

# CITY OF SEDRO-WOOLLEY



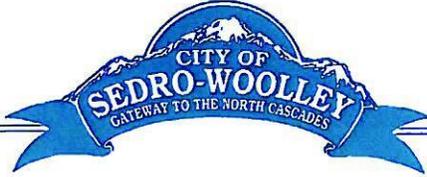
**SR 20 Roundabout Dedicated – November 5, 2009**

*Photo Courtesy of Mark A. Freiberger, PE, Director of Public Works/City Engineer*

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

## **Final Budget** **2010**





Mike Anderson  
Mayor

## 2010 Budget Message

To the Citizens of Sedro-Woolley:

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

Early in 2009, we acknowledged the changing economy and took swift action to reduce spending in 2009 to buffer the reductions that would occur in 2010. At the time that was a difficult choice because we did not want to overreact; in hindsight, it was a choice that makes our 2010 budget choices hard but not impossible. As part of our 2009 budget reductions, the city asked its employees to shoulder much of the burden of balancing the budget. Our non-represented employees took furlough days that resulted in approximate cuts in pay of 3.7%. Our AFSCME represented employees switched medical plans mid-year, accepted furlough days that reduced their pay by approximately 3.2% and lost positions (street foreman and PWW II at the WWTP). Our SWPSG represented employees lost positions and waived their COLA for 2010. Our employees continue to do more with less and have stepped up to the plate to minimize the impact of revenue shortfalls on the services that our community depends on.

My top objective for 2009 was the same as 2008, economic development. This must continue to be at the top of our agenda as we move forward from this recession. Unlike 2008 and 2009, the very top objective of the 2010 budget is simple: preservation of core services. While our cuts have impacted the basic function of city government, this budget attempts to balance the services and still provide as many of the basic services as possible. Our community, however, will feel the impacts of these reductions in 2010.

In recognizing the state of the economy and the financial distress of our community, I asked and the Council agreed, for the second year in a row, that we **not increase property taxes**. This budget also includes no increases in wages for our non-represented employees, no increase in wages for our SWSPG represented employees and only a 2.0% percent increase for our AFSCME represented employees. This increase was bargained for in 2008 and was the subject of bargaining this week too. The City of Sedro-Woolley is holding the line on spending and holding the line on tax increases while still working hard to deliver the services our community counts on us to deliver.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Anderson", written over a horizontal line.

Mike Anderson, Mayor



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## CITY OFFICIALS

### COUNCILMEMBERS

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

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

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

Pat Colgan, Council Ward 4  
415 State Street, Sedro-Woolley  
(360) 982-2516 (H) (360) 202-1338 (C)  
Term Exp: December 31, 2011

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

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

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

\* Mayor Pro-Tem

### MAYOR

Mike Anderson  
Term Exp: December 31, 2011

### City Supervisor/Attorney

Eron Berg

### DEPARTMENT DIRECTORS

#### Finance Director

Patsy K. Nelson, CPA

#### Director of Public Works/City Engineer

Mark A. Frieberger, P.E.

#### Planning Director & Building Official

Jack R. Moore, BCO

#### Police Chief

Doug Wood

#### Fire Chief

Dean Klinger

#### Library Director

Debra Peterson

#### IT Director

Bill Chambers

#### Municipal Court

Brian Stiles, Judge



## **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 with law enforcement, fire services, animal control, code enforcement, emergency management, and other public safety concerns. Councilmembers serving on the Public Safety Committee are: Pat Colgan – Chair, Tony Splane and Tom Storrs.

### **FINANCE AND PERSONNEL COMMITTEE**

The Finance and Personnel Committee addresses fiscal issues including appropriations, expenditures and budget

adjustments as well as human resource issues for the City, providing direction on personnel policies, negotiations and other significant issues. Councilmembers serving on this committee are Tom Storrs – Chair, Tony Splane and Rick Lemley.

### **UTILITY COMMITTEE**

The Utility Committee is responsible for addressing sewer, storm drainage and solid waste issues, related construction projects, and recommendations on rates and fees. Councilmembers serving on the Utility Committee are Hugh Galbraith – Chair, Ted Member and Pat Colgan.

### **PARKS & RECREATION COMMITTEE**

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

### **PLANNING COMMITTEE**

The Planning Committee is involved with permitting policies as well as long-term planning. This Committee also acts as a liaison to the Planning Commission. Councilmembers serving on the Planning Committee are Rick Lemley – Chair, Tony Splane and Brett Sandström.



# CITIZENS ADVISORY GROUPS

## CIVIL SERVICE COMMISSION

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

## HOUSING AUTHORITY

Fay Huggins	12/31/11*
Kacy Johnson	12/31/14*
K.B. Johnson	12/31/10*
Terry Karper	12/31/12*
Laurie Fellers	12/31/13*

## LIBRARY BOARD

Mick Boroughs, Chair	12/31/13*
VACANT	12/31/09*
Dagni Cole	12/31/11*
Beverly Ringhouse	12/31/11*
Sharon Whiting	12/31/14*

## LODGING TAX ADVISORY COMMITTEE 2009

Ted Meamber, Chairman  
James Montgomery, Skagit Motel  
Manager, Three Rivers Inn  
Pola Kelley, Chamber of Commerce  
James Johnson, Farmers Market

## PARK AND RECREATION ADVISORY BOARD

To Be Established

## PLANNING COMMISSION

Patrick Huggins	12/31/13*
Terry Carter	12/31/13*
Jim Johnson	12/31/14*
Tracy Donovan	12/31/12*
Stephanie Lokkebo	12/31/10*
Rick Judd	12/31/10*
Jennifer Eldred	12/31/11*

\* Term Expires



## BUDGET OVERVIEW

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

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

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

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

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

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

of accounts recording cash and other financial resources.

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

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

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

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

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

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

The GMA exists to ensure that those public facilities and services necessary to

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

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

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

The course the city is taking can be changed through the allocation of financial resources. The major groups who participate in the budget process are the Mayor, City Supervisor, City Council, Finance Director other department directors, city committees and commissions, city staff, and interested citizens.

A budget document is read by a diverse group of people. The budget attempts to describe clearly and completely the nature and scope of policies, plans and programs for the year. It must communicate this information at different levels and for different purposes. One of the most important functions of the budget document is to describe future

implications and relationships of policies, plans and programs to members of the public. The budget document is an opportunity for the public to acquire background information necessary to provide meaningful comment and feedback to members of the City Council and City staff during the year.

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

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

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

The budget can be changed (amended) at any time after it is adopted, by the City Council passing another ordinance in an open public meeting. Normally, the budget is reviewed during the year to identify any adjustments.

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

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

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

### **FINANCIAL STABILITY POLICY**

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

### **REVENUE POLICY**

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

### **CAPITAL BUDGET POLICIES**

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

### **DEBT POLICIES**

The City will strive to improve its bond rating. The City will maintain adequate available debt capacity for specific priority

projects. The City shall use inter-fund borrowing where such borrowing is effective.

### **INVESTMENT POLICY**

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

### **FINANCIAL REPORTING POLICY**

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

### **OPERATING BUDGET POLICY**

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

The Finance Department is responsible for coordinating all aspects of the budget process on behalf of the City, analyzing department budget information, preparing budget revenue estimates, assembling the budget document and providing overview financial monitoring and reporting once the budget is adopted.

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

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

This budget seeks to achieve these four interrelated functions:

### A POLICY TOOL

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

### AN OPERATIONS GUIDE

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

### A FINANCIAL PLAN

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

### AS A COMMUNICATION MEDIUM

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

### BUDGET SUMMARY

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

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

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

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

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

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

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

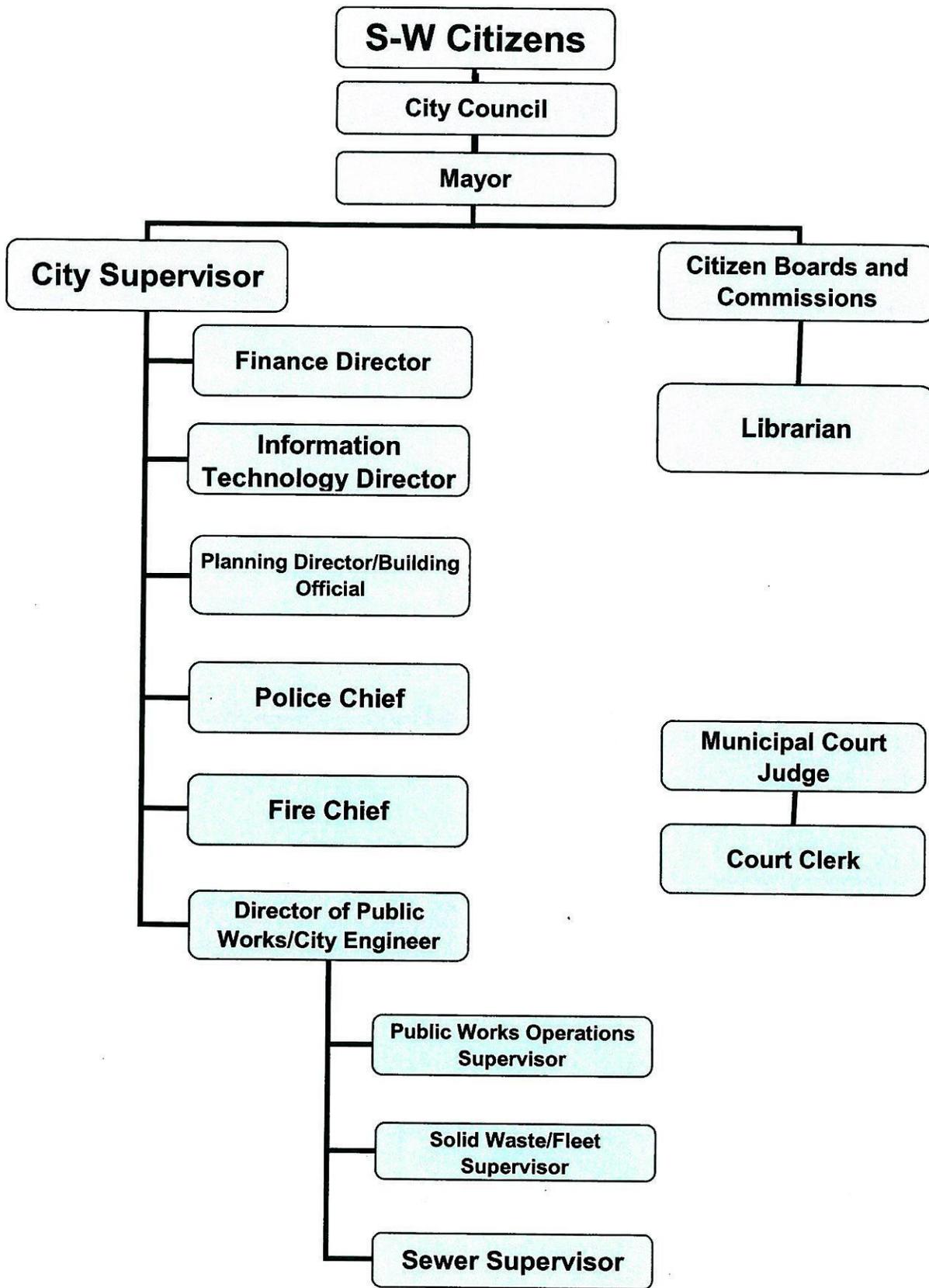
**Enterprise** funds are established for government activities that are financed and operate in a manner similar to private business. The user primarily finances costs of providing services to the general public. There are three types of enterprise funds.

They are the Sewer Fund, Storm Water Fund and Solid Waste Fund.

