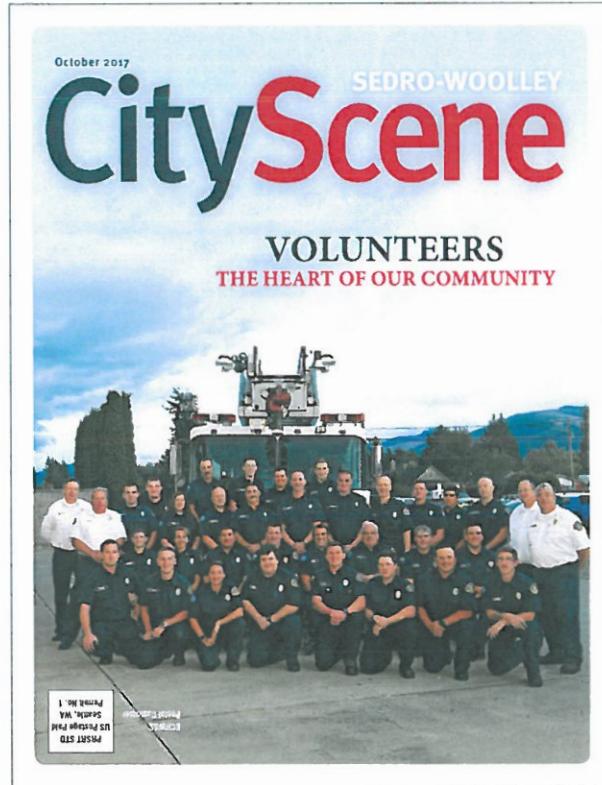
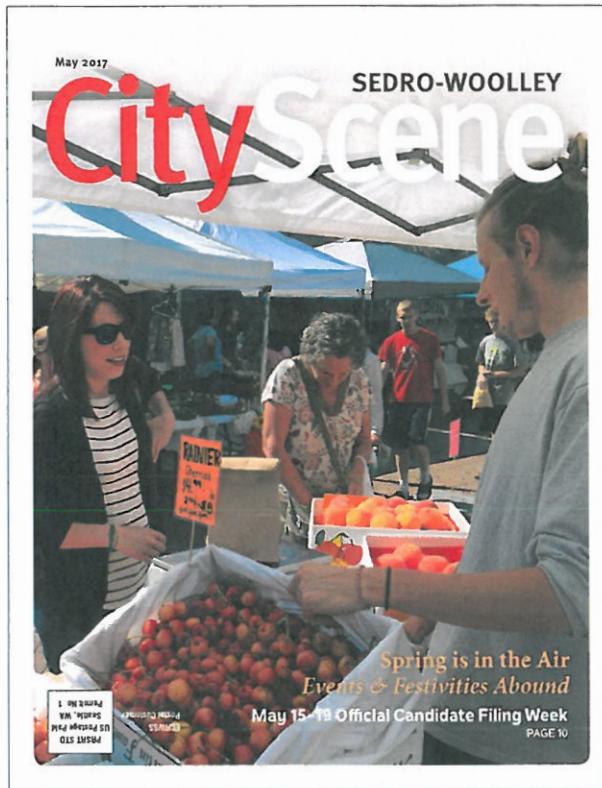
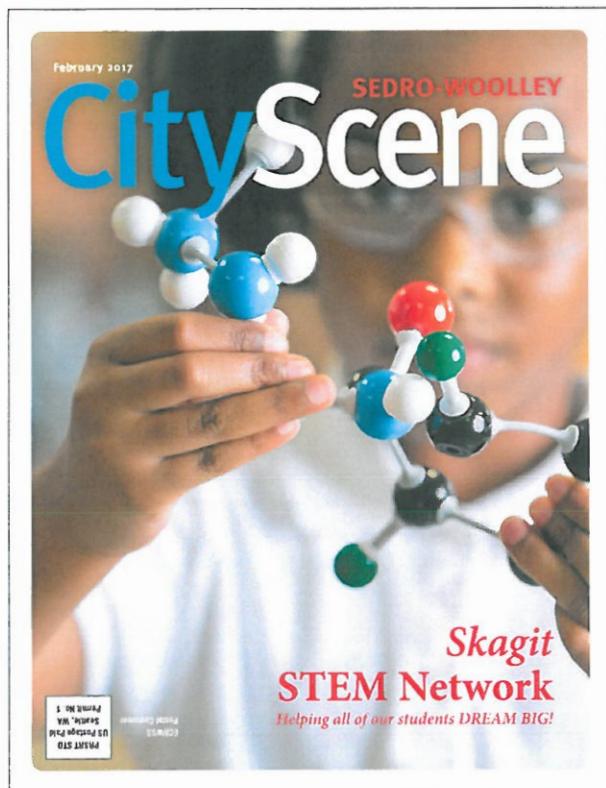


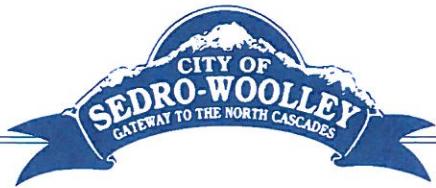
# City of Sedro-Woolley 2018



**Mayor's Budget**  
Approved by City Council November 21, 2017

**TABLE OF CONTENTS**  
**2018 FINAL BUDGET**

Mayor's Budget Message ( <i>written by Mayor Wagoner</i> )	1
Mayor's Welcome Letter ( <i>written by Mayor Johnson</i> )	3
Vision Statement & Critical Goals & Objectives	5
City Officials	7
Council Committee Assignments	8
Citizen's Advisory Groups	9
Budget Overview	10
Organizational Chart	15
Fund Types	16
Budget Summary - Revenue	17
Budget Summary - Expenditure	19
General Fund Revenues	21
General Fund Expenditures	25
Legislative	25
Judicial	26
Executive	26
Finance	27
Legal	28
Civil Service	29
Information Technology	29
Planning	31
Engineering & Public Works	35
Police	41
Fire	44
Building	47
Special Revenue Funds	51
Parks	51
Cemetery	53
Street	54
Arterial Streets	56
Library	56
General Government Debt Service Funds	59
Capital Project Funds	61
Enterprise Funds	63
Sewer	63
Solid Waste	68
Internal Service Fund	73
Equipment Replacement/Fleet	73
Miscellaneous	
Budget Calendar	75
Personnel Services	77
Glossary	79
Schedule of Council Meeting	91



CITY OF SEDRO-WOOLLEY  
Sedro-Woolley Municipal Building  
325 Metcalf Street  
Sedro-Woolley, WA 98284  
Phone (360) 855-9922  
Fax (360) 855-9923

Keith L. Wagoner, Mayor

2018 Budget Message  
*DRAFT – November 1, 2017*

Dear Citizens:

The Sedro-Woolley economy has shown signs of improvement in the last year, specifically in the form of increased real estate development and sales. My 2018 draft balanced budget continues the same budget philosophy our city has employed for the past decade; carefully using funds for targeted services that are prioritized by the City Council.

Our city is committed to providing our employees, particularly those in public safety, with the best equipment available to perform their duties. This budget continues to prioritize public safety and the core functions of the city but is expanded to include specific needs in public works as well. It includes overall cost increases in all areas including personnel costs, both employee salaries and fringe benefits, property & casualty insurance, and increases in goods and services due to inflation, mandated expansion of government by state and federal lawmakers (i.e., stormwater utility maintenance & regulation) and increasing demand for services as our city continues to grow (i.e., significant increases in call volume for police and fire, more utility customers and increased infrastructure to maintain). The cost of running our city increases annually but the revenue generated to pay for those services does not always keep pace with increasing costs.

For the **tenth** year in a row, the city budget does **not increase property taxes**. Your City Council and I are mindful of the negative impacts property tax increases impose upon owners and residents. When additional revenue is required I prefer a more equitable "user based" approach to taxes to the extent that it is practical.

Additional revenue in the 2018 budget includes increases in our utilities' rates by 2.99%, which is the Consumer Price Index measure of inflation for June 2016 to June 2017 in our region. Our stormwater utility is budgeted to include an additional rate increase of \$2.00 per month, per ERU. This new revenue is used to increase staffing to keep up with mandated stormwater work, internalize Brickyard Creek maintenance, acquire new equipment and replace the BYC Subflood Control Zone revenue that will be depleted in 2018. Additional revenue will be required in the future to fully fund deferred maintenance on this system. The Sewer utility is budgeted to increase rates by an additional \$.80 per month/ERU to fund the staffing changes approved by the City Council in the spring of 2016.

To support specific City Council goals and objectives, I have included the following additions and increases to the 2018 budget:

- (1) Skylight and window project at the senior center to address heat issues and roof leakage;
- (2) Park improvements including at Riverfront Park, completion of the new caretaker's residence, signage, new picnic tables and an automated RV fee

collector; at Bingham Park, a new restroom and another automated RV park fee collector; and at Houser Park, a new storage shed for youth soccer;

- (3) At City Hall, chairs for Room 202 and flooring for the police/fire station;
- (4) Repairs and maintenance of city facilities including: painting/staining at Hammer Square, the library and the Senior Center;
- (5) Design funds for a possible bike park and continued support for the RCO grant process at Memorial Park and Houser Park;
- (6) \$100,000 for ADA compliance projects on sidewalks;
- (7) \$150,000 for local street projects including pre-level and chip sealing and overlays (funded from REET) and an additional \$250,000 for arterial street improvements (funded from the \$20/year car tab tax);
- (8) \$50,000 in solid waste to design a new facility/site plan (carry over from 2016 & 2017);
- (9) A new FTE (allocated 0.5 for stormwater and 0.5 for parks & facilities) for the stormwater utility to help maintain the system, including Brickyard Creek and comply with the NPDES II permit;
- (10) \$20,000 to upgrade the audio/visual recording equipment in the city council chambers;
- (11) \$20,000 to continue economic development support from Jana Hanson which includes her work on the Skagit STEM network, the SWIFT Center project & the Sedro-Woolley City Scene magazine;
- (12) An increase to our contribution to EDASC from \$2,000 (paid by rural distressed county funding) to \$7,500 paid by city funding to better represent the value of EDASC for Sedro-Woolley;
- (13) \$45,000 for a new code enforcement vehicle, funded from the code enforcement fund (mostly funded with fines and penalties);
- (14) Planned ER&R expenditures, including a new tractor/boom mower for stormwater, the annual purchase of two police cars, a new compressor for the fire department, a vactor truck for the sewer department, a garbage truck for solid waste & a staff car for building.

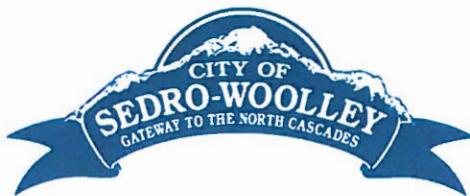
This budget represents as many of the city's policy objectives for the coming year as we can afford. Unlike the federal government, the city cannot run a deficit and must live within its means. I know my draft budget is missing some important items; however, it is a balanced budget that lives within our very limited means.

If it is missing something important to you, or if you have any questions about it, please come and see me at City Hall.

**D R A F T**

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Keith Wagoner, Mayor



**CITY OF SEDRO-WOOLLEY**  
Sedro-Woolley Municipal Building  
325 Metcalf Street  
Sedro-Woolley, WA 98284  
Phone (360) 855-1661  
Fax (360) 855-9923

Julia Johnson, Mayor  
City of Sedro-Woolley

---

March 20, 2018

Dear Citizens and City Council Members:

I begin by welcoming our newly elected City Council Members, Jared Couch, Karl de Jong, and Pola Kelley. Each bring unique and qualified abilities and experience to the Council.

I entered the office as Mayor on January 10<sup>th</sup> of this year and have taken up the task of serving the citizens of Sedro-Woolley. Just as my predecessor before me, I wish to maintain the partnership with the Chamber of Commerce, School District, Hospital, and newly formed Sedro-Woolley Downtown Board of Directors for the Main Street Program.

As in years past, there will continue to be careful and thoughtful discussion to the use of funds within the 2018 Budget, while being mindful of the services for which they are designated and as prioritized by the City Council. It is important we provide support, needed equipment and services to our City employees. Just within the last two months, the Council has approved and implemented the use of funds to help meet the needs and demands of our City, with a few listed below:

- Much needed road projects, including overlays on several city streets and repair to that section of the Fruitdale Road which has been closed since 2013;
- Professional Services for Engineering, Sewer, and Stormwater;
- Purchase for the replacement of the Vactor Sewer Cleaner;
- Riverfront Park caretakers residence;
- Purchase of an automated park fee collector that will enable the city to monitor those wishing to utilize and rent space in the RV park at Riverfront;
- A three-year commitment for financial support to the Sedro-Woolley Downtown Association, Main Street Revitalization Program;
- Continued training and equipment for our Fire and Police Departments.

We are experiencing change and growth within our City and look forward to being part of it with you. I invite you to join us at City Council meetings the second and fourth Wednesday of each month at 7pm. If there are questions or concerns, please call or come see me at City Hall.

Julia Johnson, Mayor



## ***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.*

## ***OUR MISSION AS A CITY:***

*To provide services and opportunities which create a Community where people choose to live, work and play.*

## ***Critical Goals and Objectives (Not in order of priority):***

### ***Business, Community & City Partnership.***

- Create atmosphere for businesses and developers to succeed in Sedro-Woolley.
- Partner with Chamber of Commerce, School District & Hospital.
- Partnership for Recreation.
- Revitalize the SWIFT Center.
- Expand tourism.
- Partner with other Governments & Tribe.
- Create sources of revenue beyond existing tax base to enhance city services.
- Business recruitment.
- Continue supporting the Skagit STEM network.

### ***Promote Economic Development.***

- Improve our image.
- Make City Government more user friendly.
- Educate and inform Citizens about the Goals and Vision.
- Develop predictable processes.
- Market Sedro-Woolley to new businesses.
- Establish a Performing Arts Center.
- Improve signage welcoming visitors & directing visitors to downtown including:
  1. Signage on the trestle
  2. Roundabout signage at SR 9/Jameson & Cook Road/Murrow St.
  3. SR 9 N/Moore Street, westbound in the vicinity of downtown.

### ***Infrastructure Investments.***

- Improve all modes of traffic mobility & safety through city.
- Encourage repair, maintenance and revitalization of downtown buildings.
- Fund and construct Fruitdale Road project with County and Port.
- Repair and expand sidewalks in existing neighborhoods.
- Adequately maintain existing city streets.

- Make targeted investments in infrastructure to support future development.
- Design, fund & build the New Library in partnership with the Central Skagit Rural Partial County Library District consistent with the interlocal agreements.
- Beautify roundabouts.

***Service Productivity & Innovation.***

- Streamline the permitting processes.
- Expand Fire and Police Services.
- Improve staffing in the parks department.
- Develop a community clean-up day in the parks.

***Innovative Recreational Development.***

- Maintain existing parks and facilities.
- Expand recreational opportunities – Parks.
- Parks – Northern State Recreation Area – support partnership.
- Provide youth activities.
- Complete improvements to Houser Field.
- Revitalize Memorial Park consistent with the city's RCO application.
- Prepare for a new park or major park expansion for funding through RCO in 2018.
- Support volunteer efforts to expand youth recreation opportunities

***Quality of Life.***

- Maintain police department staffing to effectively combat neighborhood nuisance and petty crime issues.
- Protect against increased flood risks from uncoordinated Skagit River projects.

*Updated by City Council action on August 9, 2017*

## CITY OFFICIALS

### COUNCILMEMBERS



Judith Dunn Lee, Council Ward 1  
829 Cook Rd., Sedro-Woolley  
(360) 856-9996 (Day)  
(360) 853-2053 (Eve)  
Term Exp: December 31, 2019



Pola Kelley, Council Ward 4  
407 State St., Sedro-Woolley  
(360) 420-2215  
Term Exp: November 26, 2019



Germaine Kornegay\*, Council Ward 2  
123 N. Central Ave., Sedro-Woolley  
(360) 755-2108  
Term Exp: December 31, 2021



Chuck Owen, Council Ward 5  
833 Waldron St., Sedro-Woolley  
(360) 982-0783  
Term Exp: December 31, 2019



Brenda Kinzer, Council Ward 3  
100 Nelson St., Sedro-Woolley  
(360) 421-4541  
Term Exp: December 31, 2021



Karl de Jong, Council Ward 6  
1030 Warner Street, Sedro-Woolley  
(360) 420-2144  
Term Exp: December 31, 2021



Jared Couch, Council At Large  
824 Orth Way, Sedro-Woolley  
(360) 708-1022  
Term Exp: December 31, 2021

\*Mayor Pro-Tem

2018 Budget

## **MAYOR**



Keith Wagoner  
Mayor until January 6, 2018  
Appointed to State Senate  
39<sup>th</sup> Legislative District



Julia Johnson  
Appointed January 10, 2018  
Term Exp: November 26, 2019

## **CITY SUPERVISOR/ATTORNEY**

Eron Berg

## **DEPARTMENT DIRECTORS**

Finance Director  
Patsy K. Nelson, CPA

Director of Public Works  
Mark A. Freiberger, P.E.

