CITY OF SEDRO-WOOLLEY

SR9 Pedestrian/Bicycle Safety Improvement Project
Funded in Part by SAFE ROUTES TO SCHOOLS GRANT
Photo Courtesy of David Lee, City of Sedro-Woolley, City Engineer

Mayor's 2014 Budget

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2013 FINAL BUDGET

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

2014 Budget Message

To the Citizens of Sedro-Woolley:

Beginning with the amended 2009 budget and continuing through the 2013 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 2014 budget continues a trend of cuts and decreased services but also includes a cost of living increase to our utilities. 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. My 2014 budget continues to cannibalize itself to maintain services while we work to increase the economic conditions in our city with the primary policy objectives as follows: 1. Maintain core services, including public safety (police and fire) and quality of life (parks, playgrounds, sidewalks, streetlights, library, etc); 2. Invest in infrastructure using primarily grant dollars to benefit citizens today while laying the groundwork for future growth to attract new businesses and support the expansion of existing businesses; and 3. Operate the city's three enterprises (sewer, solid waste and storm water) efficiently and prudently to provide good service with the lowest rates possible.

This budget includes the elimination of 1 FTE, a public works worker in the solid waste department. About half of the work performed by that position will be absorbed into existing staffing while the other half will be transferred to the storm water department (street sweeping). This reduction in staffing results in savings to the solid waste fund which is reflected in a healthier budget with dollars transferred to a reserve fund for use in the next couple of years on the construction of a new building/covered structure to garbage trucks. This is a budget goal intended to protect the city's expensive equipment and increase efficiency in cold weather.

Additional revenue in the 2014 budget includes increases in our utilities' rates by 1.4%, which is the Consumer Price Index measure of inflation for June 2012 to June 2013 in our region. Our storm water utility continues to absorb more duties and in 2014 is budgeted to require a property tax subsidy of $48,950. To balance this fund with utility rate revenue alone would require a 13% increase above the already budgeted 1.4% increase. I did not include this increase in my draft budget.

For the **sixth** year in a row, my draft balanced budget does **not increase property taxes**. I understand the inflationary pressure on the city's budget and will defer to the City Council for final action on the property tax question, however, I am ever mindful of the impact of tax increases on property owners and residents of the city.

Infrastructure investments and economic development remain very important to me. In 2014, the city is planning to repave 3rd Street (carry-over from 2013), reconstruct sidewalks on 3rd Street, overlay Ferry Street, reconstruct the way traffic moves into and through town with the SR 20/Cook Road realignment project (project started in 2013 with completion in 2014), rebuild Bingham Park including a new playground, an RV park, and conversion of the old headquarters building into a caretaker's cottage and revitalize the Memorial Park playground. These projects are funded by some city funds, grants from the Washington State Transportation Improvement Board and private

donations. The 2014 budget also includes some funds to support the city's economic development efforts and to continue the Sedro-Woolley Means Business Campaign.

This budget represents as many of the city's policy objectives for the coming year as we can afford. Unlike the federal government, the city cannot run a deficit and therefore must live within its means. It does not fund a number of very important needs such as: an additional commissioned police officer, a code enforcement officer, additional staffing in the street department, funding for a neighborhood sidewalk replacement program, park and playground modernization, neighborhood street overlay projects, or any additional dollars to support the library, to name just a few. I know my draft budget is missing some important items, however, it is a balanced budget that lives within our very limited means. If it is missing something important to you, or if you have any questions about it, please come and see me at City Hall.

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

Germaine Kornegay, Council Ward 2
123 N. Central Ave., Sedro-Woolley
(360) 755-2108
Term Exp: December 31, 2017

Brenda Kinzer, Council Ward 3
100 Nelson St., Sedro-Woolley
(360) 421-4541
Term Exp: December 31, 2017

Keith Wagoner*, Council Ward 4
410 Talcott St., Sedro-Woolley
(360) 873-8005 (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

Rick Lemley, Council Ward 6
1208 Talcott Street, Sedro-Woolley
(360) 855-1288 (W) (360) 856-1224 (H)
Term Exp: December 31, 2017

Brett Sandström, Council At Large
432 Talcott Street, Sedro-Woolley
(360) 855-1095 (H)
Term Exp: December 31, 2017

* 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. Freiberger, 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
Term Expires 12/31/17

COUNCIL COMMITTEE ASSIGNMENTS

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

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

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

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

PUBLIC SAFETY COMMITTEE

The Public Safety Committee addresses law enforcement, fire services, animal control, code enforcement, emergency management, and other public safety concerns. Councilmembers serving on the Public Safety Committee are: Hugh Galbraith – Chair, Brenda Kinzer and Rick Lemley.

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 Brett Sandström – Chair, Keith Wagoner and Brenda Kinzer.

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 Keith Wagoner – Chair, Hugh Galbraith and Rick Lemley.

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 Germaine Kornegay – Chair, Brett Sandström and Kevin Loy.

PLANNING COMMITTEE

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

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 Kevin Loy – Chair, Brett Sandström and Keith Wagoner.

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	12/31/18*

LIBRARY BOARD

Robert Abrams	12/31/18*
Marjean Burke	12/31/15*
Dagni Cole, Chairman	12/31/16*
Beverly Ringhouse	12/31/16*
Sharon Whiting	12/31/14*

LODGING TAX ADVISORY COMMITTEE 2013

Rick Lemley, 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	12/31/19*
Judith Dunn Lee	12/31/19*
Jim Johnson	12/31/14*
Eric Johnson	12/31/18*
Stephanie Lokkebo	12/31/16*
Charles Owen	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 $1/12^{th}$ 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.

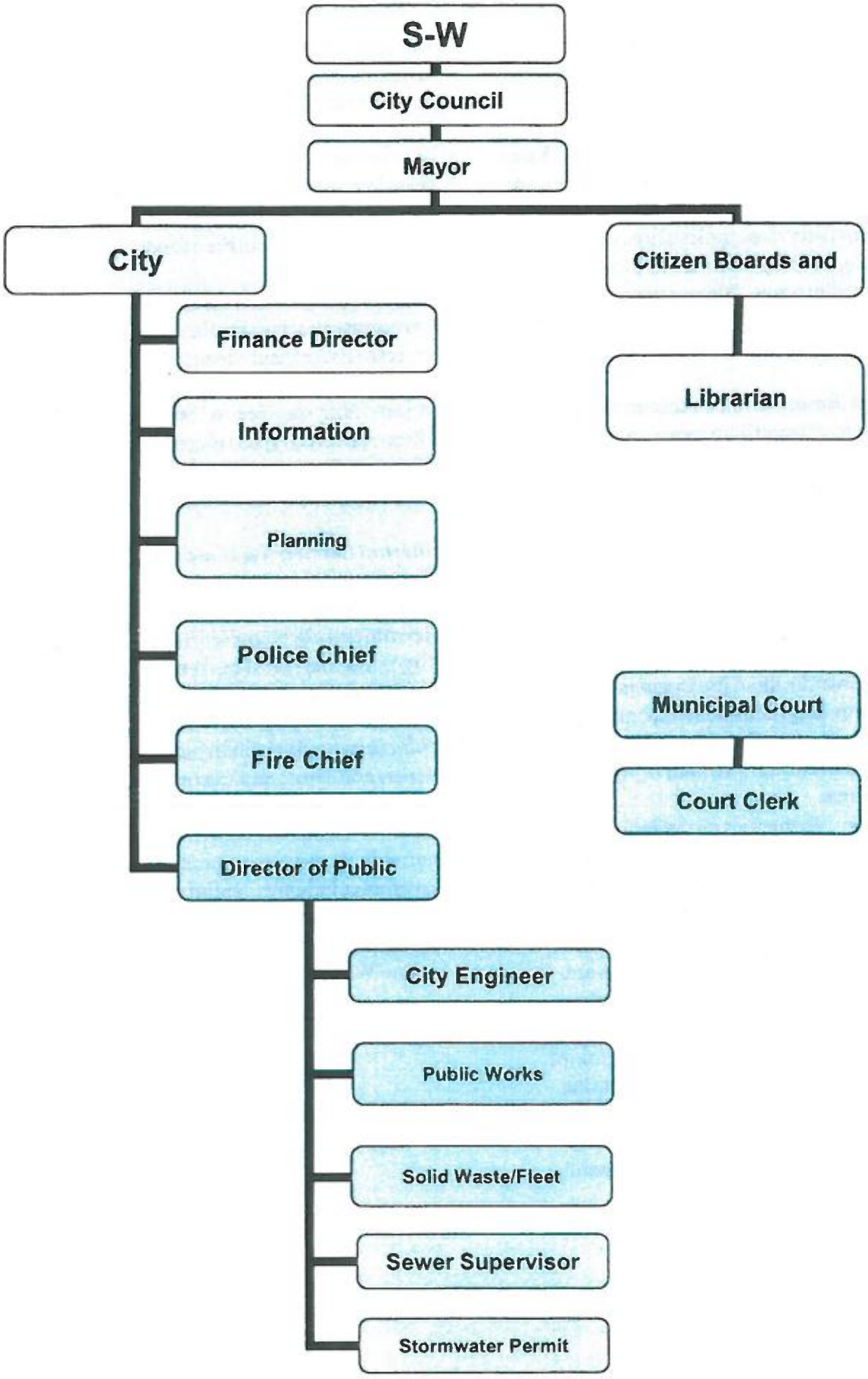
The debt service funds are the General Obligation Debt Service Funds.

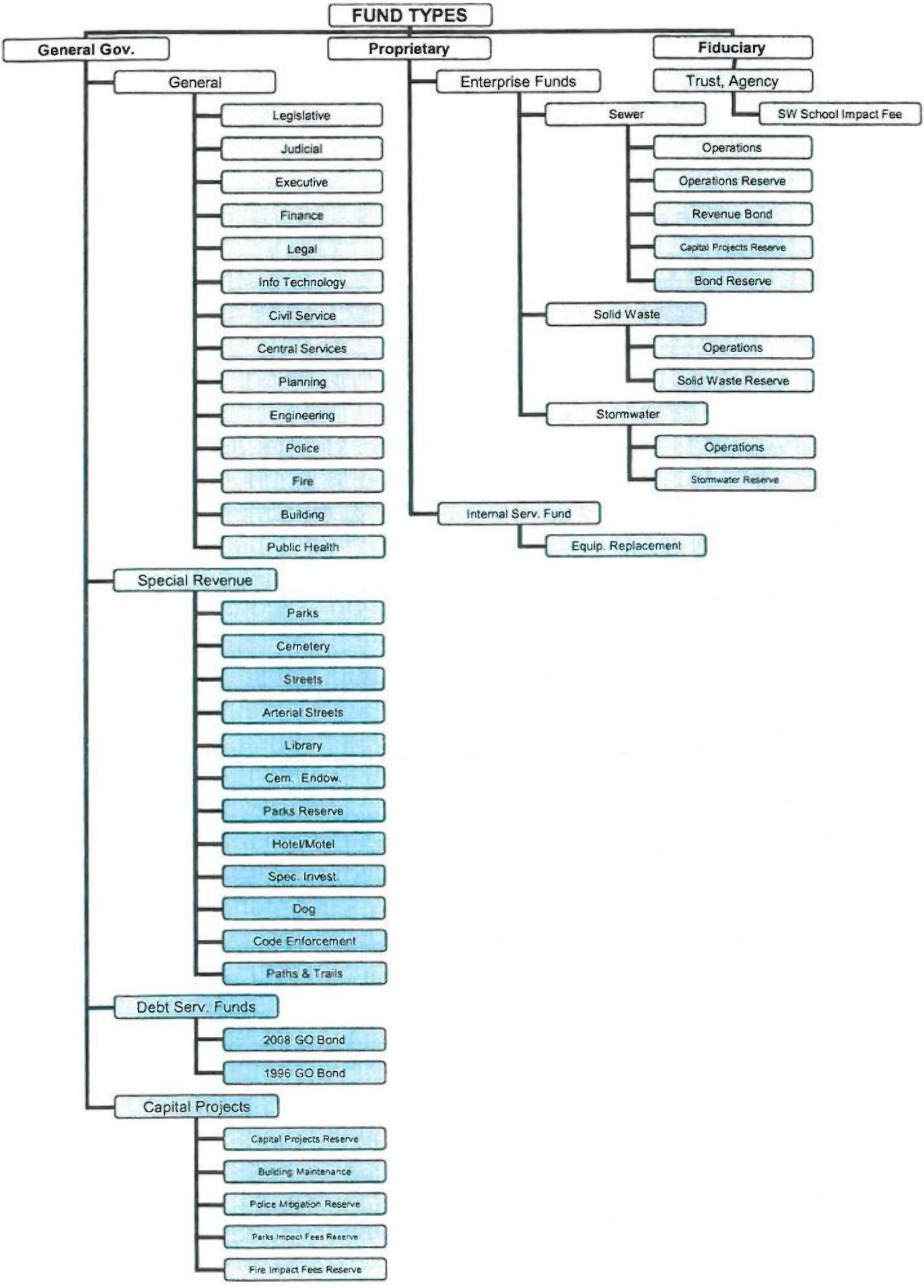
Capital Project funds account for the acquisition or development of major capital facilities, except those projects financed by the enterprise funds. Sources of revenue for these funds can include bond proceeds, federal/state grants, general property taxes, interest earnings, and transfers from other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

