

**CITY OF SULTAN  
COUNCIL RETREAT – FEBRUARY 20, 2010  
9:00 AM TO 3:00 PM  
MONROE LIBRARY  
1070 Village Way, Monroe Washington**

**9:00 to 9:30 Mayor welcome and introduction**

**9:30 to 10:15 Public records training**

The city attorney and city clerk, Laura Koenig will briefly review the city's public records requirements and answer questions about handling public records particularly electronic records and e-mails.

**10:15 to 10:30 Break**

**10:30 to 11:35 2010 Work plan and 3-year plan**

City staff are seeking feedback on the proposed 2010 Work plan. This will follow with a discussion of the 3-year financial forecast and priorities for 2011, 2012 and 2013. Outcomes will be the foundation for the budget retreat in June.

**11:30 to 12:00 Facility Assessment Report**

The council accepted the facility assessment report in November 2009. The assessment identifies a number of safety issues at the post office, boys and girls club and food bank that should be addressed. There is funding in the 2010 budget to make some of the necessary repairs. Staff is seeking council direction on priorities.

**12:00 to 12:30 Potluck Lunch**

**12:30 to 1:15 City's role in business development**

The 2009 citizen survey identified economic development as a priority. Should Sultan stay out of the "marketplace", take a leadership role in promoting economic development or something in-between? Responses will drive the city's economic development goals and policies in the comprehensive plan and the three-year plan (above).

**1:15 to 1:30 Break**

**1:30 to 2:15 Branding**

This is not Leavenworth. Rather, the question is whether the city wants to develop a common statement about who we are as a community - Sky's the Limit, A Community of Volunteers or ? – that will attract visitors and residents. Responses will shape the city's economic development goals and policies in the comprehensive plan and the three-year plan (above).

**2:15 to 2:30 Wrap up**

ADA NOTICE: City of Sultan Community Center is accessible. Accommodations for persons with disabilities will be provided upon request. Please make arrangements prior to the meeting by calling City Hall at 360-793-2231. For additional information please contact the City at [cityhall@ci.sultan.wa.us](mailto:cityhall@ci.sultan.wa.us) or visit our web site at [www.ci.sultan.wa.us](http://www.ci.sultan.wa.us)



## SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

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ITEM NO: Council Retreat  
DATE: February 20, 2010  
SUBJECT: Public Records Request  
CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

**ISSUE:**

The issue is to discuss the Public Records Act and the retention of public records. Margaret King, City Attorney and Laura Koenig, City Clerk will provide an overview of the Public Records Act and Records Retention Schedule.

As a governmental agency we are in the business of managing finance, providing service and protecting public assets. One of the most valuable assets we protect are public records. Although we are the custodians, it must always be remembered that these records are available for public review.

As an elected official you receive communications from citizens, staff and council members in the form of letters, faxes and e-mails. These are public records. The fact that you may have received the document or e-mail at home or on a personal computer does not change the fact that you now have a public record.

**SUMMARY:**

A comprehensive training session on the public records act the retention requirements would take two-three hours to present. The information provided at the retreat is intended to provide an overview of the requirements under the act and why it is important for council and staff to comply and respond to all requests for public documents.

**The Public Records Act:**

The City creates records in different formats – paper, computer files, e-mails and storage disks. These records are public and most are be subject to disclosure under the Public Records Act.

RCW 42.56.030 provides

The people of this state do not yield their sovereignty to the agencies that serve them.

The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know.

The people insist on remaining informed so that they may maintain control over the instruments that they have created.

This chapter shall be liberally construed and its exemptions narrowly construed to promote this public policy.

In 1972 Initiative 276 was passed that contained the following policy statement:

It is hereby declared by the sovereign people to be the public policy of the state of Washington ... That, mindful of the right of individuals to privacy and of the desirability of

the efficient administration of government, full access to information concerning the conduct of government on every level must be assured as a fundamental and necessary precondition to the sound governance of a free society

### What Are Public Records?

A "public record" is defined to include,

. . . any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics.

"Writing" is also defined in the disclosure statutes:

"Writing" means handwriting, typewriting, printing, photostating, photographing, and every other means of recording any form of communication or representation, including, but not limited to, letters, words, pictures, sounds, or symbols, or combination thereof, and all papers, maps, magnetic or paper tapes, photographic films and prints, motion picture, film and video recordings, magnetic or punched cards, discs, drums, diskettes, sound recordings, and other documents including existing data compilations from which information may be obtained or translated.

Local governments are not required to *create* documents in order to comply with a request for specific information. Rather, they must produce existing records for review and copying. Also, local governments are not obligated to compile information from various records so that information is in a form that is more useful to the requestor.

### Electronic Data and Records

Increasing amounts of public information are now contained in electronic format, rather than on paper. Public disclosure laws apply to electronic data.<sup>26</sup> The state legislature formed a Public Information Access Policy Task Force in 1994 to examine the issue of providing broad public access to government records by electronic means. After reviewing the recommendations of the task force, the legislature passed legislation strongly encouraging expansion of electronic access to public records:

Broad public access to state and local government records and information has potential for expanding citizen access to that information and for improving government services.

Electronic methods for locating and transferring information can improve linkages between and among citizens, organizations, businesses, and governments. Information must be managed with great care to meet the objectives of citizens and their governments.

It is the intent of the legislature to encourage state and local governments to develop, store, and manage their public records and information in electronic formats to meet their missions and objectives. Further, it is the intent of the legislature for state and local governments to set priorities for making public records widely available electronically to the public.<sup>27</sup>

E-mail in particular has been the topic of many questions regarding public records. According to the State Archivist, who is responsible for creating public record retention guidelines, Individual E-mail messages may be public records with legally mandated retention requirements, or may be information with no retention value. E-mail messages are public records when they are created or received in the transaction of public business and retained as evidence of official policies, actions, decisions, or transactions. Such messages must be identified, filed, and retained just like records in other formats.

### **Public Disclosure and Records Requests:**

The City receives requests for public records in several formats – 1) the requestor fills out the request form at City Hall or on line; 2) an e-mail request is received; 3) requestors call City Hall or staff 4) verbal requests are received or 5) a letter or fax is received.

Regardless of how a request is received, the process for handling the request is always the same. (Attachment A is a copy of a memo provide to City staff regarding the process).

When a request for public documents is received, staff must search for responsive documents from all storage sources – this includes all computers (both city and personal).

Failure to provide public records can result in costly lawsuits.

RCW 42.56.550(4) Penalties, Attorney's Fees, and Costs If Local Government Loses in Court –

If a trial court finds that a local government has erroneously withheld a public record, the prevailing party *shall be awarded all costs, including reasonable attorney fees*. In addition, the court has discretion to award the prevailing party an amount not less than \$5 and not to exceed \$100 for each day that the prevailing party was denied the right to inspect or copy the public record. In any event, the court is statutorily required to assess a penalty of at least \$5 per day.

The trial court has broad discretion when determining the amount an agency should pay in fees, costs, and penalties. A good faith belief by a local agency that it has complied with the disclosure provisions, does not excuse it from applicable penalties and attorney's fees. Good faith is relevant only for purpose of determining the range of penalties that should be assessed.

### **Retention:**

What do you need to keep?

The Council receives documents from staff in the form of paper, computer disks and e-mails. The original copies of many of these documents are stored at City Hall and retained in accordance with the State Archivists General Records and Retention Schedules. What Council members need to retain are:

1. E-mails received from citizens, staff members, council members, boards and commissions.
2. Correspondence received from citizens, staff members, council members, boards and commissions.

How do you save records and files?

The City e-mail system is set up in Outlook which allows users to archive documents. Ryan Spott will provide a short training session on how to maintain your e-mail accounts.

Original letters or documents received from citizens can be maintained at City Hall. There are options available to the Council such as a drawer in a file cabinet for your use or filing the original with the City Clerk and keeping a copy.

- Resources:
- A. MRSC Public Records Act – Report #61
  - B. Records Management Guidelines and General Records Retention Schedules  
Published by Secretary of State Division of Archives and Records Management
  - C. Chapter 44.06 WAC
  - D. Sultan Municipal Code Chapter 2.06

- Attachments:
- A. Memo re public Disclosure Requests and letter from Weed, Graafstra & Benson
  - B. General Records Retention Schedule – Electronic Information

## Memo

To: City Staff  
From: Deborah Knight, City Administrator  
CC: Mayor Carolyn Eslick  
Date: 02/11/2008  
Re: Public Disclosure Request

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Attached is information regarding how the City handles public disclosure (or public information) requests. Failure to properly process public disclosure requests can result in costly lawsuits

Please review this memo from Weed Graafstra and Benson prepared for the City in 2006. The following process and procedures still apply:

1. Requests can come from in-person contacts, via e-mail, letter, fax and may be either verbal or written requests. Please recognize a request. If you are not sure, please see Laura Koenig. As the City Clerk, Laura is responsible for public records requests.
2. All requests go to Laura ASAP. Please give Laura hard copies
3. Public Records are Public. The public is entitled and authorized by law to view and copy public records. However, the City does not have to create records its does not have.
4. The City has a written form (attached). Verbal requests should be copied to the written form and given to Laura. This allows the City to create a paper trail.
5. Get out the 5-day letter. RCW 42.56 allows the City to acknowledge receipt of a request and an estimated time when the records will be available. The letter must go to the requestor within 5 days of receiving the request for records. If you can't produce the record the same day you receive the request, **always send a "five day" letter to the requestor within 5 days of receipt.**
6. Find all responsive records. Make sure that all records from all sources on a given issue are retained, located and disclosed. Failure to follow this step is as good as not responding.
7. Create and keep a paper trail. Laura should retain the original response, the five day letter(s) and all responsive documents that were provided to the requestor.
8. Know and follow the retention of document rules. Don't destroy records without discussing your intent with Laura first. Laura should "sign-off" on all documents before they are destroyed. This includes e-mails that may be public records.
9. Seek legal counsel on public records requests. Keep the City Attorney in the loop.

LAW OFFICES OF  
**WEED, GRAAFSTRA AND BENSON, INC., P.S.**

21 AVENUE A  
SNOHOMISH, WASHINGTON 98290-2962

GEORGE E. BENSON  
THOM H. GRAAFSTRA  
GRANT K. WEED  
CHERYL L. BEYER

(360) 568-3119  
(425) 334-1480  
(425) 259-9199  
(206) 283-1819  
FAX: (360) 568-4437

CRAIG KNUTSON  
of Counsel

**Attorney Client Privilege – Do not Disseminate- Not for Public Disclosure**

Memo: Mayor and Sultan City Staff  
From: City Attorney's Office  
Date: August 25, 2006  
RE: Public Disclosure Request

After the Council Meeting on 8/24/06 the Mayor asked our office to provide an updated memo on Public Disclosure Requests. At the Council Meeting several "requestors" pointed out flaws in the City public disclosure request system. These delays and flaws can result in costly lawsuits and are quite easily corrected with consistent staff participation and adherence to protocols.

This area of the law is rapidly growing and changing. It is of major concern for most agencies. Requests come into the City in a variety of ways and are often complex and consume staff time. There does not appear to be an end insight. Therefore it is important for agencies to know the law and to plan for disclosure requests.

1. HOW REQUESTS COME IN.

- a. The City of Sultan Web Site: <http://www.ci.sultan.wa.us/> has a tab called Citizen Comments and Requests.
- b. In person – at the front counter or at individual departments.
- c. Via Phone Call
- d. Via email
- e. Via Fax
- f. Via mail
- g. verbal and in writing

2. ALL REQUESTS GO TO LAURA.

In Sultan, Laura Koenig is the Public Record Officer established by Resolution. **Therefore a copy of all requests regardless of who received it or what it is for should be immediately (that same day) forwarded to Laura and please make sure Laura sees the request!** Laura logs the requests, keeps track of them and most importantly responds in a timely manor as prescribed by law. She also keeps track of the documents that are provided.

3. PUBLIC RECORDS ARE THE PUBLIC'S RECORDS.

Cities should provide the "utmost assistance" to comply with records requests. The Public is entitled and authorized by law to view and copy public records.

However, there are some limitations. Please seek legal counsel on whether or not a request is clear or invalid.

a. Cities do not have to go beyond the specific request or create records that do not exist. The City can make a new record – if it is convenient for the City to do so – but the City is not required.

b. The requestor must at a minimum provide some notice that a request is being made under the public disclosure act and identify the documents with reasonable clarity. If the request is not clear, it is proper to seek clarification in writing from the requestor. The agency should still respond to the request in writing.

4. THE CITY SHOULD HAVE AND USE A WRITTEN FORM FOR RECORDS REQUESTS.  
The City should have and use written forms for requests and reduce verbal requests to writing, however the City cannot require that requestors complete a written form or to identify themselves. Verbal records requests from persons who will not identify themselves are valid records requests. City staff should reduce as much as possible to writing for City records. Further noting the date and time that the records may be disseminated and that the requestor is responsible to contact the City on that date and time to receive the records or notification of an extension of the time required to fulfill the records request.

5. GET THE 5-DAY LETTER OUT.  
The 5-day Letter is the City's best friend when it comes to a PDA request. RCW 42.17.320 requires that within 5 business days the agency receiving the request for a public record must respond by either:

- a. Providing a copy of the record or
- b. Acknowledging receipt of the request and providing a reasonable estimate of the time necessary to respond; or
- c. Deny the request. If a request is denied, a written statement must accompany the denial setting forth the specific reasons for the denial. Our recommendation is that the city staff consults with legal counsel prior to any denials or redaction of records

Our recommendation is that for most PDA requests that a 5-day letter acknowledging receipt with an estimate of the time necessary respond is to be sent. Usually two weeks to a set date is recommended. City Hall and PD usually set the date out to a Friday afternoon approximately two weeks out. A 5-day letter allows the city to review the request, collect the documents, consult with legal, look for exemptions, look for redactions, and prepare a written response. A 5-day letter would have prevented the recent law suit we settled for another city and significantly reduces liability for failing to respond with in an appropriate time.

6. FIND ALL RESPONSIVE RECORDS  
Make sure all records from all sources on a given issue are retained, located, and disclosed. If a non-exempt record is within the scope of the request, it does not matter if it is buried on some computer or in a file in a remote office or if it takes significant staff effort to find it. If it is not disseminated and later found that is a violation of the public disclosure laws. This means that all

departments must maintain complete records and find all responsive documents.

7. CREATE AND KEEP A PAPER TRAIL of public records requests, 5-day and response letters and the documents that are disseminated. This is important for proving what records were disseminated and which were not and for what reason.

8. KNOW AND FOLLOW THE RETENTION OF DOCUMENT RULES – TRAIN CITY STAFF.  
The key to good records is staff that knows how to create records and what to do with them. It is very important to know and follow the record retention rules. Just about every word and written item in any format or picture is a document. The list is huge.

This includes emails...emails are not private conversations. Emails are public records and subject to retention laws. Emails should be retained on the computer system or a hard copy placed in a file. Emails should be written with the same discerning thoughts in mind as a public letter or memo. Carelessly worded and/or out of context emails embarrass many city employees and officials and hurt the defense of lawsuits.

Consider what “documents or records” are created with the implementation of new technology – also consider how those records will be stored, preserved, located, and how redactions of confidential information will be made and how will those records be disseminated. Anticipate and plan how the City might handle large or multiple PDA requests. What media will be needed, staff, organizing etc? One larger jurisdiction recently got a request for over 5 million email documents...this is a valid request with clearly defined and identifiable documents.

9. SEEK LEGAL COUNSEL ON PUBLIC RECORDS REQUESTS.  
Many PDA requests are precursors to a lawsuit being filed. Further, many times now – PDA requests are filed along with Civil and Criminal Discovery Requests. They are separate legal creatures with different rules and conditions and each must be dealt with and documents provided. Please seek legal counsel.

10. VIOLATION OF THE LAW AND PENALTIES.

- a. The Per Day penalty is mandatory if a public record is erroneously withheld.
- b. Courts lack discretion to reduce the number of days the public record was withheld to a “reasonable time.”
- c. The penalty does not have to be awarded on a per page basis. The determination of whether it is per page (or by document group) and where in the \$5 to \$100 range is at the courts *discretion* based upon the “Good Faith” of the government.
- d. Attorneys fees and costs will be awarded.
- e. “FINES AND PENALTIES” are specifically excluded from insurance coverage.

11. CRIMINAL RECORDS.  
It used to be that criminal records were for the most part – exempt or withheld – or if the case was charged the requestor was told to contact the prosecutor and the matter was dealt with as Criminal Discovery. **THIS IS NO LONGER THE CASE.** Discovery and PDA requests are two very different creatures of law with different rules and regulations and each must be dealt with.

Many jurisdictions are getting Public Records Requests for police reports as cases are investigated, as cases are charged, pending and after the fact. **THE NEW RULE IS THAT POLICE REPORTS AND POLICE RECORDS ARE PUBLIC RECORDS AND MUST BE DISCLOSED— UNLESS THERE SPECIFICALLY FALL UNDER AN EXEMPTION, REDACTION OR OTHER LAW PROHIBITING DISCLOSURE.** The issues regarding police records are often complex and require careful analysis of many statutes.

Our recommendation is that a 5-day letter should be sent out with all police record requests and that all police records requests have supervisor and/or legal counsel review. This gives the City time to locate the records, contact legal counsel for review, and to make the necessary evaluation as to whether the documents are exempt or must be released with redactions or denied.

12. NEW RCW 42.56

In July of this year the new Public Records Act (PRA) went into affect. The rules and laws are pretty much the same but, they have been reorganized and regrouped. 42.17 will be located in 42.56. MRSC has also has a new Public Records Act – book published and available on their web site.

Please contact our office regarding public disclosure requests or if you have any questions or concerns. Feel free to share this memo with those of your staff.

GENERAL RECORDS RETENTION SCHEDULE for  
ALL LOCAL GOVERNMENT AGENCIES

S-64

Records Category: **ELECTRONIC INFORMATION - GENERAL**

| SERIES NO. | RECORDS SERIES TITLE AND DESCRIPTION OF SERIES | OPR or OFM | OFFICE OR DIVISION LOCATION AND MINIMUM RETENTION PERIOD |                       | DISPOSITION AUTHORITY NUMBER (DAN) | SPECIAL AND/OR DISPOSITION INSTRUCTIONS |
|------------|--|------------|--|-----------------------|------------------------------------|---|
|            |  |            | PRIMARY RECORD COPY                                      | SECONDARY RECORD COPY |                                    |   |

**DATA AND INPUT DOCUMENTATION**

**DATABASE AND SPREADSHEET DATA  
FINDING AIDS AND INDEXES (USER WORKING COPY)  
INPUT DOCUMENTS  
WORD PROCESSING FILES**

Primary record copies of completed drafts and documents should be filed with the appropriate records series and retained in hard copy or electronic form according to the minimum retention periods approved by the Local Records Committee for those records series.  
User and other secondary copies should be retained until obsolete or superseded. The appropriate Disposition Authority Number (DAN) should be referenced when documenting the disposal of public record information regardless of the medium or format in which they are stored.

**ELECTRONIC MAIL**

Electronic mail (E-mail) is primarily a communication system. Individual E-mail messages may be public records with legally mandated retention requirements, or may be information with no retention value. E-mail messages are public records when they are created or received in the transaction of public business and retained as evidence of official policies, actions, decisions or transactions. Such messages must be identified, filed and retained just like records in other formats.

Currently few E-mail systems are designed to categorize and retain information. E-mail messages with public record content should be retained in E-mail format only as long as they are being worked on or distributed. Upon completion, E-mail messages containing public record information should be printed out or transferred to an electronic document management system, filed with the appropriate record series, and retained for the minimum retention period assigned by the Local Government General Records Retention Schedule or a records retention schedule approved specifically for the agency by the Local Records Committee.

**E-mail messages which are usually public records and must meet records retention requirements before being destroyed:**

- Policy and Procedure Directives
- Correspondence or memoranda related to official public business
- Agendas and minutes of meetings
- Documents relating to legal or audit issues
- Messages which document agency actions, decisions, operations and responsibilities
- Documents that initiate, authorize or complete a business transaction
- Drafts of documents that are circulated for comment or approval
- Final reports or recommendations
- Appointment calendars
- E-mail distribution lists
- Routine information requests
- Other messages sent or received that relate to the transaction of local government business

**E-mail Messages Which Are Usually Administrative Materials with No Retention Value:**

- Information-only copies, or extracts of documents distributed for reference or convenience, such as announcements or bulletins
- Phone message slips that do not contain information that may constitute a public record
- Copies of published materials
- Informational copies
- Preliminary drafts
- Routing slips
- Transmittals (Letters/memos)

See e-mail guidelines in the records management section of this manual.