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

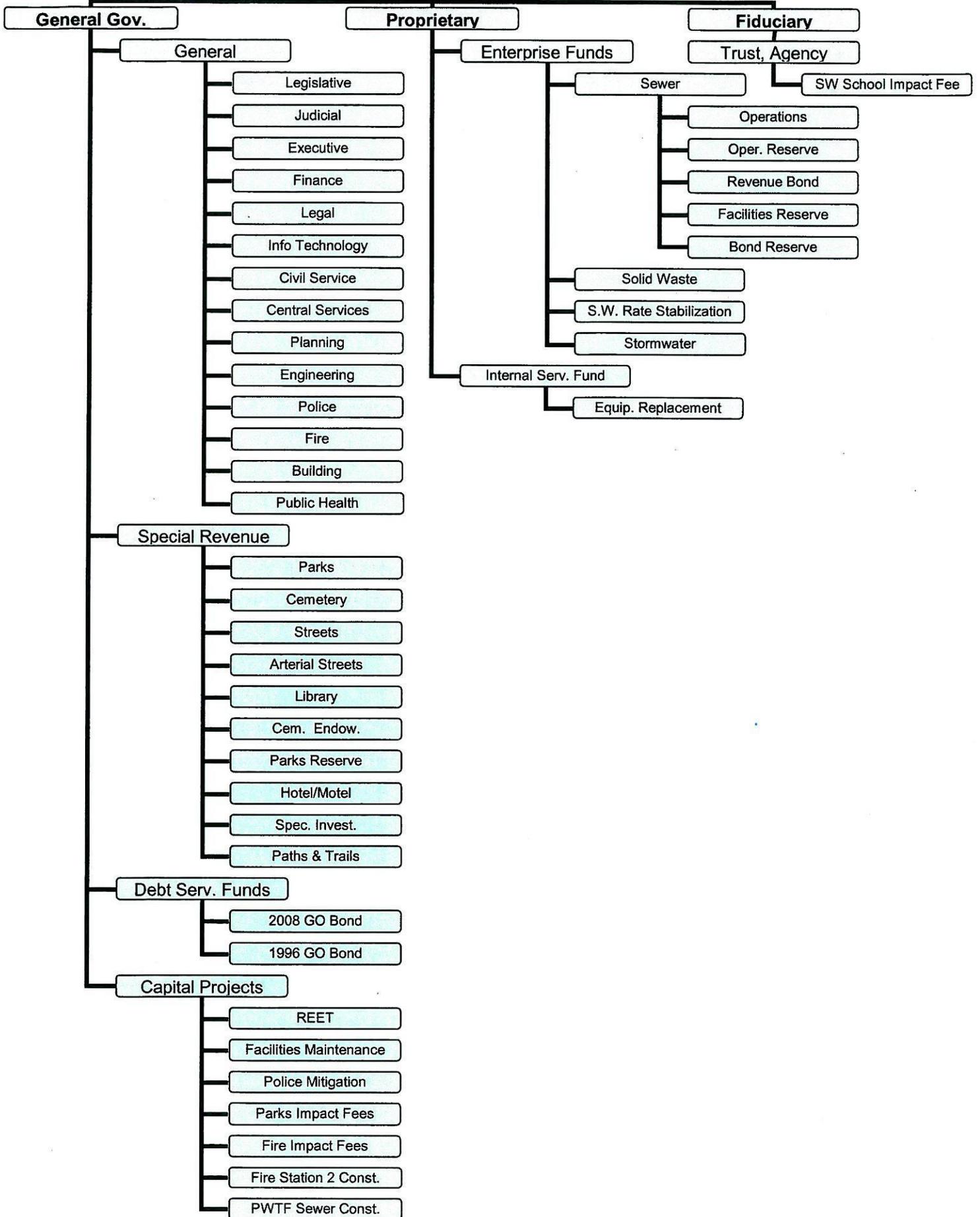
Fiduciary funds include pension trust, expendable trust, and agency funds, which are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City has one of these funds, which accounts for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







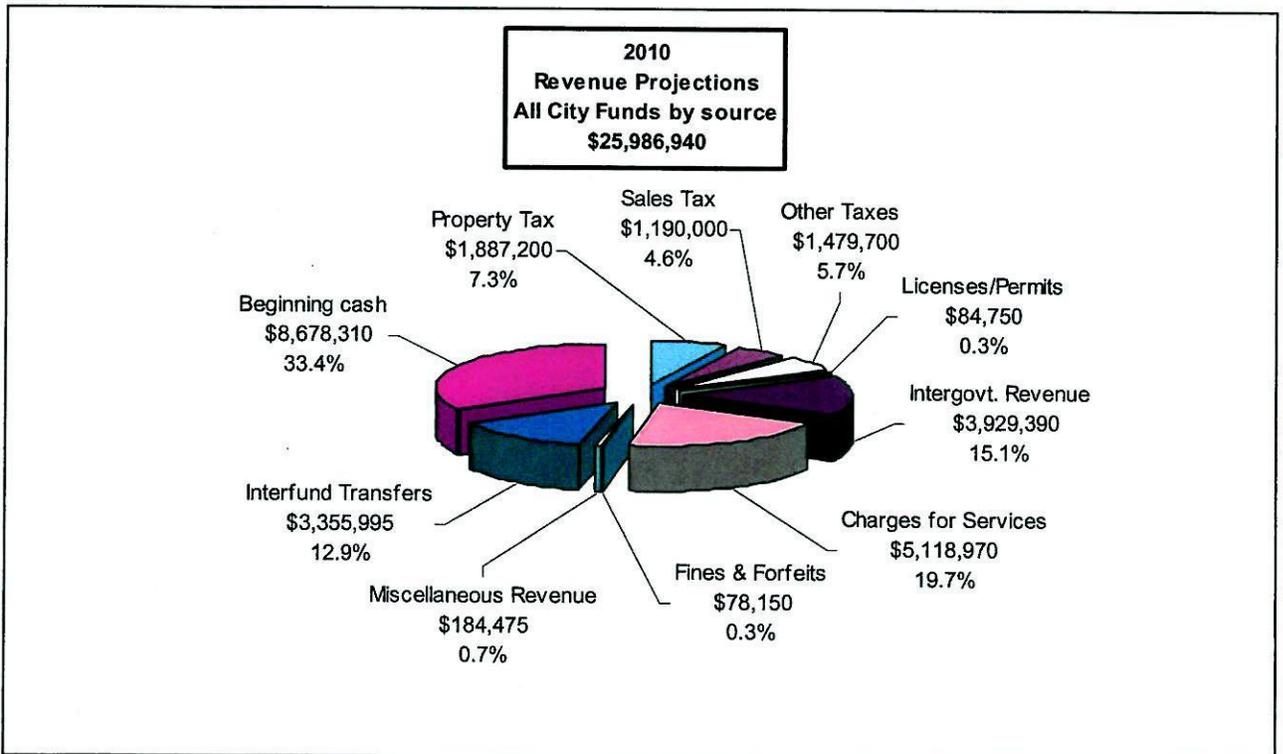
**FUND TYPES**





**BUDGET SUMMARY  
2010 REVENUE**

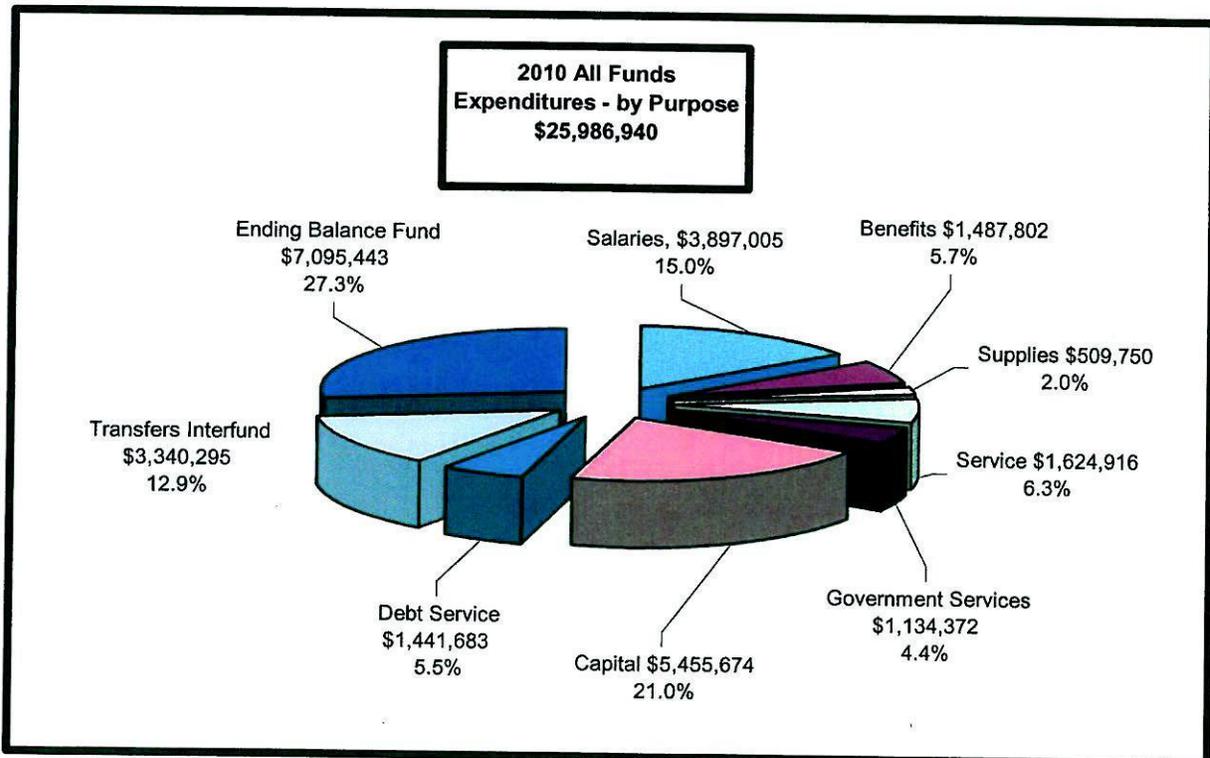
<b>City of Sedro-Woolley 2010 Budget Revenue Projections - All City Funds (by source)</b>											
Fund Name	Property Tax	Sales Tax	Other Taxes	Licenses/Permits	Intergovt. Revenue	Charges for Services	Fines Forfeits	Misc. Revenue	Interfund Transfers	Beginning Cash	Total
General	1,024,800	1,100,000	1,069,700	84,750	1,565,150	79,520	73,650	9,500	343,713	394,217	5,745,000
Parks	338,650	-	-	-	-	46,700	-	600	169,700	130,008	685,658
Cemetery	-	-	-	-	-	110,000	-	1,000	-	58,269	169,269
Streets	71,700	90,000	-	-	226,700	-	-	700	115,000	134,057	638,157
Arterial Streets	-	-	-	-	317,000	68,000	-	10,000	295,000	2,543,090	3,233,090
Library	247,050	-	-	-	-	6,100	4,500	200	80,000	44,363	382,213
Cemetery Endowment	-	-	-	-	-	3,500	-	-	-	109,396	112,896
Cummulative Reserve - Parks	-	-	-	-	-	-	-	340	-	6,244	6,584
Lodging Tax (Tourism)	-	-	25,000	-	-	-	-	350	-	36,233	61,583
Special Investigations	-	-	-	-	-	-	-	40	-	5,357	5,397
Paths & Trails	-	-	-	-	1,100	-	-	275	-	40,119	41,494
2008 GO Bond	-	-	205,000	-	-	-	-	1,600	-	98,247	304,847
2008 GO Bond Reserve	-	-	-	-	-	-	-	-	-	150,000	150,000
1996 GO Bond	205,000	-	-	-	-	-	-	800	-	77,009	282,809
Current Expense Reserve	-	-	180,000	-	-	-	-	5,200	162,000	434,843	782,043
Facilities Maintenance Reserve	-	-	-	-	-	-	-	-	55,000	-	55,000
Police Mitigation Reserve	-	-	-	-	-	500	-	100	-	20,695	21,295
Parks Impact Fees	-	-	-	-	-	10,000	-	1,000	-	152,432	163,432
Fire Impact Fees	-	-	-	-	-	4,000	-	40	-	12	4,052
Fire Station 2 Construction	-	-	-	-	1,419,440	-	-	-	125,000	-	1,544,440
Sewer Construction - PWTF	-	-	-	-	350,000	-	-	2,000	300,000	48,350	700,350
Sewer Operations	-	-	-	-	-	2,975,900	-	21,900	288,000	380,400	3,666,200
Sewer Operations Reserve	-	-	-	-	-	-	-	1,700	175,000	328,824	505,524
Sewer Debt Service	-	-	-	-	-	3,150	-	3,230	450,000	327,856	784,236
Sewer Facilities Reserve	-	-	-	-	-	135,000	-	24,000	491,083	1,903,603	2,553,686
Sewer Bond Reserve	-	-	-	-	-	-	-	-	-	376,482	376,482
Solid Waste Operations	-	-	-	-	-	1,476,600	-	41,500	-	361,489	1,879,589
Solid Waste Rate Stabilization	-	-	-	-	-	-	-	-	45,000	-	45,000
Stormwater	-	-	-	-	50,000	200,000	-	1,400	-	92,793	344,193
Suspense (SWSD)	-	-	-	-	-	-	-	55,000	-	-	55,000
Equipment Replacement & Fleet	-	-	-	-	-	-	-	2,000	261,499	423,922	687,421
<b>TOTAL</b>	<b>1,887,200</b>	<b>1,190,000</b>	<b>1,479,700</b>	<b>84,750</b>	<b>3,929,390</b>	<b>5,118,970</b>	<b>78,150</b>	<b>184,475</b>	<b>3,355,995</b>	<b>8,678,310</b>	<b>25,986,940</b>