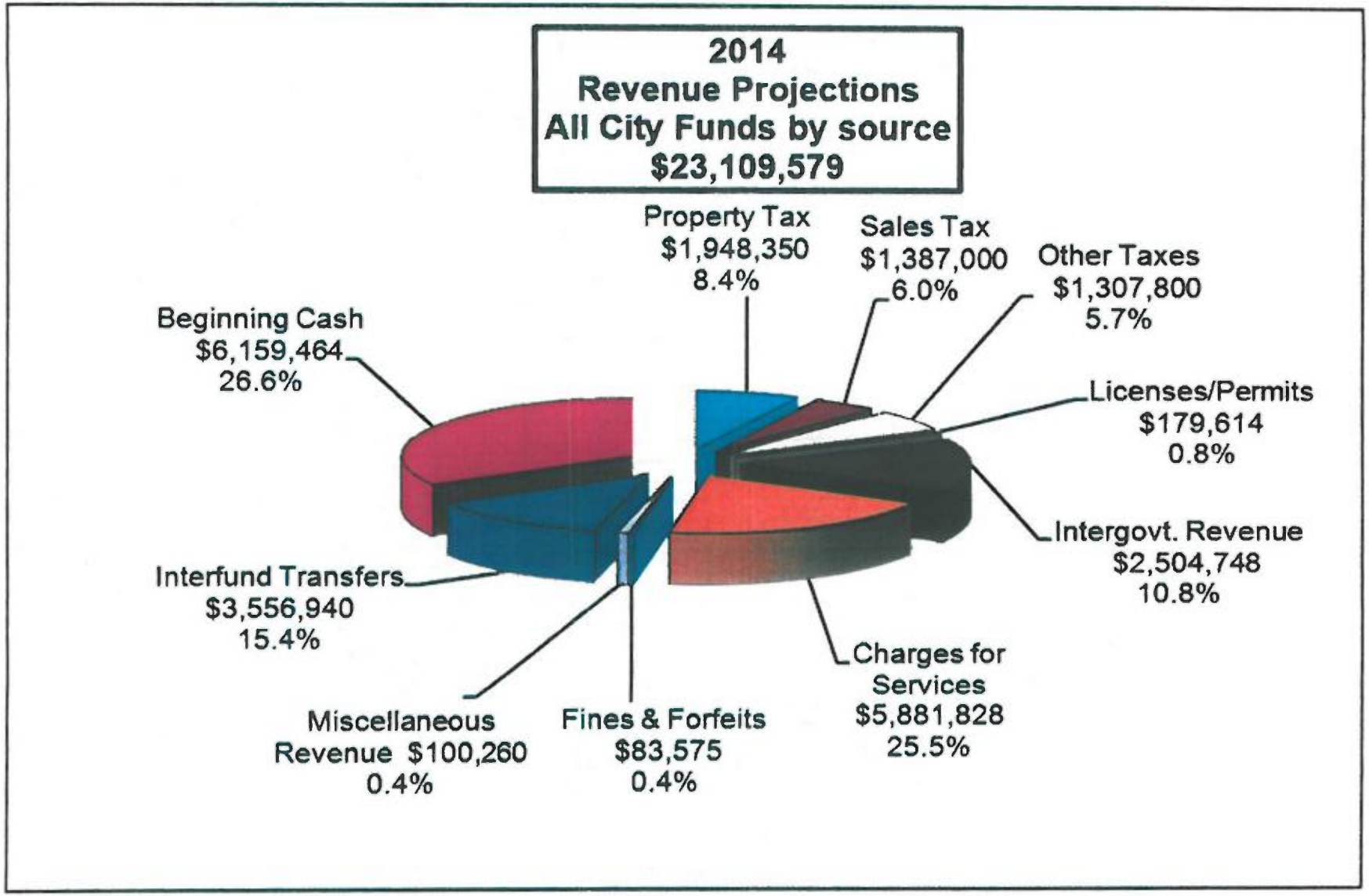

S-W
City Council
Mayor
City
Citizen Boards and
Finance Director
Librarian
Information
Planning
Police Chief
Municipal Court
Fire Chief
Court Clerk
Director of Public
City Engineer
Public Works
Solid Waste/Fleet
Sewer Supervisor
Stormwater Permit


FUND TYPES
General Gov.
Proprietary
Fiduciary
General
Legislative
Judicial
Executive
Finance
Legal
Info Technology
Civil Service
Central Services
Planning
Engineering
Police
Fire
Building
Public Health
Special Revenue
Parks
Cemetery
Streets
Arterial Streets
Library
Cem. Endow.
Parks Reserve
Hotel/Motel
Spec. Invest.
Dog
Code Enforcement
Paths & Trails
Debt Serv. Funds
2008 GO Bond
1996 GO Bond
Capital Projects
Capital Projects Reserve
Building Maintenance
Police Mitigation Reserve
Parks Impact Fees Reserve
Fire Impact Fees Reserve
Enterprise Funds
Sewer
Operations
Operations Reserve
Revenue Bond
Capital Projects Reserve
Bond Reserve
Solid Waste
Operations
Solid Waste Reserve
Stormwater
Operations
Stormwater Reserve
Internal Serv. Fund
Equip. Replacement
Trust, Agency
SW School Impact Fee

BUDGET SUMMARY
2014 REVENUES

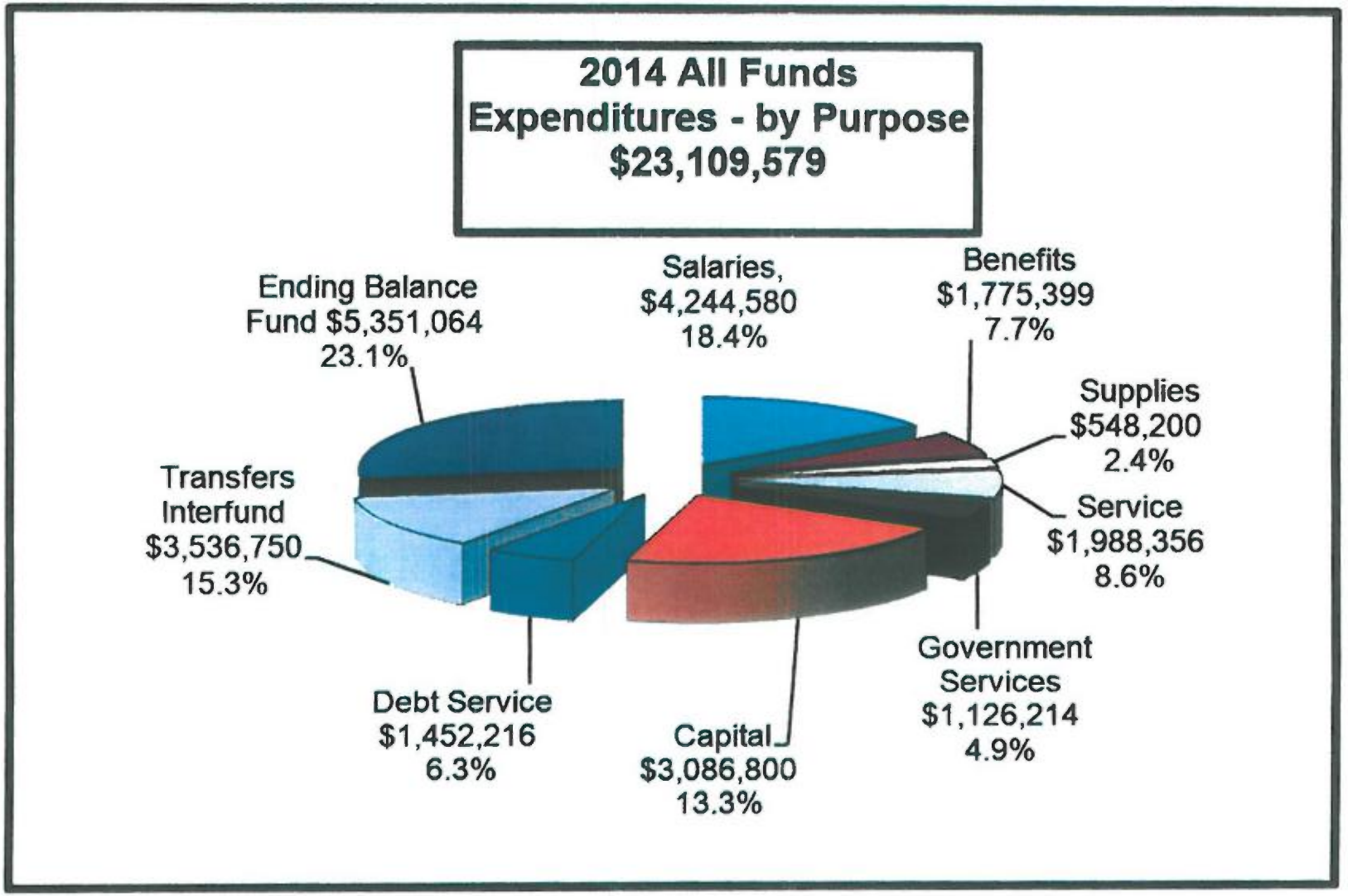
City of Sedro-Woolley 2014 Budget
Revenue Projections - All City Funds (by source)

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	867,800	1,065,000	992,800	179,614	203,990	293,230	78,675	6,800	378,000	815,595	4,881,504
Parks	286,925	40,000	-	-	10,000	52,978	-	-	55,500	175,649	621,052
Cemetery	34,800	-	-	-	-	90,000	-	1,900	34,000	16,670	177,370
Streets	251,300	165,000	-	-	215,360	-	-	100	190,000	64,403	886,163
Arterial Streets	-	-	-	-	2,017,348	74,012	-	300	571,400	156,619	2,819,679
Library	253,575	-	-	-	-	5,800	4,900	100	-	62,372	326,747
Cemetery Endowment	-	-	-	-	-	4,000	-	-	-	120,346	124,346
Parks Reserve Fund	-	-	-	-	-	-	-	500	-	115	615
Lodging Tax (Tourism)	-	-	30,000	-	-	-	-	25	-	10,314	40,339
Special Investigations	-	-	-	-	-	-	-	7,550	-	18,373	25,923
Dog Fund	-	-	-	-	-	-	-	500	-	623	1,123
Code Enforcement	-		-	-	-	-	-	35	-	29,047	29,082
Paths & Trails	-	-	-	-	1,050	-	-	50	-	39,054	40,154
2008 GO Bond	-	-	185,000	-	-	-	-	350	-	49,047	234,397
2008 GO Bond Reserve	-	-	-	-	-	-	-	-	-	150,000	150,000
1996 GO Bond	205,000	-	-	-	-	-	-	175	-	65,165	270,340
Capital Projects Reserve	-	-	100,000	-	-	-	-	350	-	130,668	231,018
Building Maintenance Reserve	-	-	-	-	-	2,300	-	200	55,000	189,457	246,957
Police Mitigation Reserve	-	-	-	-	-	750	-	20	-	10,902	11,672
Parks Impact Fees	-	-	-	-	-	-	-	20	-	31,341	31,361
Fire Impact Fees	-	-	-	-	-	-	-	30	-	7,094	7,124
Sewer Operations	-	-	-	-	-	3,198,089	-	16,500	-	501,834	3,716,423
Sewer Operations Reserve	-	-	-	-	-	-	-	700	75,000	616,419	692,119
Sewer Debt Service	-	-	-	-	-	4,000	-	950	430,000	378,249	813,199
Sewer Facilities Reserve	-	-	-	-	-	9,225	-	6,700	1,193,580	1,473,006	2,682,511
Sewer Bond Reserve	-	-	-	-	-	-	-	-	-	376,482	376,482
Solid Waste Operations	-	-	-	-	-	1,748,144	-	10,400	-	196,380	1,952,924
Solid Waste Reserve	-	-	-	-	-	-	-	250	27,000	175,291	202,541
Stormwater Operations	48,950	-	-	-	57,000	401,300	-	5,325	-	126,865	639,440
Stormwater Reserve	-	-	-	-	-	-	-	30	80,500	80,530	161,060
Suspense (SWSD)	-	-	-	-	-	-	-	40,000	-	1,950	41,950
Equipment Replacement & Fleet	-	117,000	-	-	-	-	-	400	466,960	89,604	673,964
TOTAL	**1,948,350**	**1,387,000**	**1,307,800**	**179,614**	**2,504,748**	**5,881,828**	**83,575**	**100,260**	**3,556,940**	**6,159,464**	**23,109,579**
	8.4%	6.0%	5.7%	0.8%	10.8%	25.5%	0.4%	0.4%	15.4%	26.7%	100.0%