GENERAL RECORDS RETENTION SCHEDULE for  
ALL LOCAL GOVERNMENT AGENCIES

S-66

Records Category: **ELECTRONIC INFORMATION - SYSTEM DOCUMENTATION**

| SERIES NO. | RECORDS SERIES TITLE AND DESCRIPTION OF SERIES  | OPR or OFM | OFFICE OR DIVISION LOCATION AND MINIMUM RETENTION PERIOD   |                                     | DISPOSITION AUTHORITY NUMBER (DAN) | SPECIAL AND/OR DISPOSITION INSTRUCTIONS  |
|------------|---|------------|--|-------------------------------------|------------------------------------|--|
|            |   |            | PRIMARY RECORD COPY  | SECONDARY RECORD COPY               |                                    |  |
| 6          | <b>ELECTRONIC INFORMATION SYSTEM POST IMPLEMENTATION REVIEWS</b><br>Project and personnel evaluations, further recommendations.   | OFM        | Until termination of system or program use   | Destroy when obsolete or superseded | GS50-06A-06                        |  |
| 7          | <b>ELECTRONIC INFORMATION SYSTEM PROGRAMMING AND IMPLEMENTATION DATA</b><br>Operational and user instructions, specification and system acceptance criteria. <b>ESSENTIAL RECORD</b> - Needs security backup - See remarks.                           | OFM        | Fiscal/accounting systems - termination plus 3 years<br>All other systems - Until all record data produced by the system pass their approved retention periods | Destroy when obsolete or superseded | GS50-06A-07                        | Source document microfilming is not recommended for this purpose. This records series should be protected from damage or loss by off-site storage of a security copy, or by keeping a list that identifies the locations of other copies inside or outside the agency. |
| 8          | <b>YEAR 2000 COMPLIANCE PROJECTS DOCUMENTATION</b><br>May include program management plans, meeting documentation, project planning, assessment, conversion, test planning and results, implementation, contingency plans, and certification records. | OPR        | Termination of project and/or contract plus 6 years  | Destroy when obsolete or superseded | GS50-06G-01                        |  |



## SULTAN CITY COUNCIL RETREAT AGENDA ITEM COVER SHEET

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**ITEM NO:** D-2  
**DATE:** February 20, 2010  
**SUBJECT:** 2010 Work Plan and 3-Year Financial Analysis  
**CONTACT PERSON:** Deborah Knight, City Administrator 

**ISSUE:**

The issue before the city council is to review the draft 2010 work plan (Attachment A) and 3-year general fund financial analysis (Attachment B) and long-range implementation strategies (Attachment C).

**STAFF RECOMMENDATION:**

Review the 2010 work plan and direct staff to areas of concern. Make changes to tasks and/or timing to meet the city's long and short-term goals.

Review the 3-year general fund financial analysis.

Discuss and prioritize implementation strategies to achieve long-term priorities such as meeting state planning mandates, adding a public safety officer, supporting economic development and preparing for recovery of the housing market.

**SUMMARY:**

2010 Work Plan

City staff have prepared a 2010 work plan by quarter that outlines key initiatives the council will take action on during the year. The council may notice the work plan is weighted towards the first and second quarters of the year. This follows the pattern from 2009 where long-term tasks are introduced during the first two quarters to ensure they will be complete by December. The garbage rate study, 2011 comprehensive plan update and 2011 budget are examples of tasks that take several quarters to complete.

Other long-term tasks in the 2010 work plan include:

- Water System Plan, General Sewer Plan and Park Plan updates (Jan-Dec)
- Concurrency management – water/sewer allocation policies (February-May)
- Labor negotiations (March-December)
- Reorganize Title 16 Unified Development Code (March-December)
- Revise the city's personnel policies (March-December)

- Community Center 10<sup>th</sup> Anniversary Celebration (April-June)
- Update Sultan Municipal Code Titles 2, 8 and 13 (April-October)
- Return of the Chinook Celebration (April-October)

The city council should review the 2010 work plan and ensure the list includes important initiatives the council expects staff to complete in 2010. The city council should also consider the timing of specific tasks.

- Does the 2010 work plan implement the city council's long-range goals?
- Are high priority tasks started and completed within the time frame expected by the city council?

### Three-Year Plan Introduction

The city council recently completed many of the long-range goals adopted either formally or informally beginning in 2004. These goals included:

- Bringing revenues and expenditures into alignment in the general fund and enterprise funds
- Building savings in the contingency fund (rainy-day fund)
- Stabilizing the police department and improving public safety
- Funding facility maintenance and operations
- Adopting a compliant 2004 comprehensive plan
- Constructing road and park improvements and spending grant funds
- Moving forward with improvements at the waste water treatment plant to accommodate future growth

The purpose of the review is to begin to set the stage for the city council's discussion of a 3-year work plan for 2010-2013.

**The city council may want to consider the priorities such as public safety and economic development identified by the community in the citizen survey completed in October 2009.**

With the adoption of a three-year plan, the city council can align revenues, expenditures and staff resources to move the city towards a specific vision.

### **DISCUSSION:**

#### Three-Year Plan Financial Assumptions

The Three-year general fund financial analysis assumes continued flat-line revenues through 2013.

Property tax revenues are expected to remain static with few new properties added to the tax rolls and Initiative 767 limited increases to 1% or less. Utility taxes are expected

to keep pace with inflation and will continue to be the only growing source of revenue in the general fund.

The city's major source of variable revenue are land use and building permit fees. The city is required to use building permit revenues to support building permit services including land use permit processing, building plan review, building and infrastructure inspections and overhead. The city council should be prepared to match increasing land use and building permit revenues with staff and/or consultant contracts to maintain customer service levels.

The state's chief economist, Arun Raha forecasts a very slow recovery to the housing market with housing inventory remaining well above the trend (Attachment D).

Sultan is likely to lag even further behind a general King County and Snohomish County recovery due to the city's distance from major jobs markets.

City staff anticipate a slight increase in housing permits in 2012 and 2013 with the next market peak in 2015. This should clear the city's inventory of platted and buildable lots. New land use applications for housing developments will likely be submitted in 2014-2015.

Over the next three years, population growth will range between .5% (22 people or approximately 9 homes) and 2.5% (114 people or approximately 45 homes) over the next three years.

#### Mandatory vs. Optional Tasks

Approximately 16% (\$300,000) of the city's \$1.9 million general fund budget is set aside in 2010 for the mandatory 2011 comprehensive plan update. The city's public safety budget is approximately 62% (\$1,226,000) of the general fund budget. The city council should consider funding for upcoming mandatory planning efforts before allocating remaining revenues to option tasks.

For example, when the city completes the 2011 comprehensive plan update in December 2011, the 10-year update and associated buildable land report will be getting started. The council discussed aligning the future zoning map and floodplain, this work would need to begin in 2012 to amend the urban growth area and exchange the area along Trout Farm Road for the area east of Rice Road.

While the 10-year update is a mandatory task, revising the future zoning map is optional. The council will need to prioritize this effort with other long-range goals.

#### On-going vs. One-time Revenues

There are two types of projects: on-going and one-time.

For example, if the city council has a goal of improving public safety specific implementation strategies could include adding a police officer, adding security cameras, funding emphasis patrols, updating the city's code, working with county parks to master plan Sky View Tracts (on the south side of the Skykomish River).

Out of all of the strategies to improve public safety listed above, adding a police officer and security cameras are on-going expenses. The other tasks are on-time projects even if, like master planning Sky View Tracts, they may go on for several years.

The city council should keep in mind the 3-year fiscal analysis and base-line revenues before considering on-going levels of service such, as adding a police officer, that must maintained year-in and year-out. Unless additional revenues are available, the city council may have to discontinue other programs and/or services to "buy-in" on-going expenses.

### Long-range Goals

Attachment C is a list of long-range goals and implementation strategies as a starting point for council consideration. Long-range goals are divided into four categories:

1. Public safety
2. Economic development
3. Community development
4. Fiscal responsibility

Once the council decides on long-range goals and prioritized implementation strategies, city staff will prepare specific implementation strategies for council discussion between now and the budget retreat in June. The city council should use adopted long-range goals to develop the 2011 budget.

### **RECOMMENDED ACTION:**

Review the 2010 work plan and direct staff to areas of concern. Make changes to tasks and/or timing to meet the city's long and short-term goals.

Review the 3-year general fund financial analysis.

Discuss and prioritize implementation strategies to achieve long-term priorities such as meeting state planning mandates, adding a public safety officer, supporting economic development and preparing for recovery of the housing market.

### **ATTACHMENTS**

A – 2010 Work Plan

B – 3-year Financial Analysis

C – Long-range goals and implementation strategies

D – Washington State Economic and Revenue Outlook

**2010 WORK PLAN**  
1st Quarter

| Task                                      | Dept.    | Intro Date | 1st Read Date | 2nd Read Date | Completed/ Approved | Notes   |
|---|----------|------------|---------------|---------------|---------------------|---|
| 2009 Annual Docket                        |          | 12/10/2009 | 12/10/2009    | 2/25/2010     |                     |   |
| PI Zone                                   | CD       | 12/10/2009 | 2/25/2010     | 3/11/2010     |                     | SEPA completed. Ready for council action  |
| Permit Processing                         | CD       | 1/19/2010  | 2/25/2010     |               |                     |   |
| Garbage Rate Study                        | EX/PW    | 1/28/2010  |               |               |                     | Discussion 2/25, 3/11 and 3/25  |
| Labor Negotiator                          | EX       | 2/11/2010  |               |               |                     |   |
| Cash Handling                             | FN       | 2/11/2010  |               |               |                     | Subcommittee discussion   |
| Economic Stimulus                         | EX/CD    | 2/11/2010  |               |               |                     |   |
| Retreat Agenda                            | EX       | 2/11/2010  |               |               |                     |   |
| Park (PROS) Plan Scope of Work            | EX/CD/PW | 2/16/2010  |               |               |                     | Planning Board  |
| ADU Public Hearing                        | CD       | 2/16/2010  |               |               |                     | Planning Board  |
| Council Retreat                           | All Dept | 2/20/2010  |               |               |                     |   |
| Comp Plan Open House                      | EX/PW/CD | 2/23/2010  |               |               |                     |   |
| All Hazards Plan Update Open House        | PD       | 2/24/2010  |               |               |                     | Open House at Sultan Middle School combined with Blockwatch meeting                                       |
| Chip Seal Interlocal                      | PW       | 2/25/2010  | 3/11/2010     |               |                     |   |
| 2nd Street to Eng Con                     | PW       | 2/25/2010  | 3/11/2010     |               |                     |   |
| Hammer Easement & DA                      | CD       | 2/25/2010  | 3/25/2010     | 4/22/2010     |                     |   |
| Peddlers/Solicitors                       | F/PD     | 2/25/2010  | 3/25/2010     | 4/22/2010     |                     |   |
| Concurrency management                    | EX/PW    | 2/25/2010  | 3/25/2010     | 4/22/2010     |                     | Water/Sewer Allocation Policy   |
| Community Service Officer Hire            | CD       | 2/25/2010  | 3/25/2010     |               |                     |   |
| Web/Email Contract                        | FN       | 2/25/2010  |               |               |                     |   |
| Latimore Contract                         | CD       | 2/25/2010  |               |               |                     |   |
| Dept of Licensing ILA                     | FN       | 2/25/2010  |               |               |                     | Business licensing interlocal   |
| Brown and Caldwell contract               | PW       | 2/25/2010  |               |               |                     | Amend B&C contract for centrifuge proj.   |
| Violations Bureau ILA                     | FN/PD    | 2/25/2010  |               |               |                     |   |
| Library Annexation ILA                    | FN/PW    | 2/25/2010  |               |               |                     |   |
| GO21                                      | EX       | 2/25/2010  |               |               |                     | report on GO21 federal legislation  |
| 2010 Budget Book                          | FN       | 2/25/2010  |               |               |                     | Distributed to staff and council  |
| Title 16 to Planning Board                | CD       | 3/2/2010   |               |               |                     | Develop Scope/Goal/Policy/Organization  |
| PROS Plan Small Group                     | CD       | 3/9/2010   |               |               |                     | Park element goals and policies   |
| Water rate study review mobile home parks | FN/EX/PW | 3/11/2010  | 3/25/2010     | 4/8/2010      |                     | Review impact of water rate policy on mobile home parks. Consider treating like single family residential |
| PW Reorganization                         | EX/PW    | 3/11/2010  | 3/25/2010     | 4/8/2010      |                     | 3/11 - Sub Committee  |
| SEPA Determination for ADU/PUD            | CD       | 3/11/2010  | 3/25/2010     | 4/8/2010      |                     | 3/25 - Council<br>February/March  |



2010 WORK PLAN

2nd Quarter

| Task                                       | Dept.    | Intro Date | 1st Read Date | 2nd Read Date | Completed/ Approved | Notes  |
|--|----------|------------|---------------|---------------|---------------------|--|
| Garbage Rate Ordinance                     | Ex/FN/PW | 1/28/2010  | 4/8/2010      | 4/22/2010     |                     |  |
| PW Director Advertisement                  | EX/PW    | 4/1/2010   |               |               |                     |  |
| Arndt PUD Hearing                          | CD       | 4/7/2010   |               |               |                     |  |
| Erickson Demolition Contract               | FN/PW    | 4/8/2010   | 5/13/2010     |               |                     | Preliminary App - HE                               |
| City newsletter                            | All      | 4/8/2010   |               |               |                     | Must be completed before July 1 for Shin Dig       |
| Volunteer Appreciation Proclamation        | GN       | 4/8/2010   |               |               |                     | First of two newsletters in 2010.                  |
| I & I Engineering Report Award             | PW       | 4/8/2010   |               |               |                     |  |
| Sultan Basin Road Update                   | PW       | 4/8/2010   |               |               |                     |  |
| Personnel Policy Chapters 1-2              | Ex/FN/PW | 4/8/2010   |               |               |                     |  |
| Comp Plan Annual Docket                    | CD       | 4/8/2010   |               |               |                     | To sub committee                                   |
| Clean Up Day                               | PW       | 4/17/2010  |               |               |                     | To Council   |
| Comp Plan Annual Docket                    | CD       | 4/20/2010  |               |               |                     | To Planning Board                                  |
| Blockwatch Meetings                        | PD       | 4/21/2010  |               |               |                     |  |
| Code Scrubs Title 13, 2 & 8                | FN/PW    | 4/22/2010  | 5/13/2010     | 5/27/2010     |                     | 4th Wednesday 6:30PM                               |
| ADU to Council                             | CD       | 4/22/2010  | 5/13/2010     | 5/27/2010     |                     | Planning board recommendation to council           |
| Natural Hazard Mitigation Plan             | PD       | 4/22/2010  |               |               |                     |  |
| Economic Tour                              | EC       | 4/24/2010  |               |               |                     |  |
| Comp Plan Open House                       | EX/CD    | 4/27/2010  |               |               |                     | Saturday tour of commercial/industrial areas       |
| PB & City Council Joint Meeting            | All      | 4/27/2010  |               |               |                     | 4:00pm to 7:00pm                                   |
| Community Center 10th Ann.                 | EC       | 5/13/2010  |               |               |                     | Joint Meeting - 7:00pm                             |
| Eagle Scout Projects                       | PW/GN    | 5/13/2010  |               |               |                     | Planning meeting with council                      |
| Pro Plan Inventory Anlys/Feedback          | EX/CD/PW | 5/13/2010  |               |               |                     | List of proposed Eagle Scout projects              |
| Student Representative Interviews          | GN       | 5/27/2010  |               |               |                     | May  |
| PUD Code Council Update                    | CD       | 5/27/2010  |               |               |                     | May  |
| Council Retreat                            | All      | 6/5/2010   |               |               |                     |  |
| Alder Ave - CDBG                           | PW/GN    | 6/17/2010  |               |               |                     | Budget policies, budget assumptions, street repair |
| LID 97-1 Mitigation                        | EX       | 6/17/2010  |               |               |                     | subcommittee                                       |
| 2nd Street Contracts CDBG                  | PW/GN    | 6/24/2010  |               |               |                     | contract for fall planting project                 |
| Light Guard Crossing Accept                | PW       | 6/24/2010  |               |               |                     |  |
| WSP/GSP Technical Reports                  | EX/PW    | 6/24/2010  |               |               |                     |  |
| Hazard Mitigation Grant                    | PD       | 6/24/2010  |               |               |                     |  |
| Economic Development Workshops/Roundtables | EC       |            |               |               |                     | Public meeting for potential acquisition           |





### Three Year Expenditure Forecast

#### General Fund Revenues

| TAXES              | 2008 Actual         | 2009 Budget         | 2009 Actual         | 2010 Budget         | 2011                | 2012                | 2013                |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| R&P TAX            | \$ 572,538          | \$ 578,263          | \$ 572,959          | \$ 584,046          | \$ 589,886          | \$ 595,785          | \$ 601,743          |
| SALES TAX          | \$ 250,000          | \$ 256,250          | \$ 276,000          | \$ 276,000          | \$ 278,760          | \$ 281,548          | \$ 284,363          |
| Property Tx Int    | \$ 900              | \$ 1,007            | \$ 181              | \$ 200              | \$ 590              | \$ 1,192            | \$ 1,203            |
| B&O Electric       | \$ 125,310          | \$ 128,317          | \$ 120,556          | \$ 127,000          | \$ 129,540          | \$ 132,131          | \$ 134,773          |
| B&O Gas            | \$ 62,630           | \$ 65,010           | \$ 77,378           | \$ 83,000           | \$ 85,490           | \$ 88,055           | \$ 90,696           |
| Cable Franch.      | \$ 34,506           | \$ 35,793           | \$ 41,950           | \$ 47,570           | \$ 48,997           | \$ 50,467           | \$ 51,981           |
| B&O Cable          | \$ 42,000           | \$ 43,470           | \$ 58,209           | \$ 58,350           | \$ 60,101           | \$ 61,804           | \$ 63,761           |
| B&O Phone          | \$ 81,935           | \$ 84,803           | \$ 121,737          | \$ 90,658           | \$ 93,378           | \$ 96,179           | \$ 99,064           |
| Water Utility      | \$ 39,540           | \$ 40,726           | \$ 43,387           | \$ 42,350           | \$ 43,621           | \$ 44,929           | \$ 45,828           |
| Sewer Utility      | \$ 49,617           | \$ 51,106           | \$ 61,731           | \$ 62,500           | \$ 64,375           | \$ 66,306           | \$ 67,632           |
| Garbage Utility    | \$ 22,741           | \$ 23,423           | \$ 29,281           | \$ 29,200           | \$ 30,076           | \$ 30,978           | \$ 31,598           |
| Gambling Tax       | \$ 1,630            | \$ 1,650            | \$ 4,332            | \$ 1,650            | \$ 1,683            | \$ 1,717            | \$ 1,751            |
| Sales Tax CJ       | \$ 66,211           | \$ 67,535           | \$ 58,872           | \$ 58,937           | \$ 60,014           | \$ 61,214           | \$ 62,438           |
| <b>Total Taxes</b> | <b>\$ 1,349,558</b> | <b>\$ 1,377,354</b> | <b>\$ 1,466,973</b> | <b>\$ 1,461,361</b> | <b>\$ 1,486,510</b> | <b>\$ 1,512,404</b> | <b>\$ 1,542,652</b> |

#### Lisc&Permits

#### #LU APPS/# BLDG PRMT

|                           | 2008             | 2009 Budget      | 2009 Actual      | 2010 Budget      | 2011             | 2012             | 2013             |
|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Business Lisc             | \$ 13,000        | \$ 13,500        | \$ 16,483        | \$ 18,500        | \$ 13,600        | \$ 15,000        | \$ 15,000        |
| Bldgs/Struct              | \$ 47,000        | \$ 10,000        | \$ 26,867        | \$ 10,500        | \$ 11,025        | \$ 11,576        | \$ 12,155        |
| Permits Other             | \$ 7,500         | \$ 5,000         | \$ 5,669         | \$ 5,125         | \$ 5,253         | \$ 5,384         | \$ 5,654         |
| Animal Lics               | \$ 1,500         | \$ 500           | \$ 495           | \$ 500           | \$ 525           | \$ 551           | \$ 579           |
| Non Bus Pmts              | \$ 500           | \$ 450           | \$ -             | \$ 450           | \$ 473           | \$ 496           | \$ 521           |
| <b>Total Lic&amp;Pmts</b> | <b>\$ 69,500</b> | <b>\$ 29,450</b> | <b>\$ 49,514</b> | <b>\$ 35,075</b> | <b>\$ 30,876</b> | <b>\$ 33,008</b> | <b>\$ 34,658</b> |

#### Int Govt

|                         | 2008              | 2009 Budget       | 2009 Actual       | 2010 Budget       | 2011              | 2012              | 2013              |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| CTED Pining             | \$ -              | \$ -              | \$ 7,228          | \$ 17,500         | \$ 5,000          | \$ 7,500          | \$ 7,500          |
| WSTC Grnts              | \$ -              | \$ 3,500          | \$ 7,525          | \$ 95,920         | \$ 3,500          | \$ 4,000          | \$ 4,000          |
| FEMA                    | \$ -              | \$ 12,500         | \$ 1,271          | \$ 5,440          | \$ -              | \$ -              | \$ -              |
| PUD Privilege           | \$ 28,750         | \$ 30,321         | \$ 26,642         | \$ 30,300         | \$ 35,000         | \$ 36,500         | \$ 36,500         |
| DUI Cities              | \$ 825            | \$ 900            | \$ 1,488          | \$ 900            | \$ 1,000          | \$ 1,050          | \$ 1,050          |
| Liquor Exs              | \$ 21,291         | \$ 22,932         | \$ 31,436         | \$ 21,773         | \$ 22,000         | \$ 22,550         | \$ 22,550         |
| Liquor Profit           | \$ 32,072         | \$ 33,443         | \$ 22,107         | \$ 37,488         | \$ 40,000         | \$ 41,000         | \$ 41,000         |
| CJ Fund                 | \$ 1,042          | \$ 1,000          | \$ 1,006          | \$ 1,093          | \$ 1,250          | \$ 1,500          | \$ 1,500          |
| CJ Special              | \$ 2,488          | \$ 2,475          | \$ 2,498          | \$ 2,190          | \$ 2,400          | \$ 2,400          | \$ 2,400          |
| Hardship                | \$ 104,000        | \$ 95,000         | \$ 74,730         | \$ 109,600        | \$ 50,000         | \$ 45,000         | \$ 30,000         |
| <b>Total Intergovt.</b> | <b>\$ 190,468</b> | <b>\$ 202,071</b> | <b>\$ 175,931</b> | <b>\$ 322,204</b> | <b>\$ 160,150</b> | <b>\$ 161,500</b> | <b>\$ 146,500</b> |