## BUDGET SUMMARY 2010 EXPENDITURE

<b>City of Sedro-Woolley 2010 Budget Expenditures by Category - All Funds</b>										
Fund Name	Salaries	Benefits	Supplies	Service Charges	Gov't Services	Capital	Debt Service	Transfers Interfund	End. Fund Balance	Total
General	2,206,855	828,262	136,550	590,431	277,720	1,213,000	-	3,106	489,076	5,745,000
Parks	181,000	85,400	30,300	153,775	800	87,600	-	91,938	54,845	685,658
Cemetery	72,150	32,985	12,100	11,495	2,500	7,000	-	6,211	24,828	169,269
Streets	168,150	66,515	42,500	189,570	60	83,000	-	37,268	51,094	638,157
Arterial Streets	-	-	-	-	3,197	1,125,006	-	-	2,104,887	3,233,090
Library	167,100	38,900	3,800	35,550	150	21,248	-	84,900	-	382,213
Cemetery Endowment	-	-	-	-	-	100,000	-	-	12,896	112,896
Cummulative Reserve - Parks	-	-	-	-	-	1,500	-	-	5,084	6,584
Lodging Tax (Tourism)	-	-	-	43,000	-	-	-	-	18,583	61,583
Special Investigations	-	-	-	1,000	-	-	-	-	4,397	5,397
Paths & Trails	-	-	-	-	-	5,000	-	-	36,494	41,494
2008 GO Bond	-	-	-	-	-	-	150,550	55,000	99,297	304,847
2008 GO Bond Reserve	-	-	-	-	-	-	-	-	150,000	150,000
1996 GO Bond	-	-	-	-	-	-	201,950	-	80,859	282,809
Current Expense Reserve	-	-	-	-	-	-	-	442,000	340,043	782,043
Facilities Maintenance Reserve	-	-	-	-	-	-	-	-	55,000	55,000
Police Mitigation Reserve	-	-	-	-	-	-	-	10,000	11,295	21,295
Parks Impact Fees	-	-	-	-	-	-	-	40,000	123,432	163,432
Fire Impact Fees	-	-	-	-	-	-	-	-	4,052	4,052
Fire Station 2 Construction	-	-	-	-	-	1,544,440	-	-	-	1,544,440
Sewer Construction - PWTF	-	-	-	-	-	404,030	-	295,000	1,320	700,350
Sewer Operations	575,500	231,925	133,000	427,360	74,500	738,220	-	1,191,931	293,764	3,666,200
Sewer Operations Reserve	-	-	-	-	-	75,000	-	-	430,524	505,524
Sewer Debt Service	-	-	-	-	-	-	461,000	-	323,236	784,236
Sewer Facilities Reserve	-	-	-	-	-	-	628,183	813,000	1,112,503	2,553,686
Sewer Bond Reserve	-	-	-	-	-	-	-	-	376,482	376,482
Solid Waste Operations	349,250	135,900	141,500	115,235	708,445	32,530	-	246,167	150,562	1,879,589
Solid Waste Rate Stabilization	-	-	-	-	-	-	-	-	45,000	45,000
Stormwater	139,000	57,490	7,500	57,500	12,000	1,600	-	23,774	45,329	344,193
Suspense (SWSD)	-	-	-	-	55,000	-	-	-	-	55,000
Equipment Replacement & Fleet	38,000	10,425	2,500	-	-	16,500	-	-	619,996	687,421
<b>TOTAL</b>	<b>3,897,005</b>	<b>1,487,802</b>	<b>509,750</b>	<b>1,624,916</b>	<b>1,134,372</b>	<b>5,455,674</b>	<b>1,441,683</b>	<b>3,340,295</b>	<b>7,095,443</b>	<b>25,986,940</b>





# GENERAL FUND REVENUES

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

## PROPERTY TAX

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

The new construction assessed value amount for 2010 is estimated at \$25,000,000 as compared to \$25,000,000 in 2009. State statutes do not allow the city to levy more than \$3.375 per \$1,000 of assessed valuation. The City of Sedro-Woolley is well below the statutory limit, and is at \$1.8569 per \$1,000 of assessed valuation for 2010.

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	2009	2008	2007	2006
Skagit County	\$ 1.2420	\$ 1.2097	\$ 1.3206	\$ 1.5201
Medic 1	\$ 0.2273	\$ 0.2290	\$ 0.2500	\$ 0.2134
Conservation	\$ 0.0426	\$ 0.0429	\$ 0.0469	\$ 0.0533
State	\$ 1.9625	\$ 2.0118	\$ 2.1725	\$ 2.5116
City General	\$ 1.8569	\$ 2.1444	\$ 2.2598	\$ 2.5356
City Bond	\$ 0.2291	\$ 0.2743	\$ 0.2743	\$ 0.3306
Schools General	\$ 2.2160	\$ 2.4852	\$ 2.6018	\$ 2.9994
School Bond	\$ 0.7597	\$ 0.8084	\$ 0.8955	\$ 1.0591
Hospital 304	\$ 0.1344	\$ 0.1406	\$ 0.1512	\$ 0.1759
Port #2	\$ 0.1174	\$ 0.1196	\$ 0.0999	\$ 0.1000
Totals	\$ 8.7879	\$ 9.4659	\$ 10.0725	\$ 11.4990

\* Per \$1000 of assessed value.

**City Regular Levy**

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

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

**City Bond Levy (Public Safety Bldg.)**

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

**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**

<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*	\$ 1,043,000

\* = projected in budget

**STATE SHARED REVENUES**

State shared revenues are derived from gasoline taxes, liquor receipts (from profits and excise taxes) and motor vehicle fuel excise taxes. These taxes are collected by the State of Washington and shared with local governments based on population. The Office of Financial Management determines the population figures used for the distribution of state-shared revenues. Sedro-Woolley's 2010 estimated population is 10,070.

**LIQUOR PROFITS AND TAXES**

Cities and towns are responsible for the policing of liquor establishments located within their limits but are precluded from taxing them because of the state

liquor monopoly. The law provides that a share of the state-collected profits and taxes be returned to cities and towns to help defray the cost of policing liquor establishments.

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

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

### **UTILITY TAX**

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

### **LEASEHOLD EXCISE TAX**

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

In 1987, the State Legislature increased the rate to a total of 12.84 percent. Cities and counties may collectively levy up to 6 percent of the 12.84 percent. The maximum rate for cities is 4 percent and,

if a city levies this amount, the county can levy only 2 percent on leaseholds in the incorporated areas. If a city chooses not to levy its maximum, the county captures the difference to the 6 percent lid.

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

### **MUNICIPAL COURT FINES**

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

### **LICENSES, PERMITS & FEES**

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

### **EMERGENCY SERVICES**

The Sedro-Woolley Fire Department provides fire and emergency services through a governmental contract with Skagit County Fire District No. 8, Monday through Friday, 6:00 am to 6:00 pm. The Sedro-Woolley Fire Department also serves residents of District 8. In 2009 the City received \$161,258 from this program and anticipates about the same in 2010.

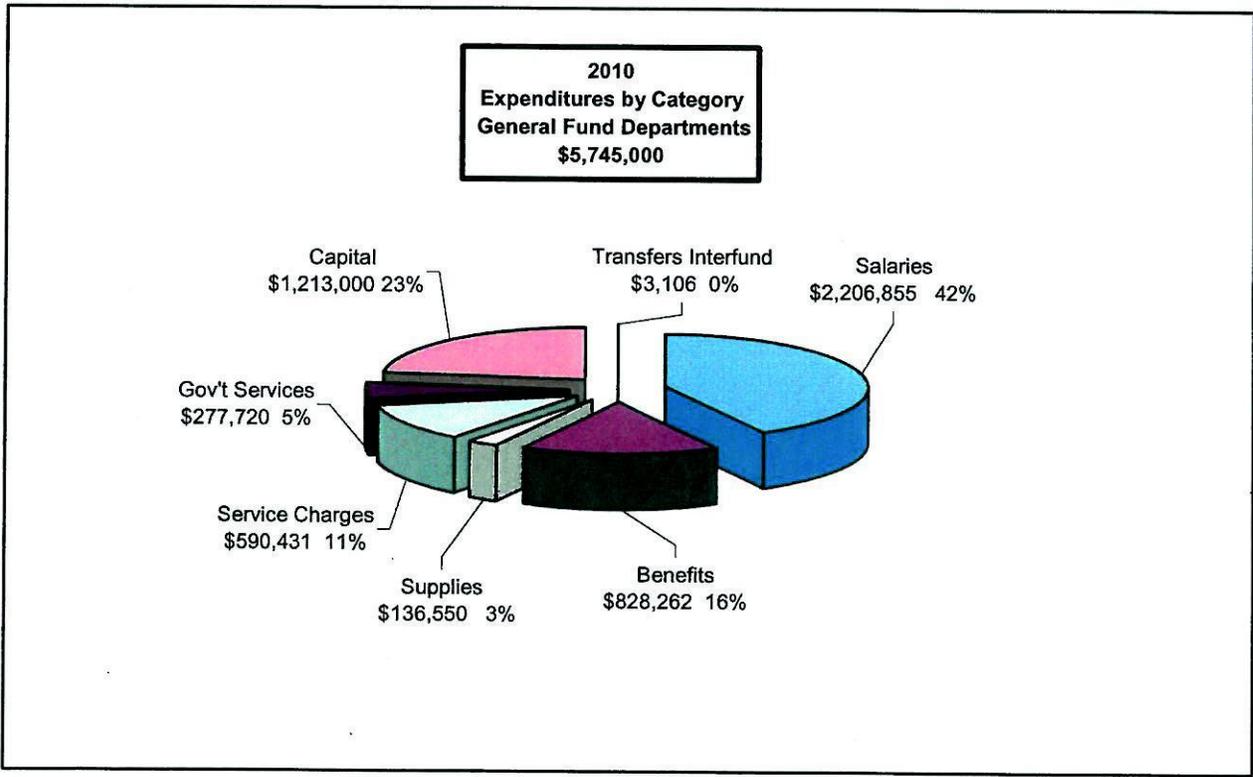
In 2009 the City entered into a contract with the State of Washington to provide fire and emergency services to the North

Cascade Gateway Center located to the northeast of the city. Due to the State's method of reimbursement, the 2010 revenues are expected to be two times 2009 revenues from this agreement.

