies			2,500	3,500	1,000
Service Charges			6,360	6,010	6,375
Capital			0	0	600
Total Expenditures			65,355	67,760	119,895

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 eleven 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
- Dog Fund
- Paths and Trails Fund

PARKS FUND

The park fund provides the financial resources for staff to oversee the maintenance and operation of the cities parks and public facilities, including the Municipal Building, City Library, Senior Center, Community Center, Park & Recreation office, and Fire Station 2. The parks fund also includes funding for the downtown flower basket program. The department supervises the rental of park shelters, RV Park, Community Center and Hammer Heritage Square.

2011 BUDGET MESSAGE

Overall 2011 has been a successful year for the Public Works Operations Department. Even with our continued reduced staffing we were still able to complete a number of projects with the

help of the offender work program, volunteers, and help from the Cascade Job Corps Center. With the return of some seasonal staffing we were able to keep up satisfactorily with routine maintenance such as mowing, facilities maintenance, pot hole patching, sign maintenance, storm system maintenance and operation of the Union Cemetery. We were also able to complete several blocks of road resurfacing with department staff completing the prep work and the asphalt paving done by contract. Please see the list of accomplished projects listed below by project fund. We still have the same staffing issues as in recent years with the loss of two full time positions. In spite of the difficult times, staff has stepped up to the plate and improved efficiency. We are very proud of what we have been able to accomplish for the citizens of Sedro-Woolley.

2011 Accomplishments

- General parks routine and preventative maintenance
- Cleaned and maintained 63,597 square feet of city owned facilities
- Replaced Roof and Gutters on Riverfront Park Large Shelter
- Stained and Sealed Riverfront Park Large Shelter
- Constructed new Equipment Storage Building at Riverfront Park
- Stained and Sealed Gazebo and Cement Pavers at Hammer Heritage Square
- Painted Riverfront Caretakers House
- Added New Picnic Table Pads and BBQ Grills at Bingham Park

- Completed \$5,000 work of lighting retrofit projects as part of our RCM Program
- Installed New HVAC units, insulation and hot water system at the City Library
- Hosted the following events at parks facilities
 1. 158 Private Parties
 2. 27 Fundraisers / Community Events
 3. 9 Weddings / Anniversary Parties
 4. 10 Memorial Services
 5. 17 Chamber of Commerce Events
 6. 57 Church Related Events
 7. 1,500 nights of R.V. Camping
 8. Hosted Loggerodeo Carnival
 9. Hosted Founders Day, JJ Cruisers Car Show

ISSUES FACING THE DEPARTMENT IN 2012

As Sedro-Woolley’s population continues to rise, the use of our public facilities and transportation infrastructure is at an all time high. With the current state of the economy the trend is that citizens are staying home and using local recreation sources as opposed to taking vacations out of the area. Our street infrastructure continues to show signs of wear and tear, and our storm system is in need of continued maintenance and attention to be in compliance with the Department of Ecology’s NPDES Phase II permit. And of course the cemetery is always expected to be kept at a high standard to honor the citizens interred there. Even with a tough economy our citizens still

expect a certain standard of service. Our largest concern in 2012 is being able to continue to provide our services to the public with limited staff at an acceptable level.

2012 Goals and Objectives

- Our goals for 2012 are to attempt to maintain our current levels of service with our reduced staffing
- Maintain our public parks and facilities, in a safe manner consistent with city policy and in a manner that we can be proud of
- Continue to plan for the future and work toward our long term goals
- Replace HVAC System at the Senior Center with high efficiency units
- Complete New Roof, Gutters, and Sealant at Riverfront Park Small Shelter
- Complete New Restroom Facility at Memorial Park
- Assist Rotary Club with construction of new Skateboard Facility at Metcalf Park
- Continue to develop and work towards long term site plan for Memorial Park
- Continue to work on the Resource Conservation Program

Parks and public areas maintained by the 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
- Denny Engberg Memorial Field
- Sedro-Woolley Ball Park
- Riverfront R.V. Park & Boat Launch
- Tesarik Ballpark
- 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

- Other miscellaneous activities requested by the city leadership or citizens 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 City's tree nursery 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.