Three Year Expenditure Forecast

Attachment B

| Charges For Svs      | 2008       | 2009 Budget | 2009 Actual | 2010 Budget | 2011      | 2012      | 2013      |
|----------------------|------------|-------------|-------------|-------------|-----------|-----------|-----------|
| Sale of Mps Pub      | \$ 750     | \$ 100      | \$ 100      | \$ 100      | \$ 100    | \$ 100    | \$ 100    |
| Certifications       | \$ 1,000   | \$ 1,100    | \$ 245      | \$ 500      | \$ 500    | \$ 500    | \$ 500    |
| Law Enf.Cps.         | \$ 900     | \$ 500      | \$ 50       | \$ -        | \$ -      | \$ -      | \$ -      |
| Candidate Filing     | \$ 500     | \$ -        | \$ 90       | \$ -        | \$ -      | \$ -      | \$ -      |
| Animal Control Fees  | \$ 15,000  | \$ 13,400   | \$ 10,990   | \$ 13,500   | \$ 14,000 | \$ 14,000 | \$ 14,000 |
| Passport Fees        | \$ 850     | \$ 500      | \$ -        | \$ -        | \$ -      | \$ -      | \$ -      |
| L/E Service          | \$ 7,800   | \$ 2,000    | \$ -        | \$ 2,000    | \$ 3,600  | \$ 3,450  | \$ 3,450  |
| Oth Eviron Prcit     | \$ 12,000  | \$ 2,500    | \$ -        | \$ 2,500    | \$ 4,000  | \$ 6,000  | \$ 6,000  |
| Hearing Exam         | \$ 12,000  | \$ -        | \$ 1,939    | \$ -        | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Cnslt Review Dep     | \$ 55,000  | \$ 5,000    | \$ 39,100   | \$ 5,250    | \$ 5,513  | \$ 5,788  | \$ 6,078  |
| Zoning Fees          | \$ 20,000  | \$ 5,000    | \$ 14,498   | \$ 5,250    | \$ 5,513  | \$ 5,788  | \$ 6,078  |
| Plan Check Fees      | \$ 125,800 | \$ 30,100   | \$ 67,221   | \$ 29,100   | \$ 43,225 | \$ 45,626 | \$ 46,205 |
| <b>Total Charges</b> |            |             |             |             |           |           |           |

Fines & Penalty

|                      | 2008      | 2009 Budget | 2009 Actual | 2010 Budget | 2011      | 2012      | 2013      |
|----------------------|-----------|-------------|-------------|-------------|-----------|-----------|-----------|
| Dist Ct              | \$ 56,500 | \$ 62,000   | \$ 26,048   | \$ 25,000   | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Violations Bur.      | \$ 7,500  | \$ 10,000   | \$ 1,619    | \$ 3,000    | \$ 3,000  | \$ 3,000  | \$ 3,000  |
| Animal Cntrl         | \$ 1,250  | \$ 150      | \$ 296      | \$ 200      | \$ 200    | \$ 200    | \$ 200    |
| <b>Total F&amp;P</b> | \$ 65,250 | \$ 72,150   | \$ 27,963   | \$ 28,200   | \$ 28,200 | \$ 28,200 | \$ 28,200 |

Miscellaneous

|                       | 2008         | 2009 Budget  | 2009 Actual  | 2010 Budget  | 2011         | 2012         | 2013         |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Invest Interest       | \$ 93,500    | \$ 93,500    | \$ 13,232    | \$ 22,000    | \$ 30,000    | \$ 45,000    | \$ 65,000    |
| Sales Tax Interest    | \$ 1,700     | \$ 2,000     | \$ 915       | \$ 1,025     | \$ 2,300     | \$ 2,500     | \$ 2,500     |
| Rents & Royalties     | \$ 52,644    | \$ 52,644    | \$ 46,741    | \$ 52,644    | \$ 52,644    | \$ 52,644    | \$ 52,644    |
| Contributions         | \$ 1,000     | \$ 2,100     | \$ 2,302     | \$ -         | \$ -         | \$ -         | \$ -         |
| WASPC Grants          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Admin Fees            | \$ -         | \$ -         | \$ 4,695     | \$ -         | \$ -         | \$ -         | \$ -         |
| Judgments             | \$ -         | \$ -         | \$ (25)      | \$ -         | \$ -         | \$ -         | \$ -         |
| Over/Short            | \$ 850       | \$ 750       | \$ 1,159     | \$ 1,500     | \$ 825       | \$ 833       | \$ 833       |
| NSF                   | \$ 5,250     | \$ 2,500     | \$ 1,050     | \$ 1,050     | \$ 2,600     | \$ 2,700     | \$ 2,700     |
| Admin Impact          | \$ 1,000     | \$ 5,000     | \$ 20,381    | \$ 7,000     | \$ 5,000     | \$ 5,000     | \$ 5,000     |
| Misc                  | \$ 155,944   | \$ 158,494   | \$ 90,450    | \$ 85,219    | \$ 93,369    | \$ 108,677   | \$ 128,677   |
| <b>Total Misc</b>     |              |              |              |              |              |              |              |
| Operating Transfer    | \$ -         | \$ -         | \$ 13,300    | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Total Revenues</b> | \$ 1,956,520 | \$ 1,869,619 | \$ 1,890,952 | \$ 1,961,159 | \$ 1,842,330 | \$ 1,889,415 | \$ 1,926,893 |

B-2

### Three Year Expenditure Forecast

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**Expenditures**

|                             | 2008            | 2009 Budget     | 2009 Actual     | 2010 Budget     | 2011            | 2012            | 2013            |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Legislative                 | \$ 8,951.00     | \$ 9,914.58     | \$ 11,452.55    | \$ 13,120.00    | \$ 13,579.20    | \$ 14,054.47    | \$ 14,546.38    |
| Executive                   | \$ 41,505.00    | \$ 42,957.68    | \$ 40,810.82    | \$ 33,247.67    | \$ 34,411.34    | \$ 35,615.74    | \$ 36,862.29    |
| Finance                     | \$ 34,215.00    | \$ 43,748.00    | \$ 49,438.08    | \$ 47,381.00    | \$ 49,039.34    | \$ 50,755.71    | \$ 52,532.16    |
| Grants                      | \$ 16,600.00    | \$ 31,925.00    | \$ 27,841.06    | \$ 28,451.00    | \$ 29,446.79    | \$ 30,477.42    | \$ 31,544.13    |
| Legal Services              | \$ 49,610.00    | \$ 51,346.35    | \$ 85,553.66    | \$ 56,324.00    | \$ 58,295.34    | \$ 60,335.68    | \$ 62,447.43    |
| Civil Service               | \$ 16,250.00    | \$ 1,500.00     | \$ 5,086.65     | \$ -            | \$ -            | \$ -            | \$ -            |
| Other Governmental Services | \$ 63,788.00    | \$ 66,020.58    | \$ 67,351.00    | \$ 54,700.00    | \$ 56,614.50    | \$ 58,596.01    | \$ 60,646.87    |
| Law Enforcement             | \$ 905,428.00   | \$ 965,473.00   | \$ 949,137.00   | \$ 1,082,608.00 | \$ 1,120,499.28 | \$ 1,159,716.75 | \$ 1,200,306.84 |
| Law Enforcement Agency Fees | \$ 179,400.00   | \$ 194,400.00   | \$ 113,224.00   | \$ 143,400.00   | \$ 148,419.00   | \$ 153,613.67   | \$ 158,990.14   |
| Code Enforcement            | \$ 31,250.00    | \$ 28,473.00    | \$ 19,611.18    | \$ 29,586.00    | \$ 30,621.51    | \$ 31,693.26    | \$ 32,802.53    |
| Planning and Development    | \$ 219,465.00   | \$ 292,615.00   | \$ 230,119.80   | \$ 302,856.53   | \$ 313,456.50   | \$ 324,427.48   | \$ 335,782.44   |
| Building and Development    | \$ 95,280.00    | \$ 120,350.00   | \$ 64,286.60    | \$ 61,520.00    | \$ 63,673.20    | \$ 65,901.76    | \$ 68,208.32    |
| Public Health               | \$ 700.00       | \$ 724.50       | \$ 1,356.21     | \$ 1,500.00     | \$ 1,552.50     | \$ 1,606.84     | \$ 1,663.08     |
| Library                     | \$ 102,915.00   | \$ -            | \$ 8,717.11     | \$ 8,200.00     | \$ 8,487.00     | \$ 8,784.05     | \$ 9,091.49     |
| Parks and Recreation        | \$ 28,620.00    | \$ 29,621.70    | \$ 78,068.00    | \$ 91,407.00    | \$ 94,606.25    | \$ 97,917.46    | \$ 101,344.57   |
| Miscellaneous               | \$ 1,433.00     | \$ 1,483.16     | \$ 1,391.00     | \$ 5,825.00     | \$ 6,028.88     | \$ 6,239.89     | \$ 6,458.28     |
| Debt Service Payments       | \$ -            | \$ -            | \$ 42,000.00    | \$ -            | \$ -            | \$ -            | \$ -            |
| Operating Transfers         | \$ 52,220.00    | \$ 54,047.70    | \$ 3,499.60     | \$ -            | \$ -            | \$ -            | \$ -            |
| <b>Total Expenditures</b>   | \$ 1,847,630.00 | \$ 1,879,069.39 | \$ 1,798,944.32 | \$ 1,954,301.20 | \$ 2,022,701.74 | \$ 2,093,496.30 | \$ 2,166,768.67 |

**Revenue-Expenditures**

|            |           |          |              |              |              |
|------------|-----------|----------|--------------|--------------|--------------|
| \$ 108,890 | \$ 92,008 | \$ 6,858 | \$ (180,372) | \$ (204,081) | \$ (211,224) |
|------------|-----------|----------|--------------|--------------|--------------|

B. 2

## **Long Range Goals and Implementation Strategies**

### Long-range Goals

#### **Public Safety**

1. Reduce incidents of crime as measured in monthly police reports
2. Reduce the city's transient population and incidents of public drunkenness, public urination and defecation, graffiti, and vandalism.
3. Improve the community's perception of public safety.

#### **Economic Development**

1. Maintain the city's existing public buildings, parks and streets.
2. Prepare the city's parks, roads, stormwater, water and waste water facilities for an increasing population and more rigorous state and federal operating standards.
3. Improve and enforce existing land use and building code regulations.
4. Seek strategic public and private partnerships to enhance the city's economic growth.
5. Remove unnecessary bureaucracy and regulatory barriers to encourage economic development while maintaining city standards.

#### **Community Development**

1. Maximize land use strengths such as proximity to US 2 while minimizing land use weaknesses such as proximity to floodplain.
2. Strategically study city owned resources and seek opportunities to lead community development with public investment.
3. Stay current with growth management act and other state planning requirements. Update supporting plans as required and needed.

#### **Fiscal Responsibility**

1. Pay off existing loans and reduce the city's debt service payments. Limit future debt obligations until economic recovery is certain.
2. Seek to set aside \$1,000,000 in general fund contingency account and \$350,000 60-day operating reserve.
3. Stay current with utility rates to ensure adequate revenues to meet expenditure assumptions.
4. Proactively manage equipment replacement

Implementation Strategies

Public Safety

- Add a patrol officer to swing shift - \$106,000 plus annual contract adjustment
- Hire full-time community service officer – additional \$50,000 per year for salary and benefits (\$75,000 total) plus annual cost of living adjustment
- Add code enforcement officer - \$30,000 part-time or \$75,000 full-time plus annual cost of living adjustment
- Add security cameras to remote trouble-spots - \$7,500 per location plus maintenance and replacement
- Fund emphasis patrols for drug enforcement, gang activity, auto theft, etc. \$50,000 annually. No on-going commitment.
- Implement fire inspections of public and private businesses to ensure public safety
- Update the city's nuisance codes. No direct cost, staff time only

Economic Development

- Complete Waste Water Treatment Plan upgrade - \$18,000,000
- Public/private partnership to purchase and develop land for retail center - \$5,000,000
- Build high-level reservoir and distribution system to provide fire flow to Sultan Basin \$4,000,000
- Fund road and street maintenance in the historic business district \$650,000 to \$1,000,000
- Fund road and street improvements in the industrial area \$750,000
- Pave unpaved roadways including sidewalks and storm drain systems \$1,000,000
- Fund capital improvements to enhance public owned facilities such as the Post Office, Boys and Girls Club and Food Bank \$750,000.
- Identify potential parcels for future park acquisition \$65,000. Set aside park impact fees for specific acquisition strategy \$750,000.
- Update the city's logo, website, letter head and other printed materials to reflect new stage of growth and civic professionalism \$125,000.
- Economic development strategic plan - \$75,000
- Rezone urban center, economic development and industrial properties to maximize economic development opportunities - \$45,000

- Add planning and building department staff or contract services to meet growing economic recovery - \$150,000 plus annual cost of living adjustment
- Add code enforcement officer - \$30,000 part-time or \$75,000 full-time plus annual cost of living adjustment
- Add an economic development specialist - contracted services \$50,000 or in-house staff \$80,000 per year plus cost of living adjustment.
- Review the city's land use and development codes. No direct cost. In-house staff.

#### Community Development

- Master plan First Street property \$85,000
- 10-year update to the comprehensive plan – revise urban growth area \$75,000
- Update 10-year watershed management plan \$65,000
- Rezone urban center, economic development and industrial properties to maximize economic development opportunities - \$45,000
- Rezone low-density, moderate-density and high-density areas to coincide with floodplain \$45,000.

#### Fiscal Responsibility

- Prepare to replace garbage truck and implement toter system \$550,000
- Pay-off Public Works Trust Fund loan \$625,000
- Create general fund 60 day operating reserve \$325,000
- Pay-off interfund loan borrowed by general fund \$135,000
- Update sewer and water rate studies following buildable lands report in 2013 \$90,000
- Complete cemetery rate study to ensure adequate revenues for perpetual care \$30,000.
- Connect the utility billing, financial services and building permits models together to reduce redundancies and increase efficiency \$30,000.
- First dollar investment in contingency fund \$25,000 annually.
- Establish depreciation schedule for equipment replacement

# Washington State Economic & Revenue Outlook

Presented to  
Snohomish County Economic Development Council

Arun Raha  
Chief Economist

January 20, 2010  
Everett, Washington



WASHINGTON STATE  
ECONOMIC AND REVENUE FORECAST COUNCIL



# Summary

- 2010 will be a year of transition
  - The economy will gain traction by mid-year
  - The recovery in revenues is underway, but progress will be slow
- The economic recovery faces headwinds
  - Real estate, especially commercial
  - Banking, particularly local and regional banks
- On the upside, a synchronized global recovery now unfolding, means exports will kick in earlier in the cycle
- Since revenues were first projected for the 2009-11 Biennium in February 2008, they have been cumulatively reduced by over \$6 billion

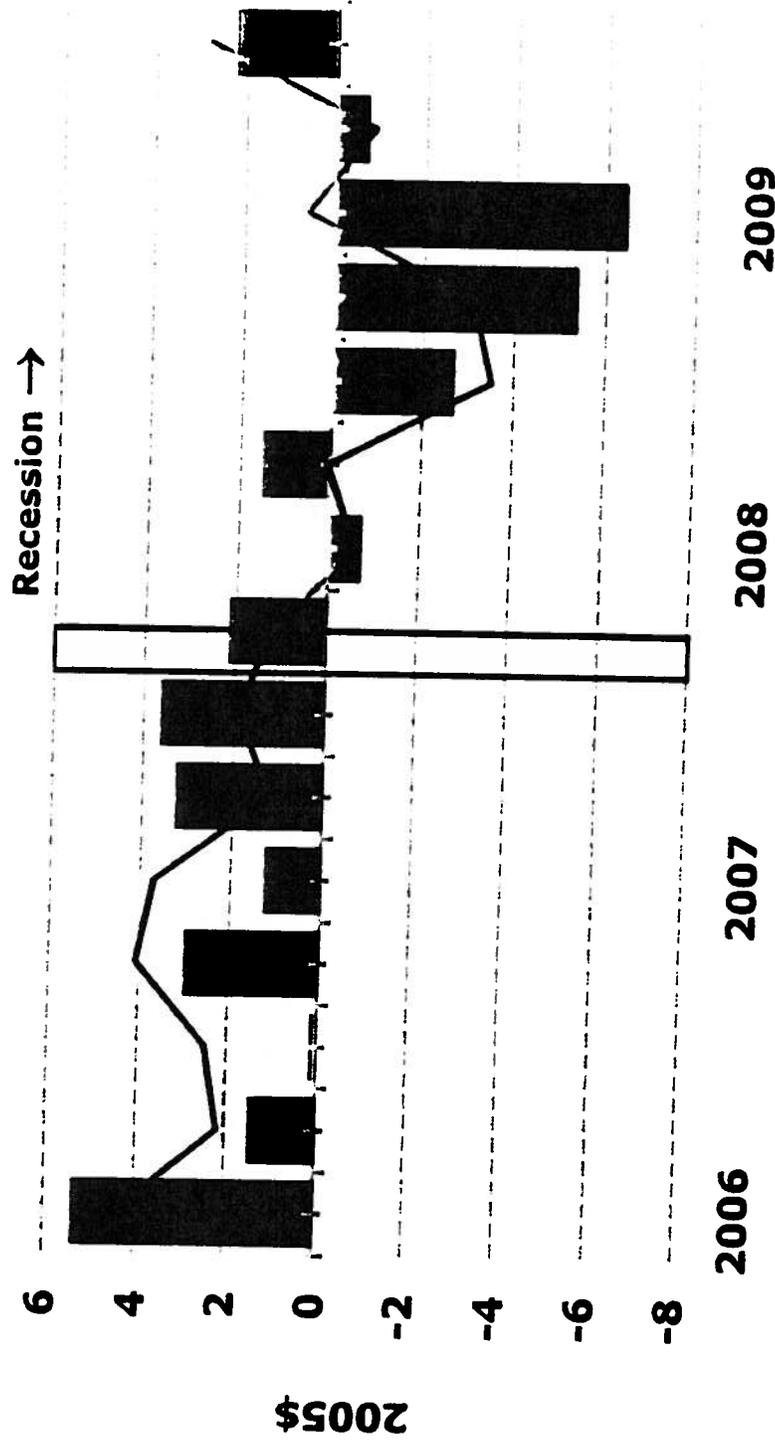
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Revenue Outlook  
20 Jan 2010

Slide 1



# GDP returned to growth in Q3

Percent growth, SAAR



Source: BEA, data through 2009 Q3

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Revenue Outlook

20 Jan 2010

Slide 4

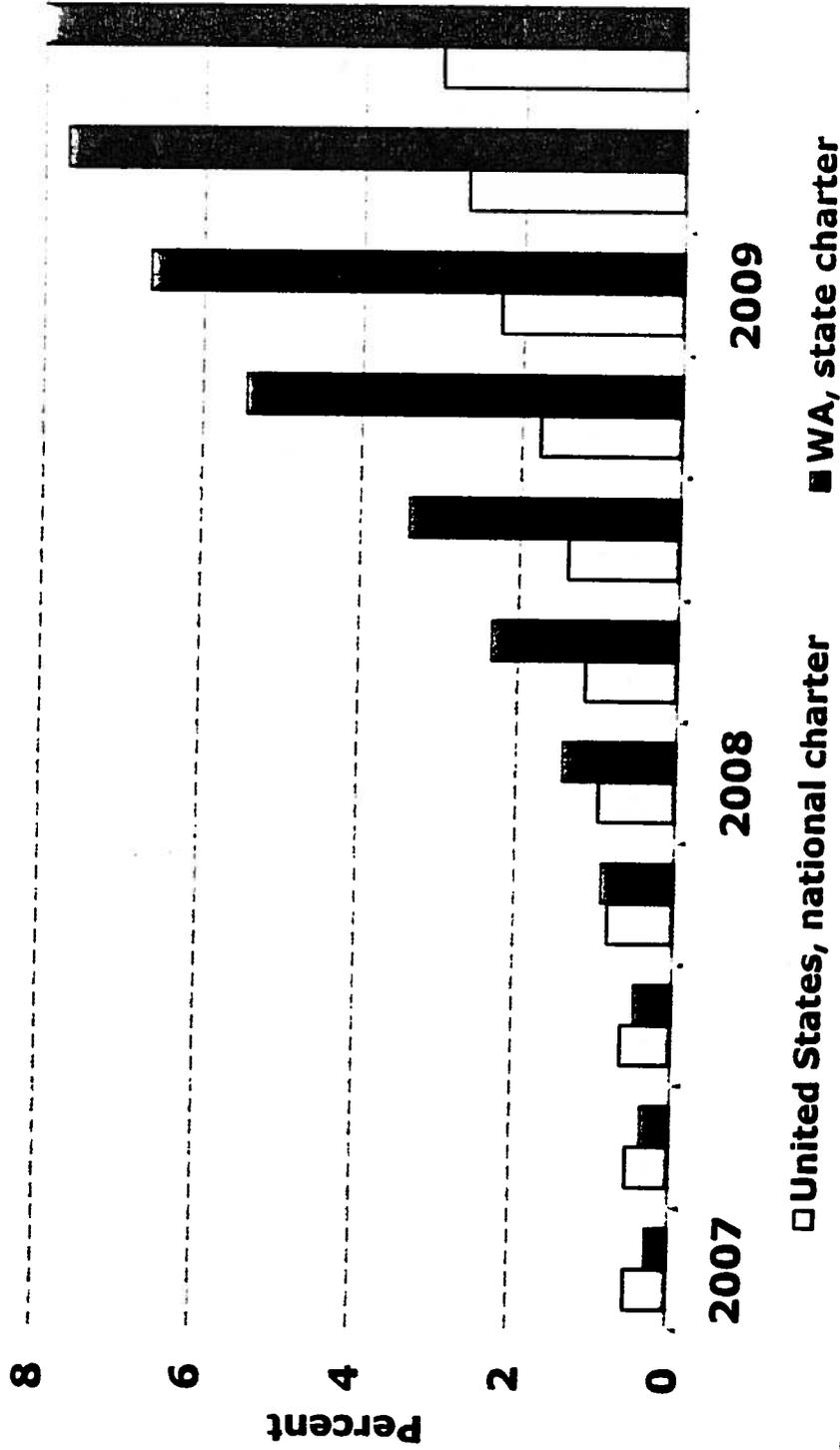


... asset quality of regional banks is deteriorating because of over exposure to commercial real estate...