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

**BUDGET SUMMARY  
2010 EXPENDITURE**

<b>City of Sedro-Woolley 2010 Budget Expenditures by Category - General Fund Departments</b>									
<b>Department Name</b>	<b>Salaries</b>	<b>Benefits</b>	<b>Supplies</b>	<b>Service Charges</b>	<b>Gov't Services</b>	<b>Capital</b>	<b>Transfers Interfund</b>	<b>Total</b>	<b>%</b>
Legislative	42,000	3,320	5,000	5,500	11,000	-	-	66,820	1.16%
Judicial	33,265	4,550	3,500	82,176	14,000	2,000	-	139,491	2.43%
Executive	60,300	16,230	1,000	26,100	-	-	-	103,630	1.80%
Finance	54,250	26,020	8,500	53,120	-	1,000	-	142,890	2.49%
Legal	18,150	6,525	100	41,575	1,400	-	-	67,750	1.18%
Civil Service	-	-	250	3,000	-	-	-	3,250	0.06%
Information Technologies	53,240	13,600	2,500	27,925	-	10,000	-	107,265	1.87%
Central Services	-	-	2,200	32,000	200	-	3,106	37,506	0.65%
Planning	137,000	46,015	2,000	18,950	5,015	-	-	208,980	3.64%
Engineering	78,500	31,930	3,000	43,950	-	-	-	157,380	2.74%
Police	1,243,400	588,482	49,100	152,165	175,807	50,000	-	2,258,954	39.32%
Fire	442,000	79,845	56,900	98,950	-	1,150,000	-	1,827,695	31.81%
Building	44,750	11,745	2,500	5,020	-	-	-	64,015	1.11%
Emergency Services	-	-	-	-	20,535	-	-	20,535	0.36%
Pollution Control	-	-	-	-	3,511	-	-	3,511	0.06%
Economic Development	-	-	-	-	2,000	-	-	2,000	0.03%
Aging	-	-	-	-	20,441	-	-	20,441	0.36%
Public Health	-	-	-	-	23,811	-	-	23,811	0.41%
Ending Fund Balance								489,076	8.51%
<b>TOTAL</b>	<b>2,206,855</b>	<b>828,262</b>	<b>136,550</b>	<b>590,431</b>	<b>277,720</b>	<b>1,213,000</b>	<b>3,106</b>	<b>5,745,000</b>	<b>100.00%</b>





# GENERAL FUND EXPENDITURES – By Department

## LEGISLATIVE

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

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

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

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

2010 Budget

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

## MISSION STATEMENT

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

## VISION STATEMENT

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

<b>Legislative</b>					
			Budget	Budget	
			Year	Year	Increase
			2010	2009	<Decrease>
<u>Expenditures by Category</u>					
Salaries			42000	37,200	4,800
Benefits			3320	2,950	370
Supplies			5000	4,500	500
Service Charges			5500	3,500	2,000
Government Services			11000	10,500	500
Total Expenditures			66,820	58,650	8,170

**JUDICIAL**

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

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

<b>Judicial</b>				
		Budget	Budget	
		Year	Year	Increase
		2010	2009	<Decrease>
<u>Expenditures by Category</u>				
Salaries		33,265	22,650	10,615
Benefits		4,550	20,355	-15,805
Supplies		3,500	3,500	0
Service Charges		82,176	79,976	2,200
Government Services		14,000	7,500	6,500
Capital		2,000	7,700	-5,700
<b>Total Expenditures</b>		<b>139,491</b>	<b>141,681</b>	<b>-2,190</b>

**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.

**2009 Accomplishments**

- Supported economic development in Sedro-Woolley;
- Assisted in completion of major construction projects including the new roundabout and the Fruitdale/McGarigle road projects;
- Acquired new park land adjacent to new land purchased for Fire Station 2;
- Funded Fire Station 2 with grant dollars from the Federal Government;
- Funded the new SWFD aerial device;
- Funded a new engine for the SWFD;
- Aggressively sought grant funding for capital projects; and
- Provided general support and supervision of city departments.

**2010 Goals**

- Support economic development in Sedro-Woolley;
- Support efforts to clean up the City;
- Construct Fire Station 2;
- Take delivery of the new aerial apparatus and new fire engine for the SWFD;
- Find funding for new patrol cars for the SWPD;
- Continue to seek funding for capital projects;
- Negotiate new collective bargaining agreement with the SWPSG; and
- General support and supervision of city departments.

<b>Executive</b>				
		Budget	Budget	
		Year	Year	Increase
		2010	2009	<Decrease>
<u>Expenditures by Category</u>				
Salaries		60,300	53,500	6,800
Benefits		16,230	14,840	1,390
Supplies		1,000	500	500
Service Charges		26,100	13,000	13,100
Capital		0	500	-500
<b>Total Expenditures</b>		<b>103,630</b>	<b>82,340</b>	<b>21,290</b>

## FINANCE

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

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

- Prepares for and facilitates the City's annual audit;
- Custodian of the City's legislative history;
- Production of Council agendas, packets and minutes;
- Publish required legal notices;
- Notary services (City related documents only);
- Archival and destruction responsibilities of the City's official public records;
- Process all incidents and claims in a timely manner;
- City-wide mail processing;
- Manage the City's inventory system;
- Assist the City Supervisor in risk management and personnel issues.

## 2009 Accomplishments

- Successfully completed the annual audit by the State Auditor which was the City's second Federal Audit in two years.
- Updated the City's inventory policy and computerized the City's asset inventory system.
- Researched the possibility of consumption based sewer billing for residential customers and determined it was not feasible given the parameters of the City's and PUD's current billing software systems..
- Expanded the acceptance of credit card payments from utility billing only, to other services provided by the City.
- Updated the City code sections relating to admissions tax, check-handling charges and claims against the City.
- Issued an RFP for banking services, conducted interviews

- and selected a new banking vendor.
- Began the process of becoming a passport acceptance facility.
- Successfully applied for a \$10,000 grant to scan and archive the City's oldest records which include those from the Town of Sedro, Town of Woolley, Town of Sedro-Woolley as well as the City of Sedro-Woolley.
- Continually evaluated and updated the City's expected revenues as a result of the declining national economy to determine the amount of cost cutting necessary.
- Thanks to the Finance and IT Departments for their support without which I would not have been able to take the journey of a life time around the US this past year. Also thanks to Eron Berg, Mayor Anderson and the City Council for authorizing this five month sabbatical.

**2010 Goals**

- Successfully complete the annual audit by the State Auditors which again will be a Federal audit.
- Successfully switch banks and all banking services including migrating from the use of warrants to checks.
- Assist with the final close out and accounting for Public Works Trust Fund Construction Loans and Federal funded transportation projects.
- Continue to improve the City's budget process and financial reporting.
- Evaluate and select new financial accounting software.

- Complete staff passport acceptance facility training and begin issuing passports.
- Complete scanning and archiving of City's oldest records to preserve the originals and to facilitate citizen research.
- Update business license section of City code.

<b>Finance</b>				
		Budget	Budget	
		Year	Year	Increase
		2010	2009	<Decrease>
<u>Expenditures by Category</u>				
Salaries		54,250	54,000	250
Benefits		26,020	25,410	610
Supplies		8,500	11,000	-2,500
Service Charges		53,120	55,919	-2,799
Capital		1,000	1,000	0
<b>Total Expenditures</b>		<b>142,890</b>	<b>147,329</b>	<b>-4,439</b>

**LEGAL**

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

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

The City Attorney' Office prioritizes aggressive and prompt response to lawsuits, and focuses on early pre-

litigation involvement and intervention, thereby minimizing the City's litigation exposure and limiting our dependence on outside legal counsel.

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

Legal						
			Budget	Budget		
			Year	Year	Increase	
		2010	2009	<Decrease>		
<b>Expenditures by Category</b>						
Salaries		18,150	18,500	-350		
Benefits		6,525	6,690	-165		
Supplies		100	250	-150		
Service Charges		41,575	48,550	-6,975		
Government Services		1,400	1,400	0		
Capital		0	0	0		
Total Expenditures		67,750	75,390	-7,640		

## INFORMATION TECHNOLOGY

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

- Procurement, implementation and review of technology hardware and software systems
- Administration of the City-wide Local Area Network (LAN) and Internet Protocol (IP) Telephone system
- Website development and maintenance
- Client support for critical proprietary applications in public safety, municipal court,

wastewater treatment and financial systems

- Deployment and maintenance of networked security surveillance systems
- Database development, deployment and administration
- Securing, archiving and restoring data on the City network
- Coordination and client support for County-hosted email
- Facilitate end-user application training and coaching

## 2009 Accomplishments

Due to budget constraints and furloughs, some 2009 goals had to be postponed or scaled back accordingly.

Accomplishments for 2009 include:

- Deployed new Fixed Asset Inventory database with barcode capability
- Implemented changes to all telecommunication services (land-lines, wireless and long distance services) to reduce costs and increase productivity
- Moved Library staff workstations into the City LAN (Local Area Network)
- Deployed Wireless Access Point and Firewall at Library for patron Internet access
- Consolidated and increased automation of server data backup system
- Completed upgrade of main City firewall
- Deployed first ultra energy-efficient (< 40 Watts at peak) desktop computer at Solid Waste
- Deployed Panic Alarms at key City Hall locations
- Upgraded Sewer-Cam hardware/software at WWTP

**2010 Goals & Objectives**

The main focus for IT in 2010 will be on projects that reduce power consumption, increase productivity and enhance security. The underlying objective is to “do more for less”. These goals include:

- Continue to expand and/or enhance video security surveillance systems
- Continue to consolidate and streamline network topology
- Replace aging computer workstations with more energy-efficient systems
- Extend Fiber Optic Cable to the second Fire Station and build-out redundant secondary data center
- Enhance email and electronic data archiving to meet new State requirements
- Deploy SQL Server for Finance Department to support new reporting applications
- Upgrade City Hall domain controllers and file-servers (carried over from 2009 due to budget constraints)

IT				
		Budget	Budget	
		Year	Year	Increase
		2010	2009	<Decrease>
<u>Expenditures by Category</u>				
Salaries		53,240	53,500	-260
Benefits		13,600	13,885	-285
Supplies		2,500	7,200	-4,700
Service Charges		27,925	38,075	-10,150
Capital		10,000	25,000	-15,000
Total Expenditures		107,265	137,660	-30,395

**PLANNING**

**Mission Statement**

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

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

- Administration and compliance with the codes and standards adopted by the State of Washington that regulate land development.
- Administration and compliance with the City of Sedro-Woolley Municipal Code as it relates to land use and development within the City.
- Providing information to the development industry and assisting them in understanding proper application of the adopted codes and ordinances.
- Insuring that citizens of our city are notified of development activity and are provided with opportunity to participate in the public process.

**2009 Accomplishments**

- Updated the Comprehensive Plan & Municipal Code as follows:
  - Public Utilities Element
  - Economic Development Element
  - Land Use Elements
  - Comprehensive Land Use Map

- Zoning Map
- Zoning Regulations
- Central Business District Sign Standards

Assisted in revising the Design Standards to allow additional styles of signage in the CBD

- Essential Public Facilities

Assisted in revising the Essential Public Facilities code (Chapter 17.88) and Secure Community Transition Facilities Siting Map

- 2009 Planning Commission Work Plan

Assisted in revising the Municipal Code to designate the Planning Department staff as being responsible for Design Review, with appeals of staff decisions to be heard by the Design Review Board/ Planning Commission

### 2010 Goals & Objectives

- Encourage Urban Village Mixed Use development
  - City Council Goal I: Partner with developers to obtain desired improvements/character
  - City Council Goal II: Develop a predictable process
  - Comprehensive Plan Goal GMA1: Encourage development in areas where adequate public facilities exist
  - Comprehensive Plan Goal GMA4: Provide adequate, affordable housing to all community residents
  - Comprehensive Plan Goal GMA5: Encourage development in areas

where adequate public facilities exist

The Planning Department will assist the Planning Commission in proposing new sections of the Municipal Code and Design Review Standards containing development requirements for Urban Village Mixed Use developments.