2014
Revenue Projections
All City Funds by source
$23,109,579
Property Tax
$1,948,350
8.4%
Sales Tax
$1,387,000
6.0%
Other Taxes
$1,307,800
5.7%
Beginning Cash
$6,159,464
26.6%
Licenses/Permits
$179,614
0.8%
Intergovt. Revenue
$2,504,748
10.8%
Interfund Transfers
$3,556,940
15.4%
Charges for
Services
$5,881,828
25.5%
Miscellaneous
Revenue $100,260
0.4%
Fines & Forfeits
$83,575
0.4%

City of Sedro-Woolley 2014 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	2,359,960	858,702	154,100	585,746	387,379	37,200	-	103,555	394,862	4,881,504
Parks	182,570	90,770	38,900	185,020	-	51,200	10,000	12,900	49,692	621,052
Cemetery	64,000	28,980	12,800	12,570	-	34,000	-	12,900	12,120	177,370
Streets	191,385	106,052	52,500	231,935	-	80,000	-	153,400	70,891	886,163
Arterial Streets	-	-	-	-	2,935	2,176,900	-	500,000	139,844	2,819,679
Library	185,700	50,185	6,900	40,100	3,700	14,000	-	-	26,162	326,747
Cemetery Endowment	-	-	-	-	-	-	-	34,000	90,346	124,346
Parks Reserve Fund	-	-	-	500	-	-	-	-	115	615
Lodging Tax (Tourism)	-	-	-	34,000	-	-	-	5,500	839	40,339
Special Investigations	-	-	-	3,000	1,000	10,000	-	-	11,923	25,923
Dog Fund	-	-	500	-	-	500	-	-	123	1,123
Code Enforcement	-	-	-	25,000		-	-	-	4,082	29,082
Paths & Trails	-	-	-	-	-	5,000	-	-	35,154	40,154
2008 GO Bond	-	-	-	-	-	-	150,555	55,000	28,842	234,397
2008 GO Bond Reserve	-	-	-	-	-	-	-	-	150,000	150,000
1996 GO Bond	-	-	-	-	-	-	225,900	-	44,440	270,340
Capital Projects Reserve	-	-	-	-	-	-	-	220,000	11,018	231,018
Building Maintenance Reserve	-	-	-	-	-	-	-	10,000	236,957	246,957
Police Mitigation Reserve	-	-	-	-	-	-	-	-	11,672	11,672
Parks Impact Fees	-	-	-	-	-	-	-	10,000	21,361	31,361
Fire Impact Fees	-	-	-	-	-	-	-	-	7,124	7,124
Sewer Operations	673,550	345,555	140,000	591,770	19,500	326,000	-	1,316,640	303,408	3,716,423
Sewer Operations Reserve	-	-	-	-	-	75,000	-	-	617,119	692,119
Sewer Debt Service	-	-	-	-	-	-	425,001	-	388,198	813,199
Sewer Facilities Reserve	-	-	-	-	-	-	630,570	715,000	1,336,941	2,682,511
Sewer Bond Reserve	-	-	-	-	-	-	-	-	376,482	376,482
Solid Waste Operations	335,850	166,245	129,500	184,900	662,000	67,500	-	249,490	157,439	1,952,924
Solid Waste Reserve	-	-	-	-	-	-	-	-	202,541	202,541
Stormwater	212,500	113,705	10,000	93,815	9,700	-	10,190	138,365	51,165	639,440
Stormwater Reserve	-	-			-	-	-	-	161,060	161,060
Suspense (SWSD)	-	-	-	-	40,000	-	-	-	1,950	41,950
Equipment Replacement & Fleet	39,065	15,205	3,000	-	-	209,500	-	-	407,194	673,964
TOTAL	**4,244,580**	**1,775,399**	**548,200**	**1,988,356**	**1,126,214**	**3,086,800**	**1,452,216**	**3,536,750**	**5,351,064**	**23,109,579**
	18.4%	7.7%	2.4%	8.6%	4.9%	13.4%	6.3%	15.3%	23.2%	100.0%


2014 All Funds
Expenditures - by Purpose
$23,109,579
Ending Balance
Fund $5,351,064
23.1%
Salaries,
$4,244,580
18.4%
Benefits
$1,775,399
7.7%
Supplies
$548,200
2.4%
Service
$1,988,356
8.6%
Government
Services
$1,126,214
4.9%
Capital
$3,086,800
13.3%
Debt Service
$1,452,216
6.3%
Transfers
Interfund
$3,536,750
15.3%

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 2013 is estimated at $2,523,000 as compared to $4,900,000 in 2012. 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 $2.5495 per $1,000 of assessed valuation for taxes collected in 2013.

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*

District	2014	2013	2012	2011	2010	2009	2008
Skagit County	$1.6273	$1.6214	$1.5539	$1.4592	$1.3627	$1.2420	$1.2097
Medic 1	$0.3750	$0.3750	$0.2500	$0.2500	$0.2460	$0.2273	$0.2290
Conservation	$0.0559	$0.0549	$0.0527	$0.0494	$0.0461	$0.0426	$0.0429
State	$2.4089	$2.5500	$2.3689	$2.2060	$2.0292	$1.9625	$2.0118
City General	$2.5079	$2.5495	$2.4322	$2.1952	$2.0451	$1.8569	$2.1444
City Bond	$0.3013	$0.3076	$0.2960	$0.2703	$0.2517	$0.2291	$0.2743
Schools General	$3.8186	$3.8266	$2.9151	$2.7495	$2.5515	$2.2160	$2.4852
School Bond	$0.7180	$1.1084	$1.0477	$0.9286	$0.8728	$0.7597	$0.8084
Hospital 304	$0.1826	$0.1801	$0.1711	$0.1569	$0.1470	$0.1344	$0.1406
Port #2	$0.2110	$0.2106	$0.2016	$0.1286	$0.1224	$0.1174	$0.1196
Totals	$12.2065	$12.7841	$11.2892	$10.3937	$9.6745	$8.7879	$9.4659

* Per $1000 of assessed value.

City Regular Levy

	Assessed Valuation	Property Tax	Rate Per $1,000
1999	$ 329,038,224	$ 901,993	$ 2.7413
2000	$ 396,626,551	$ 929,018	$ 2.3423
2001	$ 404,374,295	$ 1,096,218	$ 2.7109
2002	$ 425,982,646	$ 1,186,788	$ 2.7860
2003	$ 453,524,658	$ 1,255,674	$ 2.7687
2004	$ 472,465,429	$ 1,320,021	$ 2.7939
2005	$ 556,551,581	$ 1,363,329	$ 2.4496
2006	$ 589,957,949	$ 1,495,897	$ 2.5356
2007	$ 711,332,593	$ 1,607,469	$ 2.2598
2008	$ 778,278,230	$ 1,668,939	$ 2.1444
2009	$ 930,140,024	$ 1,727,177	$ 1.8569
2010	$ 848,751,838	$ 1,735,760	$ 2.0451
2011	$ 792,417,170	$ 1,739,520	$ 2.1952
2012	$724,366,210	$ 1,761,865	$ 2.4323
2013	$ 696,093,913	$ 1,774,725	$ 2.5495
2014	$ 710,371,529	$ 1,781,561	$ 2.5079

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.)

	Assessed Valuation	Property Tax	Rate Per $1,000
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
2014	$ 697,031,492	$ 210,000	$ 0.3013

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

Year	Amount
1998	$ 896,368
1999	$ 992,269
2000	$ 905,292
2001	$ 895,382
2002	$ 994,203
2003	$ 1,017,025
2004	$ 1,057,128
2005	$ 1,135,459
2006	$ 1,308,946
2007	$ 1,335,930
2008	$ 1,243,787
2009	$ 1,098,954
2010	$ 1,099,021
2011	$ 1,178,990
2012	$ 1,231,366
2013	$ 1,296,408
2014*	$ 1,129,000

* = projected in budget

Sales Tax for Public Safety

The citizens of Sedro-Woolley voted to increase local sales and use tax within the city limits by one-tenth of one percent (.001), effective April 1, 2013. This tax is specifically for public safety (police and fire) vehicles and equipment. The retail sale or use of motor vehicles ,

and the lease of motor vehicles for up to the first 36 months of the lease, are exempt from the public safety tax. Of the dollars collected by the Washington State Department of Revenue, 85% is paid to the City with the remaining 15% paid to Skagit County.

Public Safety Sales Tax Collection

Year	Amount
2013*	$ 68,715
2014**	$ 117,000

* 7 months
** projected in budget

STATE SHARED REVENUES

State shared revenues are derived from gasoline taxes, liquor receipts (from profits and excise taxes) and motor vehicle fuel excise taxes. These taxes are collected by the State of Washington and shared with local governments based on population. The Office of Financial Management determines the population figures used for the distribution of state-shared revenues. Sedro-Woolley's 2014 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.

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 3.5 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

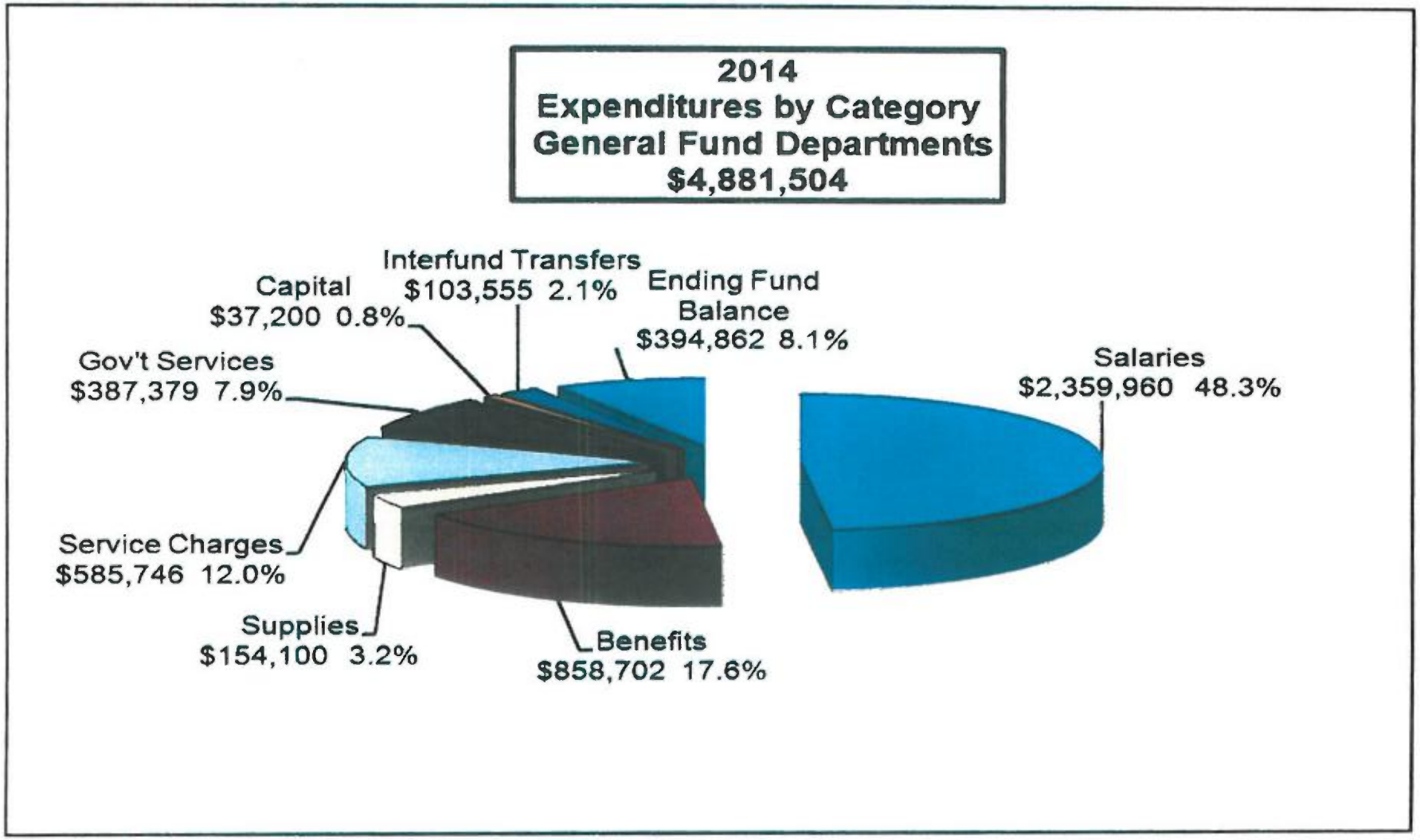
The Sedro-Woolley Fire Department provides fire and emergency services through a governmental contract with Skagit County Fire District No. 8, Monday through Friday, 6:00 am to 6:00 pm. In 2013 the City received $234,200 from this program and anticipates about $220,000 in 2014.

