

CITY OF SEDRO-WOOLLEY



**Sedro-Woolley Rotary Skate Board Park at Metcalf Ball Field
Dedicated October 13, 2012 (Photo Courtesy of DougWood)**



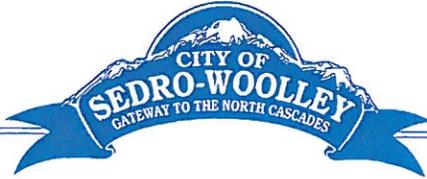
**A skateboarder demonstrates some awesome moves at the
grand opening (Photo Courtesy of Bob Rock Photography)**

Mayor's 2013 Budget

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2013 FINAL BUDGET

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Mike Anderson
Mayor

2013 Budget Message

To the Citizens of Sedro-Woolley:

Beginning with the amended 2009 budget and continuing through the 2012 budget, the City Council, city staff and I have worked hard to do more with less in a deliberate effort to keep the impact of city costs from adding to the economic stress in the community. Our 2013 budget continues a trend of cuts and decreased services but also includes some new fees for service and taxes. It is clear that the City of Sedro-Woolley cannot maintain a basic, core level of services without increasing revenues to at least offset some inflationary costs such as increased health care costs for city workers and increased energy costs.

This budget includes the elimination of 1 FTE, the city's planning director/building official. That position will be filled by our senior planner as the new planning director and the building functions will be performed by outside consultants while we work with the new planning director to train him up to the building department functions. This reduction in staffing results in significant savings to the general fund.

Additional revenues in the 2013 budget include increases in the city's utility tax which were made effective by in the summer of 2012, increases in cemetery fees to more closely match the marketplace and increases in our utilities' rates by 2.7%, which is the Consumer Price Index measure of inflation for June 2011 to June 2012 in our region.

In recognizing the state of the economy and the financial distress of our community as well as the other increases that are in the draft budget, I am asking the City Council, for the **fifth** year in a row, that we **not increase property taxes**.

We continue to focus on infrastructure investment and development to support the residents of today and the economic growth of tomorrow. In 2013, the city is planning to repave 3rd Street, reconstruct sidewalks on 3rd Street, construct new sidewalks up Township/SR 9 and reconstruct the way traffic moves into and through town with the SR 20/Cook Road realignment project. These projects are funded by some city funds and grants from the Washington State Transportation Improvement Board (pending).

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

Sincerely,

Mike Anderson, Mayor

CITY OFFICIALS

COUNCILMEMBERS



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



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



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



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



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



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



Keith Wagoner, Council Ward 4
410 Talcott St., Sedro-Woolley
(360) 873-8005 (H)
Term Exp: December 31, 2015

* Mayor Pro-Tem

MAYOR



Mike Anderson
Term Exp: December 31, 2015

CITY SUPERVISOR/ATTORNEY

Eron Berg

DEPARTMENT DIRECTORS

Finance Director

Patsy K. Nelson, CPA

Director of Public Works

Mark A. Freiburger, P.E.

Planning Director

John Coleman

Police Chief

Doug Wood

Fire Chief

Dean Klinger

Library Director

Debra Peterson

IT Director

Bill Chambers

Municipal Court

Brian Stiles, Judge

**COUNCIL COMMITTEE
ASSIGNMENTS**

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

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

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

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

PUBLIC SAFETY COMMITTEE

The Public Safety Committee addresses law enforcement, fire services, animal control, code enforcement, emergency management, and other public safety concerns. Councilmembers serving on the Public Safety Committee are: Keith Wagoner – Chair, Brett Sandström and Hugh Galbraith.

**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 Rick Lemley – Chair, Tony Splane and Hugh Galbraith.

UTILITIES COMMITTEE

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

PARKS & RECREATION COMMITTEE

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

PLANNING COMMITTEE

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

BUSINESS DEVELOPMENT COMMITTEE

The Business Development Committee recruits businesses and industry to locate in Sedro-Woolley. This committee works with the Port of Skagit County, EDASC and Sedro-Woolley Chamber of Commerce. Councilmembers serving on this committee are Hugh Galbraith – Chair, Kevin Loy and Brett Sandström.

CITIZENS ADVISORY GROUPS

CIVIL SERVICE COMMISSION

Mike Janicki, Chairman	12/31/14*
Robbie Robinson	12/31/18*
Bill McCann	12/31/16*
Brock Stiles, Chief Examiner	N/A
Winnie Floyd, Secretary Examiner	N/A

HOUSING AUTHORITY

(5 Year Term)

Reta Stephenson	12/31/16*
Kacy Johnson	12/31/14*
K.B. Johnson	12/31/15*
Terry Karper	12/31/12*
Laurie Fellers	12/31/13*

LIBRARY BOARD

Mick Boroughs, Chair	12/31/13*
Marjean Burke	12/31/15*
Dagni Cole	12/31/16*
Beverly Ringhouse	12/31/16*
Sharon Whiting	12/31/14*

LODGING TAX ADVISORY COMMITTEE 2012

Hugh Galbraith, Chairman
 James Montgomery, Skagit Motel
 Kris Dodge, Three Rivers Inn
 Carolyn Freeman, S-W Museum
 Jim Johnson, S-W Farmers Market

* Term Expires

PLANNING COMMISSION
(6 Year Term)

Patrick Huggins	12/31/13*
Joe Franett	12/31/13*
Jim Johnson	12/31/14*
Eric Johnson	12/31/18*
Stephanie Lokkebo	12/31/16*
Rick Judd	12/31/16*
Jennifer Aylor	12/31/17*

* Term Expires

BUDGET OVERVIEW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FINANCIAL STABILITY POLICY

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

REVENUE POLICY

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

CAPITAL BUDGET POLICIES

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

DEBT POLICIES

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

INVESTMENT POLICY

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

FINANCIAL REPORTING POLICY

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

OPERATING BUDGET POLICY

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

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

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

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

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

This budget seeks to achieve these four interrelated functions:

A POLICY TOOL

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

AN OPERATIONS GUIDE

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

A FINANCIAL PLAN

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

AS A COMMUNICATION MEDIUM

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

BUDGET SUMMARY

While the budget planning and adoption process is discussed above, there are many issues that are important to discuss in order to understand the dynamics of this document. For financial and accounting purposes, municipal operations are divided into two broad categories; general governmental and proprietary. Budgets are established for all funds. There are 33 budgeted funds in the City of Sedro-Woolley and they are classified within

seven basic fund groups, as described below.

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

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

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

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

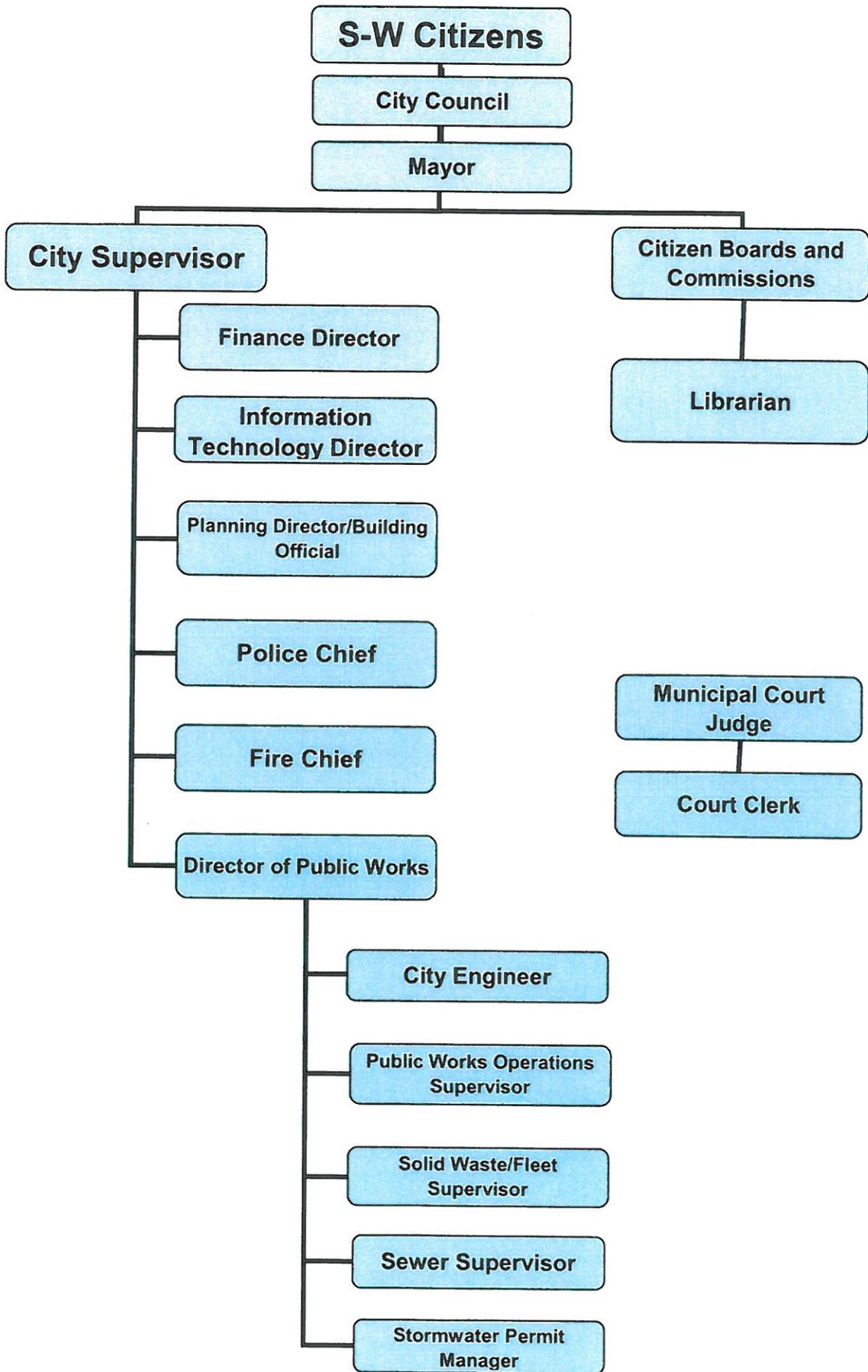
The debt service funds are the General Obligation Debt Service Funds.

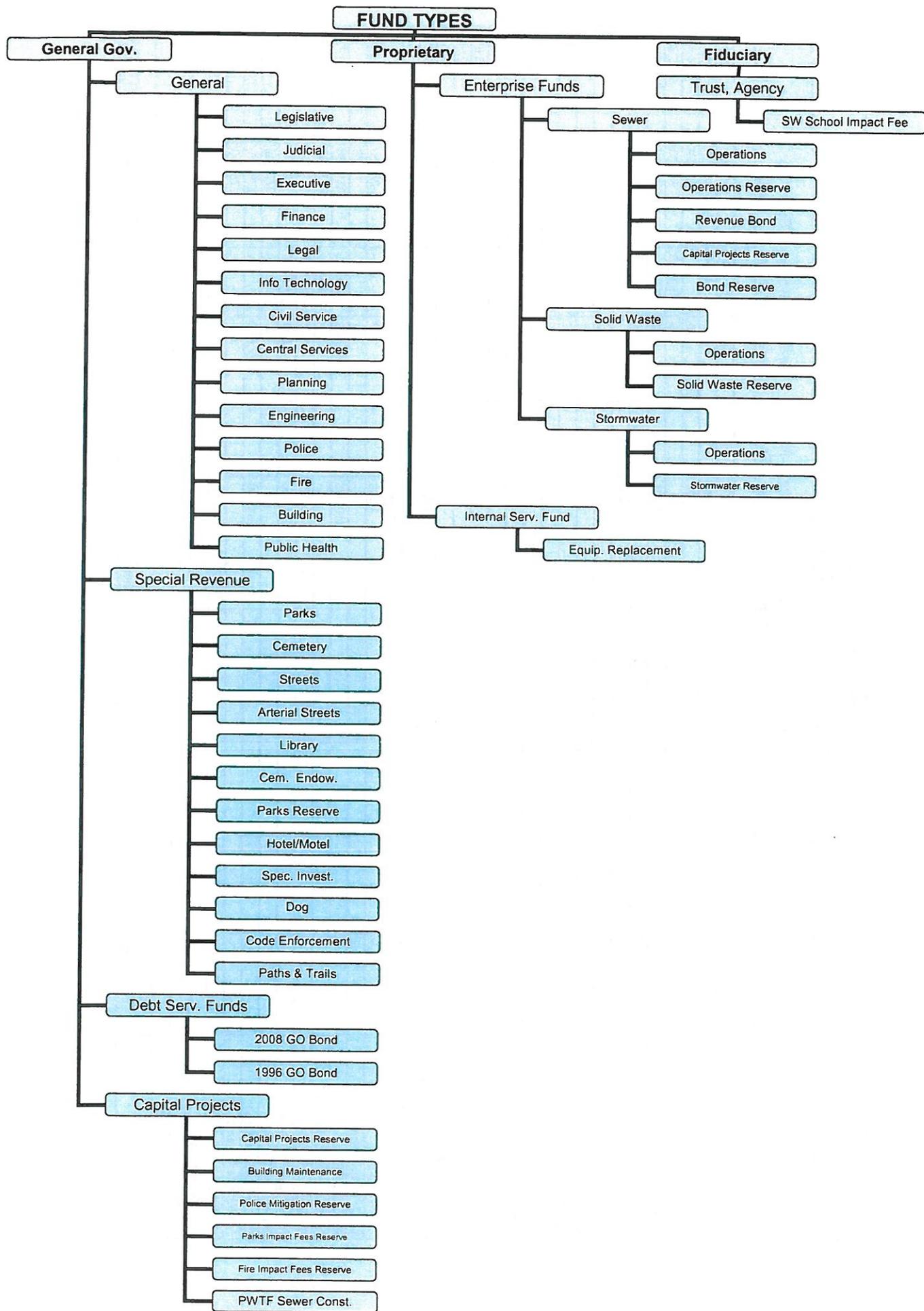
Capital Project funds account for the acquisition or development of major capital facilities, except those projects financed by the enterprise funds. Sources of revenue for these funds can include bond proceeds, federal/state grants, general property taxes, interest earnings, and transfers from other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