Public facilities that we oversee and maintain

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

Other parks duties

- Flower baskets and barrels downtown, and all city flower beds
- Facility Rentals
- Park Benches and concrete benches downtown
- Picnic Tables
- Christmas Decorations
- The Christmas Tree
- 4th of July Decorations
- American Flags Downtown during holidays and celebrations.

Parks				
		Budget	Budget	Budget
		Year	Year	Year
		2010	2011	2012
<u>Expenditures by Category</u>				
Salaries		184,000	184,100	196,000
Benefits		85,830	96,725	109,035
Supplies		30,300	30,500	37,600
Service Charges		152,845	151,250	168,000
Government Services		800	800	900
Capital		88,000	36,000	69,000
Transfers - Internal		91,938	106,313	13,680
Loan Payment		0	0	82,000
Total Expenditures		633,713	605,688	676,215

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.

2011 Accomplishments

- Kept up nicely with general grounds and equipment maintenance.
- 30 Full Body Burials
- 18 Inurnments

2012 Goals and Objectives

- Keep up with grounds and equipments maintenance
- Implement new fleet management program.
- Maintain high level of customer service.
- Purchase new casket lowering equipment.

Cemetery				
		Budget	Budget	Budget
		Year	Year	Year
		2010	2011	2012
Expenditures by Category				
Salaries		76,650	76,000	59,000
Benefits		33,865	35,190	29,600
Supplies		12,100	12,100	12,300
Service Charges		11,495	12,440	12,525
Government Services		2,500	2,500	2,000
Capital		7,000	2,500	0
Transfers - Internal		6,211	15,051	12,550
Total Expenditures		149,821	155,781	127,975

STREET FUND

The Street fund provides the financial resources to operate and maintain the street infrastructure within city limits. Staff is responsible for the maintenance of streets, alleys, sidewalks and shoulders within the City of Sedro-Woolley. 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.

2011 Accomplishments

- Kept up with routine maintenance, patching, sweeping, signs maintenance, etc.
- Working on Compliance with MUTCD Sign Requirements.
- Asphalt Resurfacing of sections of Haines Street, Reed Street and 8th Street.
- General Storm Water System Maintenance.
- Cleaned 12,000LF of Storm System Piping.
- Cleaned 600 catch basins.
- Assisted with Capital Projects.

2012 Goals and Objectives

- Continue with annual road resurfacing schedule
- Continue to maintain streets, sidewalks, alley's and shoulders to afford safe passage for motorists and pedestrians.
- Implement street sign replacement program compliant with MUTCD standards.

- Continue to inspect and clean storm water system on schedule.

Street Infrastructure Maintenance

Department Staff 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 – two to three times per week.
- Traffic Sign Maintenance – as needed
- Annual Street resurfacing projects (Reconstruction, Chip Seal, etc)
- City Parking Lot Maintenance
- Alley and Shoulder Maintenance
- Pavement markings, including road striping, stop bars, cross walks, and parking striping
- 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 project as needed.

Storm System Maintenance

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

- City owned Stormwater Detention Facilities – 11 locations

- Detention Vaults, Ecology Embankments, etc. – 3 locations
- Stormwater System Piping 8” to 36” diameter (241,960 LF) and catch basins (2,490 basins)
- Road Culverts (4,450 LF)
- Drainage Ditches (39,340 LF)
- Stormwater pump station – 1 total (Currently maintained by Wastewater Treatment Staff)

Streets				
		Budget	Budget	Budget
		Year	Year	Year
		2010	2011	2012
Expenditures by Category				
Salaries		163,650	167,270	148,600
Benefits		65,635	81,980	78,660
Supplies		42,500	46,500	47,200
Service Charges		189,570	200,375	232,750
Government Services		60	60	60
Capital		75,000	75,000	75,000
Transfers - Internal		45,268	96,093	94,675
Total Expenditures		581,683	667,278	676,945

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	Budget
		Year	Year	Year
		2010	2011	2012
Expenditures by Category				
Salaries		0	0	0
Benefits		0	0	0
Supplies		0	0	0
Service Charges		0	0	0
Government Services		3,197	3,200	3,200
Capital		1,137,006	35,000	782,785
Transfers		0	0	0
Total Expenditures		1,140,203	38,200	785,985

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, & of learning. We strive every day to open the world of ideas and imagination, to all who wish to enter.

