

# CITY OF SULTAN



# 2011 BUDGET

# **CITY OF SULTAN**



**2011  
BUDGET**

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# **CITY OF SULTAN**

## **ELECTED OFFICIALS**

**2011**

**Mayor Carolyn Eslick**

### **Councilmembers**

<b>Sam Pinson</b>	<b>Position 1</b>
<b>Steve Slawson</b>	<b>Position 2</b>
<b>Marianne Naslund</b>	<b>Position 3</b>
<b>Sarah Davenport-Smith</b>	<b>Position 4</b>
<b>Joe Neigel</b>	<b>Position 5</b>
<b>Kristina Blair</b>	<b>Position 6</b>
<b>Jeffrey Beeler</b>	<b>Position 7</b>

### **Department Heads**

**Deborah Knight**  
**Robert Martin**  
**Laura Koenig**  
**Mick Matheson**  
**Sheriff Jeff Brand**

**City Administrator**  
**Community Development Director**  
**City Clerk/Deputy Finance Director**  
**Public Works Director**  
**Police Chief – Snohomish County**



## Vision and Budget Themes

In the city's September newsletter I shared with you a set of values that I believe we all support – knowing your neighbor, giving from our gardens, hosting neighborhood potlucks and block parties, and working together to make Sultan a great place to live and raise a family.

In that message I suggested that “keeping it local” could make a difference. Despite the downturn in the economy, the entrepreneurial spirit is alive and well in Sultan. In the last twelve months several new businesses have opened their doors on Main Street including Text UR Tacos, Dangles, and Scarecrow Magic. Recently, Sahara Pizza and Arco AM/PM welcomed visitors and residents to their new locations on US 2. I encourage you to visit these businesses and keep your tax dollars local. I believe it is these individual investments in Sultan and throughout the United States that will lead us to economic recovery.

Toward this goal, the 2011 budget is constructed within a framework that balances internal needs with community expectations and economic conditions. The local context is one characterized by a generally weakened economy. Development activity slowed in 2008 from the boom levels of prior years. The City of Sultan has adjusted expenditures downward each year while maintaining services. This has been accomplished by outsourcing services such as police and building inspection to Snohomish County while retaining planning, finance, and maintenance services in-house.

The 2011 budget invests your property and sales taxes in projects and programs that will prepare Sultan to move ahead when the economy recovers. The city council met in June to set budget priorities. The council adopted a set of budget themes to guide the city's investment of your tax dollars for the next three years. These investments include:

- Focusing police efforts on further reducing incidents of crime
- Maintaining the city's existing public buildings, parks and streets
- Planning for economic development at Old Owen Road and Rice Road
- Completing capital improvements to meet future infrastructure needs
- Paying off existing loans and reducing the city's outstanding debt
- Setting aside money in the rainy day (contingency) fund.

## Budget by the Numbers

We will achieve these shared goals by carefully managing your money. We are watching every penny we spend to ensure we are getting the best value for your tax dollar. To meet this objective, the city's budget is divided into several funds. The city will collect approximately \$9.3 million in revenues and spend approximately \$8.9

## Mayor Carolyn Eslick - 2011 Budget Message

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The 2011 budget anticipates \$1,875,528 in revenues and \$1,807,204 in expenditures. This leaves the budget with a \$68,324 ending fund balance. The ending fund balance is necessary to cover any short-fall in real estate excise taxes needed to pay the debt service on the community center. Making annual debt service payments may continue to be a challenge until the economy fully recovers. You can read more about the city's debt payments below.

### Reserve Funds – Saving for a Rainy Day

For the fourth straight year, the city is budgeting to rebuild the contingency fund depleted in 2006. At the end of 2011, the contingency fund should have a \$55,000 balance. This is possible because the city council and staff have kept a close watch on city expenditures. We have learned to live within our limited means.

Important activities and maintenance of the city's streets, parks, and wastewater treatment plant are deferred for another year. At some point, deferred maintenance of publicly owned facilities will need to be addressed.

The good news is that the city is setting aside money for the second year in a row to cover the cost of building maintenance on existing public structures. The city is also saving money to replace computer equipment and pay annual software maintenance fees.

The city's goal is to save a little each year for repair and replacement of existing assets rather than suddenly needing larger sums of money when a piece of equipment is on its last leg. For example, the city has already set aside \$120,000 to replace the garbage truck in 2015. A portion of monthly garbage rates goes towards saving the remaining \$240,000 over the next four years to purchase the new garbage truck and totes.

### Debt Service – Managing a Heavy Load

The city's total debt burden for 2011 is \$893,736. The city borrowed money in the past to construct the community center in 1999, to make utility improvements at the wastewater treatment plant and water treatment plant, and upgrade police equipment.

Total debt is only 2.3% of the city's total assessed value. This is well within the city's maximum levy capacity allowed by state law. However, the economic slowdown will make it difficult for the city to make loan payments in 2011 and 2012.

The debt service burden will decline from \$893,736 to \$683,272 after 2012 when the last payment on the \$1,000,000 Public Works Trust Fund Loan will be made. By 2017, the city's total debt service will be reduced to \$432,000 when the last payment on the waste water treatment plant upgrade from 1996 will be paid.

## Mayor Carolyn Eslick - 2011 Budget Message

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<b>Based on Current Ordinances for each Utility</b>	<b>Water</b>	<b>Sewer</b>	<b>Garbage</b>	<b>Recycle</b>	<b>Storm water</b>	<b>Total Monthly Base</b>	<b>Total All Utilities Monthly Increase</b>
2010 Adopted Monthly base rate	28.09	64.83	20.08	9.25	6.75	129.00	
2011 Adopted Monthly base rate	31.25	64.83	20.46	9.35	8.00	133.89	4.89
<b>2011 Monthly Increase</b>	<b>3.16</b>	<b>0</b>	<b>0.38</b>	<b>0.10</b>	<b>1.25</b>		<b>4.89</b>
<b>Proposed Rate Alternatives</b>							
Alternative 2	31.25	71.47	20.46	9.35	6.75	139.28	10.28
<b>2011 Proposed Monthly Increase</b>	<b>3.16</b>	<b>6.64</b>	<b>0.38</b>	<b>0.10</b>	<b>0.00</b>		<b>10.28</b>

### Capital Improvements

The city collects transportation impact fees, park impact fees and utility rates to fund capital investments to city streets, parks, water system, sewer system and storm water system. Property taxes and sales tax revenues are not used to support capital improvements.

Sultan does