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

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

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

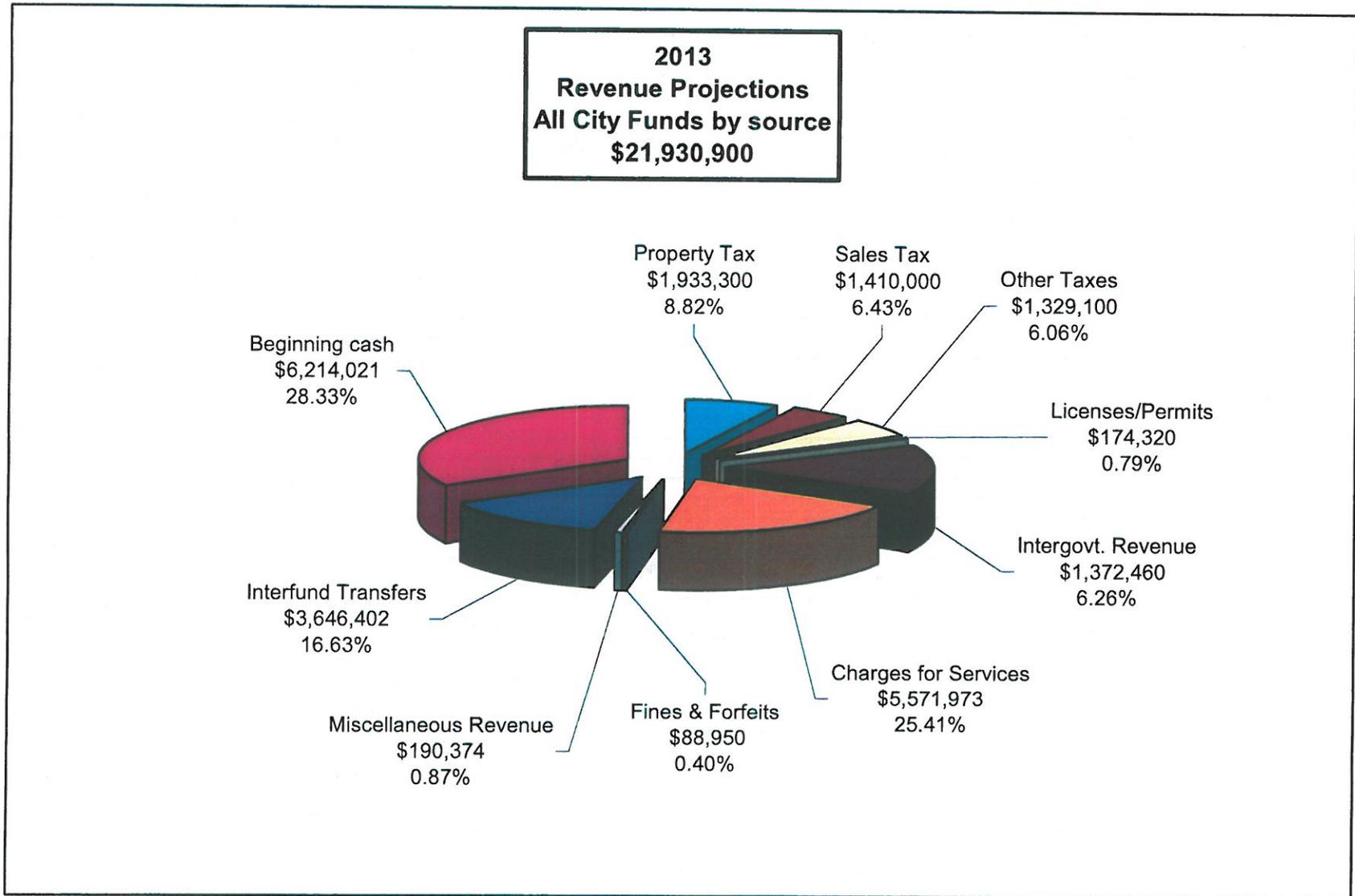




BUDGET SUMMARY
2013 REVENUE

City of Sedro-Woolley 2013 Budget											
Revenue Projections - All City Funds (by source)											
Fund Name	Property Tax	Sales Tax	Other Taxes	Licenses/ Permits	Intergovt. Revenue	Charges for Services	Fines Forfeits	Misc. Revenue	Interfund Transfers	Beginning Cash	Total
General	876,850	1,135,000	1,003,600	174,320	457,290	41,550	83,750	9,800	373,850	616,002	4,772,012
Parks	435,550	40,000	-	-	-	46,975	-	1,700	23,400	66,698	614,323
Cemetery	5,200	-	-	-	-	100,000	-	200	-	39,509	144,909
Streets	171,900	165,000	-	-	217,800	-	-	80	190,000	61,043	805,823
Arterial Streets	-	-	-	-	556,250	130,535	-	300	500,000	637,398	1,824,483
Library	238,800	-	-	-	11,350	6,300	5,200	74	80,000	64,668	406,392
Cemetery Endowment	-	-	-	-	-	2,500	-	-	-	115,596	118,096
Parks Reserve Fund	-	-	-	-	-	-	-	500	-	3	503
Lodging Tax (Tourism)	-	-	30,500	-	-	-	-	25	-	9,880	40,405
Special Investigations	-	-	-	-	-	-	-	5,015	-	7,419	12,434
Dog Fund	-	-	-	-	-	-	-	1,500	-	277	1,777
Code Enforcement	-	-	-	-	-	-	-	20	-	26,490	26,510
Paths & Trails	-	-	-	-	1,115	-	-	60	-	40,419	41,594
2008 GO Bond	-	-	195,000	-	-	-	-	450	-	69,784	265,234
2008 GO Bond Reserve	-	-	-	-	-	-	-	-	-	155,850	155,850
1996 GO Bond	205,000	-	-	-	-	-	-	225	-	77,761	282,986
Capital Projects Reserve	-	-	100,000	-	-	-	-	400	80,000	234,743	415,143
Building Maintenance Reserve	-	-	-	-	-	2,338	-	125	55,000	131,352	188,815
Police Mitigation Reserve	-	-	-	-	-	-	-	20	-	521	541
Parks Impact Fees	-	-	-	-	-	12,000	-	-	-	1,810	13,810
Fire Impact Fees	-	-	-	-	-	1,500	-	30	-	23,810	25,340
Sewer Construction - PWTF	-	-	-	-	-	-	-	-	-	78	78
Sewer Operations	-	-	-	-	-	3,112,475	-	41,500	80,000	351,354	3,585,329
Sewer Operations Reserve	-	-	-	-	-	-	-	-	75,000	537,735	612,735
Sewer Debt Service	-	-	-	-	-	4,500	-	1,500	450,000	343,066	799,066
Sewer Facilities Reserve	-	-	-	-	-	77,000	-	3,500	1,164,210	1,140,437	2,385,147
Sewer Bond Reserve	-	-	-	-	-	-	-	-	-	376,482	376,482
Solid Waste Operations	-	-	-	-	-	1,651,700	-	77,050	-	236,959	1,965,709
Solid Waste Reserve	-	-	-	-	-	-	-	250	-	175,049	175,299
Stormwater	-	-	-	-	128,655	382,600	-	5,300	-	111,097	627,652
Stormwater Reserve	-	-	-	-	-	-	-	-	80,500	-	80,500
Suspense (SWSD)	-	-	-	-	-	-	-	40,000	-	1,950	41,950
Equipment Replacement & Fleet	-	70,000	-	-	-	-	-	750	494,442	558,781	1,123,973
TOTAL	1,933,300	1,410,000	1,329,100	174,320	1,372,460	5,571,973	88,950	190,374	3,646,402	6,214,021	21,930,900

BUDGET SUMMARY
2013 REVENUE



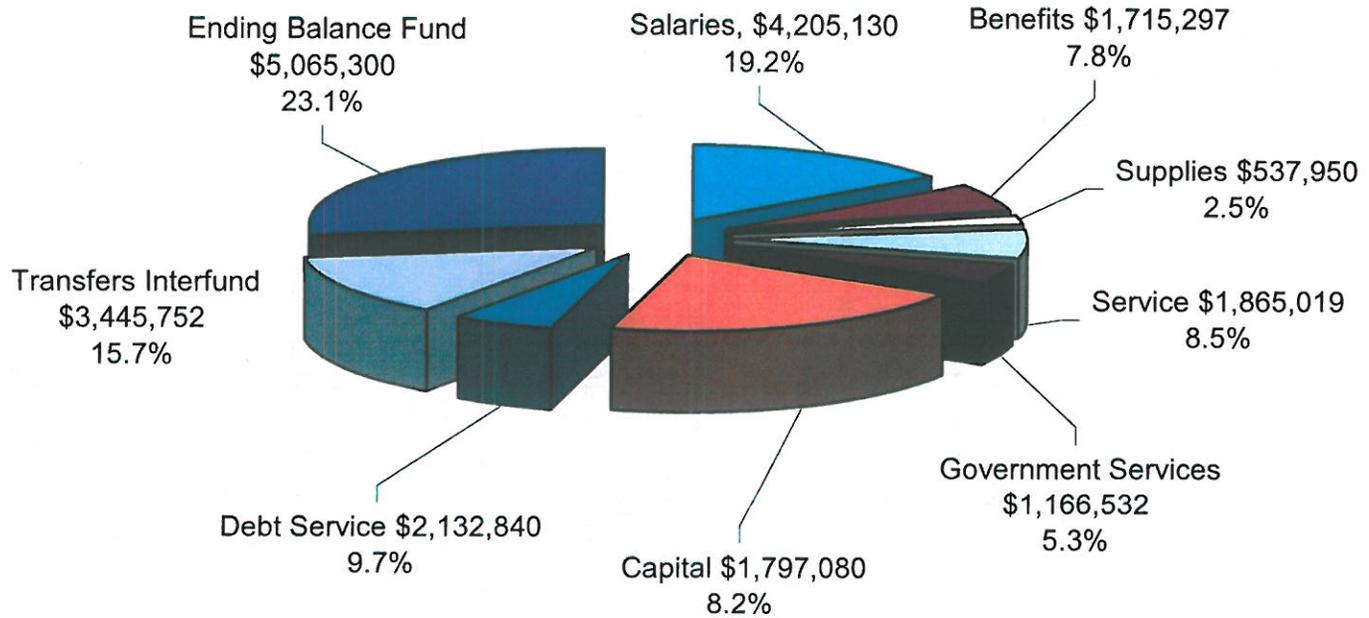
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BUDGET SUMMARY
2013 EXPENDITURES