2011 Accomplishments

- We completed the Skagit Library Reciprocal Borrowing Agreements between all public libraries in Skagit County. City residents of Sedro-Woolley now have borrowing privileges at Anacortes, Burlington, La Conner Regional, Mount Vernon, and Upper Skagit Libraries – with no additional fees attached. This program is highly successful, and just continues to grow stronger.
- Our annual circulation continues to grow as well, approaching at least 100,000 book (and materials) transactions per year. Our downloadable products continue to grow at a rapid clip – with e-books being a service leader for the Library.
- The Library completed 2 major LSTA (Library Services & Technology Act) Grant projects in 2011. The first was our Small Business Development Grant, in partnership with EDASC, which brought a successful series of Small Business workshops directly to Sedro-Woolley. Several hundred people participated in those workshops. The Library also purchased more

than 350 books/materials on everything from starting a new business; to financing; to taxes; to hiring employees; to marketing & merchandising, etc. This resource makes the Sedro-Woolley Library the go-to place for anything related to small business in the Skagit Valley. The second grant is for Rural Heritage, in partnership with the Sedro-Woolley Museum, and allowed for the scanning, cataloging, and web mounting of hundreds of historic photographs of Sedro-Woolley, & vicinity. These rare photographs, many of which have not been seen before, can now be shared.

- With financial assistance from the Skagit Community Foundation - the Library, and the Sedro-Woolley Early Learning League (& Volunteers of America), sponsored a highly successful Science Night, with 280 preschool children, and families, visiting the touring exhibits of the Pacific Science Center (while here in Sedro-Woolley).
- The Library is actively seeking various opportunities to partner with others in our community to further our mutual reach. Partners have been sought for Economic & Small Business Development; Early Learning; Education (K-12 and beyond); Adult Services; Volunteerism; Local History, and many other avenues to success.

2012 Goals, & Objectives

- An expected project for this fall will be the Sedro-Woolley Library joining the Skagit Consortium of Libraries in their joint Evergreen catalog. The current libraries, sharing a joint Library Catalog, and Circulation System, are Burlington, La Conner Regional, and the Upper Skagit Library District. Joining in 2012 are Anacortes & Sedro-Woolley. This project uses Open Source software (which will eventually lead to much lower costs for all participants), and joins the libraries by sharing servers and a library network. Sedro-Woolley has had a very successful partnership with TLC, our current provider – but we feel it important to join together with our Skagit library partners. Mount Vernon City Library is also looking to join the Consortium at some point in the near future.
- The current LSTA Grant project for 2012 (\$5,000) is one for focusing on programs and library resources for adults age 50+. This demographic is the fastest growing segment of our society. This is a new level of library service that many public libraries are now looking to address.
- The Library is currently pursuing several grant opportunities in the sciences. One is for Robotics (6th – 8th graders); one is for Children and Space/Earth Science; and the third is for adults & STEM. Science and math are increasingly discussed in the public sphere; the STEM (Science, Technology, Engineering, & Math) disciplines are really hot, and opportunities abound.
- Story-Walk Sedro-Woolley is a joint project of the Sedro-Woolley Library, the Chamber of Commerce, and the Woolley Fiber Quilters. Scheduled for Saturday, March 10th, our downtown will be filled with children, families, and adults, from 10 in the morning to 4 pm. This is a 2-part celebration of reading, and of quilts. The reading part consists of approx. 24 businesses sponsoring readers between 10 and 4 pm, with the schedule changing every half hour. All readings will be offered simultaneously, and continuously, throughout the day. Volunteers will be reading from family favorites like *Wind in the Willows*; *Wizard of Oz*; *Alexander and the Terrible, Horrible, No Good, Very Bad Day*, etc. The Woolley Fiber Quilters have been making quilts featuring books for several months; and these will all be on display in the downtown businesses during Story-Walk. Maps will be available.
- The Library is always looking for new ways to serve our community, so no new opportunity will be wasted. Staff continuously looks for ways to improve what we do, and what the Library can offer. Thank-you.