Planning Director  
John Coleman

Police Chief  
Lin Tucker

Fire Chief  
Dean Klinger

IT Director  
Bill Chambers

Municipal Court  
Brock Stiles, Judge  
Term Expires 12/31/21

## **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: Chuck

Owen – Chair, Brenda Kinzer and Jared Couch.

### **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 Judith Dunn Lee – Chair, Karl de Jong and Pola Kelley.

### **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 Pola Kelley – Chair, Karl de Jong and Brenda Kinzer.

### **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 Jared Couch – Chair, Pola Kelley and Chuck Owen.

### **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 Karl de Jong – Chair, Judith Dunn Lee and Chuck Owen.

### **BUSINESS DEVELOPMENT COMMITTEE**

The Business Development Committee recruits businesses and industry to locate in Sedro-Woolley. This committee works with the Port of Skagit County, EDASC and Sedro-Woolley Chamber of Commerce. Councilmembers serving on this committee are Brenda Kinzer – Chair, Jared Couch and Germaine Kornegay.

### **CITIZENS ADVISORY GROUPS**

#### **CIVIL SERVICE COMMISSION (6 Year Term)**

Ken Van Liew	12/31/18*
Mike Janicki, Chairman	12/31/20*
Ken Clark	12/31/22*
Bill McCann, Chief Examiner	N/A
Teresa Nesheim, Secretary Examiner	N/A

#### **HOUSING AUTHORITY (5 Year Term)**

Tahlia Honea	12/31/17*
Laurie Fellers	12/31/18*
Kacy Johnson	12/31/19*
Lee Elliott	12/31/20*
Reta Stephenson	12/31/21*

\*Term Expires

## **LODGING TAX ADVISORY COMMITTEE 2017**

Keith Wagoner, Chairman  
Angela Yun, Skagit Motel  
Kris Dodge, Three Rivers Inn  
Pola Kelley, S-W Chamber of Commerce  
Doug Wood, S-W Riding Club & S-W  
Rotary

## **PLANNING COMMISSION (6 Year Term)**

Eric Johnson	12/31/18*
Joe Fattizzi	12/31/19*
Patrick Huggins	12/31/19*
Joseph Franette	12/31/20*
Stephanie Lokkebo	12/31/22*
Silas Maddox	12/31/22*
Lynda Tilley	12/31/23*

## **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.

2018 Budget

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 the spring. 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.

2018 Budget

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 1/12<sup>th</sup> 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 maintain and improve its bond rating (currently Standard & Poor's A- rated). 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 36 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 fund groups. 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.

***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.

# City of Sedro-Woolley Organizational Chart

## **S-W Citizens**

City Council  
Mayor

### **City Supervisor**

Finance Director  
Information Systems Director  
Planning Director  
Police Chief  
Fire Chief  
Director of Public Works

### **Municipal Court**

City Engineer  
Public Works Supervisor  
Solid Waste/Fleet Supervisor  
Sewer Supervisor  
Stormwater Permit

Court Clerk

## FUND TYPES

### General Gov.

#### General

Legislative  
Judicial  
Executive  
Finance  
Legal  
Info Technology  
Civil Service  
Central Services  
Planning  
Engineering  
Police  
Fire  
Building  
Public Health

### Proprietary

#### Enterprise Funds

Sewer  
Operations  
Operations Reserve  
Revenue Bond  
Capital Projects Reserve  
Bond Reserve

### Fiduciary

#### Trust, Agency

SW School Impact Fee

#### **Solid Waste**

Operations  
Solid Waste Reserve

#### **Stormwater**

Operations  
Stormwater Reserve

### Special Revenue

Parks  
Cemetery  
Streets  
Arterial Streets  
Library  
Cemetery Endow.  
Parks Reserve  
Lodging Tax  
Spec. Invest.  
Code Enforcement  
Paths & Trails  
Law Enforcement Sales Tax  
City Council Strategic Reserve

### Internal Service Fund

Equipment Replacement

### Debt Service Funds

2008 GO Bond  
1996 GO Bond

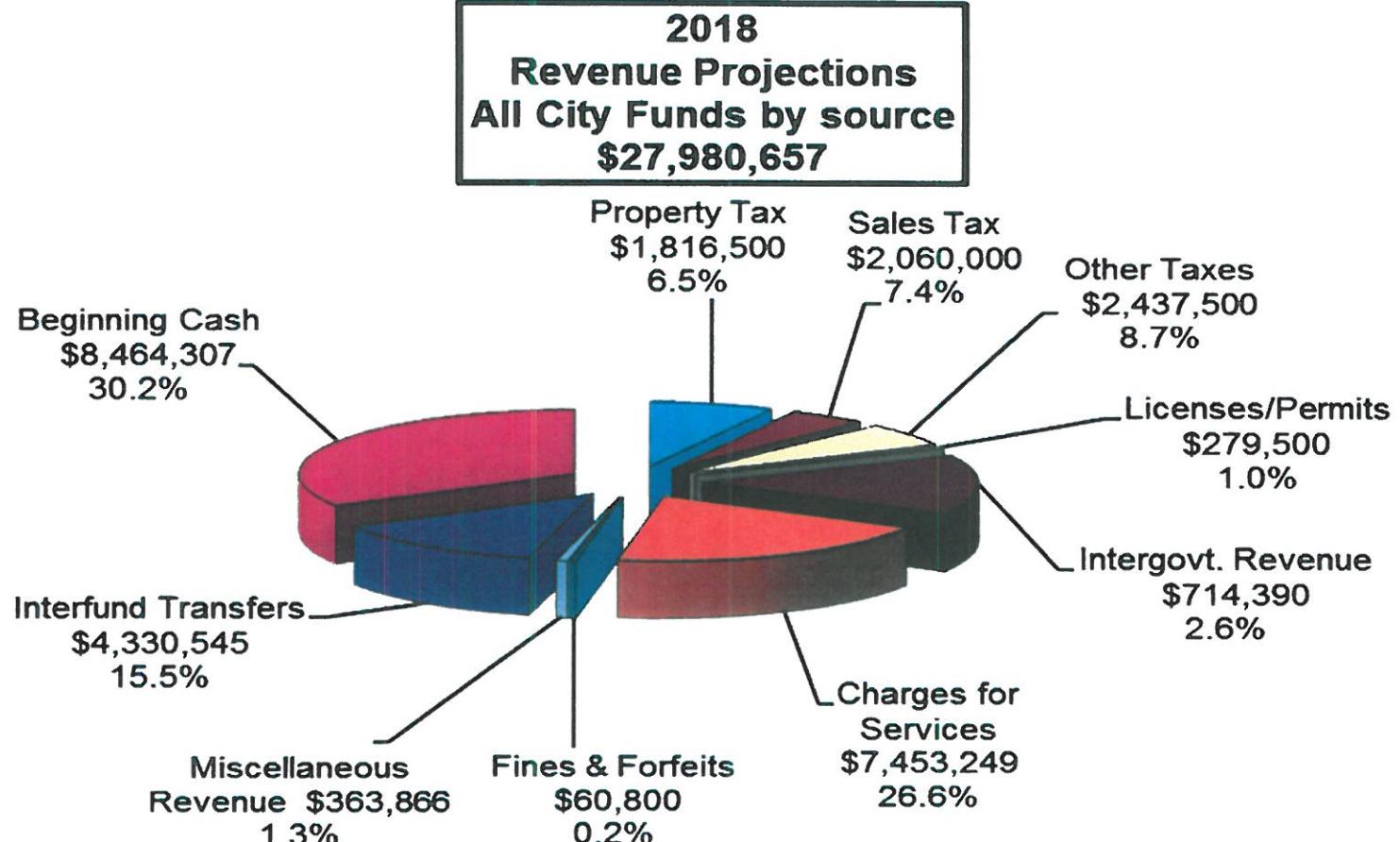
### Capital Projects

Capital Projects Reserve  
Building Maintenance  
Transportation Benefit District  
Library Constructin Fund  
Police Mitigation Reserve  
Parks Impact Fees Reserve  
Fire Impact Fees Reserve  
Public Safety Sales Tax Reserve

**BUDGET SUMMARY**  
**2018 REVENUES**

<b>City of Sedro-Woolley 2018 Budget</b>											
<b>Revenue Projections - All City Funds (by source)</b>											
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	614,500	1,155,500	1,637,000	279,500	432,650	635,579	55,800	103,850	446,700	1,360,000	6,721,079
Parks	489,000	94,700	-	-	-	82,565	-	15,900	199,100	70,000	951,265
Cemetery	80,000	-	-	-	-	60,000	-	3,650	-	24,000	167,650
Streets	322,000	139,800	-	-	252,000	-	-	800	151,000	62,000	927,600
Arterial Streets	-	-	-	-	-	50,000	-	1,500	851,000	615,000	1,517,500
Library	311,000	-	-	-	-	1,800	2,500	600	-	50,000	365,900
Cemetery Endowment	-	-	-	-	-	2,500	-	-	-	2,500	5,000
Parks Reserve	-	-	-	-	-	-	-	500	-	525	1,025
Lodging Tax (Tourism)	-	-	28,500	-	-	-	-	50	-	4,500	33,050
Special Investigations	-	-	-	-	-	-	-	7,600	-	14,000	21,600
Code Enforcement	-	-	-	-	-	-	2,500	500	-	70,000	73,000
Paths & Trails	-	-	-	-	1,200	-	-	50	-	3,800	5,050
Law Enforcement Sales Tax	-	550,000	-	-	-	-	-	-	-	-	550,000
Council Strategic Reserve	-	-	152,000	-	-	-	-	-	-	255,000	407,000
2008 GO Bond	-	-	120,000	-	-	-	-	1,500	50,000	37,000	208,500
2008 GO Bond Reserve	-	-	-	-	-	-	-	-	-	150,000	150,000
1996 GO Bond	-	-	-	-	-	-	-	-	-	7,000	7,000
Capital Projects Reserve	-	-	300,000	-	-	-	-	4,000	-	620,000	924,000
Building Maintenance Reserve	-	-	-	-	-	1,975	-	1,000	-	150,000	152,975
Transportation Benefit District	-	-	200,000	-	-	-	-	-	-	165,000	365,000
Library Construction	-	-	-	-	3,540	-	-	-	2,460	5,000	11,000
Police Mitigation Reserve	-	-	-	-	-	5,000	-	75	-	27,000	32,075
Parks Impact Fees	-	-	-	-	-	56,000	-	1,000	-	240,000	297,000
Fire Impact Fees	-	-	-	-	-	25,000	-	125	-	3,500	28,625
Public Safety Sales Tax	-	120,000	-	-	-	-	-	-	-	20,000	140,000
Sewer Operations	-	-	-	-	-	3,621,000	-	22,500	70,000	340,000	4,053,500
Sewer Operations Reserve	-	-	-	-	-	-	-	7,500	149,000	1,010,000	1,166,500
Sewer Debt Service	-	-	-	-	-	-	500	-	3,050	376,482	440,000
Sewer Facilities Reserve	-	-	-	-	-	200,000	-	10,000	978,950	1,450,000	2,638,950
Sewer Bond Reserve	-	-	-	-	-	-	-	-	-	376,482	376,482
Solid Waste Operations	-	-	-	-	-	2,046,150	-	12,500	-	350,000	2,408,650
Solid Waste Reserve	-	-	-	-	-	-	-	250	69,000	94,000	163,250
Stormwater Operations	-	-	-	-	25,000	665,180	-	7,488	-	88,000	785,668
Stormwater Reserve	-	-	-	-	-	-	-	600	-	40,000	40,600
Suspense (SWSD)	-	-	-	-	-	-	-	150,000	-	-	150,000
Equipment Replacement & Fleet	-	-	-	-	-	-	-	7,278	986,853	320,000	1,314,131
<b>TOTAL</b>	<b>1,816,500</b>	<b>2,060,000</b>	<b>2,437,500</b>	<b>279,500</b>	<b>714,390</b>	<b>7,453,249</b>	<b>60,800</b>	<b>363,866</b>	<b>4,330,545</b>	<b>8,464,307</b>	<b>27,980,657</b>