City of Sedro-Woolley 2013 Budget Expenditures by Category - All Funds										
Fund Name	Salaries	Benefits	Supplies	Service Charges	Gov't Services	Capital	Debt Service	Transfers Interfund	End. Fund Balance	Total
General	2,275,990	825,901	146,100	687,339	305,350	42,200	-	97,650	391,482	4,772,012
Parks	218,070	109,415	41,900	163,150	875	7,700	10,000	14,025	49,188	614,323
Cemetery	62,775	29,465	12,500	12,545	2,000	-	-	14,025	11,599	144,909
Streets	159,325	84,313	48,200	238,300	60	105,000	-	105,825	64,800	805,823
Arterial Streets	-	-	-	-	3,197	646,500	-	500,000	674,786	1,824,483
Library	177,820	47,445	4,000	53,875	150	10,000	-	80,000	33,102	406,392
Cemetery Endowment	-	-	-	-	-	-	-	-	118,096	118,096
Parks Reserve Fund	-	-	-	-	-	-	-	-	503	503
Lodging Tax (Tourism)	-	-	-	40,000	-	-	-	-	405	40,405
Special Investigations	-	-	-	3,000	500	5,000	-	-	3,934	12,434
Dog Fund	-	-	750	-	-	1,000	-	-	27	1,777
Code Enforcement	-	-	-	25,000	-	-	-	-	1,510	26,510
Paths & Trails	-	-	-	-	-	5,000	-	-	36,594	41,594
2008 GO Bond	-	-	-	-	-	-	150,555	55,000	59,679	265,234
2008 GO Bond Reserve	-	-	-	-	-	-	-	5,850	150,000	155,850
1996 GO Bond	-	-	-	-	-	-	223,200	-	59,786	282,986
Capital Projects Reserve	-	-	-	-	-	-	-	270,000	145,143	415,143
Building Maintenance Reserve	-	-	-	-	-	-	-	6,500	182,315	188,815
Police Mitigation Reserve	-	-	-	-	-	-	-	-	541	541
Parks Impact Fees	-	-	-	-	-	-	-	10,000	3,810	13,810
Fire Impact Fees	-	-	-	-	-	-	-	-	25,340	25,340
Sewer Construction - PWTF	-	-	-	-	-	-	-	-	78	78
Sewer Operations	671,000	319,085	142,000	434,800	81,000	527,500	-	1,120,985	288,959	3,585,329
Sewer Operations Reserve	-	-	-	-	-	75,000	-	-	537,735	612,735
Sewer Debt Service	-	-	-	-	-	-	428,700	-	370,366	799,066
Sewer Facilities Reserve	-	-	-	-	-	-	620,465	805,000	959,682	2,385,147
Sewer Bond Reserve	-	-	-	-	-	-	-	-	376,482	376,482
Solid Waste Operations	384,000	187,200	129,500	109,150	725,000	35,580	-	221,967	173,312	1,965,709
Solid Waste Reserve	-	-	-	-	-	-	-	-	175,299	175,299
Stormwater	193,600	95,460	10,000	97,860	8,400	33,000	-	138,925	50,407	627,652
Stormwater Reserve	-	-	-	-	-	-	-	-	80,500	80,500
Suspense (SWSD)	-	-	-	-	40,000	-	-	-	1,950	41,950
Equipment Replacement & Fleet	62,550	17,013	3,000	-	-	303,600	699,920	-	37,890	1,123,973
TOTAL	4,205,130	1,715,297	537,950	1,865,019	1,166,532	1,797,080	2,132,840	3,445,752	5,065,300	21,930,900

BUDGET SUMMARY
2013 EXPENDITURES

**2013 All Funds
Expenditures - by Purpose
\$21,930,900**



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 2012 is estimated at \$4,900,000 as compared to \$4,600,000 in 2011. State statutes do not allow the city to levy more than \$3.375 per \$1,000 of assessed valuation. The City of Sedro-Woolley is well below the statutory limit at \$2.4323 per \$1,000 of assessed valuation for taxes collected in 2012.

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

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

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

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

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

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

Property Tax Levy Rate by Taxing Entities*

<u>District</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Skagit County	\$1.6214	\$1.5539	\$1.4592	\$1.3627	\$1.2420	\$1.2097	\$ 1.3206
Medic 1	\$0.3750	\$0.2500	\$0.2500	\$0.2460	\$0.2273	\$0.2290	\$ 0.2500
Conservation	\$0.0549	\$0.0527	\$0.0494	\$0.0461	\$0.0426	\$0.0429	\$ 0.0469
State	\$2.5500	\$2.3689	\$2.2060	\$2.0292	\$1.9625	\$2.0118	\$ 2.1725
City General	\$2.5495	\$2.4322	\$2.1952	\$2.0451	\$1.8569	\$2.1444	\$ 2.2598
City Bond	\$0.3076	\$0.2960	\$0.2703	\$0.2517	\$0.2291	\$0.2743	\$ 0.2743
Schools General	\$3.8266	\$2.9151	\$2.7495	\$2.5515	\$2.2160	\$2.4852	\$ 2.6018
School Bond	\$1.1084	\$1.0477	\$0.9286	\$0.8728	\$0.7597	\$0.8084	\$ 0.8955
Hospital 304	\$0.1801	\$0.1711	\$0.1569	\$0.1470	\$0.1344	\$0.1406	\$ 0.1512
Port #2	\$0.2106	\$0.2016	\$0.1286	\$0.1224	\$0.1174	\$0.1196	\$ 0.0999
Totals	\$12.7841	\$11.2892	\$10.3937	\$9.6745	\$8.7879	\$9.4659	\$ 10.0725

* Per \$1000 of assessed value.

City Regular Levy

	<u>Assessed Valuation</u>	<u>Property Tax</u>	<u>Rate Per \$1,000</u>
1999	\$ 329,038,224	\$ 901,993	\$ 2.7413
2000	\$ 396,626,551	\$ 929,018	\$ 2.3423
2001	\$ 404,374,295	\$ 1,096,218	\$ 2.7109
2002	\$ 425,982,646	\$ 1,186,788	\$ 2.7860
2003	\$ 453,524,658	\$ 1,255,674	\$ 2.7687
2004	\$ 472,465,429	\$ 1,320,021	\$ 2.7939
2005	\$ 556,551,581	\$ 1,363,329	\$ 2.4496
2006	\$ 589,957,949	\$ 1,495,897	\$ 2.5356
2007	\$ 711,332,593	\$ 1,607,469	\$ 2.2598
2008	\$ 778,278,230	\$ 1,668,939	\$ 2.1444
2009	\$ 930,140,024	\$ 1,727,177	\$ 1.8569
2010	\$ 848,751,838	\$ 1,735,760	\$ 2.0451
2011	\$ 792,417,170	\$ 1,739,520	\$ 2.1952
2012	\$ 724,366,210	\$ 1,761,865	\$ 2.4323
2013	\$ 696,093,913	\$ 1,774,725	\$ 2.5495

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

City Bond Levy (Public Safety Bldg.)

	<u>Assessed Valuation</u>	<u>Property Tax</u>	<u>Rate Per \$1,000</u>
1999	\$ 319,189,719	\$ 179,991	\$ 0.5639
2000	\$ 385,636,071	\$ 175,002	\$ 0.4538
2001	\$ 393,574,160	\$ 164,986	\$ 0.4192
2002	\$ 415,424,831	\$ 197,991	\$ 0.4766
2003	\$ 442,734,218	\$ 197,991	\$ 0.4472
2004	\$ 461,308,584	\$ 197,994	\$ 0.4292
2005	\$ 550,023,681	\$ 222,980	\$ 0.4054
2006	\$ 580,714,084	\$ 191,984	\$ 0.3306
2007	\$ 699,986,348	\$ 191,923	\$ 0.2743
2008	\$ 765,517,905	\$ 209,982	\$ 0.2743
2009	\$ 916,624,824	\$ 209,999	\$ 0.2291
2010	\$ 834,330,418	\$ 210,000	\$ 0.2517
2011	\$ 777,032,985	\$ 210,000	\$ 0.2703
2012	\$ 709,541,665	\$ 210,000	\$ 0.2960
2013	\$ 682,686,293	\$ 210,000	\$ 0.3076

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	\$ 1,099,021
2011	\$ 1,178,990
2012	\$ 1,231,366
2013 *	\$ 1,204,000

* = 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 2013 estimated population is 10,610.

LIQUOR PROFITS AND TAXES

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

Initiative 1183 passed in November 2011, privatized the distribution and retail sale of liquor effective June 1, 2012. The markups on liquor have been replaced as a state revenue source by license fees that are paid to the state by retailers and distributors. These "profits" are divided among the state, counties, cities and towns. An additional amount is distributed to border area cities and towns. To be eligible to receive liquor taxes and profits, a city or town must devote at least 2 percent of its distribution to support an approved alcoholism or drug addiction program.

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

The state will not distribute any liquor tax receipts to cities or counties or border cities and counties between October 2012 and September 2013. The payments will begin again with the October 2013 payment. At this time, the state will reduce the transfers to cities and counties by \$10 million on an annual basis. A small amount of this reduction will be reflected in the payments to the border cities and counties, but essentially this means a

loss of almost \$8 million a year for cities and almost \$2 million for counties since the tax receipts are split 80%/20% between cities and counties.

UTILITY TAX

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

LEASEHOLD EXCISE TAX

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

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

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

MUNICIPAL COURT FINES

Although the State Supreme Court establishes the schedule of fines for traffic infractions in the Washington Model Traffic Ordinance RCW Chapter 46.90, cities and towns share in the

revenue for infractions committed within their boundaries. After the fines are collected, 35 % is sent to the state. The remainder is deposited in the General Fund to support law enforcement services.

LICENSES, PERMITS & FEES

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

EMERGENCY SERVICES

The Sedro-Woolley Fire Department provides fire and emergency services through a governmental contract with Skagit County Fire District No. 8, Monday through Friday, 6:00 am to 6:00 pm. In 2012 the City received \$212,300 from this program and anticipates about \$220,000 in 2013.

In 2009 the City entered into a contract with the State of Washington to provide fire and emergency services to the North Cascade Gateway Center located to the northeast of the city. In 2012 the city received \$19,307 from this contract and expects to receive \$20,080 in 2013.

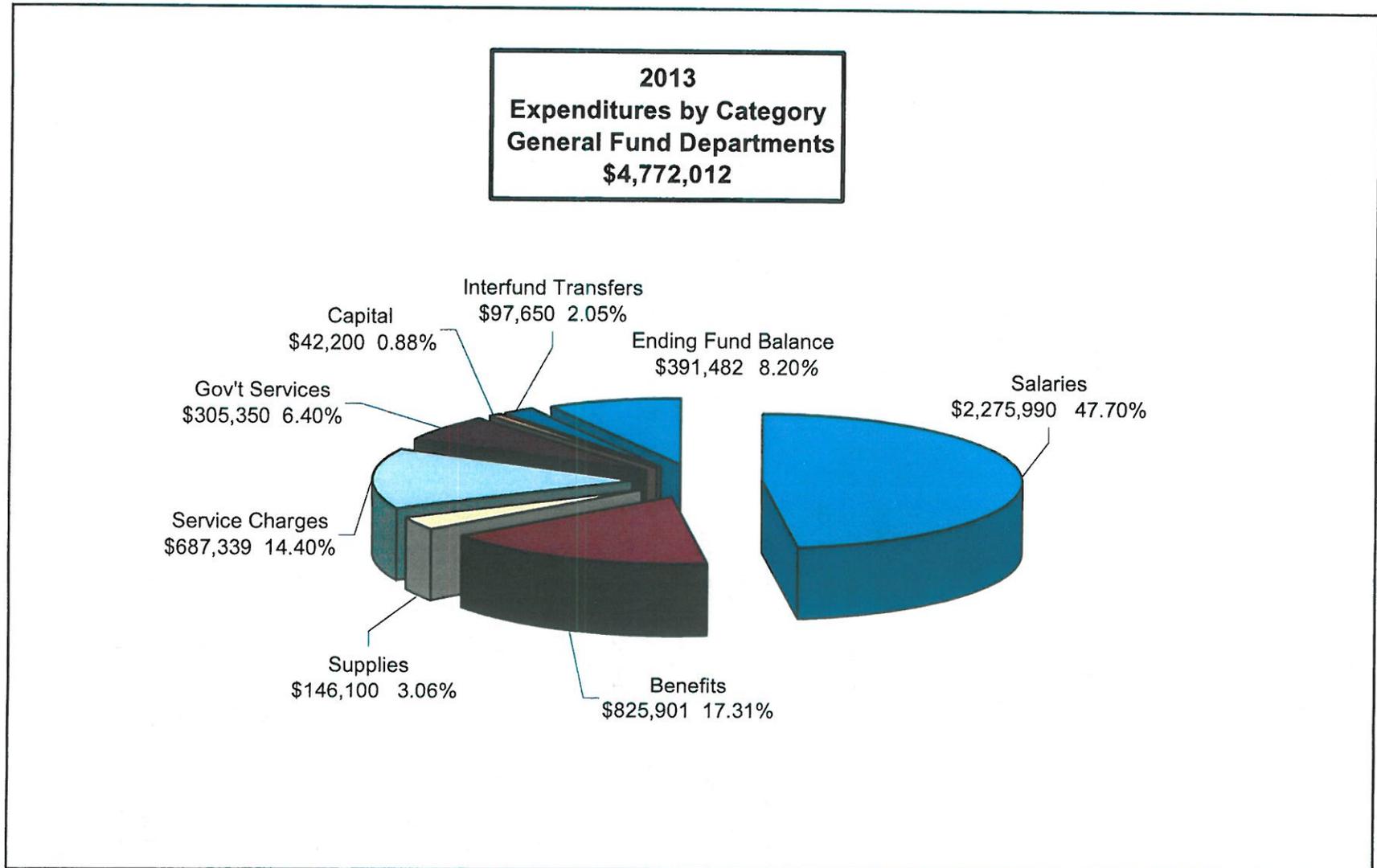
This list is not meant to cover every General Fund Revenue, but it is intended to assist in understanding how and where much of the money comes from in the support of general services of the City.