Library					
			Budget	Budget	Budget
			Year	Year	Year
			2010	2011	2012
Expenditures by Category					
Salaries			167,100	168,500	167,000
Benefits			38,900	41,595	43,790
Supplies			3,800	4,000	4,000
Service Charges			40,300	70,000	52,225
Government Services			150	150	150
Capital			31,553	21,300	9,800
Transfer - Internal			84,900	85,100	80,000
Total Expenditures			366,703	390,645	356,965

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 to account for restricted funds.

DOG FUND

The Dog Fund receives citizen donations for both the Police Dog Kennel which houses lost dogs on a short-term basis as well as the Bark Park at Riverfront Park. Proceeds are used for enhancements and operating supplies.

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 in 2010 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
2012	236,594	187,277	423,871
2013	254,100	177,971	432,071
2014	266,708	167,763	434,471
2015	279,422	157,049	436,471
2016	302,247	145,824	448,071
2017	75,186	133,684	208,870
2018	78,246	130,625	208,871
2019	81,429	127,441	208,870
2020	84,743	124,128	208,871
2021	88,191	120,680	208,871
2022	91,779	117,092	208,871
2023	95,514	113,357	208,871
2024	99,400	109,471	208,871
2025	103,445	105,426	208,871
2026	107,654	101,217	208,871
2027	112,035	96,836	208,871
2028	116,594	92,277	208,871
2029	121,338	87,533	208,871
2030	126,276	82,595	208,871
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	113,712	36,837	150,549
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	4,603,408	3,197,088	7,800,496

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 Capital Projects Reserve Fund, Building Maintenance Reserve Fund, and Mitigation Reserve for Police, Parks Impact Fee Reserve Fund and the Fire Impact Fee Reserve Fund. The City has one utility capital improvement fund called the Public Works Trust Fund Sewer Construction Fund.

CAPITAL PROJECTS RESERVE 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.

BUILDING 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.

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, Facilities Reserve Fund, Sewer Revenue Bond Fund, Capital Projects Reserve 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.

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.

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.
- Maintain appearance of City Vac truck and CCTV equipment to prolong vehicle life and show equipment is well cared for and presentable.
-

2011 Collection Accomplishments

- Cleaned and CCTV inspected 9.57 miles of the approximate 44

miles of wastewater collection system. Responded to 24 sewer complaints in a professional and timely manner.

- Performed sewer line maintenance of known problem areas using root control, rodent control and grease eating bacteria. Distributed notices to high maintenance areas.
- Performed 52 wet well cleanings. Repaired broken discharge pipe and replaced pump guide rails in the State Street wet well.
- Repaired 4 defective sewer lines in City right-of-way using wastewater staff and equipment; hauled gravel for manhole access Road north of Skagit Farmers Supply; removed one manhole and approximately 420 feet of abandoned sewer pipe behind 310 W. State Street.
- Performed pump station ground maintenance including weeding, mowing and spraying.
- Performed grease trap, grease interceptor and Oil/Water Separator inspections at commercial kitchens, restaurants and industrial sites.
- Performed 6-week skimming's and Bi-Annual cleaning of the grease interceptor at the WWTP.
- Performed 466 utility locates for both sewer and storm lines as required by Washington Utilities Coordinating Council (WUCC).
- Installed GIS View It Module which allows CCTV reports to be viewed by the Engineering Department.
- Performed weekly vehicle cleanings.
- Collection Operators attended Confined Space training, Washington Sewer Maintenance

School, CESCL training, and Pacific Northwest Clean Water Association Section meetings. Congratulations to Rob Macready who was named "Collection Operator of the Year" for the Northwest Section.