BUDGET SUMMARY  
2018 REVENUES

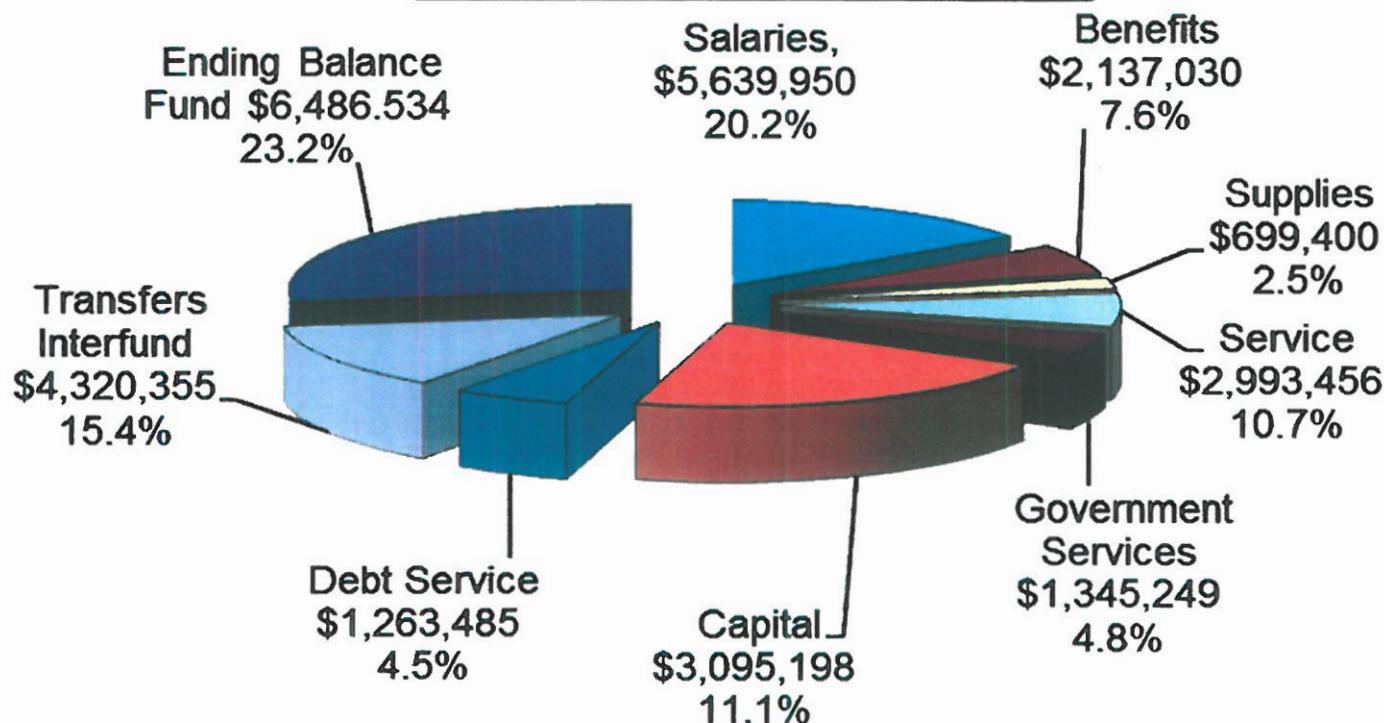


**BUDGET SUMMARY  
2018 EXPENDITURES**

<b>City of Sedro-Woolley 2018 Budget Expenditures by Category - All Funds</b>										
<b>Fund Name</b>	<b>Salaries</b>	<b>Benefits</b>	<b>Supplies</b>	<b>Service Charges</b>	<b>Gov't Services</b>	<b>Capital</b>	<b>Debt Service</b>	<b>Transfers Interfund</b>	<b>End. Fund Balance</b>	<b>Total</b>
General	3,234,350	1,029,060	193,100	808,745	565,377	70,600	-	282,342	537,505	6,721,079
Parks	241,200	122,315	49,650	281,307	15,100	141,518	10,000	13,920	76,255	951,265
Cemetery	72,500	32,975	14,100	18,484	3,500	-	-	12,760	13,331	167,650
Streets	205,300	114,215	85,150	220,734	-	150,000	-	78,878	73,323	927,600
Arterial Streets	-	-	-	-	7,772	491,500	-	500,000	518,228	1,517,500
Library	201,500	58,060	8,500	44,900	4,500	16,580	-	2,460	29,400	365,900
Cemetery Endowment	-	-	-	-	-	-	-	-	5,000	5,000
Parks Reserve	-	-	-	500	-	-	-	-	525	1,025
Lodging Tax (Tourism)	-	-	-	28,500	-	-	-	-	4,550	33,050
Special Investigations	-	-	-	3,000	1,000	10,000	-	-	7,600	21,600
Code Enforcement	-	-	-	27,200	-	-	-	45,000	800	73,000
Paths & Trails	-	-	-	-	-	-	-	-	5,050	5,050
Law Enforcement Sales Tax	-	-	-	-	550,000	-	-	-	-	550,000
Council Strategic Reserve	-	-	-	-	10,000	-	-	50,000	347,000	407,000
2008 GO Bond	-	-	-	-	-	-	200,550	-	7,950	208,500
2008 GO Bond Reserve	-	-	-	-	-	-	-	-	150,000	150,000
1996 GO Bond	-	-	-	-	-	-	-	-	7,000	7,000
Capital Projects Reserve	-	-	-	-	-	-	-	356,800	567,200	924,000
Building Maintenance Reserve	-	-	-	-	-	-	-	16,000	136,975	152,975
Transportation Benefit District	-	-	-	-	-	-	-	251,000	114,000	365,000
Library Construction	-	-	-	-	6,000	-	-	-	5,000	11,000
Police Mitigation Reserve	-	-	-	-	-	-	-	10,000	22,075	32,075
Parks Impact Fees	-	-	-	-	-	-	-	79,500	217,500	297,000
Fire Impact Fees	-	-	-	-	-	-	-	10,000	18,625	28,625
Public Safety Sales Tax	-	-	-	-	-	-	-	120,000	20,000	140,000
Sewer Operations	831,000	389,850	161,000	582,900	20,800	681,000	-	1,058,938	328,012	4,053,500
Sewer Operations Reserve	-	-	-	-	-	224,000	-	-	942,500	1,166,500
Sewer Debt Service	-	-	-	-	-	-	423,600	-	396,432	820,032
Sewer Facilities Reserve	-	-	-	-	-	-	618,760	570,000	1,450,190	2,638,950
Sewer Bond Reserve	-	-	-	-	-	-	-	376,482	-	376,482
Solid Waste Operations	486,100	215,575	172,000	929,300	-	45,000	-	367,256	193,419	2,408,650
Solid Waste Reserve	-	-	-	-	-	-	-	-	163,250	163,250
Stormwater Operations	314,900	158,085	10,900	47,886	11,200	50,000	10,575	119,019	63,103	785,668
Stormwater Reserve	-	-	-	-	-	-	-	-	40,600	40,600
Suspense (SWSD)	-	-	-	-	150,000	-	-	-	-	150,000
Equipment Replacement & Fleet	53,100	16,895	5,000	-	-	1,215,000	-	-	24,136	1,314,131
<b>TOTAL</b>	<b>5,639,950</b>	<b>2,137,030</b>	<b>699,400</b>	<b>2,993,456</b>	<b>1,345,249</b>	<b>3,095,198</b>	<b>1,263,485</b>	<b>4,320,355</b>	<b>6,486,534</b>	<b>27,980,657</b>

BUDGET SUMMARY  
2018 EXPENDITURES

**2018 All Funds  
Expenditures - by Purpose  
\$27,980,657**



## **GENERAL FUND REVENUES**

The City's General Fund receives most of its operating revenues from 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 2017 is estimated at 6,417,650 as compared to \$10,687,300 in 2016. 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 \$2.2696448 per \$1,000 of assessed valuation for taxes collected in 2018.

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

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

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

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

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

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

### **Property Tax Levy Rate by Taxing Entities\***

Property Tax Levy Rate by Taxing Entities

District	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Skagit County	\$1.4399	\$1.5140	\$1.5649	\$1.5909	\$1.6273	\$1.6214	\$1.5539	\$1.4592	\$1.3627	\$1.2420	\$1.2097
Medic 1	\$0.3388	\$0.3568	\$0.3689	\$0.3750	\$0.3750	\$0.3750	\$0.2500	\$0.2500	\$0.2460	\$0.2273	\$0.2290
Conservation	\$0.0508	\$0.0536	\$0.0554	\$0.0563	\$0.0559	\$0.0549	\$0.0527	\$0.0494	\$0.0461	\$0.0426	\$0.0429
State	\$2.8919	\$2.0382	\$2.1500	\$2.2967	\$2.4089	\$2.5500	\$2.3689	\$2.2060	\$2.0292	\$1.9625	\$2.0118
City General	\$2.1121	\$2.2666	\$2.3895	\$2.4843	\$2.5079	\$2.5495	\$2.4322	\$2.1952	\$2.0451	\$1.8569	\$2.1444
City Bond	\$0.0000	\$0.0000	\$0.2811	\$0.2958	\$0.3013	\$0.3076	\$0.2960	\$0.2703	\$0.2517	\$0.2291	\$0.2743
Schools General	\$3.4374	\$3.7358	\$3.9036	\$4.0582	\$3.8186	\$3.8266	\$2.9151	\$2.7495	\$2.5515	\$2.2160	\$2.4852
School Bond	\$0.4948	\$0.5893	\$0.5855	\$0.6569	\$0.7180	\$1.1084	\$1.0477	\$0.9286	\$0.8728	\$0.7597	\$0.8084
School Tech Levy	\$0.2998	\$0.3255	\$0.3487	\$0.3643	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Hospital 304	\$0.1515	\$0.1637	\$0.1712	\$0.1795	\$0.1826	\$0.1801	\$0.1711	\$0.1569	\$0.1470	\$0.1344	\$0.1406
Port #2	\$0.2032	\$0.2146	\$0.2209	\$0.2269	\$0.2110	\$0.2106	\$0.2016	\$0.1286	\$0.1224	\$0.1174	\$0.1195
Totals	\$11.4202	\$11.2611	\$12.0397	\$12.5848	\$12.2065	\$12.7841	\$11.2892	\$10.3937	\$9.6745	\$8.7879	\$9.4659

\* Per \$1000 of assessed value.

### City Regular Levy

	Assessed Valuation	Property Tax	Rate Per \$1,000
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
2013	\$ 696,093,913	\$ 1,774,725	\$ 2.5495
2014	\$ 710,371,529	\$ 1,781,561	\$ 2.5079
2015	\$ 722,798,239	\$ 1,795,654	\$ 2.4843
2016	\$ 758,248,494	\$ 1,811,868	\$ 2.3895
2017	\$ 810,256,655	\$ 1,838,995	\$ 2.2696
2018	\$ 885,446,218	\$ 1,870,115	\$ 2.1121

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.

### 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	\$ 1,231,366
2013	\$ 1,296,408
2014	\$ 1,244,369
2015	\$ 1,352,803
2016	\$ 1,432,443
2017	\$ 1,537,908
2018*	\$ 1,410,070

\* = projected in budget

### Sales Tax for Public Safety

The citizens of Sedro-Woolley voted to increase local sales and use tax within the city limits by one-tenth of one percent (.001), effective April 1, 2013. This tax is specifically for public safety (police and fire) vehicles and equipment. The retail sale or use of motor vehicles, and the lease of motor vehicles for up to the first 36 months of the lease, are exempt from the public safety tax. Of the dollars collected by the Washington State Department of Revenue, 85% is paid to the City with the remaining 15% paid to Skagit County.

## Public Safety Sales Tax Collection

<u>Year</u>	<u>Amount</u>
2013*	\$ 68,715
2014	\$ 104,132
2015	\$112,604
2016	\$119,101
2017	\$122,029
2018**	\$120,000

\* 7 months

\*\* 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 2017 estimated population is 10,950.

## 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.

Initiative 1183 passed in November 2011, privatized the distribution and retail sale of liquor effective June 1, 2012. The markups on liquor have been replaced as a state revenue source by license fees that are paid to the state by retailers and distributors. These "profits" are divided among the state, counties, cities and towns. An additional amount is distributed to border area cities and

towns. 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 addiction program. Liquor excise taxes were not affected by Initiative 1183, but this legislation made a number of changes in its distribution.

At this time, the state will reduce the transfers to cities and counties by \$10 million on an annual basis. A small amount of this reduction will be reflected in the payments to the border cities and counties, but essentially this means a loss of almost \$8 million a year for cities and almost \$2 million for counties since the tax receipts are split 80%/20% between cities and counties.

## 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 %. The City also imposes a utility tax of 7.5 % on city provided utilities and a 6% utility tax on domestic water (effective rate of 4.8%).

## 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.

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.

### **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 2016 the City received \$264,185 from this program and anticipates about \$266,960 in 2017.

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 2017 the city received \$29,304 from this contract and expects to receive \$4,254 in 2018.

# **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 Growth Management Act required 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 in preparation for review by the Mayor and City Council. 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
		2016	2017	2018
<b>Expenditures by Category</b>				
Salaries		42,000	42,000	42,000
Benefits		3,400	3,440	3,415
Supplies		6,350	6,500	6,500
Service Charges		4,000	4,000	6,500
Government Services		30,750	26,000	33,000
Capital		0	10,000	20,000
Total Expenditures		86,500	91,940	111,415

## JUDICIAL

The Municipal Court of Sedro-Woolley is a court of limited jurisdiction, presiding over infractions (such as for speeding, no insurance, no valid driver's license, failure to yield, faulty equipment) and criminal misdemeanors (such as disorderly conduct, theft 3<sup>rd</sup> degree) and gross misdemeanors (such DUIs, reckless driving, assaults), which occur within the city limits of Sedro-Woolley. Misdemeanors are punishable up to \$1,000 fine and 90 days in jail. Gross misdemeanors are punishable up to \$5,000 fine and 364 days in jail. Felonies that occur within the city limits of Sedro-Woolley are held in Skagit County Superior Court.

In 2017, the Sedro-Woolley Municipal Court processed 462 criminal violations, of which 66 were DUIs, and 622 traffic and non-traffic infractions.

The City of Sedro-Woolley is represented by the City Prosecuting Attorney. Defendants represent themselves, hire private attorneys, or are represented by the Sedro-Woolley Public Defender. The Court Clerk manages the court's caseload, records proceedings, and collects all fines, forfeitures and costs regarding infractions and criminal charges initiated by the Sedro-Woolley Police Department. The Sedro-Woolley Municipal Court Judge is appointed by the Mayor of Sedro-Woolley and provided through a professional services contract.

## Judicial

		Budget	Budget	Budget
		Year	Year	Year
		2016	2017	2018
<b>Expenditures by Category</b>				
Salaries		42,000	42,000	42,000
Benefits		3,400	3,440	3,415
Supplies		6,350	6,500	6,500
Service Charges		4,000	4,000	6,500
Government Services		30,750	26,000	33,000
Capital		0	10,000	20,000
Total Expenditures		86,500	91,940	111,415

## 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
		2016	2017	2018
<b>Expenditures by Category</b>				
Salaries		74,230	75,800	86,500
Benefits		26,995	26,780	18,575
Supplies		500	500	500
Service Charges		83,080	70,380	57,000
Total Expenditures		184,805	173,460	162,575

## **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 Electronic Municipal Market Access (EMMA) reporting requirements;
- Budget preparation and administration;
- Annual financial report preparation;
- Business license approval and monitoring;
- Department of Revenue Sales and Utility Tax reporting;
- Grant revenue and expenditure reporting;
- Local Improvement District assessment billings and collections;
- Utility billing for sewer, solid waste, recycling, yard waste and stormwater;
- Call center for recycling, yard waste and refuse inquiries;
- Accounts receivable, collections, lien filings & foreclosure;
- Employee benefits: various State sponsored retirement plans, health insurances, dual insurance incentive programs and various deferred compensation plans;
- Federal and State payroll tax and medical insurance reporting;
- Civil Service Commission support and recordkeeping;
- Accounts payable and audit of vendor claims;
- Prepare for and facilitate the City's annual audit;
- Custodian of the City's legislative history;
- Codification of ordinances and updating of municipal code;
- Production of electronic Council agendas, packets and minutes;
- Publish required legal notices;
- Notary services (City related documents only);
- Archival and destruction responsibilities of the City's official records;
- Process all incidents and claims in a timely manner;
- City-wide mail processing;
- Manage the City's inventory system including bulletproof vests, vehicle titles & registrations;
- 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;
- Log & distribute complaints and deliver courtesy notification letters to property owners under the City's American Disabilities Act (ADA) program;
- Scheduling of parks and facilities;
- Processing and scheduling of Special Events applications;
- Provide support for other City Departments including Executive and Human Resources.
- Administer Lodging Tax program, assisting recipients in meeting complex reporting requirements.

## 2017 Accomplishments

- Successfully completed the annual audit by the State Auditor's Office with no findings.
- Provided staffing to the City's Civil Service Commission, Safety/Wellness Committee, and Lodging Tax Advisory Board.
- Amended processes and procedures to comply with changing laws and regulations.
- Continued accelerated collection of old, outstanding utility accounts.
- Hired a seasonal clerk which became a part-time position this fall due to the additional workload, allowing staff the ability to focus on more complex, uncompleted projects.
- Re-evaluated and extensively revised the City's cost allocation plan to meet current standards.

## 2018 Goals

- Successfully complete the annual audit by the State Auditor's Office.
- Provide staffing to the Civil Service Commission, Lodging Tax Advisory Board and Wellness/Safety Committee.
- Complete a detailed listing of Council Members by year and ward for on-line posting.
- Research the feasibility of accepting credit card payments for non-utility charges.
- Integrate electronic campground payment system with the City's accounting software.
- Research on-line campground reservation system in partnership with the Parks Department.

- Complete internal audit and editing of information in current, unsupported Cemetery recordkeeping software.
- Research updating the City's cemetery software to integrate with the accounting software and provide on-line data and location services.
- Continue to maintain a high level of customer service.

## Finance

		Budget Year 2016	Budget Year 2017	Budget Year 2018
<b>Expenditures by Category</b>				
Salaries		66,410	70,600	82,650
Benefits		30,120	29,540	34,715
Supplies		10,000	10,000	10,000
Service Charges		62,293	52,400	77,708
Capital		4,000	8,000	8,000
Total Expenditures		172,823	170,540	213,073

## 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
- Municipal Court Indigent Defense

The City Attorney' 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 Year 2016	Budget Year 2017	Budget Year 2018
<b>Expenditures by Category</b>			
Salaries	43,215	44,100	84,500
Benefits	16,185	16,430	16,905
Supplies	6,200	5,100	5,100
Service Charges	102,530	129,275	85,750
Government Services	1,400	1,400	1,400
<b>Total Expenditures</b>	<b>169,530</b>	<b>196,305</b>	<b>193,655</b>

### **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 Year 2016	Budget Year 2017	Budget Year 2018
<b>Expenditures by Category</b>			
Supplies	0	0	0
Service Charges	3,000	3,000	5,500
<b>Total Expenditures</b>	<b>3,000</b>	<b>3,000</b>	<b>5,500</b>

## **INFORMATION TECHNOLOGY**

### **IT Department**

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
- Administration of the City mobile telephone and data contracted services with Verizon Wireless
- Website development and maintenance
- Client support for critical proprietary applications in Public Safety, Municipal Court, Wastewater Treatment and Finance
- Client and server support for Integrated Library System (ILS) software (until February 2018)
- Deployment and maintenance of networked security surveillance systems
- Database development, deployment and administration
- Security, integrity and availability of data on the City network
- Coordination and client support for County-hosted email
- Support for retrieval and response to Public Disclosure Requests
- Facilitate end-user application training and coaching

## 2017 Accomplishments

Accomplishments for 2017 include but are not limited to:

- Evaluated, selected and implemented GovQA Public Records Request Management System to meet Public Records Act reporting requirements and provide better service to citizens
- Maintained web pages for content pertaining to Library Partnership and assisted with transition
- Procured, configured and deployed iPads and file storage system for City Prosecutor and Public Defender
- Provided technical support to Skagit STEM Network
- Deployed iPads to Planning Commission and Library Board for paperless meeting materials and official email correspondence
- Installed, configured and tested Windows 10 Pro operating system on two additional City workstations to ensure compatibility with applications
- Procured, configured and deployed four new Police workstations with Spillman, SECTOR and core City applications
- Recovered over \$12,500.00 through auction of Surplus City Equipment on [PublicSurplus.com](http://PublicSurplus.com)
- Configured and Deployed AWS Secure Cloud Backup with Cloudberry Backup Software
- Configured and Deployed new Courtroom Printer for Municipal Court
- Upgraded Bluebeam PDF software to latest version for Building, Planning and Engineering
- Upgraded ArcGIS software to latest version for Building, Planning, Engineering and Wastewater
- Upgraded VieVU Body Camera software to latest version for Police
- Assisted Police staff with Video Surveillance System review and archival to support various Criminal Cases
- Assisted City Attorney with retrieval and response to various Public Disclosure Requests
- Served on the Safety and Wellness Committee
- Assisted with Configuration and Deployment of Axon body camera system for Police Department evaluation
- Maintained and enhanced Web Content Management System for City website
- Configured and deployed new web-based Email, SMS and Social Media Archiving System with Smarsh
- Purchased new Hi-Res DSLR Cameras, Compact Digital Cameras and Digital Voice Recorders for Police
- Deployed Staff WiFi at Solid Waste
- Participated in Port of Whitman Fiber Optic Infrastructure Tour
- Attended presentation before the Community Economic Revitalization Board (CERB) Board in Olympia to support Port of Skagit Fiber Optic Project Grant Application
- Procured, Configured and Deployed new Laser Printers for Finance and Public Defender

## 2018 Goals & Objectives

The main focus for IT in 2018 will continue to be on projects that reduce power consumption, increase productivity and enhance security.