BUDGET SUMMARY
2013 EXPENDITURES

**City of Sedro-Woolley 2013 Budget
Expenditures by Category - General Fund Departments**

Department Name	Salaries	Benefits	Supplies	Service Charges	Gov't Services	Capital	Transfers Interfund	Total	%
Legislative	42,000	3,346	5,350	7,000	15,200	-	-	72,896	1.53%
Judicial	38,130	6,655	3,500	48,486	14,877	500	-	112,148	2.35%
Executive	56,725	19,570	1,000	68,500	-	-	-	145,795	3.06%
Finance	59,110	31,455	10,000	58,128	-	1,000	-	159,693	3.35%
Legal	57,315	27,998	5,300	92,845	1,400	-	-	184,858	3.87%
Civil Service	-	-	250	3,000	-	-	-	3,250	0.07%
Information Technologies	53,700	15,372	2,700	22,100	-	9,000	-	102,872	2.16%
Central Services	-	-	3,600	5,000	-	-	7,650	16,250	0.34%
Planning	73,500	24,798	2,300	12,260	5,015	600	-	118,473	2.48%
Engineering	70,315	28,565	3,500	28,595	-	500	-	131,475	2.76%
Police	1,341,735	541,354	54,500	176,165	200,500	30,000	-	2,344,254	49.13%
Fire	466,350	120,568	51,500	126,100	-	-	90,000	854,518	17.91%
Building	17,110	6,220	2,600	39,160	-	600	-	65,690	1.38%
Emergency Services	-	-	-	-	21,000	-	-	21,000	0.44%
Pollution Control	-	-	-	-	3,707	-	-	3,707	0.08%
Economic Development	-	-	-	-	2,000	-	-	2,000	0.04%
Aging	-	-	-	-	20,441	-	-	20,441	0.43%
Public Health	-	-	-	-	21,210	-	-	21,210	0.44%
Ending Fund Balance								391,482	8.20%
TOTAL	2,275,990	825,901	146,100	687,339	305,350	42,200	97,650	4,772,012	100.00%

BUDGET SUMMARY
2013 EXPENDITURES



GENERAL FUND EXPENDITURES – By Department

LEGISLATIVE

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

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

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

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

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

MISSION STATEMENT

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

VISION STATEMENT

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

Legislative					
			Budget	Budget	Budget
			Year	Year	Year
			2011	2012	2013
Expenditures by Category					
Salaries			42,000	42,000	42,000
Benefits			3,325	3,350	3,346
Supplies			7,350	5,350	5,350
Service Charges			5,500	7,000	7,000
Government Services			11,500	11,200	15,200
Total Expenditures			69,675	68,900	72,896

JUDICIAL

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

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

Judicial				
		Budget	Budget	Budget
		Year	Year	Year
		2011	2012	2013
<u>Expenditures by Category</u>				
Salaries		34,500	37,125	38,130
Benefits		5,280	6,200	6,655
Supplies		3,500	3,500	3,500
Service Charges		80,536	80,876	48,486
Government Services		14,500	14,725	14,877
Capital		2,000	2,000	500
Total Expenditures		140,316	144,426	112,148

EXECUTIVE

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

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

providing City department overview and liaison.

Executive				
		Budget	Budget	Budget
		Year	Year	Year
		2011	2012	2013
<u>Expenditures by Category</u>				
Salaries		60,300	57,800	56,725
Benefits		17,915	18,795	19,570
Supplies		500	500	1,000
Service Charges		22,200	32,000	68,500
Capital		0	0	0
Total Expenditures		100,915	109,095	145,795

FINANCE

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

- Cashiering services;
- Cash and investment portfolio management;
- Daily deposits and other banking activities;
- Debt management; including EMMA reporting requirements;
- Budget preparation and administration;
- Annual financial report preparation;
- Business license approval and monitoring
- Utility Tax reporting;
- Grant revenue and expenditure reporting;
- Local Improvement District assessment collections;
- Utility billing for sewer, solid waste and storm;
- Accounts receivable, collections, lien filings & foreclosure;
- Payroll and employee benefits;
- Federal and State payroll tax reporting;

- Accounts payable and audit of vendor claims;
- Monthly and annual financial reporting of all revenues and expenditures;
- Prepares for and facilitates the City's annual audit;
- Custodian of the City's legislative history;
- Codification of ordinances and updating of municipal code books;
- Production of Council agendas, packets and minutes;
- Publish required legal notices;
- Notary services (City related documents only);
- Archival and destruction responsibilities of the City's official public records;
- Process all incidents and claims in a timely manner;
- City-wide mail processing;
- Manage the City's inventory system including vehicle titles & registrations;
- Assist the City Supervisor in risk management and personnel issues.
- Manage the city's Identity Theft Prevention program per the FCC's Red Flag Rule;
- Manage distribution and safekeeping of City keys;
- Schedule and coordinate burials at Union Cemetery;
- Maintain Cemetery records and assist with genealogy research;
- Scheduling of parks and facilities;
- Ordering of supplies for various City departments.

2012 Accomplishments

- Successfully completed the annual audit by the State Auditor's Office with no findings.
- Provide staffing to the City's Safety Committee, Wellness Committee, Well City award documentation and wellness events.
- Continued to improve the City's budget process and financial reporting.
- Continually evaluated and updated the City's expected revenues as a result of the declining national economy to determine the amount of cost cutting necessary.
- Updated process and procedures to comply with changing laws and regulations.

2013 Goals

- Successfully implement the State Auditors BARS update which significantly changes our accounts.
- Successfully complete the annual audit by the State Auditors .
- Continue to evaluate and select new financial accounting software.
- Continue to provide staffing for the Safety Committee, Wellness Committee and Wellness events.
- Continue to evaluate our processes and strive to be even more efficient, doing more with less.
- Continue to maintain a high level of customer service.

Finance				
		Budget	Budget	Budget
		Year	Year	Year
		2011	2012	2013
<u>Expenditures by Category</u>				
Salaries		56,150	54,750	59,110
Benefits		30,070	32,185	31,455
Supplies		9,500	10,000	10,000
Service Charges		51,177	54,890	58,128
Capital		1,000	1,000	1,000
Total Expenditures		147,897	152,825	159,693

LEGAL

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

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

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

Good risk management, active legal consultation with City Departments and the City Council, open channels of communication with citizens, and early legal intervention reduce the risk of litigation and limit our taxpayer's

exposure to the financial liabilities associated with lawsuits against the City.

Legal				
		Budget	Budget	Budget
		Year	Year	Year
		2011	2012	2013
<u>Expenditures by Category</u>				
Salaries		18,250	17,500	57,315
Benefits		7,180	7,625	27,998
Supplies		150	100	5,300
Service Charges		40,250	45,400	92,845
Government Services		1,400	1,400	1,400
Capital		0	0	0
Total Expenditures		67,230	72,025	184,858

CIVIL SERVICE

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

Civil Service				
		Budget	Budget	Budget
		Year	Year	Year
		2011	2012	2013
<u>Expenditures by Category</u>				
Supplies		250	250	250
Service Charges		3,000	3,000	3,000
Total Expenditures		3,250	3,250	3,250

INFORMATION TECHNOLOGY

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

- Procurement, implementation and review of technology hardware and software

- Administration of the City-wide LAN and IP telephone system
- Website development and maintenance
- Client support for critical proprietary applications in public safety, municipal court, wastewater treatment and financial systems
- Deployment and maintenance of networked security surveillance systems
- Database development, deployment and administration
- Securing, archiving and restoring data on the City network
- Coordination and client support for County-hosted email
- Facilitate end-user application training and coaching
- Completed upgrade/deployment of two Windows 2008 servers
- Assisted PD staff with security audits
- Extended City LAN wirelessly to Hammer Heritage Square
- Deployed two more energy-efficient (< 40 Watts at peak) desktop computers to replace older workstations and reduce energy costs
- Assisted PD staff with design and implementation of digital records transmission system
- Created economic development pages for City website
- Recovered \$11,158.00 plus tax through auction of surplus City equipment
- Organized summer lunchtime sand volleyball games at Riverfront Park as part of Wellness Program

2012 Accomplishments

Accomplishments for 2012 include:

- Procured, configured and deployed webcams for new skate park and Hammer Heritage Square clock tower
- Developed intranet/internet design to stream webcam video
- Upgraded internet firewall
- Facilitated upgrade of monitored security systems at all City facilities, with significant enhancements at Community Center and Senior Center
- Upgraded security camera surveillance system at Hammer Heritage Square
- Upgraded and deployed eight Windows 7 workstations
- Configured and deployed eight Fire mobile data terminals and one spare
- Deployed MS Office 2010 Pro Suite on ten workstations

2013 Goals & Objectives

The main focus for IT in 2013 will continue to be on projects that reduce power consumption, increase productivity and enhance security. These goals include:

- Configure and deploy isolated Finance workstation for secure banking transactions
- Upgrade PD WebMSS terminal to OMNIX system
- Deploy tablets for City Council Meeting agendas and packets
- Assist Police and Fire with expansion of mobile data terminals, including mobile license scanning and ticket printing (SECTOR)
- Deploy network backup system for SCADA

Summary

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

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

The Planning Department acts as an information center to assist citizens in understanding the rules and policies of the City and how those might apply to their property or to a project proposal. The Planning Department often focuses on public outreach, listening to what the community wants and suggesting changes to the Planning Commission and City Council accordingly.

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

2012 Specific Accomplishments

In 2012, the Planning Department assisted the City Council and Planning Commission with the following:

- Continued work on required grant-funded Shorelines Master Plan update.
- Revised the Municipal Code to:
 - Establish guidelines for medical marijuana collective gardens.
 - Establish guidelines for sidewalk and street dining areas in Central Business District.
 - Establish guidelines to allow for an alternate payments schedule for impact fees (deferred payment of impact fees on spec homes)
 - Establish impact fee credits for existing structures that were lawfully demolished
- Continued work on revisions to the Municipal Code to create a new section of the zoning code governing development in the Urban Village Mixed Use Overlay area. Revisions to the Design Standards and Guidelines specific to development in the Overlay are also under way.
- Updated the Comprehensive Plan:
 - Rezone of properties west of Rhodes Road, south of SR 20 as requested by the residents.
 - Review of potential expansion of urban growth area (UGA) north of city limits and contraction of existing UGA to maintain the same amount of acreage in UGA.

- Represented the City in the Skagit County Envision 2060 planning process.
- Issued Administrative Determination regarding the definition of Low-Intensity Agriculture.
- Processed applications:
 - Administrative Zoning Waivers (1)
 - Boundary Line Adjustments (3)
 - Conditional Use Permit Appeals (2)
 - Home Occupation Review (25)
 - Pre-application Meetings (8)
 - Short Plats (1)
 - Subdivisions (2)
 - Building Permit review (39)
 - Sign Permit Review (6)
 - Business License Review (54)
- Completed census reports – Office of Financial Management (OFM) and Federal.
- Performed design review.
- Performed zoning review.

and other documents to simplify the City’s regulatory structure.

2013 City Council Goal II: Make City Government more user friendly

2013 City Council Goal II: Develop predictable processes

2013 City Council Goal IV: Streamline the permitting processes

- **Comprehensive Plan Goal GMA5:** Encourage community economic development.
- **Comprehensive Plan Goal GMA 7:** Ensure fair, predictable and timely permit processes.
- **Comprehensive Plan Goal LU6:** To provide clear review and approval processes for land use actions.

- Increase the flexible thresholds used to exempt minor new construction projects from SEPA review.

The Planning Department will work on amendments to the Environmental Policy chapter of the Municipal Code (Chapter 2.88 SWMC) to increase the minimum exemption thresholds for minor new construction projects. Washington State Department of Ecology has recently changed its rules to allow jurisdictions planning under the Growth Management Act to increase the exemption levels for subdivisions, commercial structures and excavations. SEPA may not be necessary for subdivisions up to 30 units, commercial buildings up to 30,000 square feet with parking up to 90 spaces and

2013 Goals & Objectives

- Identify ways to improve development regulations and facilitate development in the City.
The Planning Department will work with new City Council Business Development Committee to identify ways to make development easier and improve the business climate in the City. Possible actions include deleting sections of and/or amending the Municipal Code

excavations up to 1,000 cubic yards.

2013 City Council Goal II: Develop predictable processes

2013 City Council Goal II: Make City Government more user friendly

2013 City Council Goal IV: Streamline the permitting processes

Comprehensive Plan Goal GMA5: Encourage community economic development.

Comprehensive Plan Goal GMA 10: Protect the environment while enhancing community quality of life.

Comprehensive Plan Goal LU16: To protect, sustain and maintain Sedro-Woolley's critical areas, sensitive areas and natural resource lands for present and future generations.

Comprehensive Plan Goal LU17: To control the impacts of development activities on the quality of surface and ground water.

- Review impact fees and permit fees charged for new development. The Planning Department will work with the Public Works Department to review the current impact fee values and evaluate opportunities to reduce impact fees to facilitate new development. The Planning Department will also evaluate the fees charged for planning services to assure that those fees are less than or competitive with the fees that other communities assess.

2013 City Council Goal II: Make City Government more user friendly

2013 City Council Goal II: Develop predictable processes

2013 City Council Goal IV: Streamline the permitting processes

- **Comprehensive Plan Goal GMA5:** Encourage community economic development.
- **Comprehensive Plan Goal GMA 7:** Ensure fair, predictable and timely permit processes.
- **Comprehensive Plan Goal LU6:** To provide clear review and approval processes for land use actions.
- Expand Urban Growth Area along SR9 North and city-owned River Road property. The Planning Department will work with Skagit County and the Department of Commerce using the Countywide Planning Policies to expand the city's UGA both on SR9 North and along River Road.