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 2013 the city received $20,080 from this contract and expects to receive $20,880 in 2014.

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.

City of Sedro-Woolley 2014 Budget
Expenditures by Category - General Fund Departments

Department Name	Salaries	Benefits	Supplies	Service Charges	Gov't Services	Capital	Transfers Interfund	Total	%
Legislative	42,000	3,345	9,350	3,000	20,000	-	-	77,695	1.59%
Judicial	39,500	7,175	4,000	49,003	12,676	500	-	112,854	2.31%
Executive	58,000	20,295	6,800	61,400	-	-	-	146,495	3.00%
Finance	61,000	32,380	10,000	57,288	-	1,000	-	161,668	3.31%
Legal	58,550	28,915	6,200	92,370	1,400	-	-	187,435	3.84%
Civil Service	-	-	-	3,000	-	-	-	3,000	0.06%
Information Technologies	56,200	16,255	2,700	26,400	-	9,000	-	110,555	2.26%
Central Services	-	-	3,700	5,000	-	-	10,555	19,255	0.39%
Planning	76,650	25,770	2,300	12,225	4,590	600	-	122,135	2.50%
Engineering	72,150	29,495	3,500	28,122	1,000	500	-	134,767	2.76%
Police	1,393,110	568,095	56,250	120,543	254,332	25,000	-	2,417,330	49.52%
Fire	469,800	117,270	47,000	109,120	28,100	-	93,000	864,290	17.71%
Building	33,000	9,707	2,300	18,275	-	600	-	63,882	1.31%
Emergency Services	-	-	-	-	21,000	-	-	21,000	0.43%
Pollution Control	-	-	-	-	3,800	-	-	3,800	0.08%
Economic Development	-	-	-	-	7,000	-	-	7,000	0.14%
Aging	-	-	-	-	33,481	-	-	33,481	0.69%
Public Health	-	-	-	-	-	-	-	-	0.00%
Ending Fund Balance	-	-	-	-	-	-	-	394,862	8.09%
TOTAL	**2,359,960**	**858,702**	**154,100**	**585,746**	**387,379**	**37,200**	**103,555**	**4,881,504**	**100.00%**


2014
Expenditures by Category
General Fund Departments
$4,881,504
Interfund Transfers
$103,555 2.1%
Capital
$37,200 0.8%
Ending Fund
Balance
$394,862 8.1%
Gov't Services
$387,379 7.9%
Salaries
$2,359,960 48.3%
Service Charges
$585,746 12.0%
Supplies
$154,100 3.2%
Benefits
$858,702 17.6%

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 Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	42,000	42,000	42,000
Benefits	3,350	3,346	3,345
Supplies	5,350	5,350	9,350
Service Charges	7,000	7,000	3,000
Government Services	11,200	15,200	20,000
Total Expenditures	68,900	72,896	77,695

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 Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	37,125	38,130	39,500
Benefits	6,200	6,655	7,175
Supplies	3,500	3,500	4,000
Service Charges	80,876	48,486	49,003
Government Services	14,725	14,877	12,676
Capital	2,000	500	500
Total Expenditures	144,426	112,148	112,854

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 Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	57,800	56,725	58,000
Benefits	18,795	19,570	20,295
Supplies	500	1,000	6,800
Service Charges	32,000	68,500	61,400
Capital	0	0	0
Total Expenditures	109,095	145,795	146,495

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;
- Prepare for and facilitate 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;
- Provide support for various wellness activities.

2013 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 local economy to determine the amount of cost cutting necessary.
- Updated process and procedures to comply with changing laws and regulations.
- Successfully implemented the State Auditors BARS update which significantly changed our City accounts.
- Issued RFP, evaluated and selected new financial accounting software.
- Successfully hired and trained a new staff member to replace retiring utility billing clerk.

2014 Goals

- Successfully complete the annual audit by the State Auditor's Office.
- Provide staffing to the Wellness Committee, Safety Committee and for various Wellness events.
- Complete data conversion, basic training and implementation of all segments of the new financial accounting software.
- Become proficient in the basic and advanced operation of the

new financial accounting software.
- Train staff in other departments to obtain financial reports and input budget proposals in the financial accounting software.
- Research, determine & implement revised cost allocation system in compliance with new state-wide Auditor's Office focus.
- Assume Civil Service support, HR support and other miscellaneous duties due to staffing reorganization in the Police Department.
- Accelerate collection of old, outstanding utility accounts.
- 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 Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	54,750	59,110	61,000
Benefits	32,185	31,455	32,380
Supplies	10,000	10,000	10,000
Service Charges	54,890	58,128	57,288
Capital	1,000	1,000	1,000
Total Expenditures	152,825	159,693	161,668

LEGAL

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

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

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

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

Legal

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	17,500	57,315	58,550
Benefits	7,625	27,998	28,915
Supplies	100	5,300	6,200
Service Charges	45,400	92,845	92,370
Government Services	1,400	1,400	1,400
Capital	0	0	0
Total Expenditures	72,025	184,858	187,435

CIVIL SERVICE

The City Civil Service governs the selection, appointment or employment of any person to any office, place, position

or employment subject to Civil Service within the Police and Fire Departments.

Civil Service

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Supplies	250	250	0
Service Charges	3,000	3,000	3,000
Total Expenditures	3,250	3,250	3,000

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

2013 Accomplishments

Accomplishments for 2013 include:

- Procured, configured and deployed additional security DVR and cameras in Public Safety area
- Deployed latest Ubuntu Linux clients at Library patron internet terminals
- Procured, configured and deployed new internet firewall at Library
- Added secure Wireless Access Point at Hammer Heritage Square for new PA
- Procured, configured and deployed new Wireless Ethernet Bridge at Solid Waste
- Procured, configured and deployed ten new Police mobile data terminals With SECTOR
- Configured and deployed two Mobile Data Terminals for Fire District 8
- Deployed MS Office 2010 Pro Suite on all remaining City workstations
- Configured and deployed Windows 2008 R2 Server for BIAS financial software system
- Installed BIAS client software on Finance workstations
- Registered, developed and deployed Sedro-WoolleyMeansBusiness.com website for economic development
- Recovered over $52,000.00 through auction of surplus City equipment on PublicSurplus.com
- Continued summer lunchtime sand volleyball games at Riverfront Park as part of Wellness Program

- Upgraded PD WebMSS terminal to OMNIX system
- Configured and deployed three laptops at Library to support Microsoft IT Academy
- Consolidated Police/Fire multifunction copiers into one leased machine that is faster and cost less to operate

2014 Goals & Objectives

The main focus for IT in 2014 will continue to be on projects that reduce power consumption, increase productivity and enhance security. These goals include:

- Upgrade Engineering workstations to 64-bit Windows OS
- Assist with radio tower link to 911 Center
- Configure and deploy Police Department fileserver
- Replace City internet firewall with higher throughput model
- Deploy tablets for City Council Meeting agendas and packets
- Procure, configure and deploy upgraded SCADA workstation at WWTP
- Continue with upgrades of domain controllers
- Install BIAS client software on management staff workstations
- Complete upgrade of all City workstations to Windows 7 Pro
- Extend Public LAN wirelessly to Community Center
- Upgrade disk-based server data backup system
- Organize City team for Relay for Life of Skagit County as part of Wellness Program
- Continue evaluation of email archiving alternatives
- Continue to expand and/or enhance video security surveillance systems
- Continue to consolidate and streamline network topology
- Continue to replace aging computer equipment with more energy-efficient systems

IT

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	49,800	53,700	56,200
Benefits	14,055	15,372	16,255
Supplies	2,700	2,700	2,700
Service Charges	21,000	22,100	26,400
Capital	12,000	9,000	9,000
Total Expenditures	99,555	102,872	110,555

CENTRAL SERVICES

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

Central Services

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Supplies	3,600	3,600	3,700
Service Charges	5,000	5,000	5,000
Government Services	0	0	0
Transfers	7,985	7,650	10,555
Total Expenditures	16,585	16,250	19,255

PLANNING

Mission

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

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

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

Summary

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

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

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

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

2013 Accomplishments

In 2013, 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 relaxed downtown parking requirements for new retail businesses and restaurants.
- Establish guidelines for sidewalk and street dining areas in Central Business District.
- Continued work on revisions to the Municipal Code to create a new section that establishes guidelines for recreational marijuana producers and processors.
- Updated the Comprehensive Plan.

- Reviewed and proposed updates to the Housing Element of the Comprehensive Plan (2013 Docket).
- Rezone of properties west of Rhodes Road, south of SR 20 as requested by the residents (2012 Docket completed in April 2013).
- Completed 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 (2012 Docket completed in April 2013).
- Subsequent to Planning Commission and City Council review, submitted to Skagit County a Comprehensive Plan amendment application to modify the City's urban growth area.
- Represented the City in the Skagit County Housing Affordability Advisory Committee.
- Represented the City in the Skagit Council of Governments Planners Group.
- Represented the City at EDASC Schmooze Fair.

Processed applications:

- Administrative Zoning Waivers (1)
- Boundary Line Adjustments (1)
- Conditional Use Permit Appeals (1)
- Home Occupation Review (45)
- Pre-application Meetings (5)
- Short Plats (1)
- Subdivisions (1)
- Building Permit review (58)
- Sign Permit Review (10)
- Business License Review (95)
- Completed census reports – Office of Financial Management (OFM) and Federal.
- Performed design review.
- Performed zoning review.

2014 Goals & Objectives

Identify ways to improve development regulations and facilitate development in the City

- The Planning Department will work with 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 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 excavations up to 1,000 cubic yards.

2014 City Council Goal II:

- Develop predictable processes

2014 City Council Goal II:

- Make City Government more user friendly

2014 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.

Participate in the countywide review and update of the Skagit County Natural Hazard Mitigation Plan

- The Planning Department will work with governmental jurisdictions in Skagit County to review the current Countywide Natural Hazard Mitigation Plan. This required document must be updated by the middle of 2014 in order to continue to receive federal disaster funds should there be a disaster.

2014 City Council Goal I:

- Partner with other Governments & Tribe

2014 City Council Goal II:

- Develop predictable processes

Comprehensive Plan Goal CF1:

- To assure that capital improvements necessary to carry out the comprehensive plan are provided when they are needed.

Comprehensive Plan Goal GMA 11:

- Encourage early and continuous citizen participation in the comprehensive planning process.

Comprehensive Plan Goal GMA 12:

- Assure capacity for new developments through a capital facilities plan.

Comprehensive Plan Goal LU2:

- To coordinate land use decisions within and surrounding the urban growth area with other jurisdictions.

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.

2014 City Council Goal V:

- Promote economic development

2014 City Council Goal VI:

- Expand recreational opportunities – Parks

2014 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 LU2:

- To coordinate land use decisions within and surrounding the urban growth area with other jurisdictions.

Comprehensive Plan Goal LU10:

- To create as safe, active environment for youth.

Update the Sedro-Woolley Comprehensive Plan – Capital Facilities Element

- The Planning Department will assist in proposing revisions to the Capital Facilities Element of the Comprehensive Plan. The Capital Facilities Element will require coordination with the Public Works, Police and, Fire Departments to update the existing inventory, future needs, proposed new facilities and identify potential funding for the next 6 years of proposed facilities improvements. The City's Comprehensive Plan must be reviewed and amended as necessary by June of 2016.

2014 City Council Goal II:

- Educate and inform Citizens about the Goals and Vision

Comprehensive Plan Goal CF1:

- To assure that capital improvements necessary to carry out the comprehensive plan are provided when they are needed.