These goals include:

- Website Enhancements for Solid Waste
- New Multifunction Copier/Printer/Scanner for Public Safety
- New Cloud-Based Body Camera System for Police
- Increase Internet Bandwidth
- Assist Public Works and Engineering with Pedestrian Traffic Count System
- Website Enhancements for Public Works Operations
- Install and Configure Commercial Vehicle ERODS application for Police
- Configure and Deploy new IP Security Camera System at Wastewater Treatment Plant
- Continue with Upgrade of all City workstations to Microsoft Windows 10 Pro and Office 2016
- Develop a Strategic Plan for our Fiber Optic Network
- Upgrade to latest version of ArcGIS for Wastewater and Engineering
- Participate in the City Safety and Wellness Committee and in City Wellness Program activities
- Assist with Library Partnership transition
- Upgrade and Integrate Facility Security Surveillance Systems
- Upgrade/replace Council Chambers Audio/Video System
- Continue with Server and Workstation upgrades

- Continue to explore ways to Reduce Cost and Complexity by providing Applications as a Contracted Subscription Service, where appropriate
- Continue to Consolidate and Streamline Network Topology
- Continue to Replace aging computer equipment with more Energy-Efficient Systems

## Information Technology

		Budget	Budget	Budget
		Year	Year	Year
		2016	2017	2018
<u>Expenditures by Category</u>				
Salaries		70,235	74,750	80,150
Benefits		20,665	21,250	23,515
Supplies		2,500	2,500	2,500
Service Charges		36,200	38,700	47,200
Capital		7,000	12,000	12,000
Total Expenditures		136,600	149,200	165,365

## CENTRAL SERVICES

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

## Central Service

		Budget	Budget	Budget
		Year	Year	Year
		2016	2017	2018
<u>Expenditures by Category</u>				
Supplies		3,700	3,700	3,100
Service Charges		5,000	5,000	4,500
Government Services		0	0	0
Transfers		11,876	11,876	16,240
Total Expenditures		20,576	20,576	23,840

## PLANNING

### Mission

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 updates lays the groundwork for Sedro-Woolley to be ready for the type of growth and development our community desires.

### 2017 Accomplishments

In 2017, the Planning Department assisted the City Council and Planning Commission with the following:

- Worked with the Port of Skagit, Washington State and the Department of the Interior (Job Corps) to advance development plans at the SWIFT Center and implement the Subarea Plan, Planned Action EIS and zoning code amendments for the research and development campus.
- 2017 Comprehensive Plan update "Docket" to be completed in 2018:
  - Review of the zoning designation of several properties on the south side of the 100 and 200 blocks of Jameson Street.
  - An adjustment of the zoning map to match the revised property lines at 665 Cook Road to reflect a short plat that changed the location of lot lines.
  - Amendments to the Comprehensive Plan map and zoning map to show the accurate urban growth area designated by the Skagit County Board of Commissioners as part of the county's 2016 Comprehensive Plan update.

- Amendments to Transportation Element of the Comprehensive Plan.
  - Amendments to the Parks and Recreation Element of the Comprehensive Plan
- Continued/began work on revisions to the Municipal Code to:
  - Continued update process of the planned residential development (PRD) regulations to give more options for future residential subdivisions and to encourage more vibrant communities.
  - Began updates to the zoning code to create a definition for assisted living facilities for senior citizens and define which zoning designation they may be located.
  - Completed updates to Chapter 2.90 SWMC to amend errors and inconsistencies in the Consolidated Planning Procedures.
  - Finished the review of the building height regulations for primary structures in the residential zone.
  - Finished the review of potential changes to the regulations of fences in front setbacks.
- Successfully completed the City's Community Assistance Visit (CAV) as required by the Federal Emergency Management Agency (FEMA). A CAV, which is performed by the Washington State Department of Ecology on behalf of FEMA, is to assure that the City is properly implementing the city's Flood Hazard Protection Regulations (Chapter 17.66 SWMC). The City must successfully pass this occasional review to maintain good standing in the National Flood Insurance Program (NFIP).
- Represented the City in the Skagit Council of Governments Technical Advisory Committee (Planners Group).
- Provided policy recommendations to the Association of Washington Cities regarding planning and building related legislation.
- Assured City compliance with FEMA Biological Opinion (BiOp) requirements as related to the City's National Flood Insurance Program obligations
- Support Planning Commission. Assure Planning Commission members receive training per Open Public Meeting Act (OPMA) training requirements.
- Processed applications:
  - Administrative Zoning Waivers (19)
  - Binding Site Plans (2)
  - Boundary Line Adjustments (9)
  - Conditional Use Permits (2)
  - Variances (0)
  - Demolition permit review (11)
  - Home Occupation Review (102)
  - Pre-application Meetings (15)
  - Shoreline Substantial Development permit (1)
  - Short Plats (1)
  - Subdivisions (2)
  - Building Permit review (98)
  - Modular home review (7)
  - Sign Permit Review (17)
  - Business License Review (147)
  - Marijuana License Location review (3)
- Performed population and permit application reporting for both the State Office of Financial Management (OFM) and U.S. Census.
- Performed design review.
- Performed zoning review.

## **2018      Goals & Objectives**

Continue to encourage revitalization of the SWIFT Center

- The Planning Department will assist with revitalization of the SWIFT

Center. The adopted Subarea Plan, Planned Action EIS and zoning code amendments have paved the way for a smooth transition of the existing facility to a world-class research and development campus.

- 2018 Council Business, Community & City Partnership Goal: Create an atmosphere for businesses to succeed in Sedro-Woolley
- 2018 Council Business, Community & City Partnership Goal: Revitalize the SWIFT Center
- 2018 Council Business, Community & City Partnership Goal: Partner with other Governments and Tribe
- 2018 Council Goal to Promote Economic Development: Improve our image
  - Comprehensive Plan Goal GMA5: Encourage community economic development.
  - Comprehensive Plan Goal LU2: To coordinate land use decisions within and surrounding the urban growth area with other jurisdictions.

#### Update the Sedro-Woolley Comprehensive Plan

- 
- The Planning Department will assist with amendments to the Comprehensive Plan as requested by the City Council, Planning Commission and public in general. The entire Comprehensive Plan was updated in May 2016 as required by the State Growth Management Act; therefore no major updates to the Comprehensive Plan are anticipated. The Planning Department intends to make zoning changes as requested or needed.

- 2018 Council Goal to Promote Economic Development: Educate and inform Citizens about the Goals and Vision
- 2018 Council Goal to Promote Economic Development: Develop predictable processes
  - Comprehensive Plan Goal GMA 11: Encourage early and continuous citizen participation in the comprehensive planning process.
  - Comprehensive Plan Goal LU2: To coordinate land use decisions within and surrounding the urban growth area with other jurisdictions.

#### Update the Sedro-Woolley Development Regulations

- The Planning Department will assist in proposing revisions to address required updates as well as updates that can improve the Development Regulations.
- 2018 Council Business, Community & City Partnership Goal: Create an atmosphere for businesses to succeed in Sedro-Woolley
- 2018 Council Goal to Promote Economic Development: Educate and inform Citizens about the Goals and Vision.
- 2018 Council Goal to Promote Economic Development: Develop predictable processes

- Comprehensive Plan Goal GMA 7: Ensure fair, predictable and timely permit processes.

Identify ways to improve regulatory framework and facilitate development in the City

- The Planning Department will review the existing development regulations to identify ways to make development easier and improve the business climate in the City. Possible actions include deleting sections of and/or amending the Municipal Code and other documents to simplify the City's regulatory structure.
- 2018 Council Business, Community & City Partnership Goal: Create an atmosphere for businesses to succeed in Sedro-Woolley
- 2018 Council Goal to Promote Economic Development: Make City Government more user friendly
- 2018 Council Goal to Promote Economic Development: Develop predictable processes
- 2018 Council Service Productivity & Innovation Goal: Streamline the permitting processes
  - Comprehensive Plan Goal GMA5: Encourage community economic development.
  - Comprehensive Plan Goal GMA 7: Ensure fair, predictable and timely permit processes.
  - Comprehensive Plan Goal LU6: To provide clear review and approval processes for land use actions.

## Planning

		Budget Year	Budget Year	Budget Year
		2016	2017	2018
<b>Expenditures by Category</b>				
Salaries		47,950	79,350	89,250
Benefits		21,735	27,250	30,965
Supplies		2,500	3,600	4,200
Service Charges		24,540	31,275	132,125
Government Services		4,524	2,330	2,500
Capital		700	700	700
<b>Total Expenditures</b>		<b>101,949</b>	<b>144,505</b>	<b>259,740</b>

## 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.

### 2017 Public Works/Engineering Accomplishments

- Reviewed as needed development projects for compliance with Engineering Department standards, including follow up field inspections.
- Updated the Equipment Repair & Replacement Fund program to meet 2017 Budget requirements and city equipment replacement needs. Purchased \$671,605 in new equipment.

- Prepared and submitted the 2018-2023 Six Year Transportation Improvement Program (STIP) update for council approval and submitted final plan to SCOG for inclusion in the state TIP.
- Continued work on the ADA Transition Plan Self-Evaluation. Work will continue in 2018.
- 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.
- Bid, awarded and managed 23 miscellaneous Small Works contracts totaling \$312,583.
- Solicited, awarded and managed 18 new and 7 carryover Professional Services agreements totaling \$128,945.
- Grant applications were submitted to 8 funding sources including TIB (four applications), Skagit County Economic Development, Skagit County Council of Governments (two applications) and the Department of Ecology to support the Transportation Plan and Stormwater projects. Applications totaled \$4,197,443, **with \$3,846,685 awarded** (91.6%). Projects included the Fruitdale Road Arterial Improvement Project (awarded \$1,783,723 by TIB); the State Street, SR20 to Puget Overlay Project (awarded \$358,000 by TIB); the SR20, Township to Fruitdale Lane Widening & Sidewalk Project (awarded \$239,500 by TIB and \$240,500 by Skagit County), the 2017 Emergency Pavement Repair Project (awarded \$50,000 by TIB) and the 2017 Stormwater Capacity Grant (\$50,000 awarded). All of the applications submitted this year were awarded full or partial funding.
- Continued development of the Houser Playfields facility. 2017 work included fencing for the south and north boundaries, and installation of a 2" irrigation service with distribution piping.
- Jameson Arterial Extension to SR9 Project warranty work was completed in early 2017 and the project closed out.
- SR20 Cascade Trail West Extension, Phases 1A and 1B were bid, awarded and constructed as one project. Project was designed in house in 2016. Final cost \$1,203,774, with \$773,600 (64.3%) from grant sources.
- 2017 Arterial Crack Seal Project was designed in house, bid, and constructed. Final cost \$83,614 from TBD and other local funding.
- 2017 Emergency Pavement Repair Project was designed in house, bid and constructed. Final cost \$89,709 with \$50,000 from TIB and the local funding from TBD and other local.
- 2017 Cured in Place Pipe (CIPP) Sewer Project was designed in house, bid and began construction in 2017, to complete in early 2018. This \$447,382 project is funded by the Sewer Utility. \$79,000 complete in 2017.
- Continued implementation of the Sign Management system using IworQ program. Completed 2017 updates as required by FHWA.

- Continued NPDES Stormwater Permit compliance activities including annual update of the Stormwater Management Program, documentation of public stormwater conveyance system inspection and maintenance activities. Also included inspection and coordination of maintenance activities for all private stormwater systems within the city.
- Continued Skagit County Interlocal Agreement(s) activities related to Brickyard Creek Sub-flood Control Zone elements within the City limits.

### Project Summary

PROJECT DESCRIPTION	TOTAL PE/CE/CN	STATUS
<b><u>2017 PROJECT RECAP</u></b>		
2017 ON-CALL PROJECTS – 23 TOTAL (EXCLUDES PROJECTS NOTED BELOW)	224,897	COMPLETE
2017 ON-CALL PROFESSIONAL SERVICES AGREEMENTS – 25 TOTAL (EXCLUDES 2 PROJECTS NOTED BELOW)	32,620	COMPLETE
JAMESON ARTERIAL EXTENSION TO SR9 CONSTRUCTION PHASE	300,146	COMPLETE
SR20/CASCADE TRAIL WEST EXTENSION PHASES 1A STATE TO FERRY & 1B HODGIN TO TRAIL CONSTRUCTION PHASE	1,203,774	COMPLETE
FRUITDALE ROAD ARTERIAL EXTENSION PROJECT DESIGN	29,268	85% COMPLETE
ARTERIAL CRACK SEAL PROJECT	83,614	COMPLETE
2017 EMERGENCY PAVEMENT REPAIR RPOJECT	89,709	COMPLETE
RIVERFRONT PARK CARETAKER COTTAGE REPLACEMENT	87,626	76% COMPL
2017 CIPP SEWER PROJECT	79,000	18% COMPL
WASTEWATER FACILITY STRUCTURE AND EQUIPMENT ASSESSMENT – PHASE B	38,673	88% COMPLETE
<b>TOTAL 2017 COMPLETED PROJECTS</b>	<b>\$ 2,169,327</b>	

<u>2018 PROJECTS PLANNED</u>	TOTAL PE/CE/CN	STATUS
<b><u>GENERAL</u></b>		
2018 ON-CALL PROJECTS – 8 TOTAL	110,000	PLANNED
2018 ON-CALL PROFESSIONAL SERVICES AGREEMENTS – 16 TOTAL	250,000	PLANNED
<b><u>103-104 STREET/PW OPERATIONS</u></b>		
FRUITDALE ROAD ARTERIAL EXTENSION PROJECT DESIGN /RW PHASE – BALANCE REMAIN	48,000	15% REMAINING
FRUITDALE ROAD ARTERIAL EXTENSION PROJECT CONSTRUCTION PHASE	2,333,000	PLANNED
JONES/JOHN LINER/TRAIL ROAD CORRIDOR PROJECT SCOPING	100,000	PLANNED
SR20, TOWNSHIP TO FRUITDALE LANE WIDENING & SIDEWALK DESIGN & CONSTRUCTION	814,500	PLANNED
2018 SIDEWALK AND ADA RAMP UPGRADE PROJECT	290,000	PLANNED
STATE STREET OVERLAY PROJECT	399,000	PLANNED
2018 ARTERIAL CRACK SEAL PROJECTS	50,000	PLANNED
2018 ARTERIAL STREET OVERLAY PROJECTS	50,000	PLANNED
2018 LOCAL STREET CONTRACTED OVERLAY PROCTS	150,000	PLANNED
<b><u>425 STORMWATER</u></b>		
STORMWATER COLLECTION SYSTEM REPAIRS	50,000	PLANNED
SR20/PATRICK CATCH BASIN REPAIRS	10,500	PLANNED
<b><u>101 PARKS</u></b>		
RIVERFRONT PARK CARETAKER COTTAGE REPLACEMENT (CARRYOVER FROM 2017)	28,400	PLANNED
MISC BUILDING & STRUCTURE UPGRADES	66,000	PLANNED
RV PARK AUTOMATIC PAYMENT MACHINES	25,000	PLANNED
<b><u>401 WASTEWATER</u></b>		
SEWER COMP PLAN UPDATE	75,000	PLANNED
WASTEWATER FACILITY STRUCTURE AND EQUIPMENT ASSESSMENT PHASE B	16,000	12% REMAINING
2018 WTF EQUIPMENT REPLACEMENT PROJECT	110,000	PLANNED
COMPLETE 2017 SEWER CIPP PROJECT (2018 CARRYOVER)	282,000	PLANNED
2018 SEWER MANHOLE REHABILITATION PROJECT	100,000	PLANNED
FRUITDALE ROAD SEWER EXTENSION PROJECT	89,000	PLANNED

BINGHAM PARK RESTROOM REPLACEMENT	50,000	PLANNED
WEST BENNETT, CURTIS TO BATEY SEWER EXTENSION	287,000	PLANNED
<b><u>412 SOLID WASTE</u></b>		
PRELIMINARY DESIGN – NEW MAINTENANCE FACILITY	50,000	PLANNED
<b>TOTAL 2018 PROJECTS PLANNED</b>	<b>\$ 5,833,400</b>	

## **2018 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 an aggressive pursuit of available grant and financing programs.
- 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.