- Building/Pre-Treatment Inspector attended the Pacific Northwest Pre-Treatment Conference.
- LA Excavation repaired side sewers in the alley ROW behind 939 Warner Street (\$3,840.09); 918 Talcott Street (\$7,547.87); 210 West Woodworth Street (\$2,888.94); Pre-CIPP break between Puget and Reed (\$6,424.67); upsized 90 feet of 6-inch main line to 8-inch between manholes B34-B31 near Talcott & Railroad (\$9,732.59); added missed side sewer connection at 1105 Fruitdale Road (\$17,349.87).
- Trico Construction completed pre-CIPP sewer repairs near SWAP and on Moore Street. Costs \$38,584.34.
- Interwest Construction repaired collapsed sewer main on SR-9 in front of Cascade Middle School. Repair costs \$28,807.74
- Completed Cured-in-Place Pipe (CIPP) projects with Insituform, Inc. Rehabilitated 307 linear feet of 18-inch pipe and 4202 linear feet of 8-inch pipe in various locations throughout the City. Also rehabilitated 987 feet of 15-inch pipe on the east side of SR-9 between McGarigle Road and SR-20. CIPP project costs were \$220,847.02

- SRV Construction completed the 2011 Sanitary Sewer Pipeline and Manhole Improvement Project. Upsized 160 linear feet of 6-inch sewer pipe with 8-inch PVC pipe and re-connected existing side sewers; replaced 360 LF of 8-inch concrete with 8-inch HDPE pipe and re-connected existing side sewers via pipe bursting methods; installed six new sewer manholes in existing sewer mains; removed and replaced one old manhole. Project costs were \$160,440.82
- ICI Construction performed sewer upgrades prior to building new sidewalks on the north side of SR-20 between Metcalf and Township Street. Final costs are estimated at \$40,448.78.

- Operate and maintain pump stations to assure optimal performance and reliability.

Objectives

- Prevent violations of permits by providing monitoring, equipment inspections, maintenance, calibrations, and laboratory analysis on a continuous basis.
- Operate and maintain pump stations by performing corrective and scheduled maintenance on equipment.
- Enforce Sedro-Woolley Municipal Code, Chapter 13 in order to protect Wastewater Infrastructure, City employees, and public health.
- Operate WWTP facilities efficiently and produce a high quality effluent and biosolids in the most cost effective manner.
- Maintain appearance of City vehicles to prolong vehicle life and show equipment is well cared for and presentable.
- Implement Capital Improvement Projects to improve the wastewater treatment process.
- Maintain existing facility and grounds to ensure prolonged life of the City's capital investment; continue site improvements.
- Seek ways to improve WWTP energy efficiency and security.
- Communicate with other Treatment Plant Operators on current technology, striving to improve plant performance and treatment through the sharing of ideas. Continue attending classes and workshops to stay current with new permit regulations and cutting edge technology.

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.

Goals

- Operate the Wastewater Treatment Plant within all limits as required by:
 - National Pollutant Discharge Elimination System (NPDES) Permit
 - Washington State Laboratory Accreditation Program
 - Washington State Biosolids Management Permit