Comprehensive Plan Goal CF2:

- To manage land use change and develop City facilities and services in a manner that directs and controls land use patterns and intensities.

Comprehensive Plan Goal CF3:

- To finance the city's needed capital facilities in as economic, efficient, and equitable a manner as possible.

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.

2014 City Council Goal II:

- Develop predictable processes

2014 City Council Goal IV:

- Streamline the permitting processes

Comprehensive Plan Goal LU16:

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

Comprehensive Plan Goal LU17:

- To control the impacts of development activities on the quality of surface and ground water.

Planning

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	100,160	73,500	76,650
Benefits	39,015	24,798	25,770
Supplies	1,500	2,300	2,300
Service Charges	11,700	12,260	12,225
Government Services	5,015	5,015	4,590
Capital	8,600	600	600
Total Expenditures	165,990	118,473	122,135

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.

2013 Public Works/Engineering Accomplishments

- The SR20/Cook Road Realignment & Extension Project design and environmental process was completed, right of way donations defined, and the construction project was bid, awarded and completed to 50% before winter shutdown. The project reconstructs Washington Street as Cook Road, with new roundabout intersections at Ferry/ Cook and SR20/Cook, and a new arterial to F&S Grade

Road, including drainage, water line replacement, curbs, gutters, sidewalks, pavement, pavement markings, signage and street lighting. The current project value is $6,954,945, including grants of $3,907,455 from TIB, $625,000 from STPR and $126,236 from PUD, and anticipated or completed ROW donations of $1,892,310. Value of the work completed in 2013 is $3,272,030.

- The SR9 Pedestrian/Bicycle Safety Improvements Project was designed in house, funded, bid and completed utilizing two separate Safe Routes to Schools grants matched by city GMA Impact Fee funds. The total project cost was $866,099, with $646,798 from SRTS and $158,193 from Impact Fees and $61,108 from PUD. The project included addition of curbs and six foot wide sidewalks on the west side of SR9 from Lucas to Park Cottage Place, including a pedestrian bridge over Brickyard Creek, curbs and six foot wide sidewalks on the east side of SR9 from McGarigle to Summer Meadows, and water line replacement from Sapp to Park Cottage.
- The 2013 Sanitary Sewer Replacement Project was designed in house, funded using Sewer "Other Projects" budget funds, bid and constructed. The total project cost was $165,136. The project included removal and replacement of 687 feet of 8 & 6-inch sewer main in Ball and Waldron Streets, including connecting to existing manholes and nine each side sewer replacements, plus full replacement of street surfacing.
- The Bingham Park Improvements Project was designed and constructed to 70% completion in conjunction with the SR20/Cook Road Project. This $172,000 project removed existing roadways and drainage, and includes new drainage, curbing, sidewalks, asphalt roadways, parking, a six place RV Parking Facility with full hookups, a new playground, and remodel of the Park Building as a caretaker residence. Work will complete in mid-2014.
- Bid, awarded and managed 15 miscellaneous Public Works contracts totaling $193,713.73.
- Awarded and managed 20 Professional Services agreements totaling $155,885.
- Performed detailed analysis of area utility fee and impact fees. Based on analysis, recommended update of the 2005 Transportation Plan Impact Fee Methodology to reflect completed transportation projects, resulting in substantial reductions to the Transportation Impact Fees per zone to promote development while maintaining the ability to fund system improvements.
- Also based on the area utility fee and impact analysis, updated the Sewer General Facilities and Sewer Utility Charges to support health of the Utility and to promote development. This resulted in substantial reduction of the Connection Fee, along with recommendation for an annual review and adjustment of

base utility charge to meet inflation concerns.

- Grant applications to support the Transportation Plan and Stormwater projects were prepared and submitted under the TIB Urban Sidewalk Program ($273,781 funded), TIB Expanded Preservation Program ($0 funded), Ecology Capacity Grant ($50,000 funded), Ecology Local Source Control Program ($63,729 funded) and SCOG TAP Program ($100,917 funded). **New grants awarded for 2013 total $488,427.**
- 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.
- Continued NPDES Stormwater Permit compliance activities including documentation of catch basin and stormwater pipeline inspection and cleaning activities.
- Continued to inspect and coordinate maintenance efforts for all private stormwater systems within the city.
- Continued Skagit County Interlocal Agreement(s) activities related to Brickyard Creek Sub-flood Control Zone elements within the City limits.
- Updated the Equipment Repair & Replacement Fund program to meet 2013 Budget requirements and city equipment replacement needs.
- Replaced all department mobile and handheld radio sets for Public Works to comply with FCC narrowbanding requirements.
- Completed Address Range and Street Name XY Coordinate updates in coordination with Skagit County.
- Implemented Sign Management system using IworQ program. Will continue in 2014.
- Reviewed as needed development projects for compliance with Engineering Department standards.

Project Summary

PROJECT DESCRIPTION	TOTAL PE/CE/CN	STATUS
2013 PROJECT RECAP		
SR20/COOK ROAD REALIGNMENT & EXTN PROJECT DESIGN PHASE	550,832	COMPLETE
SR20/COOK ROAD REALIGNMENT & EXTN PROJECT CONSTR PHASE	2,127,197	50% COMPLETE
SR-9, LUCAS TO PARK COTTAGE AND MCGARIGLE TO SUMMER MEADOWS PEDESTRIAN/BICYCLE SAFETY IMPROVEMENTS PROJECT	866,099	COMPLETE
2013 SANITARY SEWER REPLACEMENT PROJECT DESIGN & CONSTRUCTION	156,536	COMPLETE
BINGHAM PARK IMPROVEMENTS PROJECT	172,000	76% COMPLETE
UPGRADE CULTUS MOUNTAIN STORMWATER PUMP STATION PANEL	28,800	COMPLETE
2013 ON-CALL PROJECTS – 20 TOTAL	193,174	COMPLETE
UPDATE TRANSPORTATION PLAN IMPACT FEE SCHEDULE	4,586	COMPLETE
UPDATE SEWER UTILITY RATES AND CONNECTION FEE SCHEDULE	6,060	COMPLETE
2013 ON-CALL PROFESSIONAL SERVICES AGREEMENTS – 15 TOTAL	155,885	COMPLETE
TOTAL 2013 COMPLETED PROJECTS	**4,261,169**	

2014 PROJECTS PLANNED	TOTAL PE/CE/CN	STATUS
GENERAL		
2014 ON-CALL PROJECTS – 20 TOTAL	170,000	PLANNED
2014 ON-CALL PROFESSIONAL SERVICES AGREEMENTS – 14 TOTAL	215,000	PLANNED
STREET/PW OPERATIONS		
SR20/COOK ROAD REALIGNMENT & EXTN PROJECT CONSTR PHASE	2,043,000	REMAINING 50%
3 RD STREET, STERLING TO STATE OVERLAY & TALCOTT TO STATE SIDEWALK PROJECT	616,400	DESIGN & CONSTRUCTION PHASES

2014 STREET PROJECTS	70,000	PLANNED
BINGHAM PARK IMPROVEMENTS PROJECT	42,000	REMAINING 24%
ANNUAL MONITORING & MAINTENANCE OF THE FRUITDALE/MCGARIGLE WETLAND AREA PER CORPS PERMIT	7,500	PLANNED
STORMWATER		
UPDATE STORMWATER MANAGEMENT PLAN	20,000	PLANNED
BRICKYARD CREEK ANNUAL MAINTENANCE PROJECTS	36,000	PLANNED
WASTEWATER		
2014 SEWER PROJECT - RIVERFRONT PARK PUMP STATION & FORCE MAIN DESIGN & CONSTRUCTION	100,000	PLANNED
SOLID WASTE		
STREET SWEEPING SCREENING/COMPOSTING FACILITY STUDY	2,000	PLANNED
TOTAL 2014 PROJECTS PLANNED	3,321,900	

2014 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.

2014 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.
- Annual review and update of Impact Fees and/or utility rates for Transportation, Stormwater and Sewer. Monitor sewer and stormwater utility rate and connection revenue for compliance with planned rate increases to ensure the lowest possible utility rates that will support the City's adopted plans for utility system maintenance and capital projects.
- 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 2014 Street Rehabilitation Projects including the TIB funded 3st Street, Sterling to State HMA Overlay and Sidewalk Replacement Project, and other pavement preservation projects as funding permits. Utilize Skagit County Interlocal for Chip Seal to the maximum extent feasible.
- In house design for possible 2015 construction of the SR20/Cascade Trail West Extension Phase 1 Ferry to Rhodes Road.
- In house design for the Fruitdale Road Pavement Failure Repair between Wildflower & Wilda where closed by landslide.
- Update the 2005 IworQ Pavement Management System.
- Update the City Sidewalk & ADA Facility Inventory & Transition Plan. Move toward an annual sidewalk upgrade and replacement program.
- Complete construction phase for the SR20/Cook Road Realignment & Extension Project.
- Complete construction phase for the Bingham Park Improvements Project.
- Coordinate stakeholder interests in working for replacement of Teserik Baseball Field and a new Babe Ruth Ballfield at SWSD's Janicki Fields complex.
- Explore LED Streetlighting retrofit opportunities to reduce streetlight power costs.
- Continue to explore funding sources for the SR20 Stormwater Conveyance System Upgrade.
- Continue development and implementation of Sign Management program to upgrade street signs to new FHWA standards and meet 2/22/2014 deadline.
- 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 2014 Stormwater Management Program Plan.
- Continue inspection and tracking of private stormwater systems. Provide public outreach programs in conjunction with Skagit Conservation District.
- Prepare an analysis for council of the present state of compliance of private stormwater systems with city stormwater O&M standards, and impacts on the city system. Present alternatives to council for improving compliance.
- Complete the second round of Local Source Control Program business inspection and tracking.
- Continue to work with Skagit County to complete stormwater projects of mutual benefit in the Fruitdale Road vicinity and other city-county stormwater transitions.
- 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 Riverfront Park Pressurized Sewer System.
- Begin in house design for 2015 construction of the Greenstreet Blvd/Dean/Virginia Sewer, Water and Street Replacement Project.
- Begin planning for the Wastewater Treatment Facility Ring Dike for flood protection that is recommended in the USACOE Skagit GI Flood Study.
- 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, Ecology, RCO 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 using the IworQ software platform.
- Provide timely and cost effective review of development activities for compliance with Engineering Dept. standards in conjunction with the Building & Planning Dept.

Engineering

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	63,500	70,315	76,650
Benefits	26,610	28,565	25,770
Supplies	3,000	3,500	2,300
Service Charges	25,950	28,595	12,225
Government Services	0	0	4,590
Capital	3,000	500	600
Total Expenditures	122,060	131,475	122,135

POLICE

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

Administration

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

Support Services

Support Services handles telephone and in-person requests for service from the public; processes and maintains all

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

Patrol

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

Investigations

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

The Sedro-Woolley Police Department continues to work hard and serve the citizens well. 2013 was a very challenging year and all of the Officers and staff have been working diligently to meet the challenges. We have had to deal with many serious felony crimes this year. These investigations are very taxing on a small department, both financially and physically, because they resulted in a lot of overtime (4 Shootings,
2 Stabbings, 1 Arson, 1 Kidnapping, 3 Rapes and Several Felony Assaults).

With these investigations, we were unable to complete as many street level drug operations in 2013; however we plan on being able to resume doing this in 2014.

Another real need is in the area of animals and code enforcement. We had a record number of animal complaints (653) and nuisance complaints in 2013. Our inability to adequately address these issues is a frustration to all. We still strive to get a code enforcement officer to address some of these quality of life issues. The Offender Work Program assists us in caring for the lost and abandoned dogs. We all have to work together on the animal calls.

Our biggest issues continue to be manpower. We are in desperate need of additional Officers and staff. However we recognize that our tax base has prohibited us from growing or even

returning to pre-recession staffing levels. These staffing levels are creating a strain on the department. We are anticipating a retirement and another officer possibly relocating. This will be another challenge that we will face in 2014.

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

2013 Goals Review

- 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 with out their labors. This program works this well because of the hard work and dedication of Luigi Gallino.