## **2018 Objectives**

- Continue to support and improve the Customer Request Program using the IworQ software platform or a replacement platform to be determined.

- Continue Records Management Program maintenance, including digitization of all department files and record drawings.
- Continue to provide timely and cost effective review of development activities for compliance with Engineering Dept. standards in conjunction with the Building & Planning Department.
- Perform annual review and update of Impact Fees and/or utility rates for Transportation, Stormwater and Sewer. 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 emphasis on procurement policies and methods that comply with City code and state requirements and assure the best value at the best price.
- Continue implementation of the 2016 Transportation Element of the 2016 Capital Facilities Plan. Continue emphasis on transportation planning to meet capacity needs and maintenance of existing streets. Focus projects include the Fruitdale Road Arterial Extension Project, the Jones/John Liner/Trail Road Corridor Projects, and the Hodgin Road, SR20 to Cook Road Arterial Connector Project.
- Update the 2005 IworQ Pavement Management System or replacement. Estimated cost \$5,000 - \$10,000.
- Prepare 2019-2024 STIP for

- council approval and submission to WSDOT for inclusion in the state TIP.
- Manage the city GIS system to support the activities of all Public Works and other City departments.
  - Continue to search for grant and loan funding opportunities in conjunction with the City's capacity to provide matching funds as opportunities arise to support infrastructure projects as defined in the Transportation, Sanitary and Stormwater Comprehensive Plans. Prepare and submit TIB, STPR, TAP, Safe Routes to Schools, Ecology, RCO and other grant opportunities as they arise.
  - Provide project management and technical support for development, bidding, contract compliance, and project close out for capital facilities projects and small works projects per City code and state law. Specific projects planned are as follows:
  - Prepare contracts and manage planned 8 each Small Works Roster contracts estimated at \$110,000.
  - Prepare contracts and manage planned 16 each Professional Services contracts estimated at \$250,000.
  - Complete consultant design for the Fruitdale Road Arterial Improvement Project. This project is funded in partnership with Skagit County and the Port of Skagit. Remaining Design Phase \$48,000.
  - Bid and Construct the Fruitdale Road Arterial Improvement Project. Estimated cost \$2,333,000.
  - Jones/John Liner/Trail Road Corridor Project Scoping Study. Estimated cost \$100,000.
  - Design, bid and construct the SR20, Township to Fruitdale Lane Widening and Sidewalk Project. Estimated at \$814,500.
  - In-house design, bid and construct the 2018 Sidewalk and ADA Ramp Upgrade Project. Estimated cost \$290,000.
  - In-house design, bid and construct the State Street Overlay Project. Estimated cost \$399,000.
  - In-house planning and construction for the 2018 Arterial Crack Sealing Project. Estimated at \$50,000 from the TBD fund.
  - In-house planning and construction for the 2018 Arterial Overlay Project. Estimated at \$50,000 from the TBD fund.
  - In-house planning and construction for the 2018 Local Street Overlay Project. Estimated at \$150,000.
  - Continue American Disabilities Act (ADA) Inventory and Self-Assessment for all city owned facilities and begin ADA Transition Plan preparation.
  - Continue Sign Management program to upgrade street signs to new FHWA and MUTCD standards and to meet 2017 deadlines. \$16,000 budgeted for 2018.
  - Begin planning for a Brickyard Creek Culvert Replacement Project to re-line as needed remaining 96 inch culverts at various road crossings and farm field crossings using Sedro-Woolley Sub Flood Control District funds. In house design.

- Begin update of the 1997 City Storm Water Management Plan. 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. \$25,000 budgeted.
- Continue to manage implementation and compliance activities for the NPDES Phase II Stormwater Permit. Prepare and submit 2017 Stormwater Permit Annual Report and Management Program update.
- Continue inspection and documentation of maintenance activities for the municipal storm sewer system (MS4).
- Continue identification, inspection and tracking of private stormwater systems for compliance with the Permit.
- Continue to provide public outreach and education programs in conjunction with Skagit Conservation District.
- Prepare an analysis for council of the present state of compliance of private stormwater systems with city stormwater O&M standards, and impacts on the city system. Present alternatives to council for improving compliance.
- 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. 2018 focus is on West Bennett Street, Curtis to Batey Street in conjunction with planned Habitat for Humanity housing on Batey, and the extension of sanitary sewer on Fruitdale east of Wildflower Way as part of the Fruitdale Arterial Extension Project.
- Complete the WWTP Structure and Equipment Assessment started in 2015 and use results to update the Sewer Capital Improvement Program. Remaining cost \$16,000. Will be followed up with recommended projects including relocation of the Laboratory/Office Building and upgrade of the Digester system.
- Update of the 2005 Sewer Comprehensive Plan in preparation for the 2018 Capital Facilities Plan update. 2018 estimated cost \$75,000.
- 2018 WTF Equipment Replacement Project, with scope to be determined on completion of the WWTP Structure and Equipment Assessment. Budgeted at \$110,000.
- Complete the 2017 CIPP Sewer Project; remaining cost \$282,000.
- In house design bid and construction for the 2018 Sewer Manhole Project, estimated at \$100,000. Carryover from 2017.
- Begin planning for the Wastewater Treatment Facility Vicinity Ring Dike. Working with Dike District 12 on the United General Hospital Vicinity Ring Dike for flood protection

that is recommended in the USACOE Skagit GI Flood Study.

- Continue to monitor success of new Yard Waste and Recyclables Programs instituted city wide in 2016.
- Continue management of the Equipment Repair and Replacement Fund, including \$749,835 in planned 2018 purchases.
- Provide updates and training on the latest procurement methods, laws, and policies.
- Begin work to design and determine a site for a Solid Waste/Equipment Maintenance Facility to replace the aging facility at 315 Sterling. Budgeted at \$50,000.
- Continue to explore expansion of ERR Maintenance Program to include Police and Fire with conversion of program from part-time to full-time mechanic. One additional day (to three days/week) added in 2016.

### **Engineering**

	Budget		
	Budget	Budget	Budget
	Year	Year	Year
<b>Expenditures by Category</b>			
Salaries	49,290	50,500	54,000
Benefits	23,642	23,430	24,090
Supplies	5,000	4,400	4,400
Service Charges	29,350	30,420	30,870
Capital	500	500	500
<b>Total Expenditures</b>	<b>107,782</b>	<b>109,250</b>	<b>113,860</b>

### **POLICE**

The current structure of the Police Department;

1 Chief  
 3 Sergeants  
 2 Detectives  
 11 Patrol Officers  
 1 Code Enforcement Officer  
 2 Reserves  
 1 Records Sergeant  
 1 Records Clerk  
 1 Part time Receptionist  
 1 Part time Transcriptionist

In 2017 we were staffed up to authorized levels, but one officer retired in September and another Officer resigned, in June. These two issues left us very shorthanded through the summer months and our overtime expenditures reflect just how short we were.

We also struggle to keep up with the demands in our Records Department. Sergeant Tamara Blunt is our specialist in the area of Records release and she reports that we have been seeing huge increases in the quantity and complexity of public and interagency records releases. These requests take an inordinate amount of time and resources to accomplish. To fulfill these requests, we have one part-time employee (Receptionist/Records Clerk Joanna Uribe) and Sergeant Blunt, who also oversees and handles all records functions.

Two events from 2016, the September 23<sup>rd</sup> Cascade mall Shooting and the December 15<sup>th</sup> shooting of MVPD Officer Mike McClaughry, as well as the national tragedies such as the Las Vegas shooting and numerous other shootings have shown us that we can't expect to live in a world where our safety can be

taken for granted. As such, on top of doing all of the usual crisis management that we do every day, we are having to prepare and train for a broader set of threats and come up with response strategies that cover a broader spectrum than we have been used to.

In 2015 and 2016 we had a somewhat functional Skagit County Department of Emergency Management (DEM) and we were moving toward training and preparation for any hazards that we could foresee. The legs were chopped out from under this effort when the County restructured the DEM and most of the employees left. Logically, we could train and plan for things like Active Shooters on a county-wide basis, but we need leadership and DEM seems to be the logical agency to lead these efforts. It has taken more than a year for County DEM to get back on their feet and they now have a strong and effective Leader running that Agency. We hope to get back to where we were headed before the upheaval.

The DEM changes forced us to look closer to home and to tend to cover more of our own training and preparations with our own people. Both the S-W School District and the City have engaged Krista Salinas' Consulting Agency to organize and update Emergency response planning. We have trained Officers throughout the County in responding to Active Threats. We have collaborated with other Agencies in developing a Rescue Task Force (RTF) program with the Fire Departments and Emergency Management Services (EMS). This is a program for armed Officers to escort Emergency Medical people into a potentially hazardous situation to assess, move and treat people who have been injured but the scene is not completely secure. This

program is constantly evolving and requires us to plan and train in ways that we haven't ever done before.

Most of what is affecting the rest of the country doesn't affect us directly, we don't have protestors or riots like many other places in the nation, but we are experiencing one thing that the rest of America is, the Opioid Epidemic. This isn't exactly new, drugs and their effects have been a problem for years. What we are experiencing now is a different chapter in a familiar book. In past years we've essentially tried to arrest our way out of the drug problem; this is an effective strategy, but it is really only effective to a point. We have to have a lot of things in place to make this work.

The new Jail is one of those tools that was necessary for us to do our job. To effectively attack the drug problem from a Police perspective, we need to have partnerships with the local Drug Task Force, a Court system to help hold people accountable, a Jail to hold over people's heads and Prosecutors to help manage the prosecution of cases. The real key is the Jail and we really didn't have that until late 2017.

But the Jail is only part of the answer, and for SWPD it really only affects how we deal with the users and low level dealers. What changed in 2017 and early in 2018 was a shift in who is the responsible party and the question as to whether to treat the Opioid Crisis as a strictly criminal issue or is it more of a Health Care crisis? The Health Department takes in thousands of used needles every week in exchange for clean needles. Are we equipping drug users with the tools they need or are we reducing the spread of disease. We are planning to equip each Patrol car with Naloxone, this is an emergency

medication to counter the effects of an Opioid overdose. We have been hearing that the Opioid Fentanyl is coming our way and it can kill if people are inadvertently exposed to it. These are issues that are well above my paygrade, but this Department is devoted to helping find an answer.

Our Agency's stats are listed below; these are just a few categories that we have chosen to show year-to-year changes.

	2012	2013	2014	2015	2016	2017
Animal Problems	482	653	615	630	560	563
Traffic Infractions	740	643	704	752	591	512
DUI	47	26	21	44	67	41
Adult Arrests	486	409	354	379	500	440
Juvenile Arrests	90	85	71	50	39	36
Burglaries	178	219	186	100	75	70
<b>Totals</b>						
Calls of Service	<b>7950</b>	<b>8726</b>	<b>8314</b>	<b>8234</b>	<b>8710</b>	<b>8313</b>

### 2017 Accomplishments

- Police Department Employees worked a total of **45,947** hours of paid time.
- Remodel completed in December 2017/January 2018 modifying one Office space to accommodate Sgt Blunt's duties.
- We sent three Officers to Active Shooter Instructor class in 2017, this has allowed us to train on a county-wide basis and have everyone trained to the same standard.
- We helped with Tabletop Exercises for each of the Schools in the SWSD, this includes

Schools inside and outside the City Limits.

- We started the process of moving to a new uniform. The current trends in Law Enforcement have taken most of the equipment we wear off of the gun belt and moved them to a load bearing vest. My daily wear of boots, armor and equipment weighs about 30 lbs. This often leads to hip and back issues, Officers can opt to wear the external armor carrier with adjustable pouches. This should lower costs for our normal uniforms and reduce potential injuries.

### 2018 Goals

- My number one goal is to move part-time Reception/Records Clerk Joanna Uribe to full time status.
- Getting our final open Patrol position filled.
- Officer Dan Eddy is working on some grants for equipment to increase his ability to conduct more Commercial Vehicle Enforcement inspections. We have engaged a consultant to manage this grant.
- Officer Jed Cates has been progressively getting more involved in providing Defensive Tactics training county-wide.
- We are still looking to purchase a cargo trailer to haul firearms training equipment to and from the range.
- We would like to get some night-vision gear for Patrol Operations and doing patrol checks in the wooded areas around the SWIFT Center.

- Conduct training, carry out a Tabletop Exercise then carry out a full scale exercise simulating an active shooter event at City Hall.
- We will need to go to bid on new Body Worn Cameras for each Officer.
- We need to begin moving toward next generation radios, I plan on buying a couple of radios that will be compatible with future needs, with the hopes of purchasing a few every year to keep up without having a huge outlay of money at one time.

### **Looking forward to 2019**

- With the projected growth we see for the future, I'd like to see at least one additional Patrol position authorized to increase our manpower.

I'd like to thank the Mayor, the City Supervisor and the Council for their continuing support. I hope you can understand how good it is to be able to brag about what we are doing here, for the citizens of Sedro-Woolley, and to let people know that it happens because all of us are working together toward a common goal.

### **Police**

	Budget Year 2016	Budget Year 2017	Budget Year 2018
<b>Expenditures by Category</b>			
Salaries	49,290	50,500	54,000
Benefits	23,642	23,430	24,090
Supplies	5,000	4,400	4,400
Service Charges	29,350	30,420	30,870
Capital	500	500	500
<b>Total Expenditures</b>	<b>107,782</b>	<b>109,250</b>	<b>113,860</b>

### **2018 Budget**

## **FIRE**

### **Mission Statement**

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

### **Volunteer Mission Statement**

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

### **Major Service and Programs**

The Fire Department provides emergency response for fire and medical emergencies and BLS (Basic Life Support) Transport services to all local hospitals; we also provide fire prevention programs for the general public, Sedro-Woolley School District and the Upper Skagit Reservation. We conduct life safety inspections for our business community within the City Limits. We also provide CPR and first aid classes for the citizens of Sedro-Woolley and Skagit County.

### **Department Administration**

The administration consists of the Fire Chief, Assistant Chief of Training, Assistant Chief of Operations and a Volunteer Battalion Chief. The Fire

Chief provides the overall management and direction including: planning, budgeting, scheduling and maintenance. The assistant chiefs provide for training, fire prevention, inspections and special programs, general operations and EMS services. The Battalion Chief, which is a volunteer position, provides for volunteer operations and fire ground operations and investigations.

### **Department Make Up**

The department is made up with career staff, part time staff and volunteers. Currently the City employs three full time Chief officers. We have 15 part time employees (some who are volunteers also) and a total of 12 volunteer residents and 17 outside volunteers. Within the volunteer ranks we have 1 Battalion Chief, 1 Captain, 5 Lieutenants, 1 Safety Officer and a Support Officer.

### **2018 Goals**

- Service Delivery: First and foremost our main goal will be to continue to provide the citizens of Sedro-Woolley the same quality service they have come to expect from their Fire Department within the budget provided. With the increasing call volume we are looking to increase our ranks to take some of the burden off of the already taxed volunteer systems. This goal is continued from years past.
- EMS/BLS Integration Delivery: as we are now a verified provider within Skagit County our goal will be to continue the level of service required by the County and the State to maintain our accreditation. With the turnover

in volunteer staffing this becomes a training priority as well as a challenge to our paid staff. With each new member the training requirements are increased to make sure they meet the level of expertise required to be able to provide transport services. In 2018 we also will be working on our GEMT funding. The Council recently approved the contracts to assist us in the completing of this billing.