- Revise Municipal Code sections for Subdivisions and Zoning
  - City Council Goal II: Make City Government more user friendly
  - City Council Goal IV: Streamline the permitting processes
  - Comprehensive Plan Goal GMA 7: Ensure fair, predictable and timely permit processes

The Planning Department will assist the Planning Commission in proposing revisions to Municipal Code chapters 16 and 17 to provide consistency with the recently revised Chapter 2.90 and more clearly identify zoning and development requirements.

- Update the Sedro-Woolley Comprehensive Plan--Zoning, Parks, Housing
  - Council Goal V: Complete/ implement citywide rezone effort
  - Council Goal II: Educate and inform Citizens about the Goals and Vision
  - Council Goal VI: Expand recreational opportunities—Parks
  - Comprehensive Plan Goal GMA1: Encourage development in areas where

adequate public facilities exist

- Comprehensive Plan Goal GMA4: Provide adequate, affordable housing to all community residents
- Comprehensive Plan Goal GMA9: Provide open space and recreation opportunities to community residents

The Planning Department will assist the City Council in completing and implementing the adopted measures of the citywide zoning revisions contained in the 2009 Comprehensive Plan Revisions Docket.

The Planning Department will assist the Planning Commission in proposing revisions to the Housing Element and Parks & Recreation Element of the Comprehensive Plan in anticipation of the state-required update that must be completed by 2012.

- Update municipal code requirements for private and public parks
  - Council Goal VI: Expand recreational opportunities—Parks
  - Comprehensive Plan Goal GMA9: Provide open space and recreation opportunities to community residents

The Planning Department will assist the Planning Commission in proposing revisions to Municipal Code chapters 16 and 17 to provide more usable and desirable private parks within developments and possibly provide incentives for developers to contribute to city park acquisition and development.

<b>Planning</b>				
		Budget	Budget	
		Year	Year	Increase
		2010	2009	<Decrease>
<u>Expenditures by Category</u>				
Salaries		137,000	150,500	-13,500
Benefits		46,015	57,150	-11,135
Supplies		2,000	3,500	-1,500
Service Charges		18,950	31,360	-12,410
Government Services		5,015	5,015	0
Capital		0	1,000	-1,000
Total Expenditures		208,980	248,525	-39,545

## POLICE

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

### Administration

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

### Support Services

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

contracts with Skagit County for Jail and Dispatch services and with the City of Wapato for jail services.)

### **Patrol**

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

### **Investigations**

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

### **2009 Accomplishments**

This past year has been another good year for the Sedro-Woolley Police Department, even though our budget has

been very tight. The officers and employees are all working very hard to accomplish our goals and make Sedro-Woolley a pleasant and safe place to live. In 2008 we were able to fill all of our Officer Positions and be fully staffed with 15 Officers. Last year we had an Officer resign and were unable to fill that position due to the economic downturn. We now have 14 Fulltime Officers. Officer Musgrove was deployed to the Mid East for 9 months and during that time we were fortunate that Chief Paul Budrow of the Upper Skagit tribal police was able to work for us part time and help fill the void left by Officer Musgrove.

Our stated goal for the last several years is getting back to basics. Officers continue to focus on aggressive patrol and enforcement of criminal and traffic laws, which has made it uncomfortable for drug dealers and drug users to live in our community. In 2008 we had a rise in gang activity. We have been meeting this challenge head on, working with the Sedro-Woolley School District and we have been effective keeping gangs at bay. It is a constant challenge and the Officers watch closely to keep gangs from getting a foothold here in town. Bob Park continues to volunteer his time to paint over any graffiti that might appear keeping Sedro-Woolley Graffiti free.

Last year we had a significant problem with the downtown bar situation. There were constant problems with 7 bars that are within close proximity to each other. There were many fights and problems that accompany over service of alcohol. We worked closely with the liquor board and businesses themselves and things have stabilized. Three of the bars have closed and the remaining ones are doing a better job. We will continue to have

occasional problems there but it is now manageable.

We responded to 9059 complaints in 2009. This was down from the amount of calls in 2008, however, our officers continue to have some of the highest call loads, per officer, in the county and we do not see that decreasing in the near future. Economic situations prevent us from asking for additional manpower but it is needed. We also lost our code enforcement Officer due to budget restraints so that will put additional strain on our Officers. The Planning Department is going to handle some of the code violations. We will continue to be responsible for animal control, parking and junk vehicles. We will strive to maintain the same level of service with the decrease in manpower.

**2010 Goals**

- To continue to provide the same level of service with decreased funding and manpower. Our officers are focused on preventing crime and prosecuting those who break the law.
- We will keep on top of the gang situation. We have an officer who is in charge of information gathering and communication with other agencies. Not allowing increased gang activity is one of our top priorities.
- Work closely with the Planning Department to make a smooth transition to the shared Code Enforcement duties.

We were unable to purchase any new patrol cars in 2009. Generally we purchase 2 vehicles a year to rotate out the older ones. We have low mileage on the cars but type of work we do is hard

on vehicles. We are budgeted to purchase one in 2010 however our aging fleet is costing us more for repairs.

Thank you for your continued support of these goals. Your police department is functioning at a very high level and is respected by all of the agencies in the county. All the members of the department are doing a very good job, working as a team, for the citizens of Sedro-Woolley. We understand the current economic situation and will continue to do more with less. We appreciate the City Council, the Mayor's, and the City Supervisor's continued support. We will work hard to provide good service to the community.

<b>Police</b>				
		Budget	Budget	
		Year	Year	Increase
		2010	2009	<Decrease>
<u>Expenditures by Category</u>				
Salaries		1,243,400	1,204,470	38,930
Benefits		588,482	619,120	-30,638
Supplies		59,100	71,060	-11,960
Service Charges		142,165	149,750	-7,585
Government Services		175,808	172,800	3,008
Capital		50,000	50,000	0
Total Expenditures		2,258,955	2,267,200	-8,245

**FIRE**

**Mission Statement**

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

**Volunteer Association Mission Statement**

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

**Major Service and Programs**

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

**Administration**

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

**Department Make Up**

The department is made up with career staff, part time staff and volunteers. Currently the City employs on the career side: A Chief and an Assistant. Chief. We have 13 part time employees and 32

volunteers. Within the volunteer ranks we have 1 Battalion Chief, 2 Captains, 4 Lieutenants, 1 safety officer and a support officer.

**2009 Accomplishments**

Service levels, Part Time Staffing Levels, Funding for Station 2, funding for an aerial device (quint) and a new engine, and to place the mobile command post into service and implemented new service area transfer contract with the State of Washington for the North Cascade Gateway Center. All these goals were accomplished in 2009 with limited funding.

**2009 Call Data**

Calls	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr
City	322	292	314	313
D8East	12	8	7	4
D8 North	16	12	14	10
D8 South	85	98	108	112
<b>Totals</b>	<b>435</b>	<b>410</b>	<b>443</b>	<b>439</b>

Total Calls for 2009: 1727

**2010 Goals**

- Continue to provide the citizens of Sedro-Woolley the quality service they have come to expect from their Fire Department.
- Continue to work on Station 2 project. Start work on response plan for both stations and staffing levels.
- Work on training plan for Quint and new engine and purchase equipment for placing vehicles into service.
- Due to funding issues within the city work on maintaining all levels of service within the current budget.

2010 Budget

Fire				
		Budget	Budget	
		Year	Year	Increase
		2010	2009	<Decrease>
<b>Expenditures by Category</b>				
Salaries		442,000	432,200	9,800
Benefits		79,845	86,633	-6,788
Supplies		56,900	69,000	-12,100
Service Charges		98,950	103,655	-4,705
Capital		1,150,000	426,000	724,000
Total Expenditures		1,827,695	1,117,488	710,207

## **BUILDING**

### **Mission Statement**

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

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

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

code and local ordinances for the business and occupation in which they are operating.

### **2009 Accomplishments**

The building department did not have a building inspector/plans examiner from April to December of 2009.

- Initial review of residential building plans occurred within 2 weeks of application
- Inspections performed next-day or same-day
- Revised or produced approximately 20 new informational handouts for use in self-service area of City Hall

### **2010 Goals & Objectives**

- More efficient processing of building permit applications
  - City Council Goal II:  
Make City Government more user-friendly
  - City Council Goal II:  
Develop a predictable process
  - City Council Goal IV:  
Streamline the permitting process

The Building Department will review all applications within one week of submittal.

- Help customers better understand the permitting process
  - City Council Goal II:  
Make City Government more user friendly

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

- Develop new Code Enforcement procedures and tracking system
  - Council Goal II:  
Improve our image

The Building Department will establish a tracking system and uniformly enforce existing city codes to assist in improving the image of our city.

<b>Building</b>				
		Budget	Budget	
		Year	Year	Increase
		2010	2009	<Decrease>
<u>Expenditures by Category</u>				
Salaries		44,750	39,700	5,050
Benefits		11,745	20,370	-8,625
Supplies		2,500	1,000	1,500
Service Charges		5,020	14,752	-9,732
Capital		0	0	0
<b>Total Expenditures</b>		<b>64,015</b>	<b>75,822</b>	<b>-11,807</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 into the overall operation of the City as well as appropriate County/State plans.

**2009 Public Works/Engineering Accomplishments**

- Public Works Department continued its efforts to catalogue for easier access all record documents and project files. Work will complete in 2010.
- Hire Engineering Services Manager to coordinate capital projects, perform private development review and stormwater system management.
- 2005 Comprehensive Sewer Plan projects were completed in 2009, with completion of the Township Sewer, Metcalf Sewer and McGarigle Sewer Projects. In addition to the Comp Plan projects, the Fruitdale Sewer Project and the 2009 CIPP Sewer Project were designed and constructed.
- 2005 Transportation Plan projects implementation continued in 2008. Construction was completed on the SR20/F&S Grade Road & Skagit Industrial Park Project and the SR9 Township Bicycle/Pedestrian Facilities Project. Construction was 90% complete on the Fruitdale-McGarigle Road Project, with final completion scheduled for April 2010. Local road reconstruction projects took place on North Murdock, Talcott, Munro and Waldron.
- Grant applications to support the Transportation Plan and Stormwater projects were submitted under the American Recovery & Reinvestment Act program, the TIGER program, the Safe Routes to Schools program, the PWTF Small Communities program, the High

Priority Project program, the Skagit County Economic Development Grant program and the Ecology Stormwater Retrofit program.

- Continued modifications to the city GIS mapping system to refine the stormwater system and to update the mapping for completed capital projects.