2013 City Council Goal V: Promote economic development

2013 City Council Goal VI: Expand recreational opportunities – Parks

2013 City Council Goal VI: Provide youth activities

- **Comprehensive Plan Goal H1:** To provide sound, adequate housing for all current and future Sedro-Woolley residents.
- **Comprehensive Plan Goal P1:** To provide sufficient park and recreation facilities to meet current and future demands.

- **Comprehensive Plan Goal GMA9:** Provide open space and recreation opportunities to community residents.
- **Comprehensive Plan Goal LU10:** To create as safe, active environment for youth.
- Update the Sedro-Woolley Comprehensive Plan – Housing Element. The Planning Department will assist in proposing revisions to the Housing Element of the Comprehensive Plan. The City’s Comprehensive Plan must be reviewed and amended as necessary by June of 2016.

2013 City Council Goal II: Educate and inform Citizens about the Goals and Vision

- **Comprehensive Plan Goal GMA4:** Provide adequate, affordable housing to all community residents.
- **Comprehensive Plan Goal H1:** To provide sound, adequate housing for all current and future Sedro-Woolley residents.
- Revise Shoreline Master Plan. The Planning Department will continue to work on drafting a new Municipal Code Chapter 17.XX, Sedro-Woolley Shoreline Master Plan. Washington State Department of Ecology has required all jurisdictions to update or draft a plan, for which they are providing financial assistance.

2013 City Council Goal II: Develop predictable processes

2013 City Council Goal IV: Streamline the permitting processes

- **Comprehensive Plan Goal LU16:** To protect, sustain and maintain Sedro-Woolley's critical areas, sensitive areas and natural resource lands for present and future generations.
- **Comprehensive Plan Goal LU17:** To control the impacts of development activities on the quality of surface and ground water.

- Adopt Urban Village Mixed Use zoning regulations and design standards. The Planning Department will work with the Planning Commission to draft proposed regulations to facilitate UVMU development in areas identified in the Comprehensive Plan.

2013 City Council Goal V:

Promote economic development

2013 City Council Goal I: Partner with developers to obtain desired improvements/character

- **Comprehensive Plan Goal H1:** To provide sound, adequate housing for all current and future Sedro-Woolley residents.
- **Comprehensive Plan Goal LU8:** To maintain a hospitable, welcoming environment for new Sedro-Woolley residents.

Planning					
			Budget	Budget	Budget
			Year	Year	Year
			2011	2012	2013
<u>Expenditures by Category</u>					
Salaries			137,500	100,160	73,500
Benefits			49,375	39,015	24,798
Supplies			2,000	1,500	2,300
Service Charges			17,700	11,700	12,260
Government Services			5,015	5,015	5,015
Capital			500	8,600	600
Total Expenditures			212,090	165,990	118,473

ENGINEERING AND PUBLIC WORKS

Mission Statement

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

2012 Public Works/Engineering Accomplishments

- The SR20, Metcalf to Township Lane Widening and Bicycle/Pedestrian Improvements Project was completed, adding center turn lanes, storm drainage, curbs, sidewalks and pedestrian facilities to Moore Street. Included was the lowering of SR20 under the BNSF Railroad Trestle west of Metcalf, providing 16' of vertical

clearance. The total project value was \$3,264,454, including grants of \$2,646,700 from TIB, and \$300,000 from Skagit County.

- The 2012 Pavement, Pedestrian and Utility Improvements Project was funded and completed utilizing TIB Expanded Preservation grant funds, PWTF Critical Sewer loan funds and other sources. The total project cost was \$874,053, with \$181,232 from TIB. Asphalt overlay work was completed on John Liner Road from Reed to Township and on West Nelson, Batey and a portion of Jameson as the TIB portion of the project. Asphalt overlays were also completed on Metcalf from Warner to Northern and on State from Metcalf to 3rd, including ADA upgrades and sanitary sewer and storm drainage improvements in the Metcalf/Eastern Alley under the PWTF portion of the project. Closed out the remaining PWTF Critical Sewer Project loan on completion of the project.
- Bid, awarded and managed 18 miscellaneous Public Works contracts totaling \$232,491.
- Awarded and managed 14 Professional Services agreements totaling \$115,508.
- Grant applications to support the Transportation Plan and Stormwater projects were prepared and submitted under the TIB Urban Arterial Program (funded \$3,614,707), TIB Expanded Preservation Program (\$420,000 funded), TIB Urban Sidewalk Program (\$118,000 funded), Safe Routes to Schools

(\$700,000 funded), WSDOT Bicycle & Pedestrian Safety Program (\$0 funded), Ecology Capacity Grant (\$50,000 funded) and Ecology CPG Program (\$0 funded). Grants awarded for 2012 total \$4,902,707.

- Continued modifications to the City GIS mapping system to refine the sanitary sewer and stormwater system and to update the mapping for completed capital projects.
- Completed the 2012 NPDES Stormwater Permit Annual Report.
- Continued NPDES Stormwater Permit compliance activities including documentation of catch basin and stormwater pipeline cleaning activities. Completed cleaning of remaining systems required by permit compliance date of 2/15/2012.
- Continued to inspect and coordinate maintenance efforts for all private stormwater systems within the city.
- Completed Interlocal Agreement with Skagit County for absorbing the Brickyard Creek Sub-flood Control Zone elements within the City limits.
- Updated the Equipment Repair & Replacement Fund program to meet 2012 Budget requirements and city equipment replacement needs.

Project Summary

PROJECT DESCRIPTION	TOTAL PE/CE/CN	STATUS
<u>2012 PROJECT RECAP</u>		
SR20, METCALF TO TOWNSHIP LANE WIDENING AND BICYCLE/PEDESTRIAN IMPROVEMENTS PROJECT	3,264,454 (3,006,633 IN 2011)	COMPLETE
2012 CITY PAVEMENT, PEDESTRIAN & UTILITY IMPROVEMENTS PROJECT	874,053	COMPLETE
SR20/COOK ROAD REALIGNMENT & EXTENSION PROJECT – DESIGN PHASE	404,378	50%
2012 ON-CALL PROJECTS – 18 TOTAL	232,491	COMPLETE
2011 ON-CALL PROFESSIONAL SERVICES AGREEMENTS - 14 TOTAL	115,508	COMPLETE
TOTAL 2012	1,884,251	
<u>2013 PROJECTS PLANNED</u>		
<u>STREET</u>		
SR20 CORRIDOR FREIGHT MOBILITY & REVITALIZATION PROJECT - PHASE 1 COOK ROAD & SR9 – REMAINING PE/ROW	402,499	DESIGN & ROW PHASE
SR20 CORRIDOR FREIGHT MOBILITY & REVITALIZATION PROJECT - PHASE 1 COOK ROAD & SR9 – CONSTRUCTION PHASE	3,666,846	CONSTRUCTION PHASE
SR-9, LUCAS TO PARK COTTAGE AND MCGARIGLE TO SUMMER MEADOWS PEDESTRIAN/BICYCLE SAFETY IMPROVEMENTS PROJECT	846,000	DESIGN & CONSTRUCTION PHASES
3 RD STREET, STERLING TO STATE OVERLAY & TALCOTT TO STATE SIDEWALK PROJECT	616,400	DESIGN & CONSTRUCTION PHASES
ANNUAL MONITORING & MAINTENANCE OF THE FURITDALE/MCGARIGLE WETLAND AREA PER CORPS PERMIT	7,500	
UPDATE TRANSPORTATION PLAN IMPACT FEE SCHEDULE	5,000	PLANNED
<u>STORMWATER</u>		
UPGRADE CULTUS MOUNTAIN STORMWATER PUMP STATION PANEL	28,800	DESIGN & CONSTRUCTION
UPDATE STORMWATER MANAGEMENT PLAN	20,000	NOT STARTED
BRICKYARD CREEK ANNUAL MAINTENANCE PROJECTS	43,000	ANNUAL MAINTENANCE
<u>WASTEWATER</u>		
UPDATE 2005 COMPREHENSIVE SEWER PLAN	50,000	PLANNED
2013 SEWER PROJECT	275,000	DESIGN & CONSTRUCTION
WTF RING DIKE PRELIMINARY DESIGN	50,000	PLANNED
UPDATE SEWER RATE STUDY	7,500	PLANNED

SOLID WASTE

SOLID WASTE YARD
EXPANSION FENCING &
PAVING

20,000 NOT STARTED

TOTAL 2013 PROJECTS 6,038,545

2013 Goals

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

2013 Objectives

- Continue updates to the Sedro-Woolley Public Works Department Standards, including the permitting and fee system.
- Review and adjust as needed Engineering Fees for Development.
- Provide project management and technical support for the

development, bidding, contract compliance, and project close out for capital facilities projects and small works projects per City code and state law.

- Continue to support the activities of all Public Works elements and other City departments by providing current, accurate GIS data to the fullest extent possible.
- Continue emphasis on transportation planning and street maintenance and improvement operations per the 2005 Transportation Plan. Continue planning for next level of projects, including SR20 Corridor Freight Mobility and Revitalization Project, SR9/Jameson Arterial Extension Project and West Jones/F&S Grade Road & Garden of Eden Road area.
- In house design, bid and construct the 2013 Street Rehabilitation projects including TIB funded 3rd Street, Sterling to State HMA Overlay and Sidewalk Replacement Project and other pavement preservation projects as funding permits.
- Complete design phase for the Phase 1 SR20 Cook Road Realignment project, bid and construct the project over 2013-2014.
- In house design, bid and construct the SRTS funded SR9 Pedestrian and Bicycle Safety Improvements Project.
- Set up and begin program to upgrade street signs to new FHWA standards using IworQ Sign Management System.
- Complete Address Range and Street Name updates in coordination with Skagit County.

- Update the 1997 City Storm Water Management Plan in coordination with the Brickyard Creek Sub-flood Control Zone. Identify and program stormwater system improvements including capacity improvements for Brickyard Creek and the West Jones/F&S Grade Road and Garden of Eden Road areas.
- Continue to manage implementation and compliance activities for the NPDES Phase II Stormwater Permit. Prepare and submit 2012 Annual Report. Monitor 2013 Permit re-issuance.
- Continue inspection and tracking of private stormwater systems. Provide private system operating training seminar in conjunction with Skagit Conservation District.
- Complete the first round of Local Source Control Program business inspection and tracking. Negotiate extension of the contract for 2013/2014.
- Continue to work with Skagit County to complete stormwater projects of mutual benefit in the Fruitdale Road vicinity.
- Manage sewer utility system upgrades to ensure regulatory compliance and the safe, reliable provision of essential City services including improvements to the wastewater collection system, sewer trunk line improvements, and wastewater treatment in accordance with the 2005 Comprehensive Sewer Plan. Plan for infill of sewer to underserved areas of the city, including the Curtis Street/State Street vicinity, Bingham Park area, and Fruitdale Road/Wicker Road area.
- In house design, bid and construct the 2013 Sewer Project.
- Monitor sewer and stormwater utility rate and connection revenue for compliance with planned rate increases to ensure the lowest possible utility rates that will support the City's adopted plans for utility system maintenance and capital projects.
- Continue to search for grant funding opportunities and low interest loans in conjunction with the City's capacity to finance the loans & provide assistance in grant and loan preparation to all Public Works divisions and City departments. Submit TIB, Safe Routes to Schools and other grant opportunities as they arise.
- Continue emphasis on procurement policies and methods that comply with City code and state requirements and assure the best value at the best price.
- Continue management of the Equipment Repair and Replacement Fund.
- Provide updates and training on the latest procurement methods, laws, and policies.
- Continue Records Management Program implementation.
- Continue to support and improve the Customer Request Program.

Engineering				
		Budget	Budget	Budget
		Year	Year	Year
		2011	2012	2013
<u>Expenditures by Category</u>				
Salaries		82,740	63,500	70,315
Benefits		33,430	26,610	28,565
Supplies		3,000	3,000	3,500
Service Charges		31,750	25,950	28,595
Capital		500	3,000	500
Total Expenditures		151,420	122,060	131,475

contracts with Skagit County for Jail, Skagit 911 for dispatch services and with the City of Wapato for jail services.)

Patrol

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

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

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.

The Sedro-Woolley Police Department continues to work hard and serve the citizens well. Our statistics continue to be very consistent and we meet and exceeded our goals for 2012.

We have accomplished some of our goals and continue to actively work on the long term ones.

2012 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. These continuing tight city budgets do present challenges, however we are committed to working together to see a way through problems.
- Work on bring down the amount of burglaries. This is a huge problem in the city as well as in the county and state. It is one of our top priorities.
- Expand the citizens on patrol. Our Senior Crime Watch can help patrol and be visible in the community. We have a great group of volunteers and truly augment our department.
- The lack of space in the Skagit County Jail continues to be a huge problem for the county law enforcement. We are working with leaders from other agencies to develop a long range plan for dealing with offenders. We continue to house long term offenders in Wapato, however a long term solution needs to be developed for Skagit County. We hope to be part of that plan.
- Continue to monitor the downtown bar situation. We have been experiencing more than usual amounts of problems down town. Our department has been working on identifying problem people and

establishments. We have and will continue to keep the down town viable and safe for all.

2012 Progress

Staffing

We are still understaffed but we have still been able to provide full service to the community. All areas of the department are feeling the pressure but everyone is working cooperatively and diligently to make Sedro-Woolley a safe and pleasant place to live. We were able to fill our open officer position with an experienced Officer, Rhonda Lasley. We do have to prioritize and focus on solving problems and we do. We do not have the level of staffing that we should have but we make it work with what we have and are thankful to have our jobs.