2013 Progress

- We are still providing a high level of service to the community while trying to live within our budget. Our major crime investigations impacted our overtime budget this year. We did change our records office hours to 10am- 5pm. This gives our staff a couple of hours in the morning to take care of the paperwork that came in over the night. It is a benefit to staff and does not seem to cause the citizens too many problems.
- The new jail is progressing and we are living with the overcrowded jail situation. We continue to outsource our long term misdemeanants to Wapato when possible. We also work closely with the prosecutor and courts to take full advantage of our offender work program.
- We completed our Spillman mobile and Sector project. This will be very important in future efficiencies and Officer Safety.
- We completed our evidence procedure and facilities upgrades to comply with an issue uncovered during the last audit. We are also not filing prosecution cases electronically with both the county and city prosecutors.
- Our Offender Work Program is working so well that we are taking offenders from other jurisdictions and the city is benefitting from their labor. With the passage of the Public Safety Equipment sales tax, we have been able to purchase one new and one used Ford Interceptor. This is great and will keep our fleet in very good condition in the years to come. We also went back to the black and white paint scheme. They are very visible and leave an impact on citizens and offenders as officers patrol the city.

We remain diligent in working to keep gangs from being an issue in Sedro-Woolley.

2014 Goals

- Complete the Sedro-Woolley Police Law Enforcement Communications System Improvement plan. This would give Sedro-Woolley our own radio frequency and repeater on Dukes hill.

Our portable radio coverage has deteriorated over the years and this would give us good coverage. A plan has been presented and we are working toward this goal.

- Maintain and hopefully add to our staff. We need at least 2 additional Officers, code enforcement officer and additional records help. This is not in this year's budget and I am aware that it is the council's top priority. It does, however, need to be in this document.
- Continue to keep pressure on the street level drug dealers.
- Explore the possibility of a Citizens Patrol to assist with some of our nuisance problems that we have been experiencing.

Over the past years we have continually evaluated our jobs and work on ways to be even more efficient. We recognize that we will have to continue to do this in 2014 also. Our staffing levels are below recommended staffing levels and our staff has been getting the job done and providing a good service.

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.

	2009	2010	2011	2012	2013
Animal Problems	510	453	430	482	653
Traffic Infractions	562	364	511	740	643
DUI	64	50	55	47	26
Adult Arrests	746	610	586	486	409
Juvenile Arrests	104	105	106	90	85
Burglaries	104	141	151	178	219
Total Calls of Service	9,059	8,559	8,470	7,950	8,726

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 Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	1,317,188	1,341,735	1,393,110
Benefits	601,185	541,354	568,095
Supplies	52,500	54,500	56,250
Service Charges	138,310	176,165	120,543
Government Services	202,271	200,500	254,332
Capital	21,000	30,000	25,000
Total Expenditures	2,332,454	2,344,254	2,417,330

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 and special programs. 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.

2013 Accomplishments

- Service levels, Part Time and Volunteer staffing levels.
- Work with WSRB on the cities insurance rate.
- Train with Skagit County Hazardous Materials Decon unit and train up personnel to operate.
- Conduct a certification level for confined space rescue.

The Fire Department was able to accomplish all of the goals in 2013. We are still waiting on the WSRB to complete their part of the rating they inspected us in October of 2013. Another accomplishment that we had in 2013 was to get our ambulance Transport License.

2013 Call Data

Calls	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
City	317	329	338	328
D8East	10	10	14	8
D8 North	13	23	15	15
D8 South	104	114	117	127
Totals	**444**	**476**	**484**	**478**

Total Calls for 2013: 1882

2014 Goals

- Continue to provide the citizens of Sedro-Woolley the quality service they have come to expect from their Fire Department
- Continue to monitor new response plan, and refine as

needed. This will be on going over the next few years.
- Work with other cities to refine the counties EMS delivery system.
- Work with WSRB (whenever rating is complete) to improve the City's rating.
- Bring on several new members and conduct a recruit class for new volunteers.
- Due to funding issues within the City, work on maintaining all levels of service within the current budget.

Fire

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	457,000	466,350	469,800
Benefits	114,865	120,568	117,270
Supplies	52,500	51,500	47,000
Service Charges	118,110	126,100	109,120
Capital	75,905	0	0
Government Services	0	0	28,100
Loan Payment	113,975	0	0
Transfer	0	90,000	93,000
Total Expenditures	932,355	854,518	864,290

BUILDING

Mission Statement

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

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

Summary

The Building Department staff was reduced to less than one (1) F.T.E. in 2012 and that status continues through 2014. 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. Planning staff has also been training as a building inspector by accompanying the contract building inspectors to most building inspections after regular business hours each day. The amount of time available to work on code enforcement requests will be reduced and may affect prompt customer service in that area.

2013 Accomplishments

In 2013, 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

2014 Goals & Objectives

Efficient processing of building permit applications

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

2014 City Council Goal II: Make City Government more user-friendly
2014 City Council Goal III: Develop a predictable process
2014 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.

2014 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.

2014 Council Goal II: Improve our image

Building

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	78,060	17,110	33,000
Benefits	33,860	6,220	9,707
Supplies	1,000	2,600	2,300
Service Charges	6,375	39,160	18,275
Capital	600	600	600
Total Expenditures	119,895	65,690	63,882

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.

2014 BUDGET MESSAGE

2013 has been another busy year for the Public Works Operations Department. Staff has had a very productive year completing many infrastructure maintenance and construction 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. One of the major projects of the season was our work within Bingham Park. Please see the list of accomplished projects listed below by project fund. Several changes have taken place in 2013 for the department. Longtime Operations Supervisor Shane Walley retired April 30th, and was replaced with Nathan Salseina. With this change the parks and facilities division relocated their day to day activities to the Street Department building on Alexander Street. Combining the departments has been a positive change and has greatly improved communication and efficiency of the department. We have been fortunate to have a temporary employee, as well as several seasonal positions on staff since Shane Walley's retirement to assist with day to day duties. Riverfront Park also has a new resident caretaker that began his duties on December 1st. We are very proud of what we have been able to accomplish for the citizens of Sedro-Woolley, and hope to continue our success in to 2014.

ISSUES FACING THE DEPARTMENT IN 2014

The age and increased usage of our public facilities as well as our transportation and drainage infrastructure will continue to be a factor in 2014. 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. New

standards that regulate the maintenance and inventory of street signs are going into effect in 2014. This alone will take significant staff time to address, but we already have a plan in place and have prepared for the new regulations. 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 2014 is being able to continue to provide our services to the public with limited staff at an acceptable level.

2013 Accomplishments

- General parks routine and preventative maintenance
- Cleaned and maintained 63,597 square feet of city owned facilities
- Constructed new R.V. Park Facility at Bingham Park
- Converted former parks headquarters into a park caretakers residence
- Hosted 333 community events at the various parks and public facilities
- Replaced roof, gutters and stained the small picnic shelter at Riverfront Park
- Provided 1,058 nights of R.V. Camping at city facilities
- Hosted Loggerodeo Carnival
- Hosted Founders Day, JJ Cruisers Car Show
- Constructed new lunch room facility at the Operations Department Main office made necessary by the combination of the parks and streets departments.

2014 Goals and Objectives

- Our goal for 2014 is to maintain our current levels of service, while completing the following specific activities and projects.
- 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 Bingham Park Reconstruction Project
- Replace old failing flooring at the Senior Center
- Replace floors in the Community Center Restrooms
- Replace cook stove at the community center with a commercial unit
- Reconstruct and improve Memorial Park playground
- Paint the Police evidence garage, and the Bingham Park Caretaker residence
- Hire new Bingham Park resident caretaker position
- Replace gutters and rotting fascia boards on the Library Building
- Continue to work on the cities Resource Conservation Program to identify cost savings
- Tile flooring replacement project in fire station 1 residence quarters

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 Department Training Property
- Fire Department Grounds

Public facilities that we oversee and maintain

- Community Center
- Senior Center
- Bingham Park Caretakers Cottage
- Municipal Building Library
- Park Shelters
- Public Works Operations Department maintenance facility
- Cemetery maintenance shop
- Sedro-Woolley Fire Station 2
- Police Evidence Building

Other parks duties

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

Parks

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	196,000	218,070	182,570
Benefits	109,035	109,415	90,770
Supplies	37,600	41,900	38,900
Service Charges	168,000	163,150	185,020
Government Services	900	875	0
Capital	69,000	7,700	51,200
Transfers	13,680	14,025	12,900
Loan Payment	82,000	10,000	10,000
Total Expenditures	676,215	565,135	571,360

CEMETERY FUND

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

2013 Accomplishments

- Kept up nicely with general grounds and equipment maintenance
- 29 Full body burials
- 29 Inurnments
- 3 Memorial only services
- 2 disinterment's

2014 Goals and Objectives

- Keep up with grounds and equipment maintenance
- Maintain high level of customer service
- Reconstruct 5000LF of cemetery access roads that are deteriorating

Cemetery

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	59,000	62,775	64,000
Benefits	29,600	29,465	28,980
Supplies	12,300	12,500	12,800
Service Charges	12,525	12,545	12,570
Government Services	2,000	2,000	0
Capital	0	0	34,000
Transfers	12,550	14,025	12,900
Total Expenditures	127,975	133,310	165,250

STREET FUND

The Street Fund provides the financial resources to operate and maintain the street infrastructure within city limits. Staff is responsible for the maintenance of streets, alleys, sidewalks and shoulders within the City of Sedro-Woolley. The street fund receives revenues from state distributions of motor vehicle fuel taxes. These state distributions are not sufficient resources to maintain city streets. The city's general fund provides subsidies in order for the street fund to operate.

2013 Accomplishments

- Routine maintenance including, sign maintenance, pothole patching, street sweeping, alley and shoulder grading, line striping, tree trimming and mowing.
- New sign maintenance inventory sign polity and program per the MUTCD Sign Requirement
- Responded to one snow event in December
- Constructed new storm drain and roadway system within Bingham Park.
- Assisted with multiple capital projects

2014 Goals and Objectives

- Continue with annual road resurfacing schedule determined by available funding
- Assist with completion of the SR20/Cook Rd Realignment Project
- Assist with 3rd Street Overlay 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

OVERVIEW OF STREET DUTIES

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.

Streets

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	148,600	159,325	191,385
Benefits	78,660	84,313	106,052
Supplies	47,200	73,200	52,500
Service Charges	232,750	213,300	231,935
Government Services	60	60	0
Capital	75,000	105,000	80,000
Transfers	94,675	105,825	153,400
Total Expenditures	676,945	741,023	815,272

ARTERIAL STREETS FUND

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

Arterial Streets

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	0	0	0
Benefits	0	0	0
Supplies	0	0	0
Service Charges	0	0	0
Government Services	3,200	3,197	2,935
Capital	782,785	646,500	2,176,900
Transfers	0	500,000	500,000
Total Expenditures	785,985	1,149,697	2,679,835

STORMWATER FUND

The Stormwater Fund provides the financial resources to operate and maintain the city's Stormwater utility system in accordance with NPDES Stormwater Permin requirements.

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

- City owned Stormwater Detention Facilities – 11 locations
- 5,390LF of detention and infiltration systems
- Detention Vaults, Ecology Embankments, etc – 3 locations
- Stormwater System Piping 6" to 48" diameter (199,400 LF) and catch basins (1,895 basins)
- Road Culverts, (7,248 LF)
- Drainage Ditches, (56,000 LF)
- Stormwater pump stations – 2 total (currently maintained by Wastewater Treatment Staff)

2013 Accomplishments

- 554 hours of street sweeping
- General Storm Water System Maintenance
- Cleaned 2,600LF of Storm System Piping and culverts
- Cleaned 64 catch basins
- Visually inspected 442 Catch Basins
- Maintenance of 24,850LF of Conveyance Ditches

2014 Goals and Objectives

- Street Sweeping- two days per week and three days during the fall
- Inspect and clean catch basins as needed
- Inspect and clean all city owned Stormwater Facilities as needed
- Inspect and clean all conveyance ditches as needed

Stormwater Operations

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	185,500	193,600	212,500
Benefits	95,050	95,460	113,705
Supplies	10,000	10,000	10,000
Service Charges	59,882	97,860	93,815
Government Services	14,500	8,400	9,700
Capital	1,600	33,000	0
Debt Service	0	0	10,190
Transfer	30,550	138,925	138,365
Total Expenditures	397,082	577,245	588,275

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

2013 Accomplishments

- We have just finished a grant with the WA State Library, the WA Department of Early Learning, and the Federal Race to the Top Grant – for building another 9 of our Early Learning Discovery Boxes. This grant has allowed us to develop several new Boxes for older children – Kindergarten through Grade 3. A major focus of these new Boxes is STEM – science, technology, engineering and math. We also handed out dozens of free copies of the WA State Early Learning Guidelines (if you would like one, please call Debra at the Library), which outlines how to help children, ages 3 through 8+, learn.
- The Pushing the Limits Science Café Grant was very successful this year; we had 4 events, with a turnout for each of between 12 and 24 participants. The Library also updated some of its science collections and sponsored some great discussions throughout the grant year.
- The Sedro-Woolley Public Library was one of the original participants in the WA Northwest Anytime Library, which operates solely online with a wide variety of downloadable e-books and audio books. The network has grown considerably; the WA State Library joined our consortium this year, and the downloadable service now features close to 20,000 items

shared statewide (with more than 3 dozen libraries involved).