BRICKYARD CREEK STORAGE ENHANCEMENT	1,000,000	PENDING FUNDING
<b>WASTEWATER</b>		
UPDATE 2005 COMPREHENSIVE SEWER PLAN	100,000	NOT STARTED
2010 CIPP SEWER PROJECT	250,000	NOT STARTED
TOWNSHIP SEWER, ALDERWOOD TO BASSETT	250,000	DESIGN 25%
<b>TOTAL</b>	<b>11,092,000</b>	

## Project Summary

PROJECT DESCRIPTION	TOTAL CE/CN	STATUS
<b>2009 PROJECT RECAP</b>		
SR20, F&S GRADE ROAD & SKAGIT INDUSTRIAL PARK INTERSECTION PROJECT	1,918,062	COMPLETE
FRUITDALE MCGARIGLE ROAD PROJECT	3,581,807	90% COMPL
SR9/PEDESTRIAN/BICYCLE SAFETY IMPROVEMENTS	455,175	COMPLETE
FRUITDALE, SR20 TO MCGARIGLE SEWER (2,200 LF)	716,677	COMPLETE
2009 CIPP SEWER & MANHOLE REHABILITATION PROJECT	168,274	COMPLETE
2009 STREET PROJECTS	54,000	COMPLETE
<b>TOTAL</b>	<b>6,893,995</b>	

PROJECT DESCRIPTION	TOTAL PE/CE/CN	STATUS
<b>2010 PROJECTS PLANNED</b>		
<b>STREET</b>		
UPDATE 2005 TRANSPORTATION PLAN	75,000	NOT STARTED
F&S GRADE ROAD/W JONES ROAD/GARDEN OF EDEN ROAD ENGINEERING REPORT	20,000	NOT STARTED
2010 CHIP SEAL, SLURRY SEAL AND OVERLAY PROJECT	75,000	NOT STARTED
METCALF STREET, WARNER TO NORTHERN, GRIND & OVERLAY	200,000	50% DESIGN
STATE STREET, RITA TO FOURTH OVERLAY	250,000	75% DESIGN
SR-20, REED TO TOWNSHIP LANE WIDENING & PEDESTRIAN/BICYCLE IMPROVEMENTS	1,000,000	PENDING FUNDING
SR-9, LUCAS TO BASSETT PEDESTRIAN/BICYCLE SAFETY IMPROVEMENTS PROJECT	870,000	PENDING FUNDING
SR20 CORRIDOR FREIGHT MOBILITY & REVITALIZATION PROJECT - PHASE 1 COOK ROAD & SR9 - PRELIMINARY ENGR	4,252,000	PENDING FUNDING
JAMESON ARTERIAL EXTENSION TO SR-9 - DESIGN	2,600,000	DESIGN 25%
<b>STORMWATER</b>		
UPDATE STORMWATER MANAGEMENT PLAN	100,000	NOT STARTED
STORMWATER WASTE & STREET SWEEPING HANDLING FACILITY	50,000	NOT STARTED

## 2010 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 and timely, cost-efficient administration of capital projects.
- Secure the means to finance capital projects necessary to a healthy infrastructure by careful management of current resources and a continuing vigilance for favorable financing.
- Continue to upgrade administrative systems to increase efficiencies and save tax- and rate-payers money.
- Continue to increase customer satisfaction with Public Works services.
- Perform Public Works functions in a safe and accident free manner in accordance with Accident Prevention Policies.

## Objectives

- Complete update to the Sedro-Woolley Public Works Department Standards, including fee system.

- Complete electronic storage of city record drawings.
- Manage sewer utility system upgrades to ensure regulatory compliance and the safe, reliable provision of essential City services including improvements to the wastewater collection system, sewer trunk line improvements, and wastewater treatment in accordance with the 2005 Comprehensive Sewer Plan. Plan for infill of sewer to underserved areas of the city, including Township north of Alderwood, Curtis Street/State Street vicinity, Bingham Park area, Fruitdale Road/Wicker Road area.
- Update the 1997 City Storm Water Management Plan in coordination with the Brickyard Creek Subflood Control Zone. Identify and program Stormwater system improvements including capacity improvements for Brickyard Creek and the West Jones/F&S Grade Road & Garden of Eden Road area.
- Continue to manage implementation and compliance activities for the NPDES Phase II Stormwater Permit. Prepare and submit Annual Report and update the Municipal Code Stormwater elements.
- Complete files for all private stormwater systems within the city and develop and implement compliance monitoring system.
- Continue emphasis on transportation planning and street maintenance and improvement operations. Implement the 2005 Transportation Plan and the Pavement Management System. Complete design and secure funding for the SR9/Jameson Arterial Extension Project. Begin planning for next level of Transportation Plan projects, including SR20 Corridor Freight Mobility and Revitalization Project and West Jones/F&S Grade Road & Garden of Eden Road area. Design and construct 2010 Pavement Management projects.
- Continue to support the activities of all Public Works elements and other City departments by providing current, accurate GIS data to fullest extent possible.
- Provide project management and technical support for the development, bidding, contract compliance, and project close out for municipal capital facilities projects.
- Provide technical assistance to ensure implementation of stepped rate increases for the sewer and stormwater utilities system to ensure the lowest possible utility rates that will support the City's adopted plans for utility system capital projects.
- Continue search for grant funding opportunities and low interest loans in conjunction with the City's capacity to finance the loans.
- Provide assistance in grant and loan preparation to all Public Works divisions and City departments.
- Implement procurement policies and methods that assure the best value at the best price while maintaining strict compliance with state and city bidding and procurement laws.
- Continue working towards full compliance on budget and

bidding processes on an ongoing basis.

- Provide updates and training on the latest procurement methods, laws, and policies.
- Ensure the efficient and effective organization of critical information through design and implementation of a Records Management Program.
- Continue to support and improve the Customer Request Program.
- Complete and implement updated Accident Prevention Policies. Continue management of the city Safety Committee activities.

<b>Engineering</b>				
		Budget	Budget	
		Year	Year	Increase
		2010	2009	<Decrease>
<b>Expenditures by Category</b>				
Salaries		78,500	92,600	-14,100
Benefits		31,930	39,450	-7,520
Supplies		3,000	4,000	-1,000
Service Charges		43,950	44,500	-550
Capital		0	3,500	-3,500
<b>Total Expenditures</b>		<b>157,380</b>	<b>184,050</b>	<b>-26,670</b>

## **SPECIAL REVENUE FUNDS**

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

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

### **PARKS FUND**

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

### **Accomplishments for 2009**

2009 was a rough year for the Parks Department. We saw seasonal staffing eliminated early in the year, and our full time staff was reduced in November. Also due to the spending freeze we completed very few of our scheduled maintenance projects for the year. We were able to utilize volunteer labor to get the library and community center painted. We were also able to use some impact fee money to make some improvements to the dog park. We

found it very tough to keep up with our regular duties with the level of staffing that we did have.

General parks and facilities routine and preventative maintenance.

Painting of the Community Center

Painting of the Library

### **Issues facing the department for 2010**

As the city's population continues to rise, the usage of our facilities is at an all time high. Our largest concern in 2010 is being able to continue to provide our services with our lowest ever level of staffing.

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

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

**Facilities – Oversee, Maintain and Repair :**

- Community Center
- Senior Center
- Parks Maintenance Building
- Municipal Building
- Library
- Park Shelters

**Other Duties of our Department:**

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

**Goals for 2010**

Our goals for 2010 are to attempt to maintain our current levels of service with our reduced staffing.

<b>Parks</b>				
		Budget	Budget	
		Year	Year	Increase
		2010	2009	<Decrease>
<b>Expenditures by Category</b>				
Salaries		181,000	220,150	-39,150
Benefits		85,400	106,230	-20,830
Supplies		30,300	37,900	-7,600
Service Charges		153,775	173,675	-19,900
Government Services		800	1,500	-700
Capital		87,600	98,750	-11,150
Transfers - Internal		91,938	107,401	-15,463
<b>Total Expenditures</b>		<b>630,813</b>	<b>745,606</b>	<b>-114,793</b>

**CEMETERY FUND**

The City of Sedro-Woolley operates Union Cemetery which was formerly the IOOF Cemetery and Wicker’s Cemetery. The Cemetery fund provides the resources for the cemetery operating department of public works. The Cemetery Department is responsible for the complete in ground burial of full bodies and inurnment of cremains be it in the ground or in above ground Columbarium (Niche Wall). This includes coordination of burial schedules, opening and closing of graves, set up and removal of burial equipment and eventually setting of grave markers. In addition cemetery ground and equipment are kept in top operations order at all times.

**2009 Accomplishments**

- Sales for the new 48 Niche Unit Columbarium for cremains continued briskly, and a new one of the same description and size is on order to meet anticipated continued demand for spaces.

**2010 Goals and Objectives**

- Meet goals set by City Council and Administration to include budget for 2010.

- Continue to maintain the cemetery grounds and buildings in a manner the City of Sedro-Woolley administration and citizens can be proud of.
- Install newly acquired Niche Wall. Complete plan for maintaining and repaving cemetery road system.

<b>Cemetery</b>				
		Budget	Budget	
		Year	Year	Increase
		2010	2009	<Decrease>
<b>Expenditures by Category</b>				
Salaries		72,150	75,700	-3,550
Benefits		32,985	34,655	-1,670
Supplies		12,100	14,100	-2,000
Service Charges		11,495	12,605	-1,110
Government Services		2,500	2,500	0
Capital		7,000	7,035	-35
Transfers - Internal		6,211	15,134	-8,923
<b>Total Expenditures</b>		<b>144,441</b>	<b>161,729</b>	<b>-17,288</b>

### STREET FUND

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

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

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

2010 Budget

### 2009 Accomplishments

- Streets completed reconstruction of five blocks of local access streets in 2009 utilizing the Asphalt Zipper and a contract paving crew. The crew provided support as needed for the capital improvement projects on SR20 and on Fruitdale and McGarigle. In addition, normal pothole patching, sign maintenance, alley maintenance and other routine activities were completed.
- Stormwater system cleaning utilizing the new Vector system continued with approximately 15% of the city system inspected and cleaned.

### 2010 Goals and Objectives

- Meet goals set by the City council and Administration to include budget in 2010.
- Work to maintain streets and sidewalks to afford safe passage for motorists and pedestrians through evaluation, identification and prioritization of failed road surfaces and sidewalks and develop an overall street operations and maintenance plan.
- Replace undersize culverts on John Liner Road and on SR-9 to complement drainage system improvements on McGarigle Road and on SR-9 from the 2009 capital project. Inspect and clean as needed 20% of the stormwater system.

<b>Streets</b>				
		Budget	Budget	
		Year	Year	Increase
		2010	2009	<Decrease>
<b>Expenditures by Category</b>				
Salaries		168,150	214,600	-46,450
Benefits		66,515	105,215	-38,700
Supplies		42,500	61,700	-19,200
Service Charges		189,570	178,240	11,330
Government Services		60	60	0
Capital		83,000	83,000	0
Transfers - Internal		37,268	73,130	-35,862
<b>Total Expenditures</b>		<b>587,063</b>	<b>715,945</b>	<b>-128,882</b>

### **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.

<b>Arterial Streets</b>				
		Budget	Budget	
		Year	Year	Increase
		2010	2009	<Decrease>
<b>Expenditures by Category</b>				
Salaries		0	0	0
Benefits		0	0	0
Supplies		0	0	0
Service Charges		0	0	0
Government Services		3,197	3,197	0
Capital		1,125,006	8,300,660	-7,175,654
Transfers		0	864,320	-864,320
<b>Total Expenditures</b>		<b>1,128,203</b>	<b>9,168,177</b>	<b>-8,039,974</b>

### **LIBRARY FUND**

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

### **2009 Accomplishments**

- Circulation for the Library continues to grow, even in the midst of tough economic times. Preliminary projections indicate we surpassed 100,000 circulation transactions in 2009 – which includes check-out of books and materials, downloadable audio, and database transactions (an 8 to 10% growth over 2008). Overall circulation statistics are up more than 30% from 2007. We added just over 2,200 titles to the Library collection for 2009 – many of which were donations from staff, our Friends of the Library group, and members of our public. Just within our many programs for children, the Library directly served more than 2,000 in attendance.
- The Library was successful in receiving our first Play & Learn Grant from WA Child Care Resource & Referral. With their assistance, we completed 3 extensive rounds of Play & Learns (for children ages 4 & 5). Our major focus was literacy, science, and math. We are the only Library in Skagit County to be offering this extended program to enhance school readiness.
- Successfully finished our first *One Book, One Community* Project with a Grant from the WA State Library. We concentrated on Greg Mortenson's "**Three Cups of Tea**". County wide, we distributed over 600 copies of

the books, sponsored several dozen presentations - and had well over 900 participants. The public response was terrific, and everyone had fun.