This is generally true for state chartered banks in other states as well

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 20 Jan 2010

Ratio of Non-Performing to Total Assets

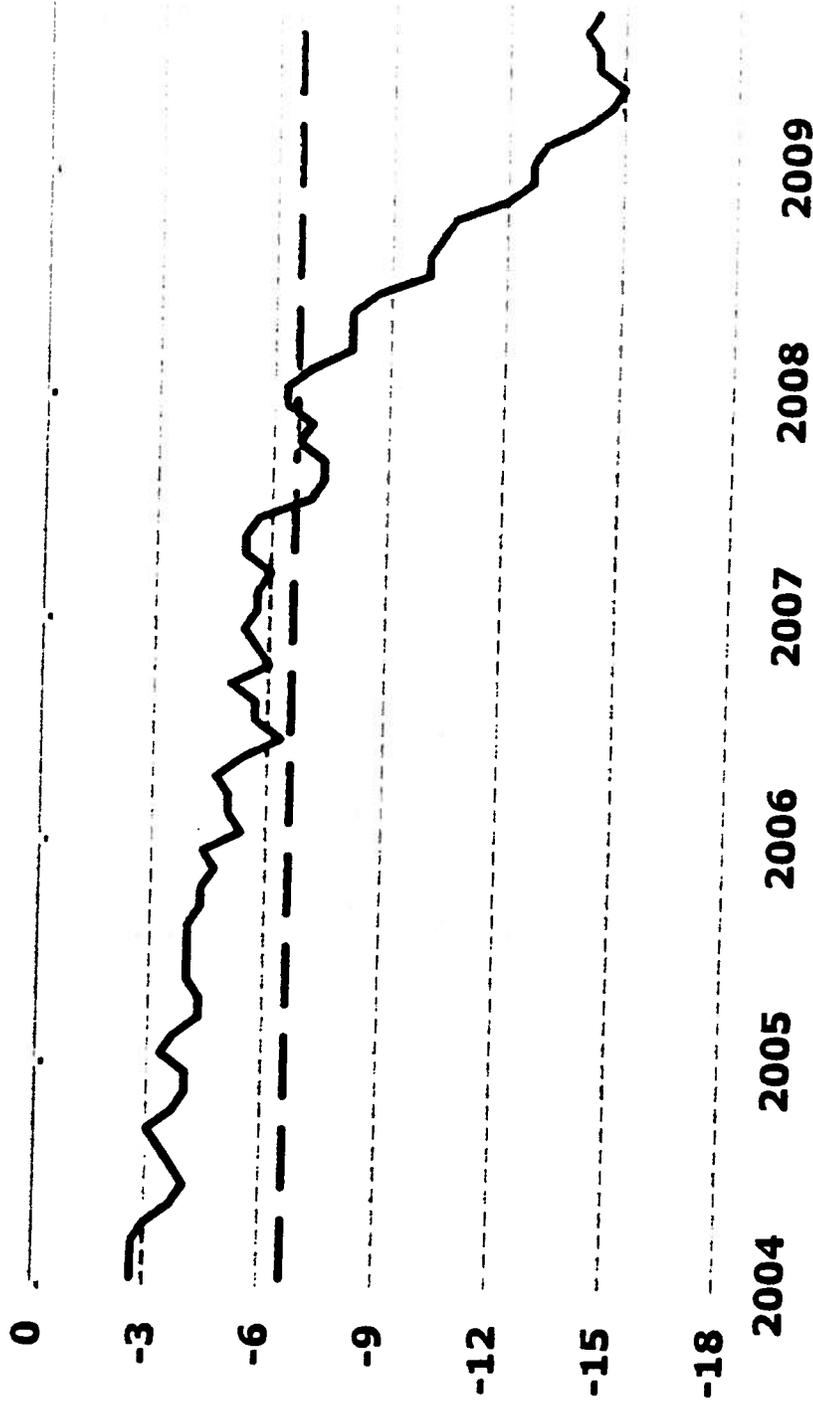


Source: FDIC, data through 2009 Q3



... and credit conditions remain tight for small business...

Availability of Loans  
Net Percent ("Easier" minus "Harder"), 3mma



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Slide 12

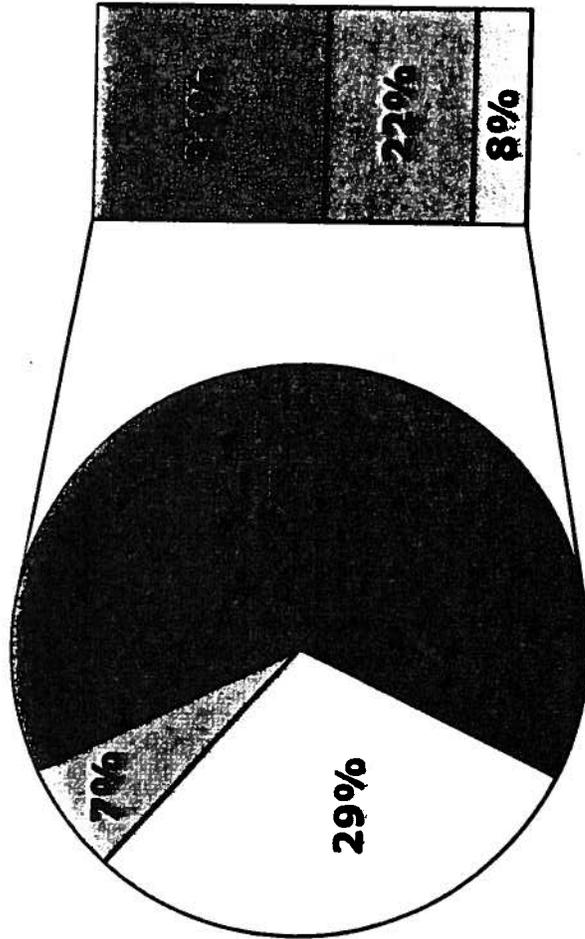
Source: National Federation of Independent Business; data through November 2009

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... who create most of the jobs

Since 1992, 64% of the net change in employment has occurred in small businesses



- 1,000 or more
- 500 to 999
- 1 to 49
- 50 to 249
- 250 to 499

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Source: BLS, data from 1992 Q3 to 2009 Q1

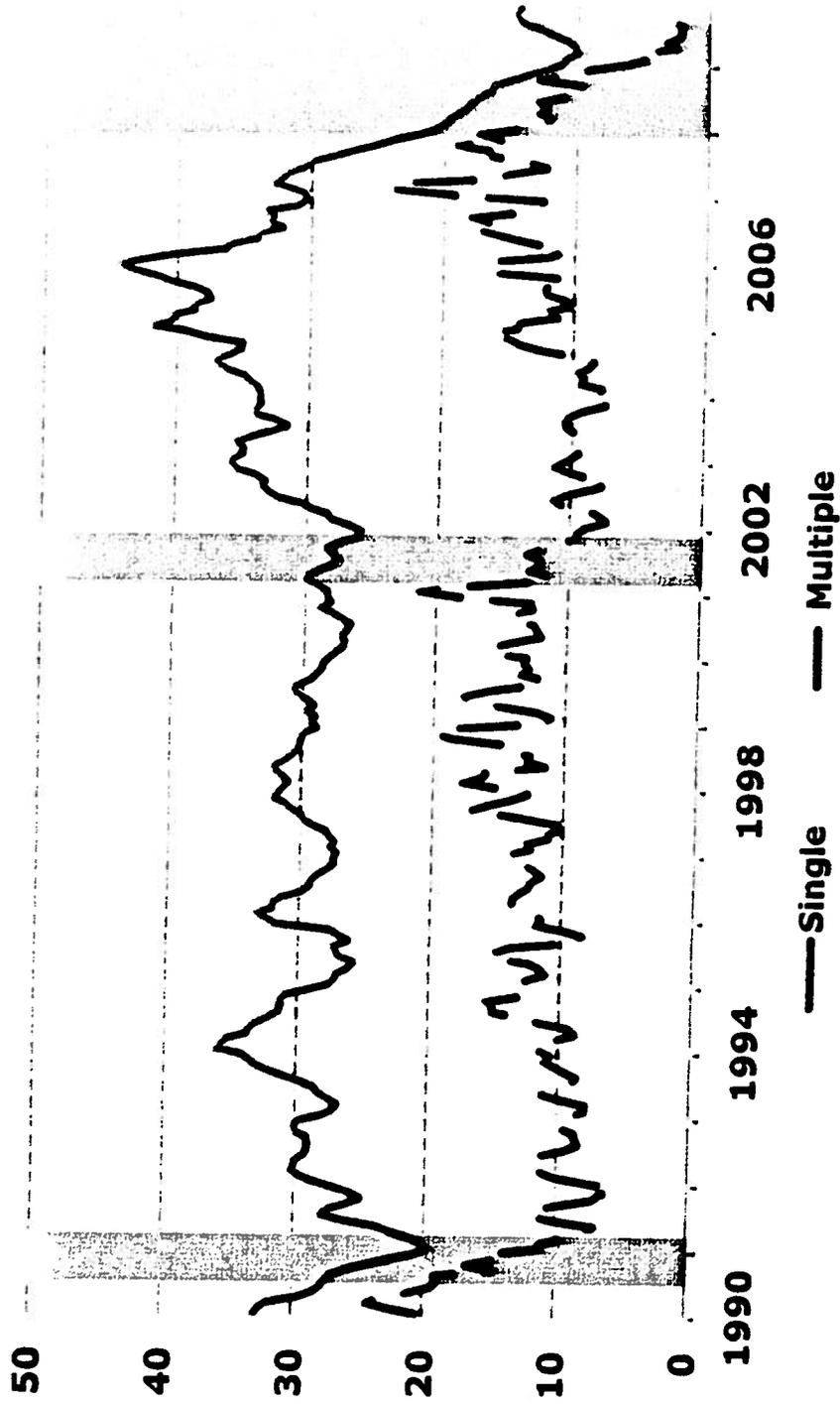
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b-6



# WA single family building permits are doing better than multi-family

Thousands, SA, 3MMA



Source: U.S. Census Bureau; data through November 2009

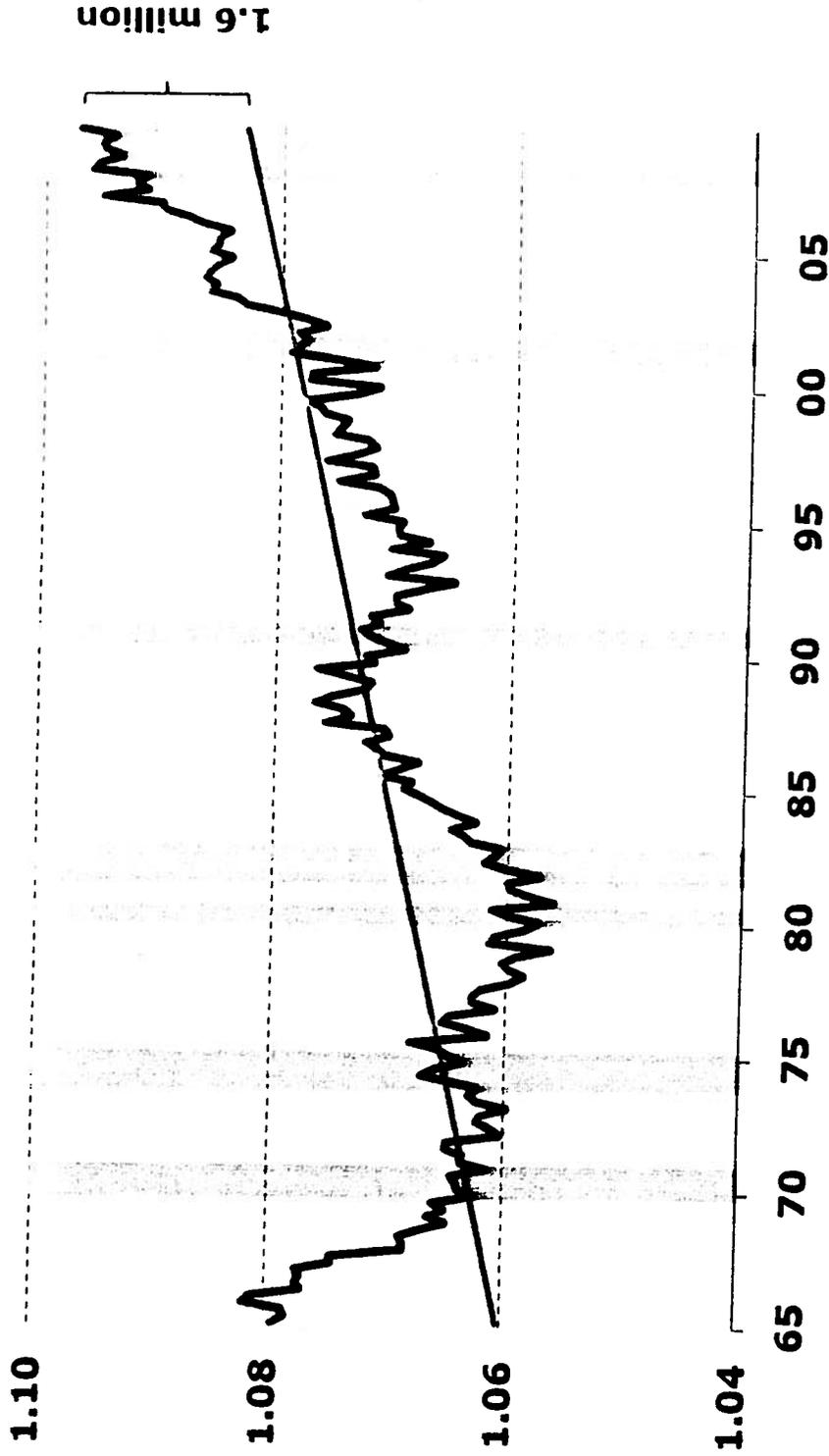
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Slide 14



# Housing inventory remains well above trend

Housing Units per Household



Source: U.S. Census Bureau, ERFC; data through 2009 Q3

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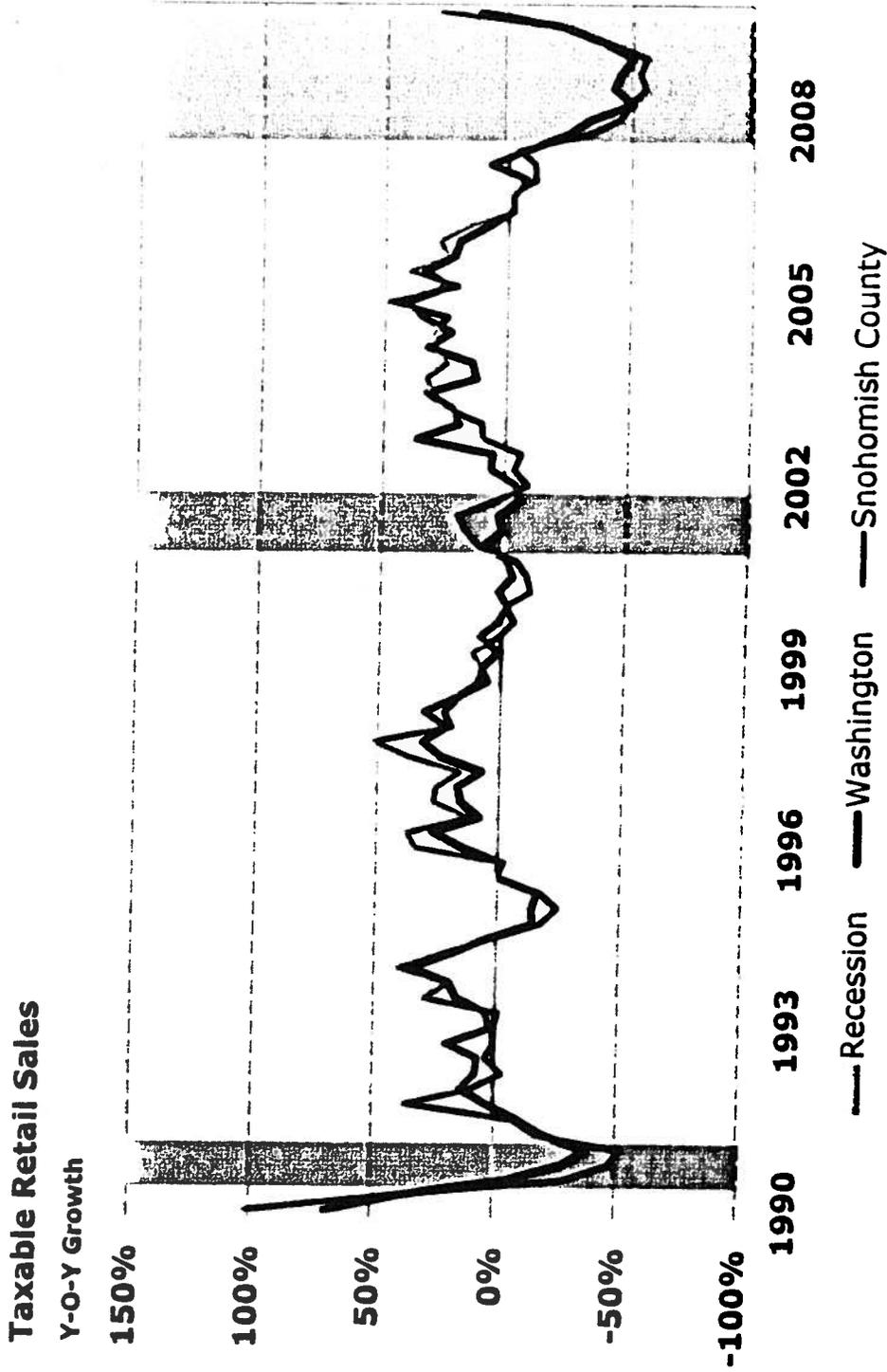
Slide 15



# State and county taxable real estate activity is recovering

Snohomish County taxable activity was up 29% year-over-year in the fourth quarter of 2009; state's was up 12%

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Source: ERFC; Data through 2009Q4



# We are witnessing an unprecedented global recovery

These economies represent 32% of global GDP.