Our Records/Evidence Department is very busy but have been working very hard to update both our evidence procedures and going to an electronic system of sending cases to both the Skagit County and Sedro-Woolley Prosecutor's offices. This was a great deal of work but we hope that it will become more efficient. We have also been taking advantage of the great asset we have in our part-time receptionist, Ariel Wesson. Ariel is an extremely valued employee, she works well to lessen some of the Records Department's burden, she is trained in most of our Records functions and fills in for medical and vacation time for the two full time staff, also, she is a volunteer fire-fighter and has been able to respond to Fire calls directly from the office.

The entire Department is sharing in the responsibility of animal control. It is challenging at times but we get it done at a very low cost. Luigi Gallino and his

offender work program is also a big part of making it work.

Burglaries

At the first of 2012 we were having a large amount of burglaries. We made a conscious decision to, instead of reacting to burglaries, target small drug dealers in the city. We will never have enough staff to just react to calls for service, we have to actively pursue our local “bad guys” and keep them from committing as many crimes as we can. We believe that a proactive approach is cheaper and better for all involved, except the “bad guys!”

This approach has been very successful and has really cut down on the burglaries and thefts in town. This effort was led by Detective Harris but once again everyone is involved to make this successful. (Attached are two memos highlighting the results of our investigations.) Overall our controlled Buy Operations purchased drug from 16 individuals and 24 arrests. Total of money/property seized is \$26,482. We have been able to send a message, loud and clear, that if you sell drugs in Sedro-Woolley we will arrest you. It has cut down the thefts and burglaries because many of the people were trading property for drugs.

These proactive projects have resulted in the seizure of several vehicles and assets that we have used to buy equipment and provide training to keep our people up to date and safe.

Citizen Patrol

Our citizen patrols continue to provide great service to the community. Along with the patrols we have one volunteer working in records along with Bob the graffiti patrol.

Jail

This is still a very difficult problem that is being worked on. We are working hard with other agencies to come up with a short and long term solutions.

2013 Goals

- Continue to work, within our budget restraints, and provide the high level of service. We will continue to target people who sell drugs and those who accept stolen property.
- Work together with other agencies in solving short and long term issues with the jail. The jail issue is not a glamorous project but it is an integral part of the criminal justice system that keeps us safe.
- Complete our Spillman mobile project.
- Complete our evidence procedure and facilities upgrade and our electronic case transfer system with the county and city prosecutors.
- Our Offender work program continues to work very well. The offenders have worked 5000 hours for each of the past two years. I do not believe that the city would function as well without their labors. This program works this well because of the hard work and dedication of Luigi Gallino.

We were not able to purchase any vehicles this year. With the passage of the new tax we should be able to get back on track with the rotation. We did

join the county and other police agencies in increasing our technology. We are working on implementing Spillman mobile. It will be a great tool for all of the employees.

We continue to be successful in keeping a handle on the gang problem in town. We have had many incidents but for the most part they have been handled.

We continue to evaluate our jobs and work on ways to be even more efficient. We recognize that we will have to continue to do this in 2013 also.

Our stated goal for the last several years is getting back to basics. Officers continue to focus on aggressive patrol and enforcement of criminal and traffic laws, which has made it uncomfortable for drug dealers and drug users to live in our community. Our focus is working!

Our patrol officers are the backbone of the department. They continue to do a great job. All of our efforts support what they do. I am extremely proud of the group we have and their dedication and hard work is the reason for our success. They are the best.

	2008	2009	2010	2011	2012
Animal Problems	542	510	453	430	482
Traffic Infractions	504	562	364	511	740
DUI	64	64	50	55	47
Adult Arrests	729	746	610	586	486
Juvenile Arrests	120	104	105	106	90
Burglaries	89	104	147	151	178
Total Calls of Service	10,026	9,059	8,559	8,470	7,950

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.

Our department has a positive attitude and strives to deliver the level of service that you expect. You have a police department to be proud of.

Police				
		Budget	Budget	Budget
		Year	Year	Year
		2011	2012	2013
<u>Expenditures by Category</u>				
Salaries		1,266,000	1,317,188	1,341,735
Benefits		644,090	601,185	541,354
Supplies		48,500	52,500	54,500
Service Charges		149,917	138,310	176,165
Government Services		183,043	202,271	200,500
Capital		80,000	21,000	30,000
Total Expenditures		2,371,550	2,332,454	2,344,254

FIRE

Mission Statement

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

Volunteer Association Mission Statement

It is the association's mission to support the Sedro-Woolley Fire Department in providing service to protect the public from loss of life, health, and property by providing members that actively participate in our community, serve as

role models, and promote camaraderie through social events, fund raising, and recognizing individual achievements.

Major Service and Programs

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

Administration

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

Department Make Up

The department is made up with career staff, part time staff and volunteers. Currently the City employs on the career side: One Chief and one Assistant Chief. We have 16 part time employees (some who are also volunteers) and a total of 30 volunteers. Within the volunteer ranks we have 1 Battalion Chief, 2 Captains, 4 Lieutenants, 2 Safety Officers and 1 Support Officer.

2012 Accomplishments

- Service levels, Part Time and Volunteer staffing levels.
- Put into place new response plans
- Place MTD’s into service.
- Make the Skagit County Hazardous Matrerial Decon unit serviceable and train up personnel to operate.

The MDT’s are now in service along with the Decon Unit. Our new response matrix is proving to reduce costs and volunteer burnout.

2012 Call Data

Calls	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr
City	299	334	365	282
D8East	17	6	6	14
D8 North	17	13	12	14
D8 South	86	107	105	101
Totals	419	460	488	411

Total Calls for 2012: 1770

2013 Goals

- Continue to provide the citizens of Sedro-Woolley the quality service they have come to expect from their Fire Department.
- Continue to monitor the new response plan, and refine as needed. This will be on going over the next few years.
- Work on getting the Department ready for the WSRB (Washington Survey and Rating Bureau). We expect to be re-rated in 2013.
- Continue to train with the hazardous materials decon unite received from Skagit County DEM.

- Conduct a certifications class in Confined Space Search and Rescue for Department members.
- Due to funding issues within the City, work on maintaining all levels of service with the current budget.

- 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.

Fire					
			Budget	Budget	Budget
			Year	Year	Year
			2011	2012	2013
<u>Expenditures by Category</u>					
Salaries			443,100	457,000	466,350
Benefits			96,610	114,865	120,568
Supplies			56,000	52,500	51,500
Service Charges			137,600	118,110	126,100
Capital			96,738	75,905	0
Loan Payment			58,500	113,975	0
Transfer			5,850	0	90,000
Total Expenditures			894,398	932,355	854,518

Summary

The Building Department staff was reduced to less than one (1) F.T.E. in 2012 and that status continues through 2013. The primary goal will be to perform plan review in a timely fashion and continue to perform all inspections with same/next day service. Contracted employees are performing building inspections, plan review and Building Official responsibilities. Planning staff is engaged in building code training with the goal of having City staff perform building inspections, plan review and Building Official responsibilities as soon as training allows. The amount of time available to work on code enforcement requests will be reduced and may affect prompt customer service in that area.

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.

2012 Accomplishments

In 2012, the Building Department assisted the City Council with the following:

- Performed plan review to verify building code compliance
- Performed building inspections to verify building code compliance
- Performed as the Building/Planning/Engineering Code Enforcement Officer

2013 Goals & Objectives

- Efficient processing of building permit applications. The Building Department will review all residential applications within one week of submittal.
 - **2013 City Council Goal II: Make City Government more user-friendly**
 - **2013 City Council Goal II: Develop a predictable process**
 - **2013 City Council Goal IV: Streamline the permitting process**

- Help customers better understand the permitting process. The Building Department will update, revise or produce additional informational handouts for use in self-service area of City Hall and on the website.
 - **2013 City Council Goal II: Make City Government more user friendly**

- Continue managing and tracking Code Enforcement cases. The Building Department will continue to accept citizen complaints, manage compliance requests and uniformly enforce existing City codes to assist in improving the image of our City.
 - **2013 Council Goal II: Improve our image**

Building				
		Budget	Budget	Budget
		Year	Year	Year
		2011	2012	2013
<u>Expenditures by Category</u>				
Salaries		45,450	78,060	17,110
Benefits		12,800	33,860	6,220
Supplies		3,500	1,000	2,600
Service Charges		6,010	6,375	39,160
Capital		0	600	600
Total Expenditures		67,760	119,895	65,690

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 twelve special revenue funds:

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

PARKS FUND

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

2012 BUDGET MESSAGE

2012 has been a successful year for the Public Works Operations Department. Staff has had a very productive year completing numerous infrastructure

projects for the citizens of the city. We were able to complete several park and road projects, as well as keep up satisfactorily with routine maintenance of city streets, parks and facilities. We were also able to complete several blocks of road resurfacing with department staff completing the prep and finish work with the asphalt paving done by contractor. Please see the list of accomplished projects listed below by project fund. We still have the same staffing issues as in recent years with the loss of two full time positions. In spite of the difficult times, staff has stepped up to the plate and improved efficiency. We are very proud of what we have been able to accomplish for the citizens of Sedro-Woolley.

2012 Accomplishments

- General parks routine and preventative maintenance
- Cleaned and maintained 63,597 square feet of city owned facilities
- Completed the new Memorial Park Restroom Facility
- Completed installation of new high efficient HVAC system at the Senior Center
- Completed several lighting retrofit projects as part of our RCM Program
- Added the Houser Park Property using park impact fee funds
- Assisted with demolition of the old skateboard park and construction of the new facility
- Hosted 338 community events at parks and public facilities
- Hosted Loggerodeo Carnival
- Hosted Founders Day, JJ Cruisers Car Show

ISSUES FACING THE DEPARTMENT IN 2013

The age and increased usage of our public facilities as well as our transportation and drainage infrastructure will continue to be a factor in 2013. Our street infrastructure continues to show signs of wear and tear, and the cities storm system is in need of continued maintenance and cleaning to be in compliance with the Department of Ecology NPDES Phase II permit. Union cemetery will continue to be kept at a high standard to honor the citizens interred there. Even with a tough economy our citizens still expect a certain standard of service. Our primary concern in 2013 is being able to continue to provide our services to the public with limited staff at an acceptable level.

2013 Goals and Objectives

- Our goals for 2013 are to attempt to maintain our current levels of service with our reduced staffing
- Maintain our public parks and facilities, in a safe manner consistent with city policy and in a manner that we can be proud of
- Continue to plan for the future and work toward our long term goals
- Complete new restroom floors at the Senior Center
- Complete New Roof, Gutters, and Sealant at Riverfront Park Small Shelter
- Complete new siding, roof, gutters and paint on the Riverfront Park Caretaker House
- Continue to develop and work towards long term site plan for Memorial Park

- Continue to work on the cities Resource Conservation Program
- Begin to develop a conceptual plan for the new Houser Park & Playfield Site
- Assist with the Cook Rd Realignment project which will affect Bingham Park, Tesarik Park, and Metcalf Park.

Parks and public areas maintained by the Department

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

Public facilities that we oversee and maintain

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

Woolley. The street fund receives revenues from state distributions of motor vehicle fuel taxes. These state distributions are not sufficient resources to maintain city streets. The city's general fund provides subsidies in order for the street fund to operate.

2012 Accomplishments

- Kept up with routine maintenance, patching, signs maintenance, etc
- Working on Compliance with MUTCD Sign Requirements
- Asphalt Resurfacing of Thresher Avenue.
- Assisted with Resurfacing of Metcalf Street, John Liner Rd, and Batey Street.
- General Storm Water System Maintenance
- Cleaned 18,528 LF of Storm System Piping and Culverts
- Inspected and Cleaned as Needed 372 catch basins
- Cleaned 2,830 LF of Drainage Ditch
- Assisted with capital projects

2013 Goals and Objectives

- Continue with annual road resurfacing schedule
- Assist with Cook Rd Realignment Project
- Assist with 3rd Street Overlay Project
- Assist with SR9 Bicycle/Pedestrian Safety Improvements Project
- Continue to maintain streets, sidewalks, alley's and shoulders to afford safe passage for motorists and pedestrians.

- Implement street sign replacement program compliant with MUTCD standards
- Continue to inspect and clean storm water system on schedule

Street Infrastructure Maintenance

Department Staff is responsible for the maintenance of nearly 60 miles of city owned streets and alleys within city limits including but not limited to:

- Pothole Patching – once per month typically
- Traffic Sign Maintenance – as needed
- Annual Street resurfacing projects(Reconstruction, Chip Seal, etc)
- City Parking Lot Maintenance
- Alley and Shoulder Maintenance
- Pavement markings, including road striping, stop bars, cross walks, and parking striping
- Downtown street lighting, (36 Luminaries)
- Traffic Control Signals (7 locations)
- Right of way mowing and trimming
- Tree and vegetation trimming in right of way
- Dead animal removal and disposal
- Assist with capital project as needed.