2011 WWTP Accomplishments

- Treated 351,298,917 gallons of Wastewater reducing Total Suspended Solids by 97% and Biochemical Oxygen Demand by 98%. In 2011, used 47% of the Wastewater Treatment Plants hydraulic capacity, 28% TSS capacity and 35% BOD capacity. Average daily flows were 0.963 million gallons per day.
- Treated 2,925,853 gallons of Biosolids resulting in 156.91 Dry Tons of Class B Biosolids. Researching Class A Biosolid options while continuing to sending the bulk of our Class B Biosolids to Boulder Park in Eastern Washington.
- Successfully passed two laboratory performance audits to maintain laboratory accreditation.
- Performed pump station and emergency generator inspections twice per week in addition to daily SCADA monitoring. The City has ten sewer pump stations and one stormwater pump station.
- Replaced Flex Tide Valve on the Effluent discharge line which prevents flood waters from entering the plant during high river conditions.
- Performed regular maintenance activities and inspections on WWTP and pump station equipment. Highlights include removing, unplugging and re-installing a new Hycor Screen auger several times with Manufacturer finally making design modifications which resolved the problem; Replaced UV Modules on Bank A;
- Replaced PLC on the Belt Filter Press; Replaced compressors on the John Liner Pump Station; Rebuilt Mt. View pump #2; Installed new speed controllers on John Liner and Klinger Pump Station fans; Replaced outboard bearing on Rotor #4; Installed rebuilt Digester Blower #2; Troubleshooting Clarifier #2 issues with Amwell Representative concluding race and bearings need to be replaced in 2012. Maintenance activities were logged and tracked using Job Cal software.
- Monitored nitrification cycle and controlled filamentous bacteria using ORP technology and chemical dosing.
- Completed third year of Effluent/River Temperature Study as required by NPDES permit.
- Continued site clean-up on City property located at 501 Alexander Street. Seeded front portion of property in late spring.
- Provided on-the-job training for two Skagit Valley College interns, Troy Milsten and Jennifer Eakins, who are studying to become Wastewater Treatment Plant Operators.
- Worked with Ric Boge on Energy Conservation measures at the WWTP.
- January-August-Performed Brickyard Creek Fecal Coliform testing twice per month meeting educational requirement of the NPDES Phase 2 Stormwater permit.
- Completed safety upgrades by installing permanent wiring and GFI outlets for the outdoor

- Sodium Hypochlorite pump and diesel pump.
- Replaced Hospital Pump Station Hydranger with KPSI Transducer.
- Pressure washed concrete and painted new epoxy surface under the Roediger Thickener.
- Operators attended Confined Space training, Annual Water and Wastewater Short School, Water and Wastewater Conference, Biosolids Conference, Pesticide training, CESCL training, and Pacific Northwest Clean Water Association Section meetings.
- Built access road to Stormwater outfall at WWTP.

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 1/4 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

Sewer Operations				
		Budget	Budget	Budget
		Year	Year	Year
		2010	2011	2012
Expenditures by Category				
Salaries		575,500	584,300	638,500
Benefits		231,925	255,840	305,435
Supplies		133,000	133,000	144,000
Service Charges		427,360	449,650	458,635
Government Services		74,500	76,500	80,500
Capital		814,220	680,000	362,000
Transfers - Internal		1,191,931	1,116,125	1,118,366
Total Expenditures		3,448,436	3,295,415	3,107,436

FACILITIES 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

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
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	9,015,769	375,440	9,391,210

Sewer Utility Revenue Bonds			
	Total	Total	Total
Year	Principal	Interest	Debt Service
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	2,620,000	379,200	2,999,200

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

The solid waste department is currently staffed with one Supervisor which is shared with Fleet operations, 3 PWW Class 2 employees and 1 PWW Class 3 employee. The department is also responsible for street sweeping two days per week.

2011 Accomplishments

- Purchased an F-350 truck for multi-use.
- Saved monies for necessary reserves for the Solid Waste Department.
- Paved a portion of the adjacent property so it may be better utilized for yard waste, recycling services and storm water use.
- Started a building fund for a future building for the Solid Waste Department.

2012 Goals

- Continue to maintain service levels.
- Start a demonstration compost program to help control costs to our yard waste operations.
- Continue street sweeping operations.

2012 Objectives

- Plan a purchase for a new truck for late 2012 or early 2013.
- Fence 180 feet of Solid Waste Department recycling yard.
- Purchase a dewatering box to help manage storm water materials.

Solid Waste				
		Budget	Budget	Budget
		Year	Year	Year
		2010	2011	2012
<u>Expenditures by Category</u>				
Salaries		349,250	351,700	352,700
Benefits		135,900	159,550	177,305
Supplies		141,500	139,500	127,500
Service Charges		115,235	133,250	124,225
Government Services		708,445	716,000	718,000
Capital		32,530	42,050	40,000
Transfers - Internal		246,167	276,245	256,435
Total Expenditures		1,729,027	1,818,295	1,796,165

SOLID WASTE RESERVE FUND

This fund was created in 2009 for the two-fold purpose of creating a rate stabilization reserve as well as a capital projects reserve.