- Equipment Replacement: We have once again applied for an AFG (Assistance to Firefighters Grant) for new SCMA air packs. In January of 2018 we applied for the 2017 Grant which will be awarded (hopefully) in 2019. The AFG grant process will require constant monitoring and updating upon request.. Also in 2018 we hope to be able to replace our SCBA compressor unit. This unit is over 20 years old and is now requiring constant maintenance. It is built into our ER&R project list and we hope to be able to use some State and Federal funds also.
- Storage Facility: We hope in 2018 we can complete this project and by starting and finishing the storage loft in the facility. It is not a "High priority" so as the facilities crew have time we hope to get them started on this project.
- Volunteer Staffing: As always we will continue to recruit and train new volunteers, both outside volunteers and residents. We have been notified that we will be losing at least 2 of our residents in mid-year. We have

- already begun the process to replace these two firefighters.
- WSRB: The Washington State Surveying and Rating Bureau advised us that the City of Sedro-Woolley will be re-rated in 2018. They are scheduled to be here in September of this year and perform their inspections and rating. The Department Staff will be working on this throughout the year in preparation of their visit.

## 2017 Accomplishments

- Service Delivery: First and foremost our main goal was to continue to provide the citizens of Sedro-Woolley the same quality service they have come to expect from their Fire Department within the budget provided. We feel we were able to achieve this goal even with the increase in calls and the decrease in volunteer staffing. In 2017 we had a very difficult time in keeping our volunteer residents quarters filled.
  - EMS/BLS Integration Delivery: We continue to work with CVAA and Skagit EMS providing a tiered response to medical calls ensuring the appropriate level of response to each call. We are now providing Skagit County with a BLS transport service option on a regular basis. We are now one of very few verified providers within Skagit County. Our role as a BLS transport provider is now cemented into the Counties EMS plan.
  - Update of policies and standard operations guidelines: This goal
- is one that will always continue to be a line item on our narrative. In direct correlation with the change in how we respond to medical calls we will continue to monitor and change some of our policies within our “SOG’s” this will be an ongoing program as we will need to monitor and follow the changes within the County’s protocols for EMS response.
- Storage Facility: Our goal in 2017 was to complete the inside of the storage facility. We were unable to complete the project due to the numerous projects going on within the City. It is still our goal to get the facilities crew to assist us in completing this project in 2018.
  - Volunteer Staffing: as always we will continue to recruit and train new volunteers, both outside volunteers and residents. With the increasing training requirement imposed upon us by the State, this task is becoming more difficult each year. I will continue to work with City administration and City Council to increase the incentives we are able to offer in order to attract more personnel. We were able to add several new volunteers and residents. Currently we have all of our resident positions full but we know that several are moving in 2018.

## 2017 Call Data

Call Zones	1st	2nd	3rd	4th
	Qtr	Qtr	Qtr	Qtr
D8 East	8	17	18	14
D8 North	24	17	30	23
D8 South	142	127	156	138
City Limits	433	432	445	448
<b>Totals</b>	<b>607</b>	<b>593</b>	<b>649</b>	<b>623</b>
<b>BLS</b>				
Transports	100	95	99	141

## Fire

	Budget Year 2016	Budget Year 2017	Budget Year 2018
<u>Expenditures by Category</u>			
Salaries	656,450	682,000	742,500
Benefits	184,425	189,505	177,200
Supplies	59,450	59,450	94,250
Service Charges	118,870	137,750	153,250
Government Services	33,360	16,385	18,000
Capital	30,000	2,500	2,500
Transfer	128,340	91,480	206,582
Total Expenditures	1,210,895	1,179,070	1,394,282

## BUILDING

### Mission

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 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.

### Summary

The Building Department hired a full time Building Inspector/Plans Examiner in November 2015. The Building Inspector / Plans Examiner has made a tremendous impact since that time and the Building Department is now able to provide a level of service to the development community that is unparalleled in the county.

The Building Department processed more permits applications in 2017 than in any year since 2007. Major projects in 2017 include a 7,000+ square foot commercial building downtown, the commencement of construction on two apartment buildings (48-unit and 12-unit); those will be completed in 2018. Also in 2017, developers began site work to construct 28 apartments and 53 live-work units, as well as sewer infrastructure in Jones Road to serve a 63 unit subdivision (plat to be completed in 2018). In 2018 the Department expects a continued increase in permit applications, including an increase in commercial and multi-family projects.

### 2017 Accomplishments

In 2017, 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.
- Worked closely with Washington State Department of Enterprise Services to assist with improvements at the SWIFT Center.

### 2018 Goals & Objectives

Assist with building and facilities related improvements at the SWIFT Center

- The Building Department will continue to assist the Department of Enterprise Services, Port of Skagit and Department of the Interior (Job Corps) with building and facilities improvements at the SWIFT Center.
  - 2018 Council Business, Community & City Partnership Goal: Revitalize SWIFT Center
  - 2018 Council Business, Community & City Partnership Goal: Partner with other Governments and Tribe
  - 2018 Council Goal to Promote Economic Development: Make City Government more user-friendly
  - 2018 Council Goal to Promote Economic Development: Develop a predictable process

Efficient processing of building permit applications

- The Building Department will review all residential applications within one week of submittal.
  - 2018 Council Goal to Promote Economic Development: Make City Government more user-friendly
  - 2018 Council Goal to Promote Economic Development: Develop a predictable process
  - 2018 Council Service Productivity & Innovation Goal: 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.
  - 2018 Council Goal to Promote Economic Development: Make City Government more user friendly

Continue managing and tracking code enforcement cases related to building code violations

- The Building Department will continue to accept citizen complaints, manage compliance requests and uniformly enforce existing City Building Codes to

assist in improving the image of our City.

- o 2018 Council Goal to Promote Economic Development: Improve our image

**Building**

		Budget	Budget	Budget
		Year	Year	Year
	2016	2017	2018	
<b>Expenditures by Category</b>				
Salaries	98,800	95,250	109,500	
Benefits	30,470	28,340	32,260	
Supplies	4,000	3,200	3,200	
Service Charges	11,140	10,075	8,900	
Capital	1,400	1,400	1,400	
Total Expenditures	145,810	138,265	155,260	



## 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 thirteen 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
- Code Enforcement Fund
- Paths and Trails Fund
- Law Enforcement Sales Tax Fund
- City Council Strategic Reserve Fund

### PARKS FUND

The park fund provides the financial resources for staff to oversee the maintenance and operation of the city's parks, open spaces and public facilities, including the Municipal Building, City Library, Senior Center, Community Center, Park Caretaker Residences, Fire Station 2, police evidence building, museum apartments, and the Operations Division Headquarters. The parks fund also provides for the oversight of the downtown flower basket program. The department supervises the rental of park shelters, RV Parks, Community Center, Senior Center, and Hammer Heritage Square.

### 2017 Accomplishments

- General parks routine and preventative maintenance
- Cleaned and maintained 63,597 square feet of city owned facilities
- Upgraded riverfront park upper playground to current A.D.A. and safety standards.
- Purchased land for future park off Sapp Rd near Logan Park.
- Replaced and repainted failed siding on museum building.
- Painted & Replaced Rain Gutters on Community Center Building
- Painted Bingham Park Caretaker Residence
- Completed roof treatments at Hammer Square, Bingham Park, Riverfront Park,
- Installed water service and irrigation pipe at Houser Park & Playfield
- Installed new Houser Park & Playfield sign.
- Installed new site fencing Houser Park and Playfield.
- Managed 11 facilities maintenance/service contracts.
- Replaced flooring, restroom partitions, countertops and sinks at the Senior Center
- Constructed new storage closet, cabinetry, and coffee bar city hall room 202.
- Completed several lighting retrofit projects as part of our RCM Program
- Completed minor remodel project for the Police Department Records office.
- Completed storage building for Tesarik Field equipment.

- Completed new bbq pits at Riverfront Park with assistance of S-W Rotary
- Completed new caretaker's residence for Riverfront Park.
- Hosted 307 events, private parties, reunions, etc. at parks and public facilities (includes paid rentals only)
- Provided 1697 nights of R.V. Camping
- Sponsored and hosted wildcat steelhead club Riverfront Park.
- Hosted LoggeRodeo Carnival and fireworks show at Riverfront Park
- Hosted Founders Day, Classic Car Show
- Install debit/credit card payment machines at our two R.V. Park Facilities
- Construct new Riverfront Park Sign
- Complete Houser Park Storage building
- Complete Memorial Park Caretaker residence privacy fence
- Paint Senior Center and Library Exteriors
- Complete new flooring in police department squad room and fire training room
- Paint caboose and repair and re stain decks at Harry Osborne Park
- Continue to work on the cities Resource Conservation Program
- Clear underbrush at new Sapp Rd Property

### **2018 Goals and Objectives**

- Our goals for 2018 are to attempt to maintain our current levels of service
- 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
- Reapply for RCO Grant funding for improvements to Memorial Park and Winnie Houser Park
- Enclose skylight and construct new roofing system at Senior Center.
- Complete new Riverfront Park Caretaker Residence
- Replace kitchen floors at senior center, paint restrooms and kitchen.
- Construct new Bingham Park Restroom

### **Parks, facilities and Open Spaces that we maintain**

- Riverfront Park
- Memorial Park
- Bingham Park and RV Facility
- Hammer Heritage Square
- Lions Park
- Museum Apartments
- Holland Drug Park
- F&S Grade Road Park & Ride
- Harry Osborne Park & Train
- Metcalf Park & Tesarik Field
- Riverfront R.V. Park & Boat Launch
- Old Tesarik Ballpark
- Powerline Park at north end of Portobello
- Portobello St Property
- 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 and rights of way through city limits
- Old City Dump on Bassett Road
- Cook Rd Property
- Fire Dept. Training Property
- Fire Dept. Grounds
- Winnie Houser Park and Playfield
- 205 N. Reed Street
- Community Center
- Senior Center
- Bingham Park Caretakers Home
- Riverfront Park Caretakers Home
- Memorial Park Caretakers Home
- Municipal Building
- Library
- Park Shelters
- Operations Division maintenance facility
- Cemetery maintenance shop
- Sedro-Woolley Fire Station 2
- Sapp Rd Future Park

#### **Other parks duties**

- Flower baskets and barrels downtown, and all city flower beds
- Facility Rentals
- Park Benches and concrete benches downtown
- Playground Safety Inspections
- Picnic Tables
- Christmas Decorations
- Locating a City Christmas Tree and coordinating putting it up and taking it down
- 4<sup>th</sup> of July Decorations
- American Flags Downtown during holidays and celebrations.

- Other miscellaneous activities requested by the city leadership or citizens

#### **Parks**

		Budget	Budget	Budget
	Year	Year	Year	
	2016	2017	2018	
<b>Expenditures by Category</b>				
Salaries		202,020	203,325	241,200
Benefits		94,770	94,435	122,315
Supplies		45,300	45,150	49,650
Service Charges		233,065	251,150	281,307
Government Services		0	0	15,100
Capital		73,730	246,200	141,518
Transfers		16,623	16,623	10,000
Loan Payment		10,000	10,000	13,920
Total Expenditures		675,508	866,883	875,010

#### **CEMETERY FUND**

The City of Sedro-Woolley operates the 31.74 acre Union Cemetery which was formerly the IOOF Cemetery and Wickers Cemetery. The Cemetery fund provides the financial resources to operate the cemetery. Staff is responsible for the complete in ground burial of full bodies and inurnment of cremains be it in the ground or in an above ground Columbarium (Niche Wall). This includes the coordination of burial schedules, opening and closing of graves, set up and removal of equipment and evenly setting of grave markers. In addition cemetery ground and equipment are kept in top condition at all times.

#### **2017 Accomplishments**

Kept up nicely with general grounds and equipment maintenance

- Completed purchase of new property resulting in 5 acres for future expansion
- 45 Burials and Inurnments,

- Installed new property line fencing along the east edge of cemetery bordering food bank.
- Began maintaining additional 5 acres of cemetery expansion property (Riggles purchase)

### **2018 Goals and Objectives**

- Keep up with grounds and equipment maintenance
- Maintain high level of customer service
- Perform burials and inurnments as needed
- Replace 1 garage door cemetery maintenance facility
- Paint Cemetery office exterior

### **Cemetery**

	Budget Year 2016	Budget Year 2017	Budget Year 2018
<u>Expenditures by Category</u>			
Salaries	57,850	68,600	72,500
Benefits	42,600	33,665	32,975
Supplies	13,050	13,400	14,100
Service Charges	14,725	15,550	18,484
Government Services	0	0	3,500
Transfers	13,065	13,065	12,760
Total Expenditures	141,290	144,280	154,319

### **STREET FUND**

The Street Fund provides the financial resources to operate and maintain the street infrastructure within city limits. 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.

### **Overview of City Street System**

The Street Fund provides for the maintenance of streets, alleys, sidewalks, shoulders, signage, pavement markings, bridges, traffic signals and illumination within the City of Sedro-Woolley.

Presently there are 44.31 centerline miles of street maintained by the City, with 13.46 miles of Arterial streets and 30.85 miles of Local Access streets. In addition, WSDOT maintains 4.23 miles of state highway within the City for which the city provides street sweeping, shoulder and storm drainage maintenance. There are two bridges and five major culverted creek crossings owned and maintained by the city. The City also has 38.12 miles of sidewalks, 1.91 miles of Shared Use Paths and 0.81 miles of Trails maintained by the Department, including approximately 550 Handicap Ramps. Approximately 25% of the existing ramps will require upgrade to meet current ADA standards. In addition to the ramps, portions of the sidewalk system may require upgrade due to condition and driveway approaches that do not meet ADA requirements. The fund also pays for 744 street lights owned and maintained by PSE-Intolight, and 36 City-owned decorative luminaries in the downtown area.

### **2017 Accomplishments**

- Kept up with routine maintenance, patching, signs, striping, alley grading, tree trimming.
- Responded to several emergency incidents including snow and ice control and wind storm debris clean up, motor vehicle accidents, and flooding.

- Continuing to update City-maintained signage in compliance with Manual of Uniform Traffic Control Devices (MUTCD) requirements and city street sign inspection and maintenance policy.
  - Oversaw TIB Pavement Repair Project and Arterial Crack Seal Project. Funded through TIB and arterial street fund.
  - Resurfaced 3 Lane Miles of city streets including: Heather Ln, 5 Blocks of Fidalgo, 2 blocks of Central, 1 block of Haines, Southern Ave, River Rd, Polte Rd, Alexander Street, Robinson St.
  - Rebuilt and repaved municipal parking lot at Metcalf and Warner Streets.
  - Laid down 46 Tons of Pot Hole Patching Asphalt
  - Applied 375 Gallons of Traffic Paint
  - Replaced 435 Street Signs
  - Assisted 5 participants in the City Sidewalk Replacement Partnership Program., which provides assistance including removal and disposal to homeowners upgrading substandard sidewalks adjacent to their properties.
  - Assisted with capital projects as needed.
- to afford safe passage for motorists and pedestrians
- Continue street sign replacement program in compliance with MUTCD requirements
  - Continue ADA Sidewalk and Handicap Ramp upgrade and maintenance program.
  - Maintain all traffic and pedestrian markings to high standard
  - Maintain all traffic control devices, guard rails, and fences to a high standard.
  - Perform Crack Seal maintenance program local access streets
  - Oversee Arterial Crack Seal maintenance project done by contract
  - Expand Residential Sidewalk Replacement Partnership Program

### **Overview of Routine Street Infrastructure Duties**

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- 3 days per week winter, 2 days per week summer
- Traffic Sign Maintenance – as needed
- Snow and Ice control and other emergency operations
- Annual Street resurfacing projects (Reconstruction, Chip Seals, Overlays, etc.)
- City Parking Lot Maintenance
- Alley and Shoulder Maintenance

### **2018 Goals and Objectives**

- Continue with annual road resurfacing schedule funded at \$200,000 this year between arterial streets and local access streets.
- Continue to maintain streets, sidewalks, alley's and shoulders

- Pavement markings, including road striping, stop bars, cross walks, and parking striping, truncated domes,
- Downtown street lighting, (36 Luminaries)
- Traffic Control Signals (5 locations)
- Right of way mowing and trimming
- Right of way solid waste removal
- Tree and vegetation trimming in right of way
- Dead animal removal and disposal
- Capital Project assistance

### **Streets**

	Budget Year 2016	Budget Year 2017	Budget Year 2018
<b>Expenditures by Category</b>			
Salaries	213,950	222,475	205,300
Benefits	112,370	112,785	114,215
Supplies	66,800	78,500	85,150
Service Charges	225,155	282,860	220,734
Capital	75,000	100,000	150,000
Transfers	119,585	119,915	78,878
Total Expenditures	812,860	916,535	854,277

### **OFFENDER WORK PROGRAM**

(funded through General Fund legal budget)

The offender work program is funded from the legal budget in the city's general fund. The program allows nonviolent low level criminal offenders the opportunity to perform community service work as an alternative to serving their time at the Skagit County Community Justice Center. The program is managed by a part time offender work program supervisor with oversight from the Public Works Operations Supervisor. The offender program supervisor works closely with

the Police Department and the Municipal Court to screen offenders to determine their eligibility for the program.