Storm System Maintenance

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

- City owned Stormwater Detention Facilities – 11 locations

- Detention Vaults, Ecology Embankments, etc – 3 locations
- Stormwater System Piping 6” to 48” diameter (241,960 LF) and catch basins (1,805 basins)
- Road Culverts, (4,450 LF)
- Drainage Ditches, (39,340 LF)
- Stormwater pump station – 2 total (currently maintained by Wastewater Treatment Staff)

LIBRARY FUND

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

2012 Accomplishments

- The Reciprocal Library agreements within Skagit County continue to be very successful, with all but one of the pilot projects moving into permanent status (the remaining project is entering into its second year of the pilot phase). All City Residents (plus members of the Upper Skagit and La Conner Regional Libraries) can access the public libraries of all of the other entities in Skagit County for no additional fee. For Sedro-Woolley, this means access to our 60,000 items – plus more than 220,000 additional items countywide.
- Our Library was one of only 20 public libraries nationwide to receive a “*Pushing the Limits*” grant for a science café discussion series for adults. This 4 part series includes books, short video sessions, and group discussions - on the themes of Nature, Survival, Connection, and Knowledge. The grant is funded by the National Science Foundation, the Association for Rural and Small Libraries, the Califa Group, Dartmouth College, Oregon State

Streets				
		Budget	Budget	Budget
		Year	Year	Year
		2011	2012	2013
Expenditures by Category				
Salaries		167,270	148,600	159,325
Benefits		81,980	78,660	84,313
Supplies		46,500	47,200	73,200
Service Charges		200,375	232,750	213,300
Government Services		60	60	60
Capital		75,000	75,000	105,000
Transfers		96,093	94,675	105,825
Total Expenditures		667,278	676,945	741,023

ARTERIAL STREETS FUND

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

Arterial Streets				
		Budget	Budget	Budget
		Year	Year	Year
		2011	2012	2013
Expenditures by Category				
Salaries		0	0	0
Benefits		0	0	0
Supplies		0	0	0
Service Charges		0	0	0
Government Services		3,200	3,200	3,197
Capital		35,000	782,785	646,500
Transfers		0	0	500,000
Total Expenditures		38,200	785,985	1,149,697

University, and the Dawson Media Group.

- The Library also has an LSTA grant to continue building its Rural Heritage Historic Photograph Collection, in conjunction with the Sedro-Woolley Museum; and a second LSTA grant to continue with programming ideas for adults 50+.
- Our first Story-Walk Sedro-Woolley, held on March 10th, 2012 and was a success with families, readers, and quilters. Community readers, along with quilts on display from the Woolley Fiber Quilters, read to families in some two dozen downtown businesses for 6 non-stop hours. Our second event is already scheduled for Saturday, March 9th, 2013, from 10 am to 2 pm. Readers and book lovers welcome.

2013 Goals, & Objectives

- One of the larger developments of 2012, which will potentially deeply impact 2013 is the passage in November of the new Rural Library District. The new District, which passed with more than a 60% yes vote, will not be funded until May of 2014. However, enthusiasm is already running high – and our greater Sedro-Woolley Community cannot wait to start receiving services from the new district and hopefully from this Library. The intent of the committee which organized the ballot proposal is to fully join the new district with the existing City

Library. It remains to be seen if that can/will be achieved by either contract or annexation.

The possibilities are truly exciting for everyone who loves reading, books, and libraries. For the first time in more than 100 years, all of our students within the Sedro-Woolley School District, will have the equal chance to have a public library card. If successful, this Library will somehow be responsible for its 10,000 City residents, as well as an additional 16,000 neighbors.

- Much of our potential priorities, goals, and objectives for 2013, and beyond, will hinge on the development of the new District. We always are looking for new ways to partner with our community to improve the quality of life, and of learning, for our residents, and this step represents a huge possibility for us. Look for services beginning to move outwards, mobile services, more e-books, as well as more physical books and programming ideas.

Library				
		Budget	Budget	Budget
		Year	Year	Year
		2011	2012	2013
Expenditures by Category				
Salaries		168,500	167,000	177,820
Benefits		41,595	43,790	47,445
Supplies		4,000	4,000	4,000
Service Charges		70,000	52,225	53,875
Government Services		150	150	150
Capital		21,300	9,800	10,000
Transfer - Internal		85,100	80,000	80,000
Total Expenditures		390,645	356,965	373,290

CEMETERY ENDOWMENT FUND

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

PARKS RESERVE FUND

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

HOTEL/MOTEL FUND

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

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

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

The sole source of revenue is the lodging tax. This tax is derived by taking 2 percent of the state’s 6.5 percent sales

tax and rebating it back to the community for local programs to promote and accommodate tourism.

SPECIAL INVESTIGATIONS FUND

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

DOG FUND

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

CODE ENFORCEMENT FUND

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

PATHS AND TRAILS FUND

The Paths and Trails Fund receives 0.05% of the Motor Vehicle Fuel Tax. Proceeds are to be used for the

development of paths or trails for the
pedestrians of the City.

GENERAL GOVERNMENT DEBT SERVICE FUNDS

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

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

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

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

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

comes from property taxes earmarked for this purpose.

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

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

In 2010 the City issued a \$525,000 promissory note to the USDA for the loan portion of the ladder truck. USDA also awarded a grant of \$200,000 for this valuable piece of equipment. The City intends to pay this promissory note in full in 2013.

The City also issued a \$267,500 promissory note to USDA in 2010 and received a USDA grant of \$157,500 for a fire truck. This promissory note was paid in full during 2012.

Summary of General Government			
Obligation Bonds			
(Voted and Non-Voted Bonds)			
	Total	Total	Total
Year	Principal	Interest	Debt Service
2013	254,100	177,971	432,071
2014	266,708	167,763	434,471
2015	279,422	157,049	436,471
2016	302,247	145,824	448,071
2017	75,186	133,684	208,870
2018	78,246	130,625	208,871
2019	81,429	127,441	208,870
2020	84,743	124,128	208,871
2021	88,191	120,680	208,871
2022	91,779	117,092	208,871
2023	95,514	113,357	208,871
2024	99,400	109,471	208,871
2025	103,445	105,426	208,871
2026	107,654	101,217	208,871
2027	112,035	96,836	208,871
2028	116,594	92,277	208,871
2029	121,338	87,533	208,871
2030	126,276	82,595	208,871
2031	72,896	77,653	150,549
2032	75,903	74,646	150,549
2033	79,034	71,515	150,549
2034	82,294	68,255	150,549
2035	85,689	64,861	150,550
2036	89,224	61,326	150,550
2037	92,904	57,646	150,550
2038	96,737	53,813	150,550
2039	100,727	49,823	150,550
2040	104,882	45,668	150,550
2041	109,208	41,341	150,549
2042	113,712	36,837	150,549
2043	118,404	32,146	150,550
2044	123,288	27,262	150,550
2045	128,374	22,176	150,550
2046	133,669	16,881	150,550
2047	139,183	11,367	150,550
2048	136,379	5,626	142,005
2049	0	0	0
Totals	4,366,814	3,009,811	7,376,625

CAPITAL PROJECT FUNDS

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

CAPITAL PROJECTS RESERVE FUND

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

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

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

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

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

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

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

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

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

When other operating divisions or funds expend monies for qualified projects,

transfers-out of the R.E.E.T. Fund are used to reimburse the operating division. The interest income is based on prudent investing with the inclusion of construction project scheduling and cash flow analysis.

BUILDING MAINTENANCE RESERVE FUND

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

MITIGATION RESERVE FOR POLICE FUND

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

PARKS IMPACT FEE RESERVE FUND

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

FIRE IMPACT FEE RESERVE FUND

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

PUBLIC WORKS TRUST FUND SEWER

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

ENTERPRISE FUNDS

SEWER FUNDS

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

The sewer funds consist of Sewer Operating Fund, Operations Reserve Fund, Sewer Revenue Bond Fund, Capital Projects Reserve Facilities Fund and 1990 Revenue Bond Reserve Fund.

SEWER OPERATING FUND

Goals

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

Objectives

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

- Perform pump station wet well maintenance on a weekly basis.
- Provide excellent customer service by assisting the public with sewer complaints and questions.
- Collect GPS and field data on new manholes; update wastewater collection maps as new sewer lines are added.
- Work cooperatively with businesses and residents to reduce the discharge of fats, oils and grease (FOG) into the sanitary sewer system.
- Work with businesses on the maintenance of oil/water separators to remove petroleum products from the wastewater stream; maintenance of sand traps to reduce grit and gravel; and maintenance of amalgam separators to reduce heavy metals discharged to the sanitary sewer system.
- Maintain appearance of City Vac truck and CCTV equipment to prolong vehicle life and show equipment is well cared for and presentable.

2012 Collection Accomplishments

- Cleaned and CCTV inspected 6.08 miles of the approximate 44 miles of wastewater collection system. Responded to 24 sewer complaints in a professional and timely manner.
- CCTV inspected several stormwater lines throughout the City.
- Performed sewer line maintenance of known problem areas using root control, rodent control and grease eating

bacteria. Distributed notices to high maintenance areas.

- Performed 52 wet well cleanings.
- Repaired 9 defective sewer lines in City right-of-way using wastewater staff and equipment; realigned main line into existing manhole at the end of Thresher Avenue; brought clean-out to grade with monument on Jeannette Street; replaced 30 feet of damaged pipe on sewer main at West Moore Street and Borseth Street.
- Performed pump station ground maintenance including weeding, mowing and spraying.
- Performed grease trap, grease interceptor and Oil/Water Separator inspections at commercial kitchens, restaurants and industrial sites.
- Performed monthly skimming's and Bi-Annual cleaning of the grease interceptor at the WWTP.
- Performed 423 utility locates for both sewer and storm lines as required by Washington Utilities Coordinating Council (WUCC).
- Purchased and installed new Cues camera and tracker on CCTV truck.
- Performed weekly vehicle cleanings.
- Collection Operators attended Pacific Northwest Clean Water Association Section meetings, Fork Lift training, CPR/First Aid training and Flagging class.
- Installed new manhole lids and rings in various locations throughout the City.
- Completed and submitted results of the Sedro-Woolley Industrial Survey to Department of Ecology, per the current NPDES permit.

- Aaction Excavation replaced 155 feet of aging concrete pipe plus added new manhole and clean-out on Greenstreet Blvd. Repair costs \$48,815.67.
- C. Johnson replaced sewer and storm lines in the alley west of Metcalf between State Street and Woodworth Street. Project included new manholes, side sewer clean-outs and new pavement as well as paving the Greenstreet project above. Project costs \$127,447.11.

Wastewater Treatment Division Function

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

Goals

- Operate the Wastewater Treatment Plant within all limits as required by:
 - National Pollutant Discharge Elimination System (NPDES) Permit
 - Washington State Laboratory Accreditation Program
 - Washington State Biosolids Management Permit
- Operate and maintain pump stations to assure optimal performance and reliability.

Objectives

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

2012 WWTP Accomplishments

- Treated 341,553,581 gallons of Wastewater reducing Total Suspended Solids by 96% and Biochemical Oxygen Demand by 98%. In 2012, used 45% of the Wastewater Treatment Plants hydraulic capacity, 28% TSS capacity and 37% BOD capacity. Average daily flows were 0.939 million gallons per day.
- Treated 2,950,548 gallons of Biosolids resulting in 148.29 Dry Tons of Class B Biosolids. Completed and submitted annual Biosolids report.
- Received Department of Ecology's 2011 Outstanding Performance Award for exemplary operation of the City's Wastewater Treatment Plant.
- Successfully passed two laboratory performance audits to maintain laboratory accreditation.
- Completed Acute and Chronic Effluent testing plus several rounds of Chemical Analysis per NPDES permit renewal requirements.
- Completed and submitted renewal application for the 2013-2017 NPDES permit.
- Performed pump station and emergency generator inspections once per week in addition to daily SCADA monitoring. The Wastewater Division maintains ten sewer pump stations and two stormwater pump stations.
- Performed regular maintenance activities and inspections on WWTP and pump station equipment. Non-routine maintenance activities highlights: replaced limit switches on belt

filter press; installed new brain board on shop heater; installed new stator and rotor on sludge thickener pump; replaced radiators on Cook and State Street generators; rebuilt Mt. View pump station after destroyed by auto accident; installed new 3WLP pump #3 and rebuilt 3WLP pump #2; replaced digester blower #1 with backup blower; updated plant security camera wiring; replaced seals on sludge pump #1; installed rain cap on Holtcamp pump station power pole. All maintenance activities were logged and tracked using Job Cal software.