STORMWATER

Stormwater operations, goals and objectives are addressed in Public Works Operations, Streets and Engineering.

Stormwater

	Budget	Budget	Budget
	Year	Year	Year
	2010	2011	2012
<u>Expenditures by Category</u>			
Salaries	139,000	144,000	185,500
Benefits	57,490	64,510	95,050
Supplies	7,500	7,500	10,000
Service Charges	57,500	97,000	59,882
Government Services	12,000	6,000	14,500
Capital	1,600	1,600	1,600
Transfer - Internal	23,774	30,736	30,550
Total Expenditures	298,864	351,346	397,082

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

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

2011 Accomplishments

- Serviced all rolling stock in Public Works (approximately 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 house and mileage use during the year.
- Purchased an F-350 Truck for the Solid Waste Department.

2012 Goals

- Manage Public Works Department fleet to maintain the equipment in excellent working condition.
- 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 the process of site selection and design for future solid waste and fleet shop building.

2012 Objectives

- Plan ride on bid for new garbage truck late 2012, or for a purchase in 2012 per ERR.
- Plan a bid for a new street sweeper for purchase in 2012 per ERR.
- Keep the equipment down time to a minimum.
- Perform all scheduled fleet maintenance.

Equipment Replacement & Fleet						
				Budget	Budget	Budget
				Year	Year	Year
				2010	2011	2112
<u>Expenditures by Category</u>						
Salaries				38,000	38,450	34,500
Benefits				10,425	10,180	14,585
Supplies				2,500	3,000	3,000
Capital				16,500	35,000	332,000
Transfer				14,050	0	0
Total Expenditures				81,475	86,630	384,085

ADDENDUM A
City of Sedro-Woolley
2012 Budget Calendar

- 09/08/11 Call letter (including Council goals) issued to Departments
- 09/22/11 Budget requests from Departments due to Finance Director
- 09/29/11 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
- 10/05/11 Council Worksession - Mayor informs Council of status of 2011 estimated revenues and 2012 preliminary estimated revenues & expenditures
- 10/31/11 &
11/07/11 Publish notice of property tax public hearing
- 11/07/11 &
11/14/11 Publish notice of budget public hearing
- 11/02/11 Council Worksession – distribute Mayor’s 2012 Preliminary Budget (balanced)
- 11/03/11 Copies of Mayor’s Preliminary budget available for the public
- 11/09/11 Public Hearing on Property Tax Levy for 2012 - first read of Property Tax Ordinance
- 11/09/11 Council schedules budget public hearing - first read of budget ordinance
- 11/22/11 Adoption of Property Tax Ordinance (must be adopted before 11/30/11) – second read
- 11/22/11 Public Hearing on 2012 Budget – second read of budget ordinance (must be adopted before 12/31/11)
- 12/14/11 2012 salary ordinance
- 01/20/12 2012 Department budget narratives including 2011 accomplishments & 2012 goals & objectives due to Finance Director

STATUTORY LEGAL DEBT MARGIN

		<u>Remaining Debt Capacity</u>
General Purpose Indebtedness (Legal Limit 2.5% of Taxable Property Value)	\$ 19,810,429	
General Purpose Indebtedness <u>Without</u> A Vote (Legal Limit 1.5%)	\$ 11,886,258	
Less: Outstanding Debt	\$ (3,744,731)	
Less: Contracts Payable		
Less: Excess of Debt with a Vote		
Add: Assets Available	<u>244,433</u>	
Subtotal	<u>(3,500,298)</u>	
Equals Remaining Debt Capacity Without a Vote		<u>\$ 8,385,960</u>
General Purpose Indebtedness <u>With</u> A Vote (Legal Limit 1%)	\$ 7,924,172	
Less: Outstanding Debt	\$ (1,005,000)	
Less: Contracts Payable		
Add: Assets Available	<u>99,810</u>	
Subtotal	<u>(905,190)</u>	
Equals remaining Dept Capacity With a Vote		<u>\$ 7,018,982</u>
Utility Purpose Indebtedness <u>With</u> a Vote (Legal Limit 2.5%)	\$ 19,810,429	
Less: Outstanding Dept	\$ -	
Less: Contracts Payable	-	
Add: Assets Available	<u>-</u>	
Subtotal	<u>-</u>	
Equals Remaining Dept Capacity - Utility Purpose, Voted		<u>\$ 19,810,429</u>
Open Space, Park & Capital Facilities Indebtedness <u>With</u> a Vote (Legal Limit 2.5%)	\$ 19,810,429	
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>\$ 19,810,429</u>