Offender work program duties:

- Retention Pond Vegetation Management
- Flower Bed Weeding, all city facilities and parks,
- Picnic table painting
- Vehicle washing
- Litter pickup
- Graffiti Abatement
- Sidewalk cleaning
- Painting Parking Curbs
- Many other duties

Offenders performed **1,924.5** Hours of Work in 2017. Equivalent to .92 percent of a FTE. Full time employee.

### **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 Year 2016	Budget Year 2017	Budget Year 2018
<b>Expenditures by Category</b>			
Government Services	2,892	7,688	7,772
Capital		863,313	1,319,299
Transfers		500,000	507,700
Total Expenditures	1,366,205	1,834,687	999,272

### **LIBRARY FUND**

Beginning February 18, 2018 library services are provided to Sedro-Woolley residents by contract with the Central Skagit Rural Partial County Library District. The city pays an annual fee that

along with its capital contribution, equal its assessed valuation times the district's millage rate. For 2018, the city's total assessed value \$885,446,218 x the District's millage rate of \$.4306/\$1,000 assessed value = \$381,273 for twelve months. The actual amount paid for 2018 is prorated for the partial years service.

The Central Skagit Sedro-Woolley Library is located at 802 Ball Street, phone 360-755-3985, and is open as follows:

**Regular Hours:**

Monday -Wednesday: 10:00am - 8:00pm  
 Thursday and Friday: 10:00am - 6:00pm  
 Saturday: 11:00am - 3:00pm

**Book-drop available 24/7**

**Wi-Fi 24/7**

Notices, events and activities as well as online access to library materials can be found at [www.centralskagitlibrary.org](http://www.centralskagitlibrary.org). The library district is managed by a board of trustees and directed by Jeanne Williams, Library Director.

The city and the district are committed to a partnership that will last at least 20 years and includes the contracted services described above as well as the joint development and ownership of a new library. The new library will be located at 100 W. State Street and is currently in design by SHKS Architects. The committed budget includes \$5.0M in debt proceeds, \$300K in shared, saved funds, \$1.5M capital appropriation from the State and additional funds from the district for furniture, fixtures & equipment as well as an opening day collection. The new library is expected to open to the public in the spring of 2020.

**Library**

		Budget Year 2016	Budget Year 2017	Budget Year 2018
<b>Expenditures by Category</b>				
Salaries		189,725	193,850	201,500
Benefits		53,550	53,770	58,060
Supplies		7,500	8,000	8,500
Service Charges		40,625	43,300	44,900
Government Services		3,700	4,500	4,500
Capital		15,000	16,000	16,580
Transfer		0	0	2,460
Total Expenditures		310,100	319,420	336,500

**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.

In 2016, \$95,500 was transferred to the Cemetery Operations Fund to purchase the adjoining Riggles ten acre property for future cemetery expansion. The Riggles will remain in their home as long as they wish. The City has a lease/purchase agreement with the Sedro-Woolley Helping Hands Food Bank for five acres providing a permanent location for this valuable community resource.

**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.

#### **CODE ENFORCEMENT FUND**

The Code Enforcement Fund was established in 2012 for costs related to code enforcement and civil nuisance

actions. The increase in utility taxes collected on city operated utilities for the second half of 2012 was designated to this fund to provide start up monies. Fines, penalties and awarded damages related to these actions are deposited into this fund.

#### **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.

#### **LAW ENFORCEMENT SALES TAX FUND**

The Law Enforcement Sales Tax Fund receives the County wide voter approved public safety sales tax dollars and remits the same consistent with the City's interlocal agreement with Skagit County for the shared use of the Skagit County jail facility.

#### **CITY COUNCIL STRATEGIC RESERVE FUND**

The City council Strategic Reserve Fund receives the 6% (effective tax rate is 4.8%) city utility tax on domestic water. The proceeds are primarily used to reduce debt. The remaining funds will remain in this Council restricted fund for critical infrastructure. Uses could include infrastructure to support economic development and job creation, match for state or federally funded infrastructure projects, or to address failing infrastructure.

## **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 has no outstanding voted bonds.

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 2012 the City acquired 9.52 acres of park land through a donation/purchase agreement. The Houser family sold this land to the City at half the fair market value with the requirement that the land be used for playfields. The City paid them \$100,000 at close and issued a ten-year note payable for the remaining \$100,000 with annual payments of \$10,000 at no interest.

(Voted and Non-Voted Bonds)			
	Total Principal	Total Interest	Total Debt Service
2018	55,791	104,759	160,550
2019	57,680	102,870	160,550
2020	59,646	100,903	160,549
2021	61,694	98,856	160,550
2022	63,827	96,723	160,550
2023	56,047	94,503	150,550
2024	58,359	92,191	150,550
2025	60,766	89,784	150,550
2026	63,273	87,277	150,550
2027	65,883	84,667	150,550
2028	68,600	81,949	150,549
2029	71,430	79,120	150,550
2030	74,377	76,173	150,550
2031	77,445	73,105	150,550
2032	80,639	69,910	150,549
2033	83,966	66,584	150,550
2034	87,429	63,120	150,549
2035	91,036	59,514	150,550
2036	94,791	55,759	150,550
2037	98,701	51,849	150,550
2038	102,773	47,777	150,550
2039	107,012	43,538	150,550
2040	111,426	39,124	150,550
2041	116,022	34,527	150,549
2042	120,808	29,741	150,549
2043	125,792	24,758	150,550
2044	130,981	19,569	150,550
2045	136,384	14,166	150,550
2046	142,009	8,540	150,549
2047	65,029	2,682	67,711
Totals	2,589,616	1,894,038	4,483,654

## 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 seven non-utility capital project funds called the Capital Projects Reserve Fund, Building Maintenance Reserve Fund, Transportation Benefit District Fund, Mitigation Reserve for Police, Parks Impact Fee Reserve Fund, Fire Impact Fee Reserve Fund and Public Safety Sales Tax Reserve 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 Building 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.

### **TRANSPORTATION BENEFIT DISTRICT**

This fund receives a \$20 license fee for each vehicle registered within the City limits to be used for transportation improvements included in the City's transportation plan. Monies are transferred from this fund to the Arterial Streets fund as local match for eligible projects.

### **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 GMA. Monies are transferred from this fund to the General Fund for eligible projects.

### **PUBLIC SAFETY SALES TAX RESERVE**

Citizen approved one tenth of one percent (.001) sales and use tax receipts are received into this fund. This tax is specifically for Police and Fire vehicles and equipment. Monies are transferred to the Equipment Replacement Internal Service Fund for eligible purchases.

## **ENTERPRISE FUNDS**

### **SEWER FUNDS**

#### **Collection Division Function**

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; to prevent sewer overflows and minimize 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 inspects 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 geodata base in ARC map 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.

#### **2017 Collection Accomplishments**

- Cleaned and CCTV inspected 4.7 miles of the approximate 44 miles of wastewater collection system. Updated the collection geodata base in ARC map as necessary.
- Responded to 36 sewer complaints in a professional and timely manner.
- CCTV inspected problem stormwater lines in the City (57 hours).
- 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 at pump stations throughout the City. Performed emergency bypass drill at Klinger Pump Station.
- Repaired 16 defective sewer lines and installed approximately 40 cast iron clean-out monuments in City right-of-way using wastewater staff and equipment. Purchased a 50G John Deere Excavator to assist with digs.
- Performed pump station ground maintenance including weeding, mowing and spraying.
- Public Works Inspector Wally Hoyt performed grease trap, grease interceptor and oil/water separator inspections at commercial kitchens, restaurants and industrial sites.
- Performed monthly skimming's and bi-annual cleaning of the grease interceptor at the WWTP.
- Performed 666 utility locates for both sewer and storm lines as required by Washington Utilities Coordinating Council (WUCC).
- Performed Collection vehicle cleanings.
- Collection Operators attended Flagging Classes, Collection Operators School, Bloodborne Pathogen training and Competent Person Training. Upgraded IT Pipes Software and performed on-line training.
- P&P Excavation rebuilt the City RV Dump Station slab at the WWTP. (Cost \$9,985.29)
- P&P Excavation replaced the failing manhole lid and ring and repaved the area with asphalt at the intersection of SR9 and Evans Drive. (Cost \$4,740.44)
- P&P Excavation replaced the failing manhole lid and ring and repaved the area with asphalt on the shoulder of SR 20 near Roadside Park. (Cost \$3,780.74)
- Interwest Construction replaced two side sewers in the ROW behind 535 Warner Street. Both homes were tied together and were without sewer service. City crews were unable to do the work due to the sewer main being approximately 15 feet deep. (Cost \$5,820.57)
- Insituform began cleaning and CCTVing pipe that will be lined in early 2018. (Cost \$75,359.84)
- Development added 2,010 feet of 8-inch sanitary sewer main line and 1,240 feet of 2-inch HDPE pressure line.

### **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 concern for public safety, health and environmental quality.

### **2018 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
- Operate and maintain pump stations to assure optimal performance and reliability.

## 2018 Objectives

- Prevent violation 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 the WWTP in a manner that produces high quality effluent and biosolids in the most efficient and cost effective manner.
- Maintain appearance of City vehicles and equipment to prolong life and show assets are well cared for. Vehicles and equipment are stored indoors keeping them out of the elements and detouring theft.
- 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.
- Network with other Treatment Plant Operators to share ideas on ways to improve plant

performance and treatment. Attend classes and workshops to stay current with new regulations and cutting edge technology.

## 2017 WWTP Accomplishments

- Treated 313,010,545 gallons of Wastewater reducing Total Suspended Solids by 96% and Biochemical Oxygen Demand by 98%. In 2017, used 42% of the WWTP hydraulic capacity based on average monthly flows (used 87% based on max monthly flows), 31% TSS capacity (38% max monthly) and 39% BOD capacity (45% max monthly). Average daily flows were 0.859 million gallons per day with a max monthly flow of 1.800 MGD in March of 2017.
- Treated 3,247,813 gallons of Biosolids resulting in 167.43 Dry Tons of Class B Biosolids; completed and submitted Annual Biosolids Report to DOE and EPA in February; supplied Biosolids to Janicki Industries for the Omni Processor; made a site visit to Boulder Park with Mayor Keith Wagoner.
- Received Department of Ecology's Outstanding Performance Award for exemplary operation of the City's Wastewater Treatment Plant (for 2016).
- Successfully passed laboratory performance audits to maintain laboratory accreditation.
- Performed pump station and emergency generator inspections once per week in addition to daily SCADA monitoring. The Wastewater Division maintains

- eleven sewer pump stations and two stormwater pump stations.
- Performed routine maintenance activities and inspections on WWTP and pump station equipment. Pulled every pump and checked tolerances. Non-routine maintenance highlights: Replaced manual polymer mixing system with automated system; Installed new butterfly valve on Blower; Replaced sweeps on the bottom of Clarifier #1; Replaced UV bulbs and sleeves on Bank A; New cord installed on Mt. View Pump #1; Replaced level sensors on various pump stations; Installed new compressor for Belt Press and Thickener. Maintenance activities were logged and tracked using Job Cal software.
- Monitored nitrification cycle and controlled filamentous bacteria using ORP technology and chemical dosing. Installed new controller and probes on Oxidation Ditch.
- Generator Services NW completed quarterly and annual maintenance on the WWTP and pump station generators.
- Plant Operators attended Pesticide School, Bloodborne Pathogen training, the PNCWA Short School, Pipeline Awareness Class, Disaster Management for WWTP's, Sexual Harassment Training, Leadership Symposium, Emergency Preparedness Workshop, First Aid/CPR Class, CESCL Re-certification and quarterly Pacific Northwest Clean Water Association Section (PNCWA) meetings.
- Participate in the third “Public Works Day” where City equipment was staged at the Library/Community Center to allow children to check out Police Cars, Fire Engines, Dump Trucks, Backhoes, Vac Trucks, CCTV Trucks, Graders and Large Mowers.
- Completed Capacity Assessment of the WWTP with Brown & Caldwell Engineering to establish remaining plant capacity. Authorized modeling of the plant to verify results. (2017 Cost \$40,243.51)
- Installed five LED light heads to complete exterior lighting upgrade.
- Seahurst Electric completed preventive maintenance thermography testing of all pump stations.
- Hosted quarterly safety meeting with program on the Opioid epidemic.
- New TopView software installed on SCADA computer for emergency call-outs.
- In preparation of the NPDES permit renewal in 2018, additional laboratory testing of the plant Effluent was required per Department of Ecology. Winter and summer Acute and Chronic testing performed by Eco Analysts Laboratory in Port Gamble, WA. (Cost \$13,800) Three sets of Priority Pollutant Effluent samples were also analyzed by Edge Analytical. (Cost \$5,481)
- Per NPDES requirements, an outfall pipe inspection was performed to verify pipe integrity. Inspection performed

by Northwest Dive. (Cost  
\$4,177.25)

### **Sewer Operations**

	Budget Year	Budget Year	Budget Year
	2016	2017	2018
<b>Expenditures by Category</b>			
Salaries	737,950	784,500	831,000
Benefits	362,945	357,200	389,850
Supplies	139,000	135,500	161,000
Service Charges	578,625	571,000	582,900
Government Services	21,000	21,000	20,800
Capital	497,000	985,000	681,000
Transfers	1,035,007	1,036,707	1,058,938
<b>Total Expenditures</b>	<b>3,371,527</b>	<b>3,890,907</b>	<b>3,725,488</b>

### **OPERATIONS RESERVE FUND**

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

### **SEWER DEBT SERVICE**

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

The source of monies to repay the revenue bond debt service comes from utility revenues, not property taxes. In addition to revenue bonds, cities may apply to Washington State for low interest and/or interest-free loans. This is a competitive process that involves city staff presenting a proposal in Olympia

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

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

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

The city has received three Public Works Trust Fund (PWTF) low interest State Loans. 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 \$6,650,000 at an interest rate of 0.5%. The third PWTF loan for \$3,803,289 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. The final

installment on these bonds will be paid June 1, 2018.

Public Works Trust Fund Loans			
	Total Principal	Total Interest	Total Debt Service
Year			
2018	590,360	28,396	618,756
2019	590,360	25,444	615,804
2020	590,360	22,492	612,852
2021	590,360	19,540	609,900
2022	590,360	16,589	606,949
2023	590,360	13,636	603,996
2024	590,360	10,685	601,045
2025	590,358	7,732	598,090
2026	552,082	4,781	556,863
2027	202,082	2,021	204,103
2028	202,080	1,010	203,090
Totals	5,679,122	152,326	5,831,448

Sewer Utility Revenue Bonds			
	Total Principal	Total Interest	Total Debt Service
Year			
2018	415,000	8,300	423,300
Totals	415,000	8,300	423,300

## **SOLID WASTE UTILITY**

### **Mission Statement**

To provide solid waste and recycling pick up in a safe, timely and cost efficient manner for the rate payers in the City of Sedro-Woolley.

### **Staffing**

- Supervisor (shared with Fleet)  
1-PWW Class 3
- 3-PWW Class 2
- Yard Waste & Recycling Attendant: 2 days per week for 9 months
- 1 Janitorial & Yard Attendant 10 hours per week.