The US is 25% of global GDP

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|               | Q/Q, SAAR % |         |         |         |
|---------------|-------------|---------|---------|---------|
|               | GDP share   | 2009 Q1 | 2009 Q2 | 2009 Q3 |
| Japan         | 8.0%        | -14.2   | 2.7     | 4.8     |
| China         | 6.2%        | 5.6     | 16.0    | 11.5    |
| Germany       | 6.0%        | -13.4   | 1.8     | 2.9     |
| France        | 4.7%        | -5.7    | 1.0     | 1.3     |
| India         | 2.0%        | 7.0     | 6.5     | 13.9    |
| Korea         | 1.9%        | 0.5     | 9.7     | 12.3    |
| Indonesia     | 0.8%        | 1.7     | 4.8     | 7.5     |
| Taiwan        | 0.7%        | -11.3   | 18.8    | 8.3     |
| Thailand      | 0.4%        | -5.9    | 9.1     | 5.3     |
| Hong Kong SAR | 0.4%        | -16.1   | 14.8    | 1.6     |
| Malaysia      | 0.3%        | -17.7   | 12.3    | 8.7     |
| Singapore     | 0.3%        | -12.2   | 20.7    | 14.9    |
| Philippines   | 0.3%        | -8.3    | 7.0     | 4.1     |

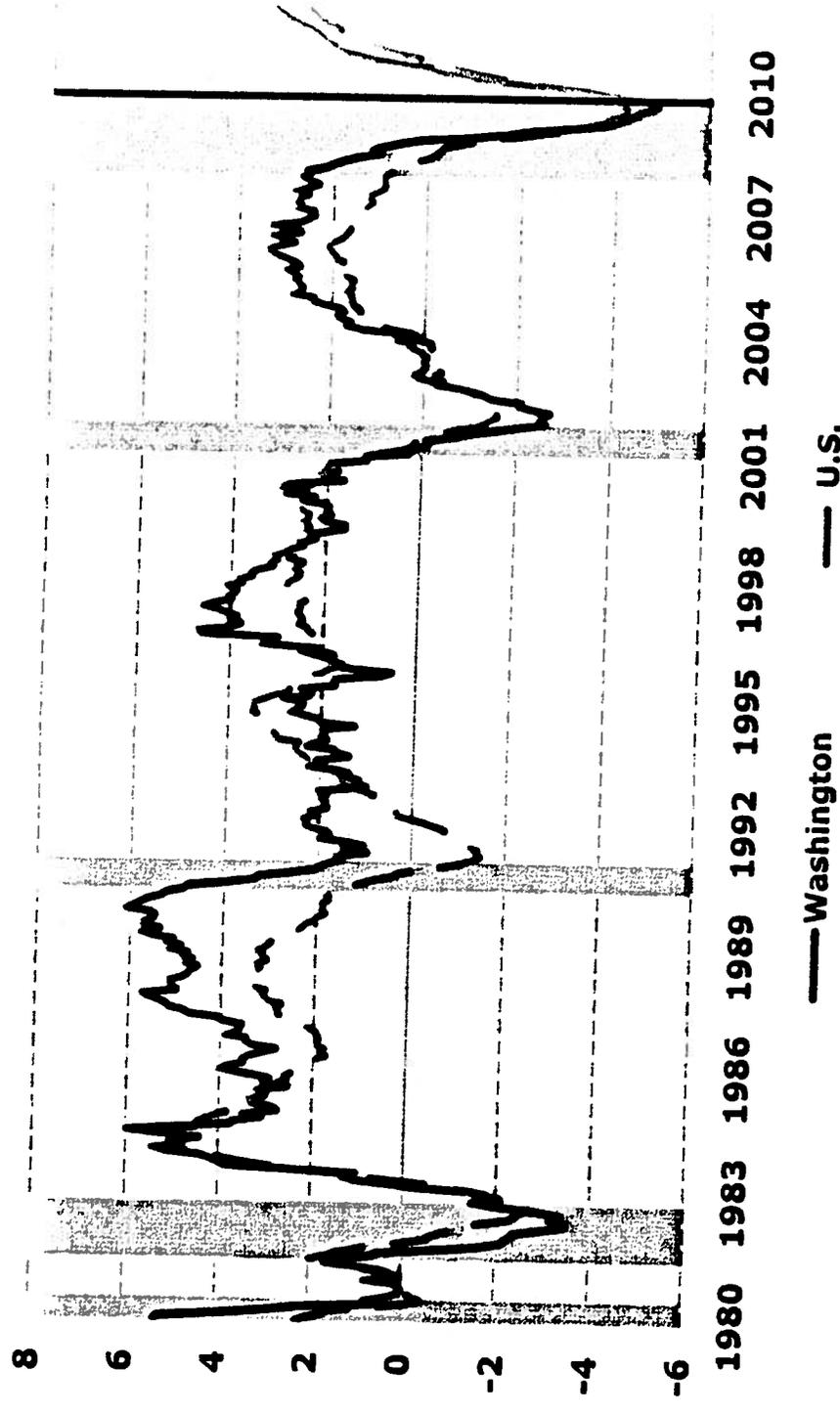
Source: Goldman Sachs, ERFC

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



WA employment lagged the nation in the downturn and will recover a little stronger than the nation

Percent change, year ago



Source: ERFC November 2009 forecast; actual through October 2009

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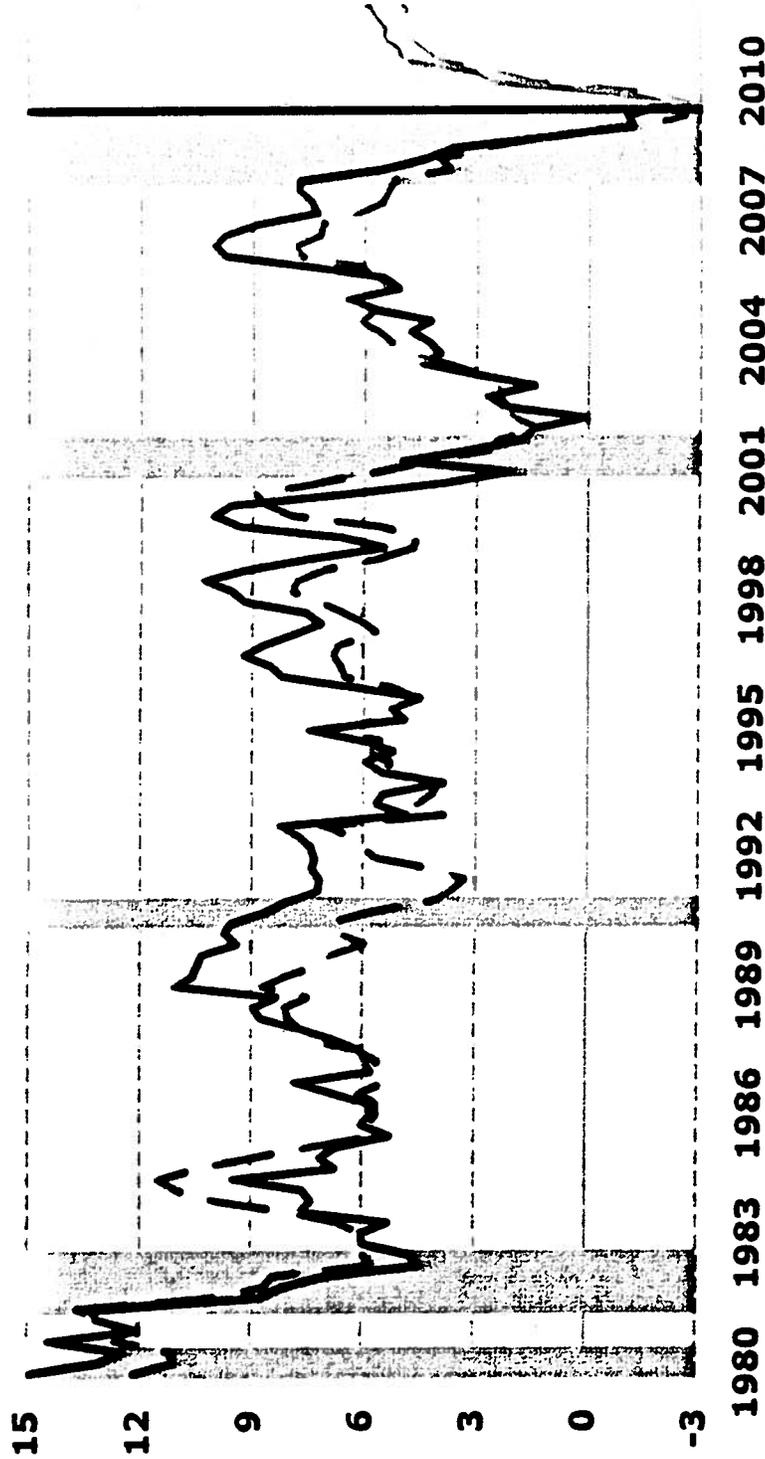
Slide 22

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



The recovery in WA personal income growth is expected to be better than the nation's

Percent change, year ago



Source: ERFC November 2009 forecast; actual data through 2009Q2

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WA Economic & Revenue Outlook

20 Jan 2010

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

D-12



# Snohomish County taxable retail sales dropped faster than state sales

Snohomish County taxable sales were negative year-over-year in 1st quarter of 2008; Washington sales turned negative in 2nd quarter of 2008 4th quarter 2008 sales were down 15.5% in county vs. 10.8% in state

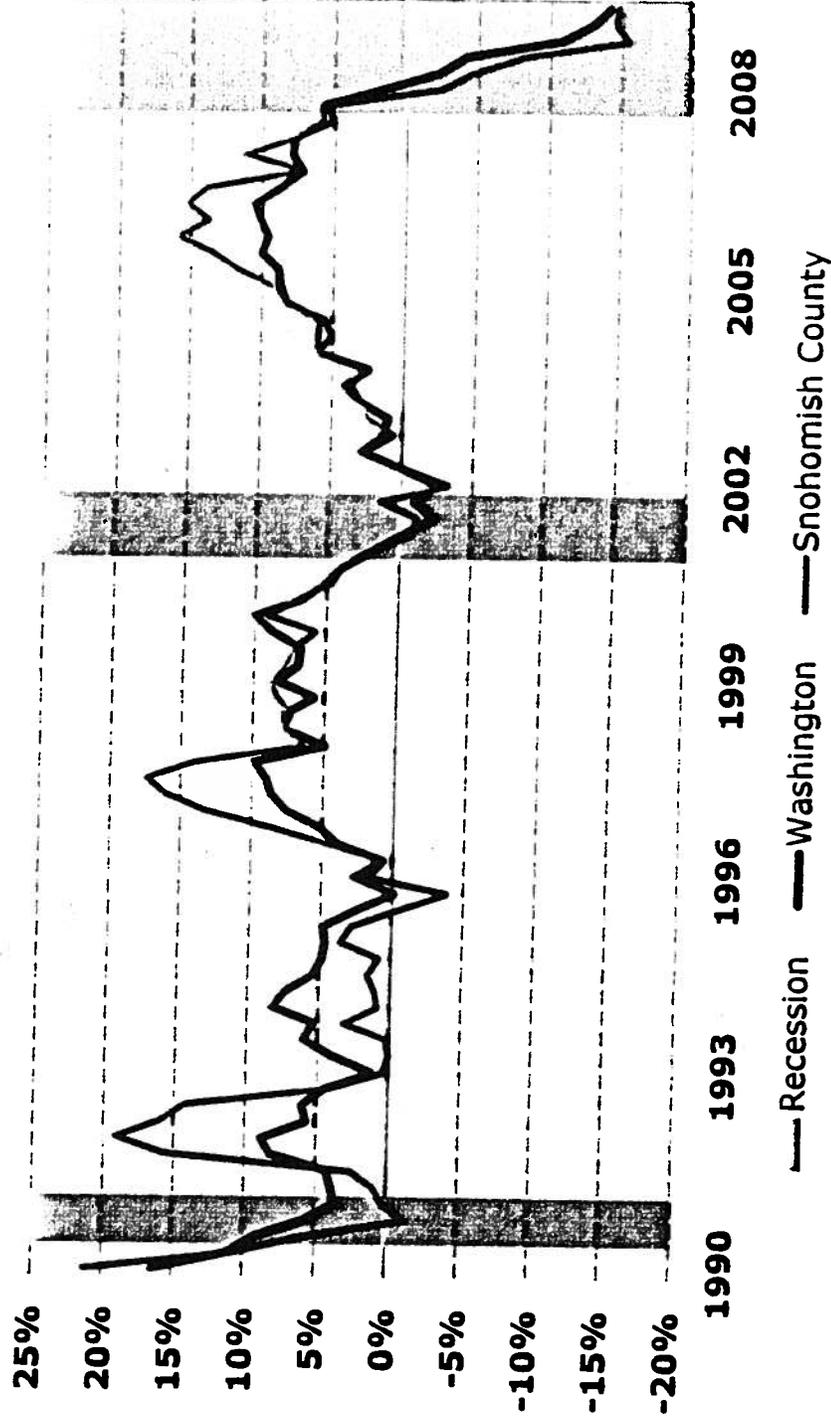
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20 Jan 2010

Slide 25

## Taxable Retail Sales

Y-O-Y Growth



Source: DOR; Data through 2009Q2



# Conclusion

## Pluses

- Recovery in progress
- Employment likely to improve soon
- Car sales have stabilized
- Large banks able to extend credit

## Minuses

- Problems at community banks
- Weak consumer confidence
- Slow recovery in construction
- Consumer spending has to recover for this to become a self-sustaining recovery and for revenues to grow again
- Revenues in the 2009-11 Biennium are expected to be 3.3% below collections in the 2007-09 Biennium

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20 Jan 2010

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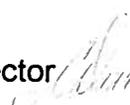
**SULTAN CITY COUNCIL RETREAT  
AGENDA COVER SHEET**

---

**ITEM:** # 3

**DATE:** February 20, 2010

**SUBJECT:** Facility Assessment Report

**CONTACT PERSON:** Connie Dunn, Public Works Director 

- PLEASE BRING YOUR COPY OF THE FACILITIES ASSESSMENT STUDY -

**ISSUE:**

The council reviewed the draft facility assessment report on September 24, 2009. The council directed Driftmier Architects to include the assessed value and replacement costs of the buildings in the report. The final facility assessment report identifies a number of safety issues at the boys and girls club, post office, and food bank that should be addressed.

**STAFF RECOMMENDATION:**

To prioritize the safety issues, using the \$50,000.00 placed into the 2010 Budget for building maintenance and repair (Attachment A)

**SUMMARY:**

The city council received a presentation summarizing the facility assessment report by Rick Drifmier, principal of Driftmier Architects on September 24, 2009. The complete draft report was published in the council agenda packet. Since the report is more than 101 pages, this agenda cover includes only excerpts from the report (Attachment B). A copy of the complete report is available upon request.

**DISCUSSION:**

The City of Sultan owns, operates and maintains a variety of buildings housing government and non-profit services. City facilities include city hall, food bank, boys & girls club, public works shop, police station, post office, and visitor information center.

The City Council established a building maintenance fund in the 2009 budget. The 2010 Budget has set aside \$50,000 for repairs.

City Council approved Ordinance 1065-09 during the 2010 Budget process establishing a building maintenance fund in the budget. (Attachment C)

The City's interest is to use the information generated by the study to predict major systems replacement schedules and budget accordingly to better manage the

maintenance of the City's real estate assets. The primary deliverables of the study include a comprehensive inventory for each building; comprehensive condition assessment and lifecycle assessment of major systems; and repair/replacement costs.

In keeping with the City's sustainability goals, the study results will also identify opportunities for replacing, repairing or upgrading various building components and systems using the most sustainable and energy efficient technology available.

### Facility Assessment

The report is divided into three sections:

- A. Executive summary (letter)
- B. Facility Assessment Study
- C. Exhibits – maintenance and capital improvement plan for each building, priority recommendations, and detailed reports from technical sub-consultants.

#### *Executive Summary*

The executive summary provides a two page written overview of the report and a matrix that identifies each building and its condition at a glance. (Attachment D)

Overall, city hall, police station, visitor information center and post office are worth significant investment for improvements as necessary. Fortunately, only the post office building needs serious work at this time.

The other buildings, including the boys and girls club, food bank and public works shop have less value and future investment in these building should be tempered with the knowledge they are nearing the end of their useful service life.

There are several issues identified as "life safety issues". The largest single item identified in the report is study and abatement of asbestos and hazardous materials.

#### *Facility Assessment Study*

The results of the surveyed buildings are provided and prioritized in the Facility Assessment Study which is the main body of the report. The report findings are based on two inspections (July 24, 2009 and August 20, 2009)

Driftmier staff and sub-consultants made observations related to building envelopes, water intrusions, egress and the general conditions of the structure. The architect's building inspection notes and mechanical and electrical reports from Interface Engineering are included.

Limited visual structural integrity review was included. Mechanical, electrical and plumbing systems of the buildings were assessed.

The report groups maintenance repair and improvements into logical groups including:

The Exhibits sections containing the detailed reports on each city owned building that was assessed.

Maintenance and improvement matrix for each building and cost estimates for recommended repairs and improvements.

Interface Engineering - Facility Condition Assessment of mechanical, plumbing, fire and life safety, and electrical systems.

**FISCAL IMPACT:**

The city council budgeted \$50,000.00 for the building maintenance and repair fund in the 2010 Budget. Staff is asking city council to prioritize its investment in safety, maintenance repair and improvements.

The rain gutters on city buildings were damaged by the 2008-09 winter storms, these gutters are being replaced with Federal Emergency Management Act (FEMA) funding and a city insurance claim. The city engineer completed the bid process, council rejected all bids, Canfield and Associates has sent an independent gutter repair company to give the city a bid, that bid was \$19,000.

**RECOMMENDED ACTION:**

Provide staff with direction and priorities regarding safety, maintenance repair and improvements.

**ATTACHMENTS**

- A – 2010 Building Maintenance Fund (113) Budget
- B – Excerpts from the Final Facility Assessment Report
- C – Ordinance 1065-09 2010 Budget
- D – Executive Summary from Facilities Assessment Study

[Type text]

## ***2010 PROPOSED BUDGET***

### **Budget Analysis**

| <b>Account</b>     | <b>Description</b>          | <b>2007<br/>Actual</b> | <b>2008<br/>Actual</b> | <b>2009<br/>Adopted</b> | <b>2010<br/>Adopted</b> |
|--------------------|-----------------------------|------------------------|------------------------|-------------------------|-------------------------|
| 113-000-308-10-000 | Beginning Fund Balance      | 0                      | 0                      | 20000                   | 44300                   |
| 113-000-316-41-000 | Utility Tax - Electrical    | 0                      | 0                      | 0                       | 3000                    |
| 113-000-316-43-000 | Utility Tax - Gas           | 0                      | 0                      | 0                       | 1200                    |
| 113-000-316-47-000 | Utility Tax - Telephone     | 0                      | 0                      | 0                       | 1500                    |
| 113-000-367-19-000 | Contributions               | 0                      | 20000                  | 0                       | 0                       |
| 113-000-395-10-010 | Sale of Fixed Assets        | 0                      | 0                      | 35000                   | 0                       |
| 113-000-397-10-010 | New Account                 | 0                      | 0                      | 0                       | 0                       |
| 113-000-397-10-000 | Operating Transfers In      | 0                      | 0                      | 10634                   | 0                       |
| 113-106-521-60-640 | Capital Equipment Purchase  | 0                      | 0                      | 0                       | 50000                   |
| 113-113-597-00-620 | Capital Outlays - Buildings | 0                      | 0                      | 55000                   | 0                       |
| 113-900-508-00-000 | Ending Fund Balance         | 0                      | 0                      | 0                       | 0                       |

[Type text]

|                                     | Description   | Cost Estimate    | City Hall | Post Office | Visitor Information | Police Station | Food Bank | Boys and Girls Club | Public Works Shop |
|-------------------------------------|---|------------------|-----------|-------------|---------------------|----------------|-----------|---------------------|-------------------|
| <b>High Priority/Life Safety</b>    |   |                  |           |             |                     |                |           |                     |                   |
| Asbestos/Environmental Testing      | Test building materials   | \$6,000          |           | x           |                     |                | x         |                     |                   |
| Address existing life safety issues | Install and replace stairways, ramps, exit signs, lighting, emergency exits   | \$130,000        | X         | X           |                     |                | X         | X                   | X                 |
| <b>Urgent Maintenance</b>           |   |                  |           |             |                     |                |           |                     |                   |
| Roofing repairs/replacement         | Flashing repairs, brick tuck pointing, checking for leaks, repair/replace gutters, repair/replace roof and roof materials | TBD <sup>1</sup> |           |             | x                   |                | X         | X                   | x                 |
| Lighting repairs/replacement        | Repair and replace interior and exterior lighting   | TBD              |           |             |                     |                |           |                     |                   |
| Interior ceiling                    | Work on ceiling showing water damage  | TBD              | X         |             |                     |                |           |                     |                   |
| Exterior Finish                     | Paint and repair siding, brick, and fascia boards   | TBD              | X         |             |                     |                | X         | X                   | x                 |
| General electric work               | Upgrade outlets to GFCI, add occupancy sensing controls, review and test current electoral systems                        | TBD              | X         |             |                     |                | X         |                     | X                 |

<sup>1</sup> TBD items will be provided with the final report.

|   | Description   | Cost Estimate | City Hall | Post Office | Visitor Information | Police Station | Food Bank | Boys and Girls Club | Public Works Shop |
|---|---|---------------|-----------|-------------|---------------------|----------------|-----------|---------------------|-------------------|
| <b>Important Maintenance (2-5 years)</b>      |   |               |           |             |                     |                |           |                     |                   |
| Exterior finish and upgrades                  | Paid and/or repair exterior features such as brick, siding, window decay and wood trim  | TBD           | X         | X           | X                   | X              | X         | X                   | X                 |
| Site work updates, repair and maintenance     | Driveways, access roads, parking lots and sidewalks   | TBD           | X         |             |                     | X              | X         | X                   |                   |
| Energy efficiency lighting replacement        | Upgrade/replace existing interior and exterior light fixtures   | TBD           |           | X           |                     |                | X         | X                   | X                 |
| <b>Long-Term Recommendations (5-10 years)</b> |   |               |           |             |                     |                |           |                     |                   |
| Post office renovation                        | Replace mechanical and electrical systems, update building shell and interior space.  | \$1,190,000   |           | X           |                     |                |           |                     |                   |
| Public Works Site and Shop Buildings          | Paving, replace utilities, stormwater system, fence/security upgrades. Roof repair, energy upgrades, door and window upgrades and new restroom facilities | \$980,000     |           |             |                     |                |           |                     | X                 |
| Food Bank                                     | Replace mechanical and electrical systems, update building shell and interior space.  | \$420,000     |           |             |                     |                | X         |                     |                   |
| Boys and Girls Club Youth Center (2-story)    | Replace mechanical and electrical systems, update building shell and interior space.  | \$770,000     |           |             |                     |                |           | X                   |                   |
| Boys and Girls Club Pre-school (one-story)    | Replace mechanical and electrical systems, update building shell and interior space.  | \$240,000     |           |             |                     |                |           |                     | X                 |

**SULTAN CITY COUNCIL**  
**AGENDA ITEM COVER SHEET**

---

ITEM #: Action A 3  
DATE: November 12, 2009  
SUBJECT: Ordinance 1065-09 2010 Budget  
CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

**ISSUE:**

The issue before the Council is the introduction of Ordinance 1065-09 (Attachment A) to adopt a budget for the 2010 fiscal year.

**SUMMARY:**

The detailed budget and department reports were prepared and submitted to the Council during the public hearing process (Agenda Item PH-1). The attached is the ordinance to adopt the 2010 Budget.