PERSONNEL SERVICES

The City of Sedro-Woolley provides quality services and programs for its citizens with a responsive staff of 59 full-time and 19 part-time budgeted positions for 2012. 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 2.0% COLA in 2012. The general bargaining unit employees received a COLA of 1.0%.

Non-represented employees also received a COLA increase in 2012 of 1.0%.

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

Plan	City	Employee	Total
LEOFF II	5.24%	8.46%	13.70%
PERS II	7.25%	4.64%	11.89%
PERS III	7.25%	variable	variable

Monthly premiums for medical, dental and vision coverage for a family of 4 persons is \$2,009. Employees pay a percentage of their medical premiums 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 2012.

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	2011	2012	
Judicial	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Executive/Legal	1.0	1.5	1.5	1.5	1.5	1.5	1.5
Finance	5	5	5	5	5	5	5
Central Services	1	1	0	0	0	0	0
Information Technology	-	-	1	1	1	1	1
Building, Planning & Engineering	6	7	7	6	8	7	
Police	20.5	21.5	21	18.3	18.6	18.7	
Fire	4	4	4	6	6	8	
Public Works Operations <i>(Parks, Cemetery, Streets, Stormwater)</i>	9	10	10	8	8	8	
Library	4	4	4.5	4.5	4.5	4.6	
Sewer	8	8	8	7	7	7.5	
Sanitation / Fleet	4.3	4.8	5.3	5.3	5.3	5.2	
TOTAL	63.3	67.3	67.8	63.1	65.4	67	

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 CONCURRENCE: 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 except 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 statute 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.

2012 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 4 – Council worksession (CANCELLED)	July 4 – Council worksession (CANCELLED)
January 11 – Council meeting	July 11 – Council meeting
January 17 – Planning Commission meeting	July 17 – Planning Commission meeting
January 25 – Council meeting	July 25 – Council meeting
February 1 – Council worksession	August 1 – Council worksession
February 6 – Parks Advisory Board	August 6 – Parks Advisory Board
February 8 – Council meeting	August 8 – Council meeting
February 21 – Planning Commission meeting	August 21 – Planning Commission meeting
February 22 – Council meeting	August 22 – Council meeting
March 7 – Joint Council & PC worksession	September 5 – Joint Council & PC worksession
March 14 – Council meeting	September 12 – Council meeting
March 20 – Planning Commission meeting	September 18 – Planning Commission meeting
March 28 – Council meeting	September 26 – Council meeting
April 2 – Parks Advisory Board	October 1 – Parks Advisory Board
April 4 – Council worksession	October 3 – Council worksession
April 11 – Council meeting	October 10 – Council meeting
April 17 – Planning Commission meeting	October 16 – Planning Commission meeting
April 25 – Council meeting	October 24 – Council meeting
May 2 – Council worksession	November 7 – Council Worksession
May 9 – Council meeting	November 14 – Council meeting
May 15 – Planning Commission meeting	November 20 – Planning Commission meeting
May 23 – Council meeting	November 28 – Council meeting
June 4 – Parks Advisory Board	December 3 – Parks Advisory Board
June 6 – Council worksession	December 5 – Council worksession
June 13 – Council meeting	December 12 – Council meeting
June 19 – Planning Commission meeting	December 18 – Planning Commission meeting
June 27 – Council meeting	December 26 – Council meeting