### **2017 Accomplishments**

- Continued to provide excellent services to our rate payers
- Set aside needed money in reserves for the Solid Waste Department, and to fund a replacement Solid Waste/ Equipment Maintenance Facility
- Purchased a new Garbage/ Recycling truck (Completed)
- Added new logo to our new frontload truck that should help it stay cleaner
- Added a vehicle counter to monitor how many people we get at our recycling and yard waste facility

### **2018 Goals**

- Continue to operate Solid Waste operations in an efficient and cost effective manner
- Explore alternative to every other week recycling such as every week recycling service
- Explore alternative to having yard waste as a Monday only pick up and look to have it picked up on the same day as the rest of the customer's services such as garbage and recycling
- Monitor the commodities markets as they continue to increase rules and demand cleaner recyclables
- Purchase a new or used loader or back hoe for solid waste yard
- Repair or replace out dated dumpsters and toters as needed
- Continue with color coding the lids for better identification of garbage, recycling and yard waste. This will give our rate payers a better customer experience

- We are working with the school district to provide educational videos for recycling.

### 2018 Objectives

- Monitor costs related to the assumption of Recycling & Yard Waste programs
- Update website for easier use by our rate payers
- Add better information in flyers and website so customers know what goes into the recycling toters
- Add videos from the school district to our web site
- Monitor the increasing truck and equipment usage. The larger the City grows the need for more staff and equipment will grow. We are at capacity now and will need to add an additional full time employee to keep up with the growth by the end of 2018
- Continue to grow the curbside Yard & Food Waste program we are around 1150 customers for 2017
- Explore the idea at providing weekly recycling services for curbside recycling.
- Look to add yard waste services on the day of all the other services, currently we pick up the entire City on Mondays

- Vehicle Batteries (37)
- Used oil (1200 gallons)
- Anti-freeze (0 gallons)
- Appliances (90)
- Tires (180)
- Metal (50,000 pounds)
- Electronics (71,025 pounds)
- We also recycle brush and grass (5,000 plus yards)
- In addition we manage the storm water and street sweeping materials (300-500 yards per year)

2017 Total of our Site Recycling.

**200.95 Tons**

2017 Total Curb Side Recycling.

**846.77 Tons**

2017 Commercial Recycling

99.07 Tons

2017 Total Garbage both Curbside and Commercial

**8,445.60 Tons**

### **Solid Waste Operations**

		Budget	Budget	Budget
		Year	Year	Year
Expenditures by Category				
Salaries		415,750	440,150	486,100
Benefits		196,425	208,030	215,575
Supplies		197,500	172,000	172,000
Service Charges		858,455	878,600	929,300
Capital		35,000	45,000	45,000
Transfers - Internal		303,734	308,299	367,256
Total Expenditures		2,006,864	2,052,079	2,215,231

### **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.

Our Recycling Site is averaging 35 plus people per day. We recycle materials like tin, aluminum, glass, plastic and cardboard. We are getting over 200 tons per year, here is a list of other recycling that we do for the community:

2018 Budget

## **STORMWATER FUND**

The Storm Water Utility fund provides the financial resources to operate and maintain the city's storm water infrastructure. Public Works Operations uses a portion of fund revenues to perform the inspection, repairs, and maintenance of the storm water infrastructure. Another portion is dedicated to NPDES Permit Compliance activities performed by the Engineering Department. The 2018 budget includes funding for an additional .5 FTE to add another day per week of street sweeping and to perform the Brickyard Creek mowing with in house staff.

### **Overview of City Storm System and Maintenance Duties**

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

- City owned Storm water Detention Facilities – 11 locations
- Detention Vaults, Ecology Embankments, etc – 3 locations
- Storm water System Piping 6" to 36" diameter (197,879 LF) including Force Mains (2,431 LF)
- Drainage catch basins (1,920 each)
- Numerous French Drain Locations
- Road Culverts varying from 12-inches to 96-inches in diameter, (7,200 LF)
- Drainage Ditches, (38,950 LF)
- Storm water pump station – 2 total (currently maintained by Wastewater Treatment Staff)
- Brickyard Creek – 4.25 miles

- Street Sweeping- 3 days per week Fall/Winter, 2 days per week Spring Summer
- Inspect ½ of entire city catch basins per year approximately 1100 CB's.
- Clean CB's and Lines as required by NPDES Permit.
- Inspect storm system outfalls after major storm events.
- Mow and clean conveyance ditches, detention facilities, and Brickyard Creek.
- Respond to reports of illicit discharges.

### **2017 Accomplishments**

- General Storm Water System Maintenance, inspection, and repairs.
- Performed all NPDES Permit Compliance activities
- Cleaned 228'LF of Storm System Piping
- Cleaned 162 catch basins
- Inspected 1278 catch basins and manholes
- Cleaned 97'LF of Culvert
- Mowed or cleaned 17,422' LF feet of drainage ditch
- Performed annual vegetation maintenance and trash cleanup for Brickyard Creek
- Provided 1314 hours of street sweeping
- Installed drainage system for Heather Ln
- Replaced failed section of CMP and 3 catch basins along N. Township Street.
- Provided maintenance and inspection for all city owned detention ponds and facilities.

## 2018 Goals and Objectives

- Continue to inspect and clean storm water system on schedule
- Implement additional street sweeping hours in the fall and winter and early spring,
- Mow and clean conveyance ditches.
- Continue with NPDES compliance activities
- Perform annual maintenance on Brickyard Creek
- Identify needed repairs through inspections and perform repairs to system as funding allows.

## **Stormwater Operations**

	Budget Year 2016	Budget Year 2017	Budget Year 2018
<u>Expenditures by Category</u>			
Salaries	239,545	250,675	314,900
Benefits	116,705	117,550	158,085
Supplies	11,000	11,000	10,900
Service Charges	105,325	107,600	47,886
Government Services	10,610	10,951	11,200
Capital	0	60,000	50,000
Debt Service	0	10,575	10,575
Transfer	102,890	93,275	119,019
Total Expenditures	586,075	661,626	722,565

## **STORMWATER RESERVE FUND**

The reserve fund was created in 2013 as a Capital Projects Reserve.



## **INTERNAL SERVICE FUND**

### **EQUIPMENT REPLACEMENT/FLEET DIVISION**

#### **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- three days per week)

#### **2017 Accomplishments**

- Serviced rolling stock in Public Works (approx. 75 units)
- Completed as many small repairs to Public Works units as possible
- We continue to track all equipment on computer by cost and repairs of each unit. This enables us to assess costs and use of each unit
- Updated ERR database for equipment hours and mileage use during year
- Surplus of equipment as necessary
- Purchased new gator for WWTP
- Purchased New (FL) Garbage truck

#### **2018 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 minor repairs in house as much as possible and in a timely manner to support public works operations
- Purchase new or used back hoe or loader to support our yard waste drop off program
- Purchase new admin unit escape
- Purchase new boom mower for street and storm water departments
- Support Purchase new vactor truck.

#### **2018 Objectives**

- Keep equipment down time to a minimum
- Perform all scheduled fleet maintenance
- Purchase newer fleet maintenance equipment such as upgraded welder, code readers & service equipment

#### **Fleet Department “Expenditures Only”**

	2012	2013	2014	2015	2016	2017
Admin	460.81	2396.97	1951.51	3007.06	2626.80	5333.09
Parks	4383.76	9996.04	8401.99	6791.11	6958.73	15809.18
Cemetery	297.50	624.84	1031.77	26.18	1120.64	1884.17
Street	14076.44	17272.13	38834.98	28427.36	42113.89	20357.41
WWTP	1878.61	3124.09	22832.51	10260.55	7850.44	27097.34
Solid Waste	51281.58	19112.16	29205.90	70714.70	54291.00	69755.98
Storm	4597.46	1818.17	729.55	4836.40	13364.12	6629.41
Total	76976.16	54344.4	102988.21	124063.36	128325.6	146866.6

### **Equipment Replacement & Fleet**

		Budget Year 2016	Budget Year 2017	Budget Year 2018
<b>Expenditures by Category</b>				
Salaries		49,795	51,500	53,100
Benefits		15,950	16,360	16,895
Supplies		4,000	5,000	5,000
Capital		720,625	577,900	1,215,000
Total Expenditures		790,370	650,760	1,289,995

## ADDENDUM A

### City of Sedro-Woolley

### 2018 Budget Calendar

June-July	Council goals reviewed and revised accordingly
08/09/17	Call issued for Lodging Tax Letters of Request
08/14/17	Call letter issued to Departments
08/23/17	Resolution appointing members to the Lodging Tax Advisory Committee
09/05/17	Lodging Tax Applications due to Finance Department
09/05/17	2017 Estimated Expenditures report distributed to Departments
09/15/17	Budget requests from Departments due to Finance Director – BIAS budgeting is now closed to Departments; all budget revisions must be processed by the Finance Department.
09/25/17	Proposed preliminary budget (unbalanced) detailing estimated revenues and expenditures by Fund due to City Supervisor
10/04/17	Council Worksession - Mayor informs Council of status of 2017 estimated revenues and 2018 preliminary estimated revenues & expenditures (unbalanced)
October	City Supervisor meets with Departments to review budget requests and compare to Council stated goals
10/23 &10/30/17	Publish notice of property tax and sewer, solid waste and stormwater utility rate increase public hearings held 11/08/17
10/25/17	Property Tax Levy & sewer, solid waste and stormwater utility rate increases – first read of Ordinances
11/01/17	Mayor's Preliminary Budget filed with Finance Director
11/01/17	Council Worksession – distribution and Council discussion/input of Mayor's Preliminary Budget (balanced)
11/02/17	Mayor's Preliminary budget available for the public
11/06&11/13/17	Publish notice of budget public hearing held 11/21/17
11/08/17	Public Hearing on Property Tax Levy & sewer, solid waste and stormwater utility rate increases - second read of Ordinances and possible adoption (property tax levy must be adopted before 11/30/17)
11/08/17	First read of budget ordinance
11/21/17	(Tuesday) Public Hearing on Budget – second read of budget ordinance (must be adopted before 12/31/17)
11/21/17	Salary ordinance
12/29/17	Final Budget transmitted to SAO and MRSC
01/29/18	Department budget narratives including 2017 accomplishments & 2018 goals & objectives due to Finance Director

## STATUTORY LEGAL DEBT MARGIN

	Total Taxable Property Value	\$810,256,655	
			Remaining Debt Capacity
General Purpose Indebtedness (Legal Limit 2.5% of Taxable Property Value)		\$20,256,416	
General Purpose Indebtedness Without A Vote (Legal Limit 1.5%)		\$12,153,850	
Less: Outstanding Debt		(\$2,787,119)	
Less: Contracts Payable			
Less: Excess of Debt with a Vote			
Add: Assets Available	\$ 185,565		
Subtotal		(\$2,601,554)	
Equals Remaining Debt Capacity Without a Vote		\$9,552,296	
General Purpose Indebtedness With A Vote (Legal Limit 1%)		\$8,102,567	
Less: Outstanding Debt		-	
Less: Contracts Payable		-	
Add: Assets Available	\$ -		
Subtotal		\$0	
Equals remaining Dept Capacity With a Vote		\$8,102,567	
Utility Purpose Indebtedness With a Vote (Legal Limit 2.5%)		\$20,256,416	
Less: Outstanding Dept	\$ -		
Less: Contracts Payable	\$ -		
Add: Assets Available	\$ -		
Subtotal	\$ -		
Equals Remaining Dept Capacity - Utility Purpose, Voted		\$20,256,416	
Open Space, Park & Capital Facilities Indebtedness With a Vote (Legal Limit 2.5%)		\$20,256,416	
Less: Outstanding Debt	\$ -		
Less: Contracts Payable	\$ -		
Add: Assets Available	\$ -		
Subtotal	\$ -		
Equals Remaining Debt Capacity - Open Space, Park and Capital Facilities With a Vote		\$20,256,416	

## **PERSONNEL SERVICES**

The City of Sedro-Woolley provides quality services and programs for its citizens with a responsive staff of 61 full-time and 41 part-time budgeted positions for 2018. 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 2.99% COLA in 2018. The general government employees represented by AFSME received a 2% COLA for 2018 in addition to wage adjustments by position resulting from a compensation study. Of the adjustment agreed upon, 40% will be given in 2018; 30% in 2019 and an additional 30% in 2020.

Non-represented employees also received a COLA increase in 2018 of 2.0% plus wage adjustments based upon a compensation study. 40% of the adjustment will be received in 2018.

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	5.43%	8.75%	14.18%
PERS II	12.70%	7.38%	20.08%
PERS			
III	12.70%	variable	variable

Monthly premiums for medical, dental and vision coverage for a family of 4 persons is \$2,294. Employees pay a percentage of their medical premiums.

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 (37 members, contract expires December 31, 2020)
- Sedro-Woolley Public Safety Guild (19 members, contracts expires December 31, 2019).

### **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.

**Personal Status Report  
Full-Time Equivalents (Non-Seasonal)**

Department	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Judicial	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1	1	1
Executive/Legal	1.5	1.5	1.5	1.5	1.5	1.5	2.5	2.5	2	2	2.5
Finance	5	5	5	5	5	5	5	5	5	5	5.5
Central Services	1	0	0	0	0	0	0	0	0	0	0
Information Technology		1	1	1	1	1	1	1	1	1	1
Building, Planning & Engineering		7	7	6	8	7	6	6	7	7	7
Police	21.5	21	18.3	18.6	18.7	18.9	17.9	19.9	20.9	20.9	20.9
Fire		4	4	6	6	8	8	8	8	8	9
Public Works Operations <i>(Parks, Cemetery, Streets, Stormwater)</i>	10	10	8	8	8	8	8	8	8	8	9
Library		4	4.5	4.5	4.5	4.6	4.6	4.6	4.9	4.9	4.9
Sewer		8	8	7	7	7.5	7	7	7	7	7
Solid Waste/Fltte		4.8	5.3	5.3	5.3	5.2	5.5	4.5	4.5	5.5	5.5
<b>Total</b>	<b>67.3</b>	<b>67.8</b>	<b>63.1</b>	<b>65.4</b>	<b>67</b>	<b>66</b>	<b>65</b>	<b>67.3</b>	<b>70.3</b>	<b>70.3</b>	<b>73.3</b>

## GLOSSARY

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

**ACCURAL BASIS OF ACCOUNTING:**

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

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

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

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

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

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

years to the last maturity or mandatory redemption date thereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**COLA:** Cost of Living Allowance.

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

**CONCURRENT OR**

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

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

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

**COUNCILMANIC BONDS:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

and for which preparation of an income statement is desirable.

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

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

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

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

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

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

improvements other than buildings and land.

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

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

**FTE:** Full-time equivalent employee.

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

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

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

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

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

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

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

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

**GOALS:** The objective of specific tasks and endeavors.

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

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

**IAC:** Interagency Committee for Outdoor Recreation.

**ISTEA:** Inter-modal Surface Transportation Efficiency Act.

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

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

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

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

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

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

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

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

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

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

**IPD:** Implicit Price Deflator.

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

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

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

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

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

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

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

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

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

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

**MODIFIED ACCRUAL BASIS:** The basis of accounting under which expenditures, other than accrued interest on general long-term debt, are recorded at the time liabilities are incurred and revenues are recorded when received in cash 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.

**TRANSPORTAION 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.

## 2018 City Council and Planning Commission Meeting Dates

All Meetings are Open to the Public

**Time & Location:**

**City Council worksessions** – 7:00 P.M., Public Safety Training Room, 220 Munro St.

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

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

January 3 – Council work session

January 10 – Council meeting

January 16 – Planning Commission

January 24 – Council meeting

July 11 – Council Meeting

July 17 – Planning Commission

July 25 – Council meeting

February 7 – Council work session

February 14 – Council meeting

February 20 – Planning Commission

February 28 – Council meeting

August 8 – Council meeting

August 21 – Planning Commission

August 22 – Council meeting

March 7 – Jt. Council & PC work session

March 14 – Council meeting

March 20 – Planning Commission

March 28 – Council meeting

Sept 5 – Jt. Council & PC work session

Sept 12 – Council meeting

Sept 18 – Planning Commission

Sept 26 – Council meeting

April 4 – Council work session

April 11 – Council meeting

April 17 – Planning Commission

April 25 – Council meeting

October 3 – Council work session

October 10 – Council meeting

October 16 – Planning Commission

October 24 – Council meeting

May 2 – Council work session

May 9 – Council meeting

May 15 – Planning Commission

May 23 – Council meeting

November 7 – Council work session

November 14 – Council meeting

November 20 – Planning Commission

November 28 – Council meeting

June 13 – Council meeting

June 19 – Planning Commission

June 27 – Council meeting

December 5 – Council work session

December 12 – Council meeting

December 18 – Planning Commission