- Our total circulation once again will top 100,000 items checked out in 2013 – with downloadable e-book activity still rising.
- Two of our LSTA (Library Services & Technology Act) Grants were highly successful in 2013 – one with the Sedro-Woolley Museum (which now has nearly 1,000 historic photographs of S-W online at www.waruralheritage.org); and our Transforming Life After 50+ grant which had a variety of classes offered, ranging from cooking for adults 50+ (including cooking for 2); craft classes; digital photography; and exercise for 50+. The Library also expanded their book collections specifically for adults 50+ (i.e. starting businesses at 50+; retirement issues; age-related health; encore living; adapting homes; etc).
- The Microsoft IT Academy has launched statewide in late November 2013. This service offers free access to over 400 Microsoft-sponsored online classes in Word, Excel, programming languages, servers, plus many other computer subjects. Visit the Library to pick up your specific access code, and you can then take the classes anywhere online. The City sponsored 3 laptops to the Library for this specific use, which greatly expands our ability to serve the public.

2014 Goals and Objectives

- One of the biggest issues is the forthcoming development of the new Central Skagit Rural Partial Library District, which surrounds the City of Sedro-Woolley, within the Sedro-Woolley School District (but not including the towns of Lyman & Hamilton). However, so far, the potential impact is totally unknown, and cannot be predicted. The new Library District will serve some 15,000 to 16,000 residents. More than 1,000 non-residents have come into this Library seeking answers, and hoping to get a library card with us (we refer them to the new District website for further information).
- The Library has recently been offered a chance to upgrade its Computer Circulation System to the latest software from TLC. We have accepted that offer, and will be completing the upgrade in the coming weeks. TLC will be absorbing the vast majority of costs for this conversion - an incredible deal for this Library.
- The WA State Library has just offered this Library a chance to upgrade our internet connection from a T1 line to fiber; we are exploring that option now. Moving to fiber will mean a considerably faster connection speed & more capability.
- Thanks to City Supervisor Eron Berg, the Library will soon be checking out 3 Kindles to the public, along with already downloaded content. Staff are debating just how the content will be shared, & arranged - and

precisely what will be preloaded to each device. Increasingly, many new books are being published solely as e-books (even more books initially started out as e-books, and were then published in a paper format later).

- Our Reciprocal Interlocal Library agreements (amongst all of the public libraries currently in Skagit County) continue to grow in popularity. Thousands of books are now being shared between the libraries & their patrons.
- The WA State Library, along with several grant partners, have just recently developed a Mobile App for public libraries; Sedro-Woolley is included in this. The App, called Library Now, will allow searching catalogs, downloading content, & placing holds on books/materials with either a tablet or a smart phone (and an active library card).

Library

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	167,000	177,820	185,700
Benefits	43,790	47,445	50,185
Supplies	4,000	4,000	6,900
Service Charges	52,225	53,875	40,100
Government Services	150	150	3,700
Capital	9,800	10,000	14,000
Transfer	80,000	80,000	0
Total Expenditures	356,965	373,290	300,585

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 promissory note was paid 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)

Year	Total Principal	Total Interest	Total Debt Service
2014	236,667	139,483	376,150
2015	248,179	129,971	378,150
2016	269,754	119,996	389,750
2017	41,394	109,156	150,550
2018	43,101	107,448	150,549
2019	44,879	105,671	150,550
2020	46,730	103,819	150,549
2021	48,658	101,892	150,550
2022	50,665	99,884	150,549
2023	52,755	97,795	150,550
2024	54,931	95,618	150,549
2025	57,197	93,352	150,549
2026	59,557	90,993	150,550
2027	62,013	88,536	150,549
2028	64,571	85,978	150,549
2029	67,235	83,315	150,550
2030	70,008	80,541	150,549
2031	72,896	77,653	150,549
2032	75,903	74,646	150,549
2033	79,034	71,515	150,549
2034	82,294	68,255	150,549
2035	85,689	64,861	150,550
2036	89,224	61,326	150,550
2037	92,904	57,646	150,550
2038	96,737	53,813	150,550
2039	100,727	49,823	150,550
2040	104,882	45,668	150,550
2041	109,208	41,341	150,549
2042	113,713	36,837	150,550
2043	118,404	32,146	150,550
2044	123,288	27,262	150,550
2045	128,374	22,176	150,550
2046	133,669	16,881	150,550
2047	139,183	11,367	150,550
2048	136,379	5,626	142,005
2049	0	0	0
Totals	3,400,802	2,552,290	5,953,092

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 five 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.

CAPITAL PROJECTS RESERVE FUND

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

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

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

As Sedro-Woolley is required to plan under the Growth Management Act (GMA), new language was enacted regarding the first quarter (.025) percent of the tax. Based on the GMA, Sedro-Woolley was given the option of levying a second quarter percent to help defray the costs of implementing the Growth Management Act. The city receives the second quarter of R.E.E.T., which results in a combined rate of 1.78%.

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

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

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

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

When other operating divisions or funds expend monies for qualified projects, transfers-out of the R.E.E.T. Fund are used to reimburse the operating division.

The interest income is based on prudent investing with the inclusion of construction project scheduling and cash flow analysis.

BUILDING MAINTENANCE RESERVE FUND

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

MITIGATION RESERVE FOR POLICE FUND

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

PARKS IMPACT FEE RESERVE FUND

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

FIRE IMPACT FEE RESERVE FUND

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

ENTERPRISE FUNDS

SEWER FUNDS

Collection Division Function

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

Goals

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

Objectives

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

2013 Collection Accomplishments

- Cleaned and CCTV inspected 6.79 miles of the approximate 44 miles of wastewater collection system. Responded to 36 sewer complaints in a professional and timely manner.
- CCTV inspected several stormwater lines throughout the City (53 hours).
- Performed sewer line maintenance of known problem areas using root control, rodent control and grease eating bacteria. Distributed notices to high maintenance areas.

- Performed 52 wet well cleanings.
- Repaired 10 defective sewer lines in City right-of-way using wastewater staff and equipment; replaced 100 feet of sewer main and installed 5 new side sewer taps on Borseth Street; Installed gravity pipe, five RV hookups and a 2-HP pump station at Bingham Park.
- 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 463 utility locates for both sewer and storm lines as required by Washington Utilities Coordinating Council (WUCC).
- Purchased new Cues push camera with CCTV compatible software.
- Performed weekly vehicle cleanings.
- Collection Operators attended Confined Space Training, Flagging Recertification and Competent Person Training.
- Completed GIS Lateral upgrade with Bright Rain.
- C More Pipe was hired to repair 14 manhole channels throughout the City. Project cost: $27,297.02.
- P&P Excavation replaced four side sewer lines in City right of way that City crews were unable repair due to pipe depth. 2013 Costs: $15,708.17
- C. Johnson Construction replaced 561 LF of 8-inch sanitary sewer mains between existing manholes on Ball Street between SR 20 and Waldron Street, and on Waldron Street from Ball Street to approximately 375-feet east including replacement of side sewer services to the right of way and installation of cleanouts. Full width roadway restoration was also included. A sewer main repair in front of 511 State Street plus three Cook Road and one SR 20 manholes were also upgraded as part of this project. Total costs: $156,535.96

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.

2013 WWTP Accomplishments

- Treated 329,222,872 gallons of Wastewater reducing Total Suspended Solids by 98% and Biochemical Oxygen Demand by 98%. In 2013, used 44% of the Wastewater Treatment Plants hydraulic capacity, 27% TSS capacity and 37% BOD capacity. Average daily flows were 0.904 million gallons per day.
- Treated 2,793,039 gallons of Biosolids resulting in 153.17 Dry Tons of Class B Biosolids. Completed and submitted 2012 Annual Biosolids Report in February.
- New Trojan UV Banks #2 and #3 went on line in January.
- Successfully passed two laboratory performance audits to maintain laboratory accreditation.
- Performed pump station and emergency generator inspections once per week in addition to daily SCADA monitoring. The Wastewater Division maintains ten sewer pump stations and two stormwater pump stations.
- Began using on line Web DMR for NPDES reporting in April.
- Received new NPDES Permit which became effective December 1, 2013.
- Performed regular maintenance activities and inspections on WWTP and pump station equipment. Non-routine maintenance activity highlights: Replaced brain board on Klinger PS generator; Installed new effluent screen on plant water system; Installed new impellers on John Liner PS; Replaced 3W high pressure pump; Replaced

packing on Monoflow Thicker pump; Rebuilt sludge pump 241 (shaft & gaskets); Replaced upper and lower belts on Belt Filter Press; Replaced conveyor belt on Belt Filter Press; Replaced Hycor Screen Red Hat valves. All maintenance activities were logged and tracked using Job Cal software.

- Monitored nitrification cycle and controlled filamentous bacteria using ORP technology and chemical dosing.
- Rotor #2 failed in April and crews discovered a split Rotor body was the cause. Calls to the Factory indicated there were no other similar cases so Sound Ocean was hired to build a replacement unit. In September, Rotor #3 failed in the exact same way. Engineers from BHC were called to assess the situation and noted metal fatigue as the likely cause. Rotor #2 has been repaired and is back on line. Repairs to Rotor #3 are underway.
- Completed an internship with Randy Hudson, a Skagit Valley College student studying to become a Wastewater Treatment Plant Operator and began training Bob Adkins, a Bellingham Technical College student studying to become Refinery and/or Wastewater Treatment Plant Operator.
- Completed a second preliminary Energy Audit with TRAIN and BHC Consultants. Due to a small scope of work with unknown grant funding, the project did not move forward to the Investment Grade Audit.
- Western Electrical Services performed annual thermography testing of electrical panels.
- Generator Services NW completed quarterly and annual maintenance on the WWTP pump station generators. Belts, hoses and coolant were changed on the WWTP, Jones Road, Hodgin, John Liner and State Street generators; Block heater was replaced on Cook Road PS; Tune up performed on John Liner generator.
- Bob Blakely retired on August 30th after thirty five and a half years of service. Kevin Wynn, a Class II Operator, was hired on October 21st.
- Upgraded existing PLC's (Programmable Logic Controllers) and I/O (Input/Output) modules inside RCP 1 and RCP2 (Remote Control Panels).
- Installed a permanent 6-inch HDPE pipe to the top of Headworks Building for portable pump usage during emergency high flow conditions or during Influent pump or bubbler system failures.
- Plant Operators attended Confined Space Training, Flagging Recertification, Competent Person Training, Asset Management Training, Pesticide Training, Web DMR Training and Pacific Northwest Clean Water Association Section meetings.

Sewer Operations

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	638,500	671,000	673,550
Benefits	305,435	319,085	345,555
Supplies	144,000	142,000	140,000
Service Charges	458,635	434,800	591,770
Government Services	80,500	81,000	19,500
Capital	362,000	527,500	326,000
Transfers	1,118,366	1,120,985	1,316,640
Total Expenditures	3,107,436	3,296,370	3,413,015

OPERATIONS RESERVE FUND

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

SEWER DEBT SERVICE

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

The source of monies to repay the revenue bond debt service comes from utility revenues, not property taxes. In addition to revenue bonds, cities may apply to Washington State for low interest and/or interest-free loans. This is a competitive process that involves city staff presenting a proposal in Olympia for an application for Public Works Trust Fund Loans and State Revolving Fund Loans. Because of the low interest and interest-free loans, this method of financing public works is very beneficial to the city's ratepayers. The application process is competitive. Those cities scoring highest in the State's evaluation process receive the favorable loans. The more significant qualifying criteria requires cities to:

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

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

The city has received three Public Works Trust Fund (PWTF) low interest State Loans. One is a PWTF loan for pre-construction of sewer projects totaling $706,500 for 20 years at an interest rate of 0.5%. Another is a PWTF loan for constructing sewer projects totaling $6,650,000 at an interest rate of 0.5%. The third PWTF loan for $3,803,289 at an interest rate of 0.5% also is for sewer projects.

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

Public Works Trust Fund Loans
Repayment Based Upon Current Draws

Year	Total Principal	Total Interest	Total Debt Service
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	8,040,562	295,427	8,335,989

Sewer Utility Revenue Bonds

Year	Total Principal	Total Interest	Total Debt Service
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	1,920,000	197,800	2,117,800

SOLID WASTE UTILITY

Mission Statement

To provide solid waste pick up in a safe and timely cost efficient fashion for the rate payer in the City of Sedro-Woolley.