**MOTION:**

Move to introduce Ordinance 1065-09 setting the 2010 Budget for a first reading and pass it on to a second reading.

ATTACHMENTS: A. Ordinance 1065-09 2010 Budget

CITY OF SULTAN  
SULTAN, WASHINGTON

ORDINANCE NO. 1065-09

AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY  
OF SULTAN WASHINGTON FOR THE FISCAL YEAR ENDING  
DECEMBER 31, 2010

WHEREAS, the Mayor of the City of Sultan, Washington, completed and placed on file with the City clerk a proposed budget and estimate of the amount of moneys required to meet the public expenses, bond retirement and interest, reserve funds and expenses of government of said City for the fiscal year ending December 31, 2010, and notice was published that the Council of said City would meet on November 12, 2009 for the purpose of making and adopting a budget for said fiscal year and giving taxpayers within the limits of said City an opportunity to be heard upon said budget; and

WHEREAS, the said City Council did meet at said time and did then consider the matter of said proposed budget; and

WHEREAS, the said proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Sultan for the purposes set forth in said budget, and the estimated expenditures set forth in said budget being all necessary to carry on the government of said City for said year and being sufficient to meet the various needs of the City during said period.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN DO ORDAIN as follows:

Section 1: The budget for the City of Sultan, Washington for the year 2010 is hereby adopted in its final form and content as set forth in the document entitled City of Sultan 2009 Budget, three (3) copies of which are on file in the office of the City Clerk.

Section 2: Estimated resources, including fund balances or working capital for each separate fund of the City of Sultan, and aggregate totals (net of transactions between funds) for all such funds combined, for the year 2010 are set forth in the summary form below, and are hereby appropriated for expenditures during the year 2010 as set forth below:

| 2010 BUDGET SUMMARY |                        |                |             |
|---------------------|------------------------|----------------|-------------|
| Fund                | Fund Name              | REVENUE        | EXPENSE     |
| 001                 | General Fund           | \$1,961,159.00 |             |
|                     | Legislative            |                | \$13,120.00 |
|                     | Executive              |                | \$33,247.67 |
|                     | Finance/Administration |                | \$47,381.56 |
|                     | Grants                 |                | \$28,451.45 |
|                     | Legal                  |                | \$56,324.15 |
|                     | Civil Service          |                | \$0.00      |

ATTACHMENT C

|                                    |  |                       |
|------------------------------------|--|-----------------------|
| Other Governmental                 |  | \$54,700.00           |
| Law Enforcement                    |  | \$1,082,608.00        |
| Law Enforcement - Court            |  | \$143,400.00          |
| Emergency Management               |  | \$5,825.00            |
| Code Enforcement                   |  | \$29,586.00           |
| Planning and Community Development |  | \$238,964.19          |
| Building                           |  | \$61,520.62           |
| Public Health                      |  | \$1,500.00            |
| Library                            |  | \$8,200.00            |
| Park/Recreation                    |  | \$91,407.72           |
| Miscellaneous (Transfers Out)      |  | \$60,082.00           |
| Total Expenditures                 |  | <u>\$1,956,318.36</u> |

|     |                                    |                |                |
|-----|------------------------------------|----------------|----------------|
| 100 | General Fund Contingency           | \$13,085.00    | \$0.00         |
| 101 | Street Fund                        | \$275,580.00   | \$264,767.00   |
| 103 | Cemetery Fund                      | \$31,500.00    | \$31,090.00    |
| 104 | C.R. Equipment Fund                | \$91,050.00    | \$0.00         |
| 105 | Park Improvement Fund              | \$195,000.00   | \$193,274.00   |
| 106 | Police Equipment Reserve           | \$0.00         | \$0.00         |
| 107 | Drug Enforcement Fund              | \$1,140.00     | \$1,090.00     |
| 108 | Street Impact Fee Fund             | \$31,632.00    | \$30,000.00    |
| 109 | Community Improvement Fund         | \$1,500.00     | \$1,500.00     |
| 110 | Emergency Radio System             | \$0.00         | \$0.00         |
| 112 | Park Impact Fee Fund               | \$45,000.00    | \$45,000.00    |
| 113 | Building Maintenance Fund          | \$50,000.00    | \$50,000.00    |
| 114 | Information Tech Fund (IT)         | \$30,400.00    | \$25,400.00    |
| 203 | Limited Tax Bond GO                | \$127,100.00   | \$126,538.00   |
| 205 | Unlimited Tax GO Bond              | \$30,400.00    | \$30,400.00    |
| 207 | LID Guaranty Fund                  | \$347,315.00   | \$347,315.00   |
| 301 | Capital Project Fund REET 1        | \$63,500.00    | \$63,500.00    |
| 302 | Capital Project Fund REET 2        | \$73,600.00    | \$63,500.00    |
| 303 | Street Improvement Fund            | \$1,739,500.00 | \$1,701,131.00 |
| 307 | LID Project Fund                   | \$30,000.00    | \$30,000.00    |
| 400 | Utility Water Fund                 | \$821,500.00   | \$747,579.00   |
| 401 | Utility Sewer Fund                 | \$1,150,986.00 | \$1,150,949.00 |
| 402 | Utility Garbage Fund               | \$720,816.00   | \$679,400.00   |
| 403 | Water Revenue Bond Fund            | \$128,500.00   | \$127,160.00   |
| 405 | C.R. Water Utility Fund            | \$432,000.00   | \$432,000.00   |
| 404 | C.R. Sewer Utility Fund            | \$223,500.00   | \$223,397.00   |
| 406 | Storm Water Utility                | \$80,675.00    | \$80,128.00    |
| 407 | Sewer System Improvement Fund      | \$125,000.00   | \$125,000.00   |
| 409 | Water System Improvement Fund      | \$280,000.00   | \$280,000.00   |
| 410 | Stormwater System Improvement Fund | \$50,000.00    | \$50,000.00    |

ATTACHMENT C

|     |                        |                |                |
|-----|------------------------|----------------|----------------|
| 412 | Water System Debt Fund | \$182,000.00   | \$147,538.00   |
| 413 | Sewer System Debt Fund | \$573,029.00   | \$566,568.00   |
| 621 | Cemetery Trust Fund    | \$2,670.00     | \$0.00         |
|     | TOTALS                 | \$9,909,137.00 | \$9,570,542.36 |

Section 3: The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the Division of Municipal Corporations in the Office of the State Auditor and to the Association of Washington Cities.

Section 4: This ordinance is severable and if any portion of it shall be declared invalid or unconstitutional, the remaining portion shall remain valid and enforceable.

Section 5: This ordinance shall be in full force and effect five days after publication as required by law.

REGULARLY ADOPTED this day of December, 2009.

Attest:

\_\_\_\_\_  
Carolyn Eslick Mayor

\_\_\_\_\_  
Laura J. Koenig, City Clerk

Approved as to form:

\_\_\_\_\_  
Margaret King, City Attorney



**The  
Driftmier  
Architects, P.S.**

September 11, 2009

City Council  
City of Sultan  
Ms. Deborah Knight, City Administrator  
319 Main Street, Suite 200  
Sultan, WA 98294

Re: City of Sultan  
Facility Condition Assessment and Improvement Plan

Dear Ms. Knight and Council Members:

With the City of Sultan approximately a century and a quarter old, it has collected a number of buildings and facilities that are part of the city assets, but also part of the city responsibilities. To aid in maintaining and upgrading those facilities, you requested that The Driftmier Architects observe and evaluate the buildings related to their condition and needed repairs or maintenance. This is the report stemming from that observation.

Together with Interface Engineers, representatives of The Driftmier Architects completed walk-through inspections on July 24, 2009 and August 20, 2009. During these visits, visual observation was undertaken but no destructive inspection was done. And, no special inspections by third parties were undertaken. Following the observations, review of utility bills for the last three years was completed.

Within this report you will find that we are recommending immediate work related to life safety, code and welfare issues and noting significant repair and maintenance issues that should be addressed within the next year. We also note important repair and maintenance issues that should be addressed within two years and necessary repairs and maintenance that need to be addressed in the next five years. We note ongoing maintenance issues that should be put on a schedule and kept up to date. You will find an assessment of each system for each building condensed into the Facilities Analysis Matrix attached to this report.

The buildings included in the report are the City Hall, Visitor's Center, Post Office, Police Station, Public Works Shop, Boys & Girls 2-Story Building, Boys & Girls 1-Story Building, and the Food Bank.

There are several issues that are identified as work related to life safety issues. The single largest item is likely a recommendation for an asbestos and hazardous materials study and abatement, as required. We think there is asbestos in all the buildings we

7983  
Leary  
Way NE  
Redmond,  
Washington  
98052  
(425)  
881-7506  
Fax  
(425)  
881-7306  
mail@driftmier.com

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observed except the City Hall, Police Station and Visitor's Center. Those three buildings, along with the Post Office, are worth significant investment as necessary. Fortunately, only the Post Office building needs serious work.

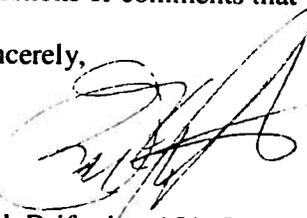
The other buildings are of less value and investment in them should be tempered with the knowledge that they are nearing the end of their useful service life. However, some of the issues identified will need to be addressed immediately if you are to continue the use of these buildings.

The findings and conditions observed are summarized in the main body of the report labeled existing building evaluations. Following that is a maintenance and capital improvement plan outlining the improvements and priorities that are needed to address the issues and shortcomings observed. You will also find report exhibits attached as well as a matrix for each building outlining the maintenance, repair, improvement and life safety critical issues observed for that facility.

The costs included are general budgeting numbers and no formal cost estimate has been done. These are intended to provide an order of magnitude index indicating the general scale of the work in cost terms. With the current world economic climate, construction costs have been falling for the first time in the last 50 years. Now is a very good time to undertake maintenance, repair and construction projects if the budget is available. However, the same climate makes it very difficult to judge in advance the cost of such work.

Please review the report and the recommendations included. Contact us with any questions or comments that you might have.

Sincerely,



Rick Driftmier, AIA, President  
The Driftmier Architects, P.S.

**EXHIBIT # 1  
FACILITY ANALYSIS MATRIX**

City of Sultan  
Facility Assessment Study  
Date: July 2009

|                      | Site      |             |               |            | Exterior Bldg |               |       |         |      |        |       | Interior Bldg |           |       |                 | Mechanical |          |                |          | Electrical |          |            |          | Energy & Water |            | Occupancy     |          | Days  | Hours        |               |                 |              |
|----------------------|-----------|-------------|---------------|------------|---------------|---------------|-------|---------|------|--------|-------|---------------|-----------|-------|-----------------|------------|----------|----------------|----------|------------|----------|------------|----------|----------------|------------|---------------|----------|-------|--------------|---------------|-----------------|--------------|
|                      | Landscape | Parking Lot | Drives/Access | Walk Areas | Foundation    | Wall Covering | Doors | Windows | Roof | Floors | Walls | Ceiling       | Toilet Rm | Doors | Existing/Stairs | HVAC       | Plumbing | Fire Sprinkler | Controls | Power      | Lighting | Fire Alarm | Security | Comm           | Envelope   | Energy EUI(1) | Fixtures |       |              | Water WUI(2)  | Area (sq ft)    | People (Qty) |
| City Hall            | 3         | 3           | 3             | 3          | 4             | 2             | 2     | 4       | 2    | 3      | 1     | 1             | 5         | 2     | 1               | 0          | 1        | 4              | 4        | 4          | 4        | 4          | 1        | 1              | 1          | 62            | 1        | (5)   | 12,044       | 30            | M-F             | 8 am - 5 pm  |
| Library              | 3         | 3           | 3             | 3          | 4             | 2             | 2     | 4       | 1    | 1      | 1     | 4             | 2         | 1     | 0               | 1          | 4        | 4              | 4        | 4          | 4        | 1          | 1        | 1              |            |               |          |       |              |               |                 |              |
| Council Chamber      | 3         | 3           | 3             | 3          | 4             | 2             | 3     | 4       | 2    | 4      | 1     | 1             | 1         | 2     | 1               | 0          | 1        | 4              | 4        | 4          | 4        | 1          | 1        | 1              |            |               |          |       |              |               |                 |              |
| Visitor Center       | 3         | 2           | 1             | 1          | 1             | 1             | 1     | 2       | 1    | 1      | 1     | 1             | 1         | 1     | 1               | 0          | 3        | 3              | 0        | 3          | 0        | 0          | 0        | 2              | 81         | 1             | (5)      | 1,736 | 5            | M-F           | 8 am - 5 pm     |              |
| Post Office          | 4         | 4           | 2             | 1          | 3             | 4             | 4     | 4       | 3    | 4      | 5     | 4             | 3         | 4     | 3               | 0          | 2        | 5              | 4        | 3          | 1        | 1          | 2        | 20 (3)         | 2          | (5)           | 8,220    | 10    | Tue (Museum) | 11 am - 2 pm? |                 |              |
| Museum               |           |             |               |            | 0             | 3             | 5     | 4       | 4    | 5      | 3     | 5             | 3         | 4     | 5               |            |          |                |          |            |          |            |          |                |            |               |          |       |              |               |                 |              |
| Police Station       | 4         | 4           | 4             | 5          | 1             | 1             | 1     | 5       | 1    | 2      | 2     | 4             | 1         | 1     | 1               | 2          | 1        | 0              | 1        | 1          | 1        | 1          | 1        | 2              | 129        | 1             | (5)      | 2,445 | 8            | M-F           | 24-hrs          |              |
| Public Works Shop    | 4         | 5           | 5             | 5          | 1             | 2             | 4     | 4       | 2    | 3      | 2     | 4             | 4         | 5     | 2               | 3          | 0        | 5              | 5        | 4          | 4        | 4          | 2        | 52 (4)         | 2          | (5)           | 2,958    | 2     | Tue          | 8 am - 5 pm   |                 |              |
| Boys & Girls 2 story | 3         | 4           | 4             | 4          | 1             | 2             | 5     | 2       | 1    | 5      | 2     | 2             | 4         | 3     | 5               | 2          | 4 (7)    | 0              | 2        | 3          | 4        | 4          | 1        | 2              | 46 (4)     | 2             | (5)      | 5,460 | 15           | M-F           | 8 am - 5 pm (9) |              |
| Public Works         | 3         | 4           | 4             | 4          | 0             | 2             | 5     | 2       | 1    | 3      | 2     | 2             | 4         | 3     | 5               |            |          |                |          |            |          |            |          |                |            |               |          |       |              |               |                 |              |
| Boys & Girls 1 story | 3         | 4           | 4             | 5          | 4             | 5             | 1     | 4       | 4    | 4      | 4     | 4             | 4         | 2     | 5               | 1          | 2        | 0              | 1        | 4          | 4        | 4          | 1        | 2              | 18 (4),(8) | 1             | (5)      | 1,200 | 12           | M-F           | 8 am - 5 pm     |              |
| Food Bank            | 4         | 4           | 4             | 2          | 1             | 4             | 4     | 5       | 5    | 3      | 4     | 4             | 5         | 4     | 4               | 2          | 0        | 2              | 3        | 4          | 4        | 4          | 4        | 2              | (5)        | 2             | (5)      | 2,944 | 15           | M-F           | 8 am - 5 pm     |              |
| Record Storage       | 4         | 4           | 4             | 2          | 0             | 4             | 4     | 2       | 4    | 4      | 4     | 3             | 5         | 3     | 5               |            |          |                |          |            |          |            |          |                |            |               |          |       |              |               |                 |              |

| KEY                     | 5 | Life safety/code/welfare issues.                            |
|-------------------------|---|---|
| Critical Immediate Need | 4 | Repair/Maintenance Issues need to be addressed w/in 1 years |
| Important               | 3 | Repair/Maintenance Issues need to be addressed w/in 2 years |
| Necessary               | 2 | Repair/Maintenance Issues need to be addressed w/in 5 years |
| On-Going Maintenance    | 1 | On-Going Maintenance Issues                                 |
| No System               | 0 | Not applicable  |

- Notes:
1. EUI = Energy Use Index (kbtus/sq ft-yr)
  2. WUI = Water Use Index (gal/sq ft-yr)
  3. EUI is for Museum only.
  4. EUI is estimated, due to shared electrical meter
  5. Utility information not available
  6. EUI and WUI based on 2007-2009 utility bill data
  7. 4-grade is exclusive of Municipal Office area. B&B portion of building is a 2
  8. EUI excludes gas used to heat the building.
  9. It is assumed that building operations are reduced further during the school yr.



## SULTAN CITY COUNCIL RETREAT COVER SHEET

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**ITEM NO:** D-4  
**DATE:** February 20, 2010  
**SUBJECT:** City's Role in Business Development  
**CONTACT PERSON:** Robert Martin, Community Development Director

*RCM*

**ISSUE:** The 2009 citizen survey identified economic development as a high priority. The issue before the city council is the role that the city government should take in promoting economic development of the community.

**STAFF RECOMMENDATION:**

Staff recommends that the Council discuss the concepts of community economic revitalization/business development and the role of city government in that effort. The direction received will be used in development of the first draft of the Economic Development Goals and Policies for the Comprehensive Plan, and in the Three-year Plan discussed in Agenda Item D-2 of this Agenda Packet.

**SUMMARY:**

The purpose of the presentation is to introduce the concepts of economic revitalization and begin to develop an understanding of the respective roles of the Council, the staff, the business community, and the community at large.

Virtually all successful economic revitalization efforts grow from a community-based recognition on the part of a group of local business and opinion leaders that *"something needs to be done, and we're the ones who have to do it"*.

Economic vitality and business development are long-term programs of investment in the social, economic, and infrastructure components of a community.

The term "community-based" means that economic revitalization efforts need to be initiated by the business and social opinion leaders of the community, not by the government. If the program would "die" if the government was not keeping the pressure on, then the community is not ready for an economic revitalization. Nevertheless, very few if any of these efforts succeed without extensive involvement of the government acting in a support role to fill gaps that the private sector cannot bridge.

**QUESTION:**

Is the Community of Sultan ready for a true community-based economic revitalization effort? What investment is the City of Sultan prepared to make in support of that effort?

## **DISCUSSION:**

The unquestioned success leader in the field of community economic revitalization is the National Main Street Foundation, a program of the non-profit National Trust for Historic Preservation. While the Main Street program is targeted at "downtown", the concepts apply to all aspects of economic/business development, whether retail, mixed-use, commercial/industrial, or overall community growth and development.

The "Main Street" program is based on a Four-point Approach (Attachment A). To undertake a meaningful program of economic revitalization, a community needs to be ready to undertake the components of the National Main St. model, whether or not the actual National Main St. Foundation is engaged or not. The components of a successful community-based business development program are:

- Organization (A local group of volunteers/stakeholders dedicated to the success of the specific program.)
- Promotion (Promotional activity, branding, special events, marketing carried out by local volunteers.)
- Design (Capitalizing on assets, getting the community into the best physical shape, landscaping, quality signs, maintenance, compatible new construction standards, long term planning.)
- Economic Restructuring (Expanding existing assets, diversification of the economic base, assessing and accommodating consumer's demands.)

These points correspond to the four forces of real estate value: social, political, physical, and economic. A community with solid real estate value has a solid economic base.

The goal of economic/business development is not to preserve buildings, or "make things pretty". The goal is to do the hard work that needs to be done to bring economic vitality to the community.

### Where Are We Now?

The City Council and the Sky Valley Chamber of Commerce Board recently conducted the first joint meeting on the general topic of economic vitality. Several good ideas were mentioned at that meeting. The extent to which individuals are taking responsibility for their future is the extent to which the community is ready to move forward on a meaningful economic/business development program.

### What Next?

Remembering that valid efforts come from the community itself, there was movement in that direction at the joint meeting. It is critical to capitalize on the inertia of the joint meeting, and to generate some success that can be celebrated. This will lead to another project that can be completed and celebrated as a success.

In this direction lies increasing capacity to do bigger and better things, building all-important team spirit and community buy-in, leading to increased economic vitality.

### What is the Role of the Business and Opinion Leaders?

Business and Opinion leaders must be the foundation and champion for any successful revitalization/business development effort. They are responsible for developing the energy, enthusiasm, and basic financial investment to launch the program. As described above, the program starts with small successes and builds on the capacity generated by the achievement and celebration of those successes.

They must be willing to invest of themselves to energize their peers. Sultan is blessed with a level of volunteerism that is at the top of the scale. The challenge for an economic revitalization/business development effort is to overcome the legacy of past efforts that have not resulted in visible change. The business community will need to be convinced by their peers that this is their project, and that their collective success is dependent on their collective effort.

### What is the City's Role?

The City's role is to be ready to do what the private sector cannot do at just the right time to keep the inertia and interest moving.

The private sector cannot change the zoning code to accommodate a new retail design concept developed by the collective efforts of the revitalization group. The City can do that.

The private sector cannot pass ordinances addressing upkeep and minimum quality standards for commercial building maintenance. Once the private sector has gone as far as it can to build capacity and buy-in on a cooperative basis, the City may need to do that.

The private sector cannot pass Local Improvement Districts or similar efforts to improve specific facilities that are needed for effective community service. After the private sector has done all that it can at the cooperative collective level, the City may be asked to do that.

The private sector usually cannot apply for grants for specific activities that are beyond the capacity of the local community but which are necessary to augment locally-funded efforts. The City may be asked to do that.

The City alone can provide high-level elected official encouragement and support on behalf of its retail/business leaders and the collective good of the entire community.