- With the help of Bill Chambers (IT), the Library successfully implemented wireless access in the Library. With very little, if any, outside advertising, we now average anywhere from 3 to 8 people per day using the wireless service while in the Library.
- In 2009, we continued our *Ready! for Kindergarten* program (with the Sedro-Woolley School District & their Gates Grant). We are now operating 2 levels of parenting classes at full capacity.

### 2010 Goals

- The first priority for 2010 is to accomplish the first major software upgrade for our TLC Catalog, since 2007. This project is imminent, with completion scheduled for the second week of January.
- The Library is joining the WA State Library Downloadable Audio Consortium in February 2010. This will dramatically increase our downloadable audio collection (adding close to 2,000 new titles) that will be available to our patrons (with a S-W Library Card). The prediction for audio content is that the CD format is dwindling – and that most access in the future will be downloadable upon demand (this

will also be true for DVD/Video formats). The WA State Library will help subsidize this project for the 1st year or 2. We will be working in the coming year to help patrons with this transition.

- For the first time in more than 8 years, the Library will be offering Interlibrary loans to our patrons. We have joined the OCLC (National) network, which will open up millions of titles for our patrons to borrow from other libraries. The patron will be responsible for any fees, and for mailing charges. This service will also receive substantial assistance from the WA State Library, for the next year or two.
- The Library is already a partner in 2 major Science Grants from the National Science Foundation. One grant is with NASA, and will allow for training & exhibits adapted for children from Grades 3 to 6 – particularly in STEM (Science Technology Engineering Math) disciplines. The second grant is for slightly younger children – K through 4<sup>th</sup> Grade, and will incorporate science & math literacy. The latter grant is a continuation of a 2009 grant, of which this Library is already a participant, called *What's the Big Idea: Math & Science Ideas for Children & Libraries* (we received and implemented a really cool science kit worth over \$600). Both grants have already been submitted, and we are now awaiting the results.

- The Library, & Evergreen School, will share the award of an LSTA Grant from the WA State Library, for 2010, for Social Studies improvements in our respective collections - at the elementary age level.
- The Library will continue to actively seek out grants to keep expanding our reach, and to build community programs. We expect to submit an Archives grant for building a historical photograph web site, in conjunction with the S-W Museum (part of this project is already underway from 2009). We also have a potential grant from ARRA (Federal stimulus) to increase broadband potential, improve our aging computers, and to purchase 2 small netbooks (with mobile broadband) for in-library use.

<b>Library</b>					
			Budget	Budget	
			Year	Year	Increase
			2010	2009	<Decrease>
<u>Expenditures by Category</u>					
Salaries			167,100	167,100	0
Benefits			38,900	39,800	-900
Supplies			3,800	3,800	0
Service Charges			35,550	46,588	-11,038
Government Services			150	150	0
Capital			21,248	26,708	-5,460
Transfer - Internal			84,900	84,900	0
Total Expenditures			351,648	369,046	-17,398

**CEMETERY ENDOWMENT FUND**

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

the Cemetery fund for maintenance of Union Cemetery.

**PARKS RESERVE FUND**

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

**HOTEL/MOTEL FUND**

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

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

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

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

### **SPECIAL INVESTIGATIONS FUND**

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

### **PATHS AND TRAILS FUND**

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



## **GENERAL GOVERNMENT DEBT SERVICE FUNDS**

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

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

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

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

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

comes from property taxes earmarked for this purpose.

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

In 2003 the City issued \$324,471 general obligation bonds for the purpose of purchasing a fire truck. The source of monies to repay the debt comes from a portion of the City's general fund revenues.

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.

Summary of General Government			
Obligation Bonds			
(Voted and Non-Voted Bonds)			
	Total	Total	Total
Year	Principal	Interest	Debt Service
2010	181,127	171,023	352,150
2011	197,411	164,489	361,900
2012	208,748	156,802	365,550
2013	225,140	148,610	373,750
2014	236,589	139,561	376,150
2015	248,098	130,051	378,150
2016	269,670	120,080	389,750
2017	41,306	109,243	150,550
2018	43,010	107,540	150,550
2019	44,784	105,765	150,550
2020	46,632	103,918	150,550
2021	48,555	101,994	150,550
2022	50,558	99,992	150,550
2023	52,644	97,906	150,550
2024	54,815	95,734	150,550
2025	57,076	93,473	150,550
2026	59,431	91,119	150,550
2027	61,882	88,667	150,550
2028	64,435	86,115	150,550
2029	67,093	83,457	150,550
2030	69,861	80,689	150,550
2031	72,742	77,807	150,550
2032	75,743	74,807	150,550
2033	78,867	71,682	150,550
2034	82,121	68,429	150,550
2035	85,508	65,042	150,550
2036	89,035	61,514	150,550
2037	92,708	57,842	150,550
2038	96,532	54,018	150,550
2039	100,514	50,036	150,550
2040	104,660	45,889	150,550
2041	108,978	41,572	150,550
2042	113,473	37,077	150,550
2043	118,154	32,396	150,550
2044	123,028	27,522	150,550
2045	128,102	22,447	150,550
2046	133,387	17,163	150,550
2047	138,889	11,661	150,550
2048	143,800	5,932	149,732
2049	0	0	0
Totals	4,215,107	3,199,066	7,414,172

## CAPITAL PROJECT FUNDS

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

### CURRENT EXPENSE CAPITAL FUND

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

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

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

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

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

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

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

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

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

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

**FACILITIES MAINTENANCE RESERVE FUND**

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

**MITIGATION RESERVE FOR POLICE FUND**

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

**PARKS IMPACT FEE RESERVE FUND**

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

**FIRE IMPACT FEE RESERVE FUND**

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

**FIRE STATION 2 CONSTRUCTION FUND**

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

**PUBLIC WORKS TRUST FUND SEWER**

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

# ENTERPRISE FUNDS

## SEWER FUNDS

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

The sewer funds consist of Sewer Operating Fund, Waste Water Treatment Plant Reserve Fund, Sewer Revenue Bond Fund, Cumulative Reserve for Sewer Facilities Fund and 1998 Revenue Bond Reserve Fund.

## SEWER OPERATING FUND

### Collection Division

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

### 2009 Collection Accomplishments

- Cleaned and CCTV inspected 12.4 miles of the approximate 44 miles of wastewater collection system.
- Removed 32 tons of grit from the collection system via Vac Truck extraction.
- Responded to 27 sewer complaints in a professional and timely manner.
- Performed sewer line maintenance of known problem areas using root control, rodent control and adding grease eating bacteria to the collection system.
- Repaired 19 defective sewer lines in City right-of-way using wastewater staff and equipment. Also added clean-out access to 8-

inch sewer line on Ferry Street in front of Valley Auto and the Ford Garage.

- Performed Pre-Treatment inspections at commercial kitchens and restaurants.
- Performed 399 utility locates as required by Washington Utilities Coordinating Council (WUCC).
- Installed new computer and IT Pipes software in CCTV Truck.
- Removed several flush tank water lines from existing manholes in coordination with PUD resulting in removal of cross contamination concerns.
- Rehabilitated several noisy manhole lids on City Streets using torch down manhole rings.
- Cleared and graveled sewer/storm easement on south end of Logan Lane in coordination with Street Department.
- Major sewer upgrades: G&G Excavation installed gravity sewer lines, pump station, force main, sewer pump station and control building on Fruitdale Road.
- Insituform rehabilitated approximately 4,750 lineal feet of 8-inch diameter sanitary sewer at multiple locations through the City using the Cured-in-Place method (CIPP). Work was completed in areas near F&S Grade Road, SR20, Ferry Street, Borseth Street, State Street, Murdock Street and Reed Street.
- SunCoast Environmental rehabilitated eleven manholes by application of spray liner on existing sanitary sewer manholes at varying locations within the City limits.

- Excavation West, LLC removed two bottle necks in sewer main lines at Northern and Metcalf and State & Metcalf.
- Lee Johnson & Son's repaired a broken sewer main in the 300 Block of Talcott Street and reconnected a side sewer in ROW at Hodgkin Street and SR20.

### **2010 Goals**

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

### **Objectives**

- Clean and CCTV Inspect all sewer lines throughout the collection system over a four-year schedule.
- Perform maintenance and treatment of known collection system problems.
- Identify and remove infiltration and inflow (I&I) from the collection system through smoke testing, dye testing and CCTV inspections.
- Repair or replace damaged sewers in the City right-of-way as identified by CCTV Inspections.
- Perform pump station wet well maintenance on a weekly basis.
- Provide excellent customer service by assisting the public

with sewer complaints and questions.

- Collect GPS and field data on new manholes; update wastewater collection maps as new sewer lines are added.
- Work cooperatively with businesses and residents to reduce the discharge of fats, oils and grease (FOG) into the sanitary sewer system.
- Work with businesses on the maintenance of oil/water separators to remove petroleum products from the wastewater stream; maintenance of sand traps to reduce grit and gravel; and maintenance of amalgam separators to reduce heavy metals discharged to the sanitary sewer system.

### **Wastewater Treatment Division**

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

### **2009 WWTP Accomplishments**

- Treated 303,338,911 gallons of Wastewater reducing Total Suspended Solids by 97% and Biochemical Oxygen Demand by 98%. Currently using 40% of plant capacity with average daily flows of 0.838 million gallons per day.
- Treated 2,807,026 gallons of Biosolids resulting in 169.46 Dry Tons of Class B Biosolids.
- Successfully passed two laboratory performance audits to

- maintain laboratory accreditation.
- Received Department of Ecology's 2008 Outstanding Performance Award for exemplary operation of the City's Wastewater Treatment Plant.
- Performed pump station and emergency generator inspections twice per week in addition to daily SCADA monitoring. The City now has ten sewer pump stations.
- Used 43,115,822 gallons of re-use water for plant clean-up, polymer mixing and sewer line cleaning resulting in a savings of \$100,674.35 dollars.
- Performed Brickyard Creek Fecal Coliform testing twice per month meeting educational requirement of the NPDES Phase 2 Stormwater permit.
- Performed regular maintenance activities and inspections on WWTP and pump station equipment. Major projects included removal of basket and auger on Hycor Screen, changing impellers and wear rings on all influent pumps, changing impellers on the Klinger and Cook Road Pump Stations and changing the Euro drive on Clarifier #2. Maintenance activities were logged and tracked using Job Cal software.
- Monitored nitrification cycle and controlled filamentous bacteria using ORP technology and chemical dosing.
- Installed radio telemetry at Mountain View Pump Station giving Operators direct access to pump station controls and pumping data via the plant SCADA system.
- Continued clearing brush, chipping and site clean-up on City property located at 501 Alexander Street.
- Raised fence and installed ecology block dike along east fence line to provide additional flood protection for WWTP.
- Installed new plant flow meter and calibrated per Department of Ecology requirements.
- Attended Puget Sound Energy workshops regarding energy efficiency. Began replacing outdoor light fixtures with energy efficient models.
- Rehabilitated concrete floor under Belt Filter press in Dewatering Building.
- Relocated rotating screen to Oxidation Ditch which is successfully removing Fats, Oils and Grease from system resulting in a higher quality effluent.
- Installed quick disconnect valves on all pump stations for emergency bypass operations.
- Completed Effluent/River Temperature Study and Mixing Study as required by NPDES permit.
- Terre Source, LLC is working on a Feasibility Study for composting Biosolids on the Third Street property. Results are expected in February.
- Stu Earnst retired after working 32 years for the City of Sedro-Woolley as a Wastewater Treatment Plant Operator.

**2010 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.

- Maintain existing facility and grounds to ensure prolonged life of the City’s capital investment; continue site improvements on new City property.
- Seek ways to improve WWTP energy efficiency and security.

**Objectives**

- Prevent violations of permits by providing monitoring, equipment inspections, maintenance, calibrations and laboratory analysis on a continuous basis.
- Operate and maintain pump stations by performing corrective and scheduled maintenance on equipment.
- Enforce Sedro-Woolley Municipal Code, Chapter 13 in order to protect Wastewater Infrastructure, City employees and public health.
- Operate WWTP facilities efficiently and produce a high quality effluent and biosolids in the most cost effective manner.
- Maintain appearance of City vehicles to prolong vehicle life and show rate payers their equipment is well cared for and presentable.
- Implement Capital Improvement Projects to improve the wastewater treatment process.