Staffing

- Supervisor (shared with Flee
- 2-PWW Class 2
- 1-PWW Class 2 (one was not replaced)
- 1-PWW Class 3
- Yard waste & Recycling Attendant (2 days per week for 8 months)
- Street sweeping has been transferred back to street department

2013 Accomplishments

- Continued to provide excellent services to our rate payers.
- We have saved monies for necessary reserves for Solid Waste Department.
- Completed fencing project at the recycling yard.

2014 Goals

- Continue to maintain high level of service for Solid Waste operations.
- Initiate a demonstration green waste compost program to help control costs to our yard waste operations.
- Plan and implement the takeover of garbage collection for the Carter Road Annexation area in January 2015
- Research and prepare a possible take back of our curbside recycling program August 2015 (proposal coming in February 2014)

2014 Objectives

- Purchase a mechanical screener for street waste recycling and the future composting pilot project.
- Pave a portion of our adjacent property, to make it more users friendly.

- Implement the take over the Carter Road annexation area, which will add 155 residential accounts and 4 commercial accounts beginning January 2015.
- Research and prepare a possible take back of our curbside recycling program August 2015 (proposal coming in February 2014)

Important Statistics

Our site recycling yard operation has increased significantly since its beginning in 2006. We now recycle household materials like tin, aluminum, glass, plastic, and cardboard. We are now handling well over 60 tons per year of this type of material.
We also recycle Vehicle Batteries (40 each in 2013), used oil (1200 gallons), anti freeze (20 gallons), appliances, tires (400), metal (50,000 pounds), and electronics (30,000 pounds). We also recycle brush and grass (5,000 yards per year average). In addition we manage and recycle storm water vactor waste and street sweeping materials (300-500 yards per year) at our recycling site.

- 2013 Total of our Site Recycling 69.62 Tons
- 2013 Total Curb Side Recycling. 866.60 Tons
- 2013 Total Garbage both Curbside/Commercial 5,832 Tons

Garbage Collected

	MSW Tons Collected 2013	MSW Tons Collected 2012
January	519.31	486.45
February	405.9	472.2
March	460.74	512.96
April	505.84	516.12
May	545.33	537.86
June	477.75	502.17
July	498.88	555.04
August	522.23	541.59
September	470.39	439.78
October	523.07	498.33
November	450.86	544.81
December	451.75	445.46
Totals	5832.05	6052.77

Curbside Recycle Collected

	MSW Tons Collected 2013	MSW Tons Collected 2012	Recycling	2012	2013 Tonnage Change YTY	% Change YTY
January	519.31	486.45	January	74.85	75.79	0.94	1.26%
February	405.9	472.2	February	65.13	65.05	-0.08	-0.12%
March	460.74	512.96	March	62.2	64.05	1.85	6.43%
April	505.84	516.12	April	70.12	83.02	12.90	18.40%
May	545.33	537.86	May	93.62	86.77	-6.85	-7.32%
June	477.75	502.17	June	79.78	64.75	-15.03	-18.84%
July	498.88	555.04	July	68.21	66.46	-1.75	-2.57%
August	522.23	541.59	August	63.59	61.45	-2.14	-3.37%
September	470.39	439.78	Septembe	56.69	65.87	9.18	16.19%
October	523.07	498.33	October	82.51	83.04	0.53	0.64%
November	450.86	544.81	Novembe	90.16	67	-23.16	-25.69%
December	451.75	445.46	Decembe	69.15	83.35	14.20	20.54%
Totals	5832.05	6052.77	Totals	874.01	866.6		

Solid Waste Operations

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	352,700	384,000	335,850
Benefits	177,305	187,200	166,245
Supplies	127,500	129,500	129,500
Service Charges	124,225	109,150	184,900
Government Services	718,000	725,000	662,000
Capital	40,000	35,580	67,500
Transfers - Internal	256,435	221,967	249,490
Total Expenditures	1,796,165	1,792,397	1,795,485

SOLID WASTE RESERVE FUND

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

STORMWATER

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

Stormwater Operations

	Budget Year 2012	Budget Year 2013	Budget Year 2014
Expenditures by Category			
Salaries	185,500	193,600	212,500
Benefits	95,050	95,460	113,705
Supplies	10,000	10,000	10,000
Service Charges	59,882	97,860	93,815
Government Services	14,500	8,400	9,700
Capital	1,600	33,000	0
Debt Service	0	0	10,190
Transfer	30,550	138,925	138,365
Total Expenditures	397,082	577,245	588,275

STORMWATER RESERVE FUND

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

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.

Staff

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

2013 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.
- Purchased a Grapple attachment for use in Solid Waste Recycling Yard and for removal of storm debris in the City.

2014 Goals

- Hire new part-time mechanic (February 2014)
- Manage Public Works Department felt 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.
- Order Line Striping Machine for Operations Department.
- Order Gator for Cemetery per ERR.
- Order a 1435 for Cemetery per ERR.

Fleet Costs

	2013	2012
Admin	$ 2,396.97	$ 460.81
Cemetery	$ 624.84	$ 297.50
Parks	$ 9,996.04	$ 4,383.76
Solid Waste	$ 19,112.16	$ 51,281.58
Stormwater	$ 1,818.17	$ 4,597.46
Street	$ 17,272.13	$ 14,076.44
WWTP	$ 3,124.09	$ 1,878.61

ADDENDUM A
City of Sedro-Woolley
2014 Budget Calendar

08/16/13	Call issued for Lodging Tax Letters of Request
08/28/13	Resolution appointing members to the Lodging Tax Advisory Committee
09/06/13	Call letter (including Council goals) issued to Departments
09/10/13	Lodging Tax Letters of Request due
09/23/13	Budget requests from Departments due to Finance Director
10/01/13	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
10/02/13	Council Worksession - Mayor informs Council of status of 2013 estimated revenues and 2014 preliminary estimated revenues & expenditures
10/28/13 & 11/04/13	Publish notice of property tax public hearing
11/04/13 & 11/11/13	Publish notice of budget public hearing
11/06/13	Council Worksession – distribute Mayor's 2014 Preliminary Budget (balanced)
11/07/13	Mayor's Preliminary budget available for the public
11/13/13	Public Hearing on Property Tax Levy for 2014 - first read of Property Tax Ordinance
11/13/13	Council schedules budget public hearing - first read of budget ordinance
11/26/13	Adoption of Property Tax Ordinance (must be adopted before 11/30/13) – second read
11/26/13	Public Hearing on 2014 Budget – second read of budget ordinance (must be adopted before 12/31/13)
12/11/13	2014 salary ordinance
01/20/14	2014 Department budget narratives including 2013 accomplishments & 2014 goals & objectives due to Finance Director

STATUTORY LEGAL DEBT MARGIN

Total Taxable Property Value $696,093,913

			Remaining Debt Capacity
General Purpose Indebtedness (Legal Limit 2.5% of Taxable Property Value)		$17,402,348	
General Purpose Indebtedness Without A Vote (Legal Limit 1.5%)		$10,441,409	
Less: Outstanding Debt	$ (2,932,047)		
Less: Contracts Payable			
Less: Excess of Debt with a Vote			
Add: Assets Available	187,004		
Subtotal		(2,745,043)	
Equals Remaining Debt Capacity Without a Vote			$ 7,696,366
General Purpose Indebtedness With A Vote (Legal Limit 1%)		$ 6,960,939	
Less: Outstanding Debt	$ (640,000)		
Less: Contracts Payable			
Add: Assets Available	81,143		
Subtotal		(558,857)	
Equals remaining Dept Capacity With a Vote			$ 6,402,082
Utility Purpose Indebtedness With a Vote (Legal Limit 2.5%)		$17,402,348	
Less: Outstanding Dept	$ -		
Less: Contracts Payable	-		
Add: Assets Available	-		
Subtotal		-	
Equals Remaining Dept Capacity - Utility Purpose, Voted			$ 17,402,348
Open Space, Park & Capital Facilities Indebtedness With a Vote (Legal Limit 2.5%)		$17,402,348	
Less: Outstanding Debt	$ -		
Less: Contracts Payable	-		
Add: Assets Available	-		
Subtotal		-	
Equals Remaining Debt Capacity - Open Space, Park and Capital Facilities With a Vote			$ 17,402,348

PERSONNEL SERVICES

The City of Sedro-Woolley provides quality services and programs for its citizens with a responsive staff of 54 full-time and 23 part-time budgeted positions for 2014. 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 are in collective bargaining with the City, wages continue at the expired contract levels. The general bargaining unit employees also received a COLA of 2% in 2014.

Non-represented employees also received a COLA increase in 2014 of 2%.

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	5.23%	8.41%	13.64%
PERS II	9.21%	4.92%	14.13%
PERS III	9.21%	variable	variable

Monthly premiums for medical, dental and vision coverage for a family of 4 persons is $2,115. 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, contracts expired 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	2014
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	2.5
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	6
Police	20.5	21.5	21	18.3	18.6	18.7	18.9	17.9
Fire	4	4	4	6	6	8	8	8
Public Works Operations *(Parks, Cemetery, Streets, Stormwater)*	9	10	10	8	8	8	8	8
Library	4	4	4.5	4.5	4.5	4.6	4.6	4.6
Sewer	8	8	8	7	7	7.5	7	7
Sanitation / Fleet	4.3	4.8	5.3	5.3	5.3	5.2	5.5	4.5
TOTAL	63.3	67.3	67.8	63.1	65.4	67	66	65

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) In1986, legislation was passed which provides grants to public entities for financing water pollution control activities and facilities to protect surface and underground water from pollution. In addition, a state revolving loan program was established to provide loans or combinations of grants/loans to finance public facilities.

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

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

COLA: Cost of Living Allowance.

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

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

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

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

COUNCILMANIC BONDS: Councilmanic bonds refer to bonds issued with the approval of the Council, as opposed to voted bonds that must be approved by vote of the public. Councilmanic bonds must not exceed 1.50 percent of the assessed valuation, or voted bonds 2.50 percent.

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

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

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

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

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

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

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

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

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

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

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

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

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

ENTERPRISE FUND: Separate financial accounting used for government operations that are financed and operate in a manner similar to business enterprises, and for which preparation of an income statement is desirable.

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

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

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

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

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

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

improvements other than buildings and land.

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

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

FTE: Full-time equivalent employee.

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

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

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

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

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

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

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

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

GOALS: The objective of specific tasks and endeavors.

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

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

IAC: Interagency Committee for Outdoor Recreation.

ISTEA: Inter-modal Surface Transportation Efficiency Act.

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

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

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

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

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

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

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

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

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

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

IPD: Implicit Price Deflator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ORDINANCE: A statues or regulation enacted by City Council.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

STP: Surface Transportation Program.

STPE: Surface Transportation Program – Enhancement.

STPH: Surface Transportation Program – Hazard Elimination.

STPUS: Surface Transportation Program – Urban Small.

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

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

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

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

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

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

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

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

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

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

TIA: Transportation Improvement Account.

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

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

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

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

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

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

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

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

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

UATA: Urban Arterial Trust Account.

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

WAC: Washington Administrative Code.

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

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

2014 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

January 8 – Council meeting
January 21 – Planning Commission meeting
January 22 – Council meeting

February 5 – Joint Council & PC worksession
February 12 – Council meeting
February 18 – Planning Commission meeting
February 26 – Council meeting

March 5 – Council worksession
March 12 – Council meeting
March 18 – Planning Commission meeting
March 26 – Council meeting

April 2 – Council worksession
April 9 – Council meeting
April 15 – Planning Commission meeting
April 23 – Council meeting

May 7 – Council worksession
May 14 – Council meeting
May 20 – Planning Commission meeting
May 28 – Council meeting

June 11 – Council meeting
June 17 – Planning Commission meeting
June 25 – Council meeting

July 9 – Council meeting
July 15 – Planning Commission meeting
July 23 – Council meeting

August 13– Council meeting
August 19 – Planning Commission meeting
August 27 – Council meeting

September 3 – Joint Council & PC worksession
September 10 – Council meeting
September 16 – Planning Commission meeting
September 24 – Council meeting

October 1 – Council worksession
October 8 – Council Meeting
October 21 – Planning Commission meeting
October 22 – Council Meeting

November 5 – Council Worksession
November 12 – Council meeting
November 18 – Planning Commission meeting
November 25 – Council meeting (TUESDAY)

December 3 – Council worksession
December 10 – Council meeting
December 16 – Planning Commission meeting
December 23– Council meeting (TUESDAY @ 4 PM)