### **STAFF RECOMMENDATION:**

The Council is encouraged to discuss the concept of economic revitalization/business development as presented above, and ask questions as appropriate. The goal is to provide staff direction to shape the initial draft of the economic development goals and policies of the comprehensive plan and the three-year plan discussed in Agenda Item D-2 of this agenda packet.

**ALTERNATIVES:**

1. The City can take the lead in development of an economic/business development program.
2. The City can be receptive to initiatives from the community ready to move forward with a community-based effort at economic revitalization.
3. The City can allow the private sector to do whatever it is willing to do on its own initiative without participation of the Council or staff.
4. The Council can provide some mix of these alternatives or provide another direction for staff to include in upcoming plan drafts.

**ATTACHMENTS:**

Attachment A: The National Main Street "Four-Point Approach"

Attachment B: The National Main Street "Getting Started"

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## **The Main Street Four-Point Approach®**

As a unique economic development tool, the Main Street Four-Point Approach® is the foundation for local initiatives to revitalize their districts by leveraging local assets—from cultural or architectural heritage to local enterprises and community pride.

For the longest time, we all waited for a white knight to ride into town and fix the problem. But the Main Street people made us realize that the only way to get it done right was to do it ourselves."  
*Russell Thomas, mayor of Americus, Georgia*

The four points of the Main Street approach work together to build a sustainable and complete community revitalization effort.

Also read: [The Eight Guiding Principles](#)

### **Organization**

involves getting everyone working toward the same goal and assembling the appropriate human and financial resources to implement a Main Street revitalization program. A governing board and standing committees make up the fundamental organizational structure of the volunteer-driven program. Volunteers are coordinated and supported by a paid program director as well. This structure not only divides the workload and clearly delineates responsibilities, but also builds consensus and cooperation among the various stakeholders.

### **Promotion**

sells a positive image of the commercial district and encourages consumers and investors to live, work, shop, play and invest in the Main Street district. By marketing a district's unique characteristics to residents, investors, business owners, and visitors, an effective promotional strategy forges a positive image through advertising, retail promotional activity, special events, and marketing campaigns carried out by local volunteers. These activities improve consumer and investor confidence in the district and encourage commercial activity and investment in the area.

### **Design**

means getting Main Street into top physical shape. Capitalizing on its best assets — such as historic buildings and pedestrian-oriented streets — is just part of the story. An inviting atmosphere, created through attractive window displays, parking areas, building improvements, street furniture, signs, sidewalks, street lights, and landscaping, conveys a positive visual message about the commercial district and what it has to offer. Design activities also include instilling good maintenance practices in the commercial district, enhancing the physical

ATTACHMENT A

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## Getting Started

### Using the Main Street Approach

If your community plans to start a Main Street program to revive your commercial district or reinvigorate a struggling or previously failed revitalization attempt, look over the first steps listed below. These recommendations will help you generate the local support necessary to establish a revitalization initiative, as well as to apply to your coordinating program for designation as a Main Street organization.

Read "Getting Started" - the online chapter about starting a Main Street program from the publication *Revitalizing Main Street: A practitioner's guide to commercial district revitalization*, available from PreservationBooks.

### First, begin building support for a commercial district revitalization program:

- **Form a working group:** Ask colleagues in your community about starting a revitalization initiative. Canvass all 'stakeholders' who have an interest in the future of your downtown or commercial district, including merchants, business owners, property owners, and residents. Contact the mayor and other local government officials, the city planning department, city economic development officials, and other organizations, such as the chamber of commerce or merchants association. Form a working group or task force of interested individuals and community leaders to explore launching an initiative. The wider the group of people you gather, the easier it is to build support and spread the word. All of these entities will benefit from a revitalized district and should support your effort, both programmatically and financially, so you need to bring them to the table now.
- **Take a good look at your district:** Look at your downtown or commercial district as if you are a first-time visitor. What are its strengths? What needs improvement? Take photos and make notes.
- **Generate broad-based local interest and support:** Hold a community meeting to discuss the idea. Call your state, regional or citywide Main Street coordinating program for advice and possible attendance at the meeting. Show the Main Street Approach PowerPoint presentation (often available on loan from coordinating programs or for purchase from the National Trust Main Street Center). Also use photographs to illustrate what needs to be done. Ask for feedback from participants and invite them to join the effort. Take their contact information and follow up later.
- **Find out how to obtain designation:** Contact your Main Street coordinating program to find out about the application process to obtain designation as a Main Street organization in your state. Learn the requirements and process.
- **Network with successful programs:** Invite an executive director or board president from another Main Street community to talk with your working group or community about their accomplishments and answer questions about how the program works. Their enthusiasm, stories, and pictures will make a strong argument for a preservation-based revitalization program. Facilitate discussions among your

stakeholders and those already involved with other Main Street programs. This type of dialog is invaluable, especially for members of the working group. Get mayors, business owners, and economic development staff talking.

- **Spread the word:** Ask the local newspaper(s) to run a story about the commercial district revitalization initiative. Position a member of the working group as a guest on the local radio station to explain how the community can start a program.

### **If you decide to launch a commercial revitalization program, here are the next steps:**

- **Apply for designation, if applicable:** Complete and file an application to become a designated Main Street program in your state or city through your [Main Street coordinating program](#). Attend an application workshop, if available.
- **Get informed:** Get a copy of the [Main Street Board Members Handbook](#) to learn about starting a Main Street program. The handbook discusses options for an [organizational model](#), along with other details, such as the [financial costs](#) of running a Main Street program. Another helpful book is the Center's basic manual, [Revitalizing Main Street](#), which offers a detailed explanation of how the Main Street approach works.
- **Incorporate the organization:** Determine which [organizational model](#) will work best. If you plan to incorporate as a nonprofit organization, get an application from the IRS website ([www.irs.gov](http://www.irs.gov)) to obtain tax-exempt status. If you decide on another organizational model, contact the appropriate city agency or organization to begin discussions. Work with an attorney, if possible, to write by-laws and articles of incorporation and file them with the appropriate state agency. [Sample by-laws](#) can be found in this website's [Resources](#) section. Contact your city about regulations, business licenses, and/or any fees. Select an address or set up a post office box for mail deliveries, and choose a contact person for phone communications.
- **Recruit board members and develop committees:** Learn more about structuring a Main Street program's board and committees in the [Main Street Board Members Handbook](#). Recruit board members from your working group or elsewhere to lead the organization, and draw upon enthusiastic individuals from your community meetings to serve on committees. Establish board and committee roles, including board president, officers, and committee chairs.
- **Visit another community:** With your board and committee members or working group, take a field trip to other downtowns or commercial districts to meet with peers, hear about lessons learned, and see how your commercial district compares.
- **Tap into the Network:** Sign up for the National Trust Main Street Center's [Network Membership](#), which will bring you a our monthly journal, [Main Street News](#), full of news and ideas; access to member-only information; and the [Main Street List Serve](#), a forum for discussion among revitalization peers.
- **Draft a budget:** Draw up a budget that corresponds with your plans. Decide if you can afford to hire a program director, or more importantly, if you can afford not to. Read about staff, budget structures, and potential funding sources in the [Main Street Board Members Handbook](#) and the new [Revitalizing Main Street](#), coming in December 2008. Look at sample budgets from other Main Street communities with

the same size population in our online [Resources](#) section. Talk with other community entities about financial support.

- **Develop job descriptions for board members, officers, committee chairs, committee members, and staff.** Descriptions can be found in the [Main Street Board Members Handbook](#) and Committee Member Handbooks ([Design](#), [Promotion](#), [Economic Restructuring](#), and [Organization](#)). Other Main Street organizations can also provide samples.
- **Train and inform participants:** Educate your board and committee members. Use slide shows or PowerPoint presentations. Distribute copies of the Center's Committee Member Handbooks. Tour the neighborhood with all board and committee members to inspect the district and get to know it well.
- **Develop a fund-raising plan:** Draw up a plan outlining financial support for the program. Remember those stakeholders you contacted early on in the process? Now you will need to work with them as potential supporters. Funds should come from a diverse range of sources, not just one entity, to ensure financial security. Sources include local government, large and small businesses, membership programs, fund raising, community groups, earned income, corporate sponsors, and foundation donations.
- **Develop a work plan** that includes a vision for the district, a mission statement, and a set of goals, both long and short term. Don't overwhelm your first year's work plan with too many projects; prioritize your activities by choosing projects that are easy to accomplish as well as those that can have visible impact while you are building capacity. More information on how and why to do work planning can be found in the [Main Street Board Members Handbook](#) as well as [Revitalizing Main Street](#).
- **Schedule regular meetings with board members and committees**, as well as with stakeholders and partners.
- **Recruit volunteers** for key projects, events, and activities; create a volunteer file and develop a volunteer recognition system.
- **Promote the program:** Use a variety of public relations tools, including brochures, newsletters, article placement, and website to get the word out. Develop a media list for press releases.
- **Take inventory of what you have:** Identify economic development and historic preservation resources in your community. Inventory the district's buildings, businesses, parking, etc., including photos.
- **Collect information:** Begin to build your own clearinghouse of resource materials by collecting website addresses, articles, books, presentations, sample documents, and samples of marketing materials. What you don't use now you eventually will. Join and use the Main Street List Serve, (a benefit of the National Trust Main Street Center's [Network Membership](#)), to connect with other Main Street program directors, board members, and volunteers and learn about their challenges and solutions. Use this website's [Resources](#) section to research sample documents and past articles from Main Street News to build your files. Identify existing events and collect information on past promotional activities. Collect and review any studies, market analyses, or master plans that have been done.

appearance of the commercial district by rehabilitating historic buildings, encouraging appropriate new construction, developing sensitive design management systems, and long-term planning.

## Economic Restructuring

strengthens a community's existing economic assets while expanding and diversifying its economic base. The Main Street program helps sharpen the competitiveness of existing business owners and recruits compatible new businesses and new economic uses to build a commercial district that responds to today's consumers' needs. Converting unused or underused commercial space into economically productive property also helps boost the profitability of the district.

Coincidentally, the four points of the Main Street approach correspond with the four forces of real estate value, which are social, political, physical, and economic.

Get started in your community today

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## **2.2 Population and Economic Development**

*Each comprehensive plan shall include a plan, scheme, or design for...*

*A land use element ...(to) include population densities, building intensities, and estimates of future population growth.*

-- RCW 36.70A.070 (1) GMA Mandatory Elements

*An economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life. The element shall include: (a) A summary of the local economy such as population, employment, payroll, sectors, businesses, sales, and other information as appropriate; (b) a summary of the strengths and weaknesses of the local economy defined as the commercial and industrial sectors and supporting factors such as land use, transportation, utilities, education, workforce, housing, and natural/cultural resources; and (c) an identification of policies, programs, and projects to foster economic growth and development and to address future needs*

-- RCW 36.70A.070 (7) GMA Mandatory Elements

In revising the 2004 Comprehensive Plan to comply with the Compliance Orders, population and employment estimates were updated for the 2008-2025 planning period. This is important input to capital facilities planning and the Future Land Use Map. Population allocation is based on State OFM<sup>2</sup> estimates that were, in turn, assigned to the cities by Snohomish County. The Growth Management Act requires that cities develop plans consistent with these estimates.

### **Population**

#### **Past Population Growth**

Sultan was incorporated as a municipal jurisdiction in 1905 with a resident population of 576 persons. The resident population increased on a gradual basis averaging 1.5 to 1.8% per year from 1910 to 1940. The population declined by 1.6% between 1940-1950 and increased 0.1% from 1950-1960. The resident population increased at a rate considerably higher than the surrounding county between 1960 and 2000 as corporate boundaries expanded. The population grew an average of 3.1 to 4.1% per year from 1960-2000. In 2000, 3,695 persons resided within the Sultan Urban Growth Area (UGA) of which 3,344 persons resided within the city limits.<sup>3</sup>

#### **Future Population Growth**

The Puget Sound Regional Council expects the Skykomish Valley, east of Monroe will eventually support 17,026 persons by the year 2010, 20,549 persons

<sup>2</sup> Office of Financial Management

<sup>3</sup> Office of Financial Management, Forecasting Division, June 2007 and "Snohomish County Buildable Lands Report, 2007.

by the year 2020, and 23,977 persons by the year 2030. The projected Sultan population of 11,119<sup>4</sup> in 2025 would represent about half of these residents.

By the year 2012, the County's Buildable Lands Report (BLR) expects approximately 7,300 persons will reside in the Sultan UGA of which 90% will reside in the city limits. The BLR further expects the current UGA will eventually support a population of 11,119 persons at build-out in 2025. It is assumed that the entire UGA will be incorporated into the City by that time. This is an official population estimate and is used by the City for its growth and capital facilities planning (see Table 1).

Figure 2 shows how population and employment estimates were distributed throughout the UGA for capital facilities planning. This distribution was based on the Future Land Use map designations and a buildable lands analysis. Through this process, the City confirmed that the UGA is appropriately sized to accommodate 2025 population and employment.

### **Economic Development**

As the City develops policies, zoning and infrastructure for its future population and housing needs, it must make adequate provision for future Economic Development as well. The 1990 Washington State Growth Management Act (GMA) established the following statewide economic development goal:

*Encourage economic development throughout the state that is consistent with adopted comprehensive plans; promote economic opportunity for all residents of the state, especially for unemployed and disadvantaged persons; and encourage growth in areas experiencing insufficient economic growth all within the capacities of the state's natural resources, and local public services and facilities.*

Among other things, the Economic Development goals and policies of the Comprehensive Plan establish an economic vision for the community and express support for the core goal of the local and State planning principles. In Sultan those goals are to:

- Increase employment to reduce commutes.
- Provide a sound tax base.
- Encourage small business.
- Revitalize existing properties.
- Capture existing sales tax.
- Reduce commute to retail centers.
- Market retail & industrial land opportunities.

Sultan's goal is to promote job growth somewhat in proportion to the demographic of local workers to reduce the home-to-work commute.

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<sup>4</sup> The current population estimate is an updated figure from the 11,591 figure found in the City's 2004 Plan. New 2025 population targets were adopted in Appendix B of the Countywide Planning Policies by County Council on Feb. 11, 2004.



BASE & UTILITY INFORMATION PROVIDED BY THE CITY OF SULTAN, WA



BIC CONSULTING, LLC  
720 Third Avenue, Suite 1200  
Seattle, WA 98104  
Phone: (206) 461-1000  
Fax: (206) 461-1000

The City of Sultan, WA, is a member of the Snohomish County Economic Development Corporation. The Corporation is a public-private partnership between the City of Sultan, WA, and the Snohomish County Economic Development Corporation. The Corporation is a 501(c)(3) non-profit organization. The Corporation's mission is to promote economic development in the Sultan area. The Corporation is a 501(c)(3) non-profit organization. The Corporation's mission is to promote economic development in the Sultan area.

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10000 1st Avenue, Suite 100  
Everett, WA 98201  
Phone: (425) 254-4400  
Fax: (425) 254-4400

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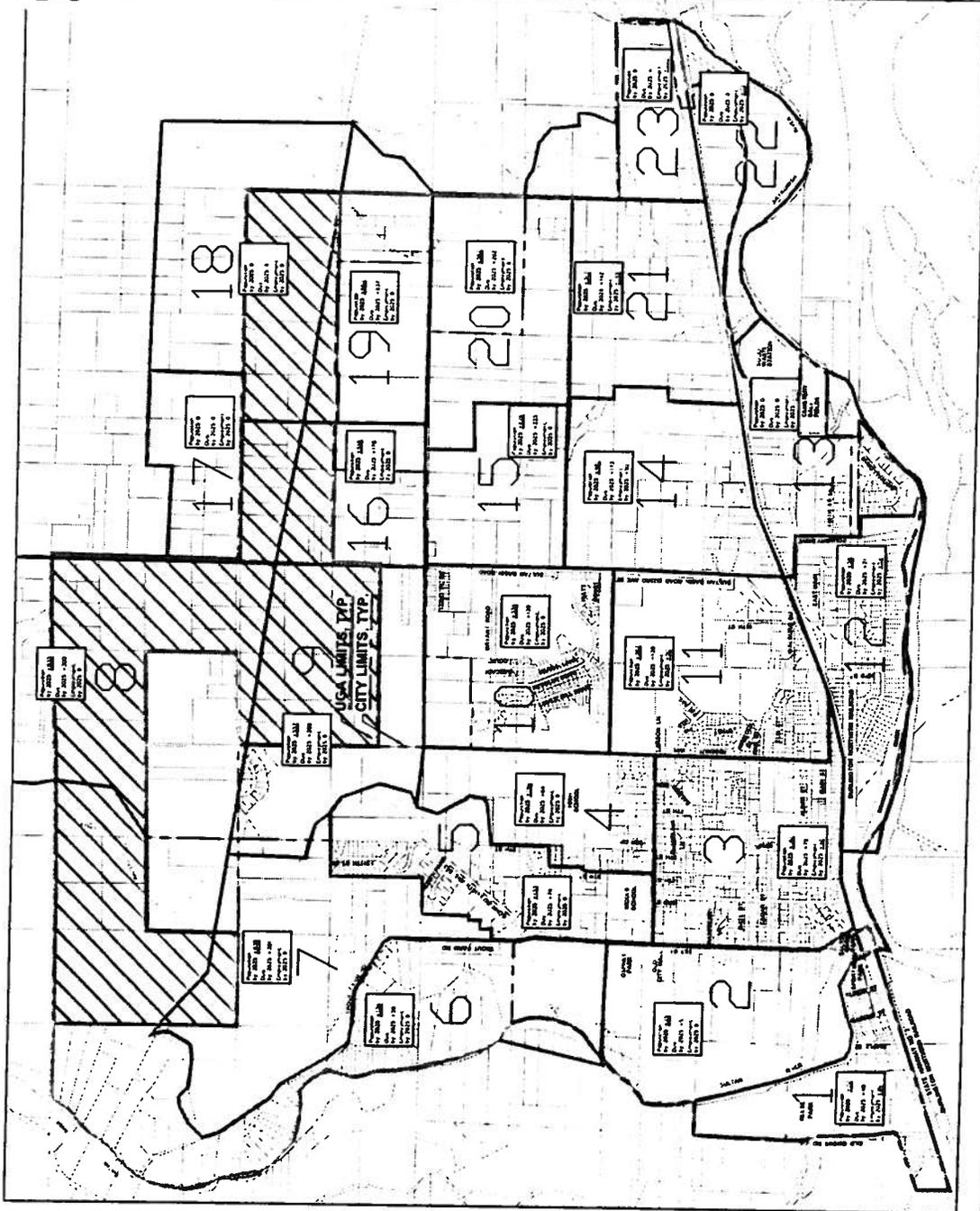


ISSUE DATE: 09-2006

LEGEND  
UGA LIMITS, TYP.  
CITY LIMITS, TYP.  
RUTA

TRAFFIC ANALYSIS ZONE (TAZ)  
18

POPULATION HOUSING & EMPLOYMENT ESTIMATES  
By 2025 +30%  
By 2035 +30%  
By 2050 +50%



PROJCTED INCREASE  
2006 TO 2025  
POPULATION, HOUSING & EMPLOYMENT  
CITY OF SULTAN  
SNOHOMISH COUNTY, WA

FIGURE 2

## City of Sultan Comprehensive Plan

### Sultan's Economic History

Historically, forest and mineral resources, manufacturing and associated industries have provided the "primary jobs" for the community. However, long-term strength of a local economy is built upon diversification of a community's business base and a planning process that allows for timely and efficient response to changing market conditions and demands. Diversification of the employment base is very important to the stability and quality of life in the Sultan community.

Consequently, the Sultan community has pursued a policy of developing an industrial base for basic manufacturing and business, while building a service industry for local residents and travelers along U.S. 2. The City adopted its Industrial Park Master Plan for the area between Sultan Basin Road and Rice Road (see Appendix M.) Mixed-use commercial areas (allowing various levels of commercial and residential activity) have been designated along U.S. 2 and in the historic downtown area.

**Table 2: 2007  
Employment City of  
Sultan**

| Occupation   | No.          |
|--|--------------|
| Education  | 243          |
| Manufacturing                                      | 232          |
| Services   | 228          |
| Retail   | 77           |
| Construction/Resource                              | 68           |
| Government   | 49           |
| WTU (Wholesale Trade,<br>Transportation & Utility) | 42           |
| FIRE (Finance,<br>Insurance, Real Estate)          | 16           |
| Other  | 15           |
| <b>Total</b>                                       | <b>1,010</b> |

Source: Puget Sound Regional Council, 2007

### Existing Employment

According to the US Census, in the year 2000 Sultan's population of people over the age of 16 years was 2,349; of which, 1,736 or 74% were employed. About 94% of these worked in jobs outside of Sultan.

In 2006, there were approximately 1,010 jobs located in Sultan.<sup>5</sup> In 2025, the County's Buildable Lands Report and the City's Comprehensive Plan estimate an increase to 2,000 jobs in Sultan. Figure 3 depicts the location of commercial and industrial land uses both now and in the future. Most of the 1,000 additional jobs the community will be located in these areas.

<sup>5</sup> Buildable Lands Report, 2007

Table 2 presents a breakdown of employment by category in 2006. The numbers do not match the 1010 job number above because they are taken from State Employment Security records which exclude self-employed workers, proprietors, CEOs, and other non-insured workers. Table 3 compares the employment of Sultan residents

**Table 3: Job Location in Sultan**

| Industry             | Jobs Located in Sultan | Sultan's Labor Force |
|----------------------|------------------------|----------------------|
| Manufacturing        | 12%                    | 20%                  |
| WTU                  | 7%                     | 5%                   |
| Retail               | 22%                    | 11%                  |
| FIRE*                | 24%                    | 6%                   |
| Government/Education | 34%                    | 26%                  |
| Other                |                        | 32%                  |

\* FIRE = Finance, Insurance and Real Estate  
Source: US Census 2000

("Sultan's Labor Force") with the jobs located in the community. Sultan's goal is to promote job growth somewhat in proportion to the demographic of local workers to reduce the home-to-work commute.