<b>Sewer Operations</b>				
		Budget	Budget	
		Year	Year	Increase
		2010	2009	<Decrease>
<u>Expenditures by Category</u>				
Salaries		575,500	601,600	-26,100
Benefits		231,925	260,510	-28,585
Supplies		133,000	133,000	0
Service Charges		427,360	419,600	7,760
Government Services		74,500	66,500	8,000
Capital		738,220	1,152,000	-413,780
Transfers - Internal		1,191,931	1,115,791	76,140
<b>Total Expenditures</b>		<b>3,372,436</b>	<b>3,749,001</b>	<b>-376,565</b>

**WASTEWATER TREATMENT PLANT RESERVE FUND**

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

**SEWER DEBT SERVICE**

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

The source of monies to repay the revenue bond debt service comes from utility revenues, not property taxes.

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

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

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

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

\$5,156,950 at an interest rate of 0.5% also is for sewer projects.

In 1998, the city utility issued \$6,410,000 in revenue bonds for a new Waste Water Treatment Plant. The source of monies to repay the debt service for this issue comes from the revenues of the utility.

Public Works Trust Fund Loans			
Repayment Based Upon Current Draws			
	Total	Total	Total
Year	Principal	Interest	Debt Service
2010	578,271	49,912	628,182
2011	578,271	47,020	625,291
2012	578,271	44,129	622,400
2013	578,271	41,238	619,508
2014	578,271	38,346	616,617
2015	578,271	35,455	613,726
2016	578,271	32,563	610,834
2017	578,271	29,672	607,943
2018	578,271	26,781	605,052
2019	578,271	23,889	602,160
2020	578,271	20,998	599,269
2021	578,271	18,107	596,377
2022	578,271	15,215	593,486
2023	578,271	12,324	590,595
2024	578,271	9,433	587,703
2025	578,271	6,541	584,812
2026	539,993	3,650	543,643
2027	189,993	950	190,943
<b>Totals</b>	<b>9,982,318</b>	<b>456,223</b>	<b>10,438,541</b>

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

### SOLID WASTE UTILITY

**Function:** To provide solid waste pick up in a safe and timely fashion for the residents of our City and our valued commercial customers.

#### 2009 Goals

- Maintained service levels through this economic challenge we are in.
- Rehabilitated and replaced 1 through 8 yard commercial containers.
- Replaced failing wheeled carts for residential accounts.
- Added Janicki Industries to our roll-off service thru an annexation agreement.
- Added additional 30 yard containers for commercial accounts.

#### 2010 Goals

- Continue to improve our yard waste/storage property.
- Continue to share our part time mechanic with other departments.

- We continue to manage other wastes such as street sweepings, asphalt, and concrete with our custom built bunkers made from ecology blocks.
- Work cooperatively with businesses and residents to reduce garbage going to the landfills. (this will be done by website educational information)

Solid Waste					
			Budget	Budget	
			Year	Year	
			2010	2009	
				Increase	
				<Decrease>	
<u>Expenditures by Category</u>					
Salaries			349,250	339,800	9,450
Benefits			135,900	140,805	-4,905
Supplies			141,500	113,500	28,000
Service Charges			115,235	115,775	-540
Government Services			708,445	688,413	20,032
Capital			32,530	10,500	22,030
Transfers - Internal			246,167	183,913	62,254
Total Expenditures			1,729,027	1,592,706	136,321

## INTERNAL SERVICE FUND

### EQUIPMENT REPLACEMENT/FLEET DIVISION

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

Function: To maintain the upkeep and maintenance of the equipment for the public works departments.

### 2009 Accomplishments

- Purchased new 2010 Roll-off Truck for Solid Waste Department.
- Purchased new 72" ExMark mower for Parks Department.
- Purchased new Vector 2110 J6 Truck for Wastewater Department.
- We have cataloged all the rolling stock for the Fleet Department on computer.

### 2010 Goals

- Purchase per ERR Storm Water Department (Pole Mounted Camera for about \$16,500)
- To save monies by servicing equipment in house.

Equipment Replacement & Fleet					
			Budget	Budget	
			Year	Year	Increase
			2010	2009	<Decrease>
<u>Expenditures by Category</u>					
Salaries			38,000	37,100	900
Benefits			10,425	11,280	-855
Supplies			2,500	2,500	0
Capital			16,500	749,150	-732,650
Total Expenditures			67,425	800,030	-732,605



## ADDENDUM A 2010 Budget Calendar

09/08/09	Call letter (including Council goals) issued to Departments
09/28/09	Budget requests from Departments due to Finance Director
October	City Supervisor meets with Departments to review budget requests and compare to Council stated goals
10/06/09	Council Worksession - Mayor informs Council of status of preliminary revenues & expenditures
10/26/09	Publish notice of property tax public hearing
11/02/09	Publish notice of budget public hearing
11/03/09	Council Worksession – distribute Mayor’s 2010 Preliminary Budget
11/11/09	Public Hearing on Property Tax Levy for 2010 - first read of ordinance
11/11/09	Council schedules budget public hearing - first read of ordinance
11/12/09	Copies of Proposed budget available for the public
11/25/09	Adoption of Property Tax Ordinance – second read
11/25/09	Public Hearing on 2010 Budget – second read
11/25/09	Adopt budget ordinance (must be adopted before 12/31/09)
12/09/09	2010 salary ordinance



# STATUTORY LEGAL DEBT MARGIN

	Total Taxable Property Value	\$848,751,838	
			<u>Remaining Debt Capacity</u>
General Purpose Indebtedness (Legal Limit 2.5% of Taxable Property Value)		\$ 21,218,796	
General Purpose Indebtedness <u>Without</u> A Vote (Legal Limit 1.5%)		\$ 12,731,278	
Less: Outstanding Debt	\$ (4,260,950)		
Less: Contracts Payable			
Less: Excess of Debt with a Vote			
Add: Assets Available	<u>1,367,441</u>		
Subtotal		(2,893,509)	
Equals Remaining Debt Capacity Without a Vote			<u>\$ 9,837,769</u>
General Purpose Indebtedness <u>With</u> A Vote (Legal Limit 1%)		\$ 8,487,518	
Less: Outstanding Debt	\$ (1,320,000)		
Less: Contracts Payable			
Add: Assets Available	<u>93,165</u>		
Subtotal		(1,226,835)	
Equals remaining Dept Capacity With a Vote			<u>\$ 7,260,683</u>
Utility Purpose Indebtedness <u>With</u> a Vote (Legal Limit 2.5%)		\$ 21,218,796	
Less: Outstanding Dept	\$ -		
Less: Contracts Payable	-		
Add: Assets Available	<u>-</u>		
Subtotal		-	
Equals Remaining Dept Capacity - Utility Purpose, Voted			<u>\$ 21,218,796</u>
Open Space, Park & Capital Facilities Indebtedness <u>With</u> a Vote (Legal Limit 2.5%)		\$ 21,218,796	
Less: Outstanding Debt	\$ -		
Less: Contracts Payable	-		
Add: Assets Available	<u>-</u>		
Subtotal		-	
Equals Remaining Debt Capacity - Open Space, Park and Capital Facilities With a Vote			<u>\$ 21,218,796</u>



## PERSONNEL SERVICES

The City of Sedro-Woolley provides quality services and programs for its citizens with a responsive staff of 54 full-time and 12 part-time budgeted positions for 2010. 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 did not received a COLA in 2010. The general bargaining unit employees received a COLA of 2%.

Non-represented employees also did not receive a COLA increase in 2010.

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

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

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

## Pension Rate of Contribution

Plan	City	Employee	Total
LEOFF II	5.24%	8.46%	13.70%
PERS II	5.31%	3.90%	9.21%
PERS III	5.31%	variable	variable

The City of Sedro-Woolley pays \$1,677 per month for medical, dental and vision coverage for a family of 4 persons on behalf of employees in the general government and \$1,851 per month for the police bargaining unit. Police employees and General government employees pay a percentage of their medical costs for dependents.

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

## BARGAINING UNITS

- General Government AFSCME Local 176 SW (30 members, contract expires December 31, 2012)
- Sedro-Woolley Public Safety Guild (17 members, contract expires December 31, 2009 extended to December 31, 2010)

## 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.

<b>Personnel Status Report</b>					
<b>Full-Time Equivalent (Non-Seasonal)</b>					
<b>Department</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	
Judicial	0.5	0.5	0.5	0.5	
Executive/Legal	1.0	1.5	1.5	1.5	
Finance	5	5	5	5	
Central Services	1	1	0	0	
Information Technology	-	-	1	1	
Building, Planning & Engineering	6	7	7	6	
Police	20.5	21.5	21	18.3	
Fire	4	4	4	6	
Public Works Operations	9	10	10	8	
<i>(Parks, Cemetery, Streets, Stormwater)</i>					
Library	4	4	4.5	4.5	
Sewer	8	8	8	7	
Sanitation / Fleet	4.3	4.8	5.3	5.3	
<b>TOTAL</b>	<b>63.3</b>	<b>67.3</b>	<b>67.8</b>	<b>63.1</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 expect for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

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

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

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

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

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

**ORDINANCE:** A statutes or regulation enacted by City Council.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**STP:** Surface Transportation Program.

**STPE:** Surface Transportation Program – Enhancement.

**STPH:** Surface Transportation Program – Hazard Elimination.

**STPUS:** Surface Transportation Program – Urban Small.

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

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

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

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

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

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

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

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

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

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

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

**TIA:** Transportation Improvement Account.

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

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

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

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

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

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

accounts payable accruals in the private business community.

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

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

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

**UATA:** Urban Arterial Trust Account.

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

**WAC:** Washington Administrative Code.

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

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

## 2010 City Council & Planning Commission Meeting Dates

All meetings are open to the public

### Time & Location:

**City Council meetings** – 7:00 p.m., Council Chambers, 325 Metcalf Street

**Planning Commission meetings** – 6:30 p.m., Council Chambers, 325 Metcalf Street

**City Council worksessions** – 7:00 p.m. Public Safety Training Room, 325 Metcalf Street

**City Council & Planning Commission joint worksessions** – 7:00 p.m. Public Safety Training Room, 220 Munro St

January 5 – Council worksession

January 13 – Council meeting

January 19 – Planning Commission meeting

January 27 – Council meeting

July 6 – Council worksession

July 14 – Council meeting

July 20 – Planning Commission meeting

July 28 – Council meeting

February 2 – Joint Council & PC worksession

February 10 – Council meeting

February 16 – Planning Commission meeting

February 24 – Council meeting

August 3 – Council worksession

August 11 – Council meeting

August 17 – Planning Commission meeting

August 25 – Council meeting

March 2 – Council worksession

March 10 – Council meeting

March 16 – Planning Commission meeting

March 24 – Council meeting

September 7 – Joint Council & PC worksession

September 8 – Council meeting

September 21 – Planning Commission mtg

September 22 – Council meeting

April 6 – Council worksession

April 7 – Council meeting

April 20 – Planning Commission meeting

April 28 – Council meeting

October 5 – Council worksession

October 13 – Council meeting

October 19 – Planning Commission meeting

October 27 – Council meeting

May 4 – Council worksession

May 12 – Council meeting

May 18 – Planning Commission meeting

May 26 – Council meeting

November 2 – Council worksession

November 10 – Council meeting

November 16 – Planning Commission mtg

November 23 – Council meeting (Tuesday)

June 1 – Joint Council & PC worksession

June 9 – Council meeting

June 15 – Planning Commission meeting

June 23 – Council meeting

December 7 – Council worksession

December 8 – Council meeting

December 21 – Planning Commission mtg

December 22 – Council meeting (open house begins at 4:00 P.M.)