- Seven Sisters rewired Klinger pump station generator to pick up load during power outage.
- Monitored nitrification cycle and controlled filamentous bacteria using ORP technology and chemical dosing.
- Sealed windows, doors and foundation on main office. Replaced window and door trim moldings.
- Completed fourth year of Effluent/River Temperature Study as required by NPDES permit.
- Pulled stumps out on the lower portion of City owned property (former Lemley site).
- Completed internship with Edward Hedington, a Bellingham Technical College student studying to become Refinery and/or Wastewater Treatment Plant Operator.
- Completed a preliminary Energy Audit with MacDonald-Miller Facility Solutions and Parametrix. Lack of guaranteed project costs prevented the process from moving to the Investment Grade Audit.
- Built and poured concrete steps at Rotors #2, #3 and #4 to ensure safe entrance and exit from the Oxidation Ditch.
- Pressure washed Plant Water Building, Effluent tower and Biosolids Building; applied waterproof sealant and/or paint.
- Pressure washed, sanded, primed and painted cat walk of Clarifier #1.
- Western Electrical Services performed de-energized work plus annual thermography testing of electrical panels.
- Plant Operators attended the Annual Water and Wastewater Short School, Pesticide training, Forklift training, CPR/First Aid training, Flagging class, Chemical Systems training, Supervisor Drug and Alcohol training and Pacific Northwest Clean Water Association Section meetings.
- Factory Representative from Amwell Corporation came on site to evaluate Clarifier #2 issues. Pump Tech was then hired to remove the cat walk via boom truck and replace the bearings and race way on Clarifier #2. Found a broken ball bearing causing the problems. Sweep arms were adjusted and re-aligned and cat walk set back in place. Clarifier #2 was available for service again in June.
- Ordered new Trojan UV Banks to replace units #2 and #3. Installation to take place in January of 2013.

- Sensor added to McGarigle Stormwater pump station for flow monitoring capabilities.

Sewer Operations				
		Budget	Budget	Budget
		Year	Year	Year
		2011	2012	2013
Expenditures by Category				
Salaries		584,300	638,500	671,000
Benefits		255,840	305,435	319,085
Supplies		133,000	144,000	142,000
Service Charges		449,650	458,635	434,800
Government Services		76,500	80,500	81,000
Capital		680,000	362,000	527,500
Transfers - Internal		1,116,125	1,118,366	1,120,985
Total Expenditures		3,295,415	3,107,436	3,296,370

OPERATIONS RESERVE FUND

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

SEWER DEBT SERVICE

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

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

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

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

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

The city has received three Public Works Trust Fund (PWTF) low interest State Loans. 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.

2012 Accomplishments

Public Works Trust Fund Loans			
Repayment Based Upon Current Draws			
	Total	Total	Total
Year	Principal	Interest	Debt Service
2013	590,360	43,020	633,380
2014	590,360	40,203	630,563
2015	590,360	37,251	627,611
2016	590,360	34,299	624,659
2017	590,360	31,348	621,708
2018	590,360	28,396	618,756
2019	590,360	25,444	615,804
2020	590,360	22,492	612,852
2021	590,360	19,540	609,900
2022	590,360	16,589	606,949
2023	590,360	13,636	603,996
2024	590,360	10,685	601,045
2025	590,358	7,732	598,090
2026	552,082	4,781	556,863
2027	202,082	2,021	204,103
2028	202,080	1,010	203,090
Totals	8,630,922	338,447	8,969,369

- Purchased a new 2012 automated garbage truck.
- We have saved monies for necessary reserves for Solid Waste Department.
- We paved a portion of our adjacent property so it may be better utilized for yard waste, recycling services and Storm Water.
- We have started a building fund for a future building for the Solid Waste Department
- In stead of purchasing a new \$30,000 dewatering box for storm water department to help manage storm water materials, we used an older box we had and refurbished it to work for now.
- We crushed old concrete from the cascade middle school project and collected it free from our citizens to help with a road building project at the old nursery (400 cubic yards of processed material)

Sewer Utility Revenue Bonds			
	Total	Total	Total
Year	Principal	Interest	Debt Service
2013	345,000	83,700	428,700
2014	355,000	69,700	424,700
2015	370,000	55,200	425,200
2016	385,000	40,100	425,100
2017	395,000	24,500	419,500
2018	415,000	8,300	423,300
Totals	2,265,000	281,500	2,546,500

2013 Goals

- Continue to maintain service levels.
- Started towards a demonstration compost program to help control costs to our yard waste operations. Looking at spring of 2013 to start.
- Continue street sweeping and storm water recycling & waste disposal operations.
- Starting in 2013 collect fluorescent light bulbs with the state of Washington mandated collection program. Similar to the electronics program we are part of already.

SOLID WASTE UTILITY

Mission Statement

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

2013 Objectives

- Pave the remaining portion of the solid waste yard site.
- Fence the remaining portion of solid waste department recycling yard.

Statistics

Our site recycling yard since we started in 2006 has increased significantly. We now recycle household materials like tin, aluminum, glass, plastic, Cardboard. We are getting well over (1,440 yards per year) of this type of material.

We also recycle Vehicle Batteries (200), used oil (800 gallons), anti freeze (30 gallons), appliances, tires (400), metal (70,040 pounds), and electronics (58,366 pounds) so far. We also recycle brush and grass (5,000 yards). In addition we manage the storm water and street sweeping materials (300-500 yards), all at our recycling site.

In 2012 a total of 191,585 lbs collected for recycling.

Solid Waste				
		Budget	Budget	Budget
		Year	Year	Year
		2011	2012	2013
<u>Expenditures by Category</u>				
Salaries		351,700	352,700	384,000
Benefits		159,550	177,305	187,200
Supplies		139,500	127,500	129,500
Service Charges		133,250	124,225	109,150
Government Services		716,000	718,000	725,000
Capital		42,050	40,000	35,580
Transfers - Internal		276,245	256,435	221,967
Total Expenditures		1,818,295	1,796,165	1,792,397

SOLID WASTE RESERVE FUND

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

2013 Budget

STORMWATER

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

Stormwater

	Budget Year 2011	Budget Year 2012	Budget Year 2013
<u>Expenditures by Category</u>			
Salaries	144,000	185,500	193,600
Benefits	64,510	95,050	95,460
Supplies	7,500	10,000	10,000
Service Charges	97,000	59,882	97,860
Government Services	6,000	14,500	8,400
Capital	1,600	1,600	33,000
Transfer - Internal	30,736	30,550	138,925
Total Expenditures	351,346	397,082	577,245

INTERNAL SERVICE FUND

EQUIPMENT REPLACEMENT/FLEET DIVISION

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

Mission Statement

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

2012 Accomplishments

- Serviced all rolling stock in Public Works (approx 50 units)
- Completed many small repairs to Public Works units.
- We continue to track all equipment on computer by cost and repairs of each unit. This enables us to assess costs and use of each unit.

- Updated ERR database for equipment hours and mileage use during year.
- Purchased an 2012 Elgin sweeper truck for Street Department.

2013 Goals

- Manage Public Works Department fleet to maintain the equipment in excellent working condition.
- Keep the ERR program updated for equipment usage.
- Perform routine maintenance and major repairs in house as much as possible and in a timely manner to support Public Works operations.

2013 Objectives

- Keep equipment down time to a minimum.
- Perform all scheduled fleet maintenance.

Equipment Replacement & Fleet						
				Budget Year 2011	Budget Year 2012	Budget Year 2013
<u>Expenditures by Category</u>						
Salaries				38,450	34,500	62,550
Benefits				10,180	14,585	17,013
Supplies				3,000	3,000	3,000
Loan Payment				0	0	699,920
Capital				35,000	332,000	303,600
Total Expenditures				86,630	384,085	1,086,083

ADDENDUM A
City of Sedro-Woolley
2013 Budget Calendar

- 09/07/12 Call letter (including Council goals) issued to Departments
- 09/24/12 Budget requests from Departments due to Finance Director
- 10/01/12 Proposed preliminary budget (unbalanced) detailing estimated revenues and expenditures by Fund due to City Supervisor
- October City Supervisor meets with Departments to review budget requests and compare to Council stated goals
- 10/03/12 Council Worksession - Mayor informs Council of status of 2012 estimated revenues and 2013 preliminary estimated revenues & expenditures
- 10/29/12 &
- 11/05/12 Publish notice of property tax public hearing
- 11/05/12 &
- 11/12/12 Publish notice of budget public hearing
- 11/07/12 Council Worksession – distribute Mayor’s 2013 Preliminary Budget (balanced)
- 11/08/12 Mayor’s Preliminary budget available for the public
- 11/14/12 Public Hearing on Property Tax Levy for 2013 - first read of Property Tax Ordinance
- 11/14/12 Council schedules budget public hearing - first read of budget ordinance
- 11/28/12 Adoption of Property Tax Ordinance (must be adopted before 11/30/12) – second read
- 11/28/12 Public Hearing on 2013 Budget – second read of budget ordinance (must be adopted before 12/31/12)
- 12/12/12 2013 salary ordinance
- 01/21/13 2013 Department budget narratives including 2012 accomplishments & 2013 goals & objectives due to Finance Director

STATUTORY LEGAL DEBT MARGIN

	Total Taxable Property Value	\$792,417,170	
			<u>Remaining Debt Capacity</u>
General Purpose Indebtedness (Legal Limit 2.5% of Taxable Property Value)		\$ 19,810,429	
General Purpose Indebtedness <u>Without</u> A Vote (Legal Limit 1.5%)		\$ 11,886,258	
Less: Outstanding Debt	\$ (3,744,731)		
Less: Contracts Payable			
Less: Excess of Debt with a Vote			
Add: Assets Available	<u>244,433</u>		
Subtotal		<u>(3,500,298)</u>	
Equals Remaining Debt Capacity Without a Vote			<u>\$ 8,385,960</u>
General Purpose Indebtedness <u>With</u> A Vote (Legal Limit 1%)		\$ 7,924,172	
Less: Outstanding Debt	\$ (1,005,000)		
Less: Contracts Payable			
Add: Assets Available	<u>99,810</u>		
Subtotal		<u>(905,190)</u>	
Equals remaining Dept Capacity With a Vote			<u>\$ 7,018,982</u>
Utility Purpose Indebtedness <u>With</u> a Vote (Legal Limit 2.5%)		\$ 19,810,429	
Less: Outstanding Debt	\$ -		
Less: Contracts Payable	-		
Add: Assets Available	<u>-</u>		
Subtotal		<u>-</u>	
Equals Remaining Dept Capacity - Utility Purpose, Voted			<u>\$ 19,810,429</u>
Open Space, Park & Capital Facilities Indebtedness <u>With</u> a Vote (Legal Limit 2.5%)		\$ 19,810,429	
Less: Outstanding Debt	\$ -		
Less: Contracts Payable	-		
Add: Assets Available	<u>-</u>		
Subtotal		<u>-</u>	
Equals Remaining Debt Capacity - Open Space, Park and Capital Facilities With a Vote			<u>\$ 19,810,429</u>

PERSONNEL SERVICES

The City of Sedro-Woolley provides quality services and programs for its citizens with a responsive staff of 55 full-time and 23 part-time budgeted positions for 2013. Sedro-Woolley has competitive market-based salaries and benefits. Salary and benefits make up a major portion of the operating budgets.

The Police Department commissioned employees and Police Department support employees received a 2.7% COLA in 2012. The general bargaining unit employees also received a COLA of 2.7%.

Non-represented employees also received a COLA increase in 2013 of 2.7%.

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

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

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

Pension Rate of Contribution

Plan	City	Employee	Total
LEOFF II	5.24%	8.46%	13.70%
PERS II	7.21%	4.64%	11.85%
PERS III	7.21%	variable	variable

Monthly premiums for medical, dental and vision coverage for a family of 4 persons is \$2,077. Employees pay a percentage of their medical premiums for dependents.

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

BARGAINING UNITS

- General Government AFSCME Local 176 SW (27 members, contract expires December 31, 2012 but has been extended to 2014)
- Sedro-Woolley Public Safety Guild (14 members, contract expires December 31, 2013).

LABOR RELATIONS

The City employees who are eligible under state law to be represented by a Labor organization are employed under provisions on such matters as salaries, vacation, sick leave, medical and dental insurance, working conditions and grievance procedures.

The City strives to complete these agreements in a timely manner, consistent with all applicable state laws

and promote labor relations policies mutually beneficial to administrative management and employees.

Personnel Status Report								
Full-Time Equivalents (Non-Seasonal)								
Department	2007	2008	2009	2010	2011	2012	2013	
Judicial	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Executive/Legal	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Finance	5	5	5	5	5	5	5	5
Central Services	1	1	0	0	0	0	0	0
Information Technology	-	-	1	1	1	1	1	1
Building, Planning & Engineering	6	7	7	6	8	7	6	
Police	20.5	21.5	21	18.3	18.6	18.7	18.9	
Fire	4	4	4	6	6	8	8	
Public Works Operations <i>(Parks, Cemetery, Streets, Stormwater)</i>	9	10	10	8	8	8	8	
Library	4	4	4.5	4.5	4.5	4.6	4.6	
Sewer	8	8	8	7	7	7.5	7	
Sanitation / Fleet	4.3	4.8	5.3	5.3	5.3	5.2	5.5	
TOTAL	63.3	67.3	67.8	63.1	65.4	67	66	

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 statute or regulation enacted by City Council.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

STP: Surface Transportation Program.

STPE: Surface Transportation Program – Enhancement.

STPH: Surface Transportation Program – Hazard Elimination.

STPUS: Surface Transportation Program – Urban Small.

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

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

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

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

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

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

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

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

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

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

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

TIA: Transportation Improvement Account.

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

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

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

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

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

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

accounts payable accruals in the private business community.

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

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

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

UATA: Urban Arterial Trust Account.

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

WAC: Washington Administrative Code.

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

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

2013 City Council and 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

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