### **Strengths and Challenges in Sultan's Economy**

The population and employment statistics discussed above suggest certain strengths and weaknesses in Sultan's economic base. On the positive side, Sultan has a large labor force consisting of approximately 75 percent of its adult population over the age of 16 years. Its employment base and resident labor force are engaged in a wide range of different jobs and occupations. Approximately 50 percent of the resident labor force has post high-school educations with nearly 20 percent possessing college degrees.

**LEGEND**  
**UGA LIMITS, TYP.** [diagonal hatching]  
**CITY LIMITS, TYP.** [dashed line]  
**RUTA** [diagonal hatching]

**CITY OF SULTAN  
 COMMERCIAL ZONING AND  
 FUTURE LAND USE**  
**ECONOMIC  
 DEVELOPMENT (ED)** [diagonal hatching]  
**HIGHWAY ORIENTED  
 DEVELOPMENT (HOD)** [stippled pattern]  
**URBAN  
 COMMERCIAL (UC)** [solid black]

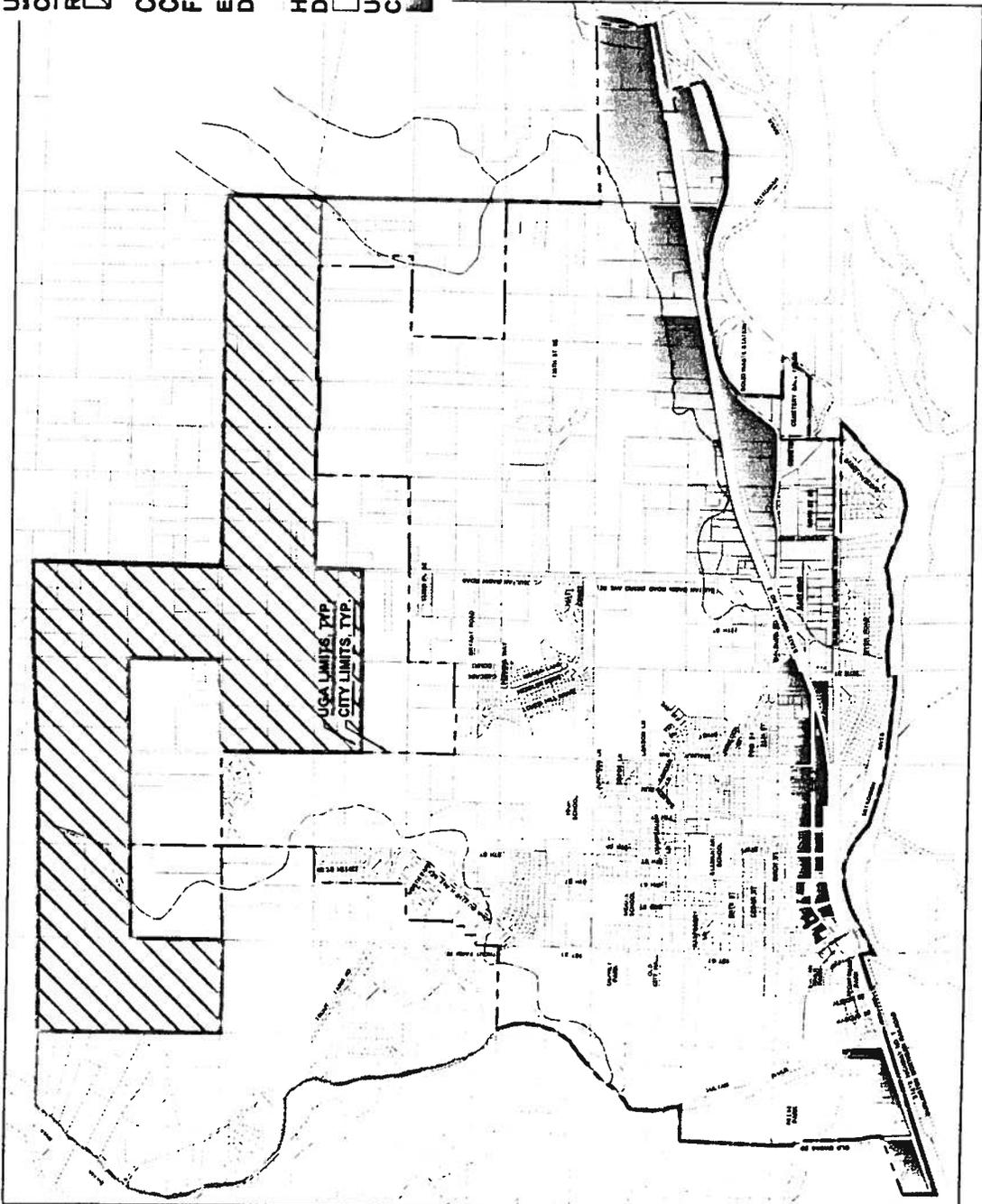
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**B/C**  
 B/C CONSULTANTS, LLC  
 10000 1st Avenue, Suite 100  
 Everett, WA 98203  
 Office: 425-766-3333  
 Fax: 425-766-3333

**DR**  
 DRAWING INFORMATION HAS  
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 2718 1st Avenue  
 Everett, WA 98203  
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**FUTURE COMMERCIAL LAND USE**  
**CITY OF SULTAN**  
 SNOHOMISH COUNTY, WA  
**FIGURE 3**

Posing challenges to Sultan are its location relative to jobs for residents. A large portion of Sultan's income is spent on commuting costs. The average commuter living in Sultan travels approximately 60 miles per day. The cost of commuting in 2005 represented approximately \$7.8 million dollars a year. Fuel inflation since then has increased by over 20% totaling an estimated \$9.6 million or about 12 percent of Sultan total income base.

Approximately 55% of Sultan's households spend 35 percent or more of their household income on mortgage or rental payments, which is an indication of excessive housing costs.<sup>6</sup> Reducing housing and commuting costs would increase the local economy's income base.

Sultan must work to improve the existing imbalance in its jobs-to-housing ratio. Ideally, this ratio is one job for each household. Sultan had approximately 1,010 jobs in 2006 and 1,713 households which equates to a 0.58 jobs/housing ratio. Sultan would need approximately 3,650 jobs to maintain a balanced jobs-to-housing ratio by the year 2025. The success of its economic development plan could be measured by increasing the jobs/housing ratio.

### **Goals and Policies**

The following goals and policies are based on the analysis of existing conditions and the results of workshop planning sessions:

#### **Goal: Develop a sound fiscal base**

Help market local socioeconomic resources to increase employment opportunities, develop office and industrial park properties, and provide Sultan a sound tax base.

#### **1 Job creation**

Help create employment opportunities within the Sultan economy, particularly for residents who now commute to other distant employment areas within Snohomish and King Counties. Participate with other public agencies and private interests in marketing development projects, labor force training programs, and other efforts to attract new businesses to the Sultan area.

#### **2 Site identification**

Work with other public agencies and private interests to identify and promote sites that can be suitably developed for a variety of local employment projects including business and industrial parks, office and professional centers, specialized commercial and entertainment centers – as proposed within the recently adopted Sultan Industrial Park Master Plan (Appendix M).

#### **3 Site efficiencies**

Work with property owners to determine the effective development capacity of sites having employment center possibilities. Determine the costs involved with providing sewer, fire and police protection, access roads, recreational areas, and other Sultan services and amenities versus the public benefits that may be realized by the creation of local jobs and tax potentials.

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<sup>6</sup> U.S. Census Bureau, 2000

**4 Capture revenues**

Withhold Sultan services, sewer in particular, unless potential property developers agree to annexation and the payment of local property or other revenue taxes, and associated road, school, and park impact fee assessments.

**Goal: Increase local economic opportunities**

Support local business development efforts, property investment projects and programs, and protect Sultan economic opportunities.

**1 Small business development**

Encourage local business development opportunities, particularly for small start-up business concerns that may be owned or employ Sultan residents. Promote the local use of special small business financing and management assistance programs. Help identify facilities that may be used for small business start-ups including older structures that may be suitably reused for business purposes – particularly within the downtown area.

**2 Property revitalization**

Assist with special planning and development efforts to reuse older buildings, redevelop vacant properties, and revitalize the existing downtown business district within Sultan. Help structure local marketing efforts, physical improvements programs, parking and building improvements, special management organizations, and other actions that will revitalize opportunities.

**3 Financial programs**

Help local private groups to structure special improvement districts including parking and business improvement authorities, local improvement districts, or other programs necessary to the effective revitalization of the existing downtown business district of Sultan. Participate in special public/private ventures when such ventures provide public benefits and are appropriate to Sultan's long range goals.

**4 Future development opportunities**

Monitor proposed urban zoning designations and developments elsewhere within the Skykomish River Valley. Determine market requirements and potentials for commercial, office, and industrial uses to protect Sultan's interests in the allocation of future development opportunities. Protect existing commercial and business developments within the Sultan area from over-zoning.

**5 Base employment land allocations**

Reserve certain capable lands and sites for employment related developments as proposed within the Sultan Industrial Park Master Plan. Provide a suitable supply of commercial, retail, business, office, and industrial lands that will provide for all Sultan area sustenance requirements and reduce commuting requirements to outside areas for base related employment opportunities.

**6 Sustenance requirements**

Create local employment, shopping, and other urban service activities that will reduce Sultan's dependence upon and local resident travel requirements outside of the area.

**7 Economic promotion(s)**

Establish a local marketing strategy for Sultan's downtown and industrial business districts. Develop a detailed strategy for marketing and promoting the development of Sultan's commercial and industrial land opportunities.

**General**

- 1 Do not expand city limits or allow major additional residential development within the urban growth area boundaries** until or unless the economic/fiscal strategies produce public tax revenues sufficient to support additional urban populations and services.
- 2 Limit potential population growth that could occur from development or annexation within city boundaries** until or unless an employment and tax base has been created.
- 3 Complete development of the available lands that are within present city limits.**
- 4 Develop to the maximum extent practical** the industrial park master plan proposals for commercial, industrial, office, and other economic opportunities within the available and environmentally capable lands along the U.S. 2 corridor between Sultan Basin and Sultan Startup Road.
- 5 Resolve urban growth boundaries** to include housekeeping proposals and a 20-year growth allocation.
- 6 Designate downtown Sultan** - for mixed-use office, commercial, and residential uses to maximize local services and the historical pedestrian-oriented village center.
- 7 Designate the north side of U.S. 2 between Sultan Basin Road and 339th Ave** - for office and business use because these lands provide the most amenities but the least accessible traffic patterns.
- 8 Designate the south side of U.S. 2 and Cascade View Drive between 10th Street and Sultan Cemetery** - for lower density industrial uses to reflect current land use patterns.
- 9 Designate the land between U.S. 2 and Cascade View Drive, and Sultan Basin Road and 330th Ave** - for commercial and retail uses because this site has the most visibility and flexible access.
- 10 Designate the north side of U.S. 2 between 339th and 140th Street** - for commercial and retail uses because this site has the most flexible access to the plateau and U.S. 2 and the greatest retail development capacity.
- 11 Designate the south side of U.S. 2 and Sultan Startup Road** - for commercial and business uses because this site has the most visibility and flexible access.
- 12 Designate land on upper Sultan Basin Road** - for a small mom-and-pop or neighborhood commercial use to service residential areas on the plateau.
- 13 Designate land on U.S. 2 at 299th Ave** - for commercial services as this site has visibility and could have back-door access.



## SULTAN CITY COUNCIL RETREAT COVER SHEET

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**ITEM NO:** D-5  
**DATE:** February 20, 2010  
**SUBJECT:** Branding Your Community  
**CONTACT PERSON:** Robert Martin, Community Development Director

*Revised*

**ISSUE:** Discussion of a community-based effort to promote and enhance the image, livability, and economic vitality of the Sultan community.

### **STAFF RECOMMENDATION:**

Staff recommends that the Council discuss the concepts of branding as presented in Attachment A. The purpose of the presentation is to discuss the concept of branding as a component of economic revitalization and begin to develop a council direction regarding roles of the Council, the staff, the business community, and the community at large.

The direction received will be used in development of the first draft of the Economic Development Goals and Policies for the Comprehensive Plan, and in the Three-year Plan discussed in Agenda Item D-2 of this Agenda Packet.

### **SUMMARY:**

Branding is an effort to tell the world who you are and what you have to offer.

Branding addresses the following items:

1. What is the world's image of the community at present
2. What is the image that your community wants to project if it is different from the current image
3. What needs to be done to achieve that image (will visitors see and experience what you promise through your branding effort)
4. How do you go about achieving that desired image
5. Once achieved, how do you promote your desired image to the world

### **QUESTION:**

Is the Community of Sultan ready to promote its brand to the world? What investment is the City of Sultan prepared to make in support of that effort?

### **DISCUSSION:**

Branding is part of the promotion of a business, a group, or a community. Promotion is a necessary effort for increased economic/business vitality. Branding in itself cannot bring about desired results if the reality of the promise is not experienced when the brand is purchased. If a brand fails to deliver on its promise, the branding effort can

actually do more harm than good. Toyota is a current example of failure to meet the self-created standards of their brand. Their cars are certainly still of a very high quality, but the failure to meet the high standard the company has set for itself results in more criticism when it is not met.

Wal-Mart does not promise high quality, it promises low prices. If it keeps its promise of low prices, it is not challenged if it does not deliver high quality.

If a community promises a particular retail experience to visitors and does not deliver on that promise, it will suffer at the hands of public opinion and future vitality will decline. If a community does not make promises regarding its retail experience, but promises a quality location to raise a family or to build a home economically, and delivers on that promise, it will succeed on those fronts and not be criticized for failing to deliver a high quality retail experience.

### Where Are We Now?

Most people who interact with Sultan do so by driving through it on Hwy 2. Sultan currently has a brand (an image) that calls to mind the mental picture represented by the appearance and perceived vitality of its "front porch", meaning its frontage on Hwy 2. This is also known by the concept of "curb appeal". Any realtor will tell you that your curb appeal will determine whether someone will come into your house to look around or just drive on to another more promising location.

Past focus on economic development efforts have been invested in Main St. (the actual street named Main St.) while the "operational Main Street" that faces the world (the Hwy. 2 frontage) has deteriorated and looks almost abandoned at this point. The reasonable assumption of those driving by is that the community is showing them the best it has to offer, and everything behind is in worse condition. That is the "brand" that Sultan has at this time, at least as regards the retail experience. Since these potential visitors are driving by without stopping, it is reasonable to conclude that this image extends to the entire community, not just the retail sector.

### What Is Involved In Branding?

Attachment A is a four page excerpt from the web site of North Star Consulting, a national specialist in community branding. There is no promotion of North Star intended by including these excerpts here. The intent is to provide a basis for understanding what branding is and how it is carried out. Like everything else that is worth doing, these explanations make clear that branding is a big and important job. If it is undertaken without proper preparation and understanding, the effort can be worse than doing nothing.

Like the entire program of economic revitalization/business development, the effort must arise from the community and be based in "*fundamental truth*" about the community (pg. 1 of Attachment A, paragraph 2).

### What To Do Next?

The City Council and the Sky Valley Chamber of Commerce Board recently conducted the first joint meeting on the general topic of economic vitality. Several good ideas were mentioned at that meeting, chief among them the community-based recognition that something must be done about the Hwy 2 frontage.

If the community is ready to move forward, the Council will be aware of that reality through contact with constituents and groups. Council can contribute to the success of that meeting by continuing to interact with the Chamber, additional groups, and the community as this "grass roots" effort takes hold. Encouragement from the elected officials is often as important, or more important, than any other involvement.

### **STAFF RECOMMENDATION:**

Staff recommends that this is not the time for Council to undertake a branding effort. Without a community-based revitalization, the community could only lay overt claim to the brand that it already has by default. Branding will be appropriate when the community has an image that it is ready to claim and promote as a component of a comprehensive community economic revitalization/business development program.

### **ALTERNATIVES:**

1. The City can take the lead in development of a promotion/branding campaign, and seek involvement of the Chamber of Commerce and the business community.
2. The City can be receptive to initiatives brought forth by the Chamber or another Sultan-specific group ready to move forward with a community-based effort.
3. The City can allow the private sector to do whatever it is willing to do on its own initiative without participation of the Council or staff.
4. The Council can provide some mix of these alternatives or provide another direction for staff to include in upcoming plan drafts.

### **ATTACHMENTS:**

Attachment A: North Star Consulting web site excerpts on "Branding"



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- Our Work
- Who We Are
- Request Info
- Speaking Info
- Contact Us

- Overview
- What is a community brand?
- Do you need a brand?
- You Want To:
- Develop a new brand
- Use an existing logo
- Conduct more research
- Create a custom product

### Branding Moves Communities from Good to Great

One of the most neglected responsibilities of community governments and leaders is the job of building a reputation that is fair, honest and powerful. Whether leading a small town or a world power, leaders owe it to their individual and institutional constituents to dig out the "competitive identity" of their region. This identity comes from the history, the culture, the geography and the society of the place – as such, it should be an accurate reflection of the genius and the will of the people.

**A brand is not created; it is discovered within the spirit of a place.** North Star's Community BrandPrint process does just that. Using qualitative and quantitative research tools, we achieve a focused snapshot of a community's values, assets and priorities, which can then be articulated as its "brand." Brands uncovered in this manner are endorsed and absorbed by their communities due to their fundamental truth. Because of this, they are exceedingly useful to community leaders in furthering the economic, political and social goals of the community.

In other words, an honest, relevant, clearly and cleverly articulated brand can move your community from good to great.

Take a minute to educate yourself on place branding. Then check out North Star's full array of branding services. And when you're ready, let North Star take your city, your municipality or your community to the next level.

North Star goes global! Welcome to Moose Jaw, Saskatchewan . . . our first Canadian brand partner.

ATTACHMENT A



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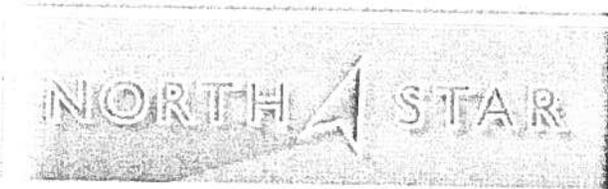
### What is Community Branding?

We like to define your brand as what people say about you when you're not around. This is true whether you're talking about the brand of a city, a region, a community or a municipality. That impression is a combination of emotional and intellectual reactions to all the different experiences, marketing communications and behaviors people have encountered on behalf of your "place." Branding is the process a city, region, community or municipality embarks upon to change, refine or improve what people are saying about them.

Technically speaking, your brand is the mixture of attributes – tangible and intangible – that create value and influence. From a marketing or consumer perspective, "value" is "the promise and delivery of an experience." (And if your brand promises an experience, your community better deliver!) Your community's brand helps consumers (residents, businesses and tourists) distinguish you from other cities in the marketplace.

**North Star welcomes its newest community branding clients including Lynnwood, Washington; San Carlos, California and Pennsylvania Route 6!**

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- Overview
- What is a community brand?
- Do you need a brand?
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  - Develop a new brand
  - Use an existing logo
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  - Create a custom product

### Does Your Community Need a Brand?

There is no single indicator that your community needs to update its brand. Different places decide to embark on place branding for different reasons including:

- Part of a larger community development program
- Loss of income in a specific sector such as tourism or economic development
- A negative, non-existent, or conflicting image
- Increasing competition from surrounding communities.

North Star often uses the following exercise with prospective clients struggling with decisions about community branding. Collect the marketing and communication materials from all the players on your team including the CVB, economic development, the chamber of commerce, any arts alliances and local government. Also take a minute to determine what the private sector is conveying about your city brand when it speaks to the outside world.

Spread out these materials on a table. Do they have a similar look and feel? Are they integrated at some level? Are they relevant? Are they distinct? Do your private sector companies give an appropriate nod to your city's brand? Do you recognize your brand? Is there even a common theme? If the result is a mish mash of marketing messages and looks then your community could probably benefit from branding.

North Star also offers a brand measurement tool called the **Community Brand Barometer™**. This tool measures the strength of your place brand according to two different benchmarks:

- Resident satisfaction with the brand as a place to live, work and play
- Brand satisfaction/advocacy relative to other communities across the nation.

North Star wraps up successful BrandPrint projects in Victoria, Texas; Moose Jaw, Saskatchewan and Goldsboro/Wayne County, North Carolina.



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Overview

What is a community brand?

Do you need a brand?

You Want To:

Develop a new brand

Use an existing logo

Conduct more research

Create a custom product

### Conduct more research

Research! Research! Research! North Star's on fire for research. The more you know about your community, the better able you are to respond, plan, progress and thrive. Would you take your town totally green if your residents weren't ready to embrace it? Would you embark on a major branding initiative if all indicators showed your existing brand is a home run? Or would you approach site selectors the same way year after year if a simple survey showed negative perceptions of your recruiting?

Communities are always asking us for ways to measure this and methods for gauging that. In response North Star has hired a topnotch research guru ([click here to learn more about Shannon Gray](#)) and developed a comprehensive slate of research products. But we're also able to think outside the proverbial box . . . so if you have a custom problem, we'll develop a custom solution.

[Click here for community questions and the research tools that answer them.](#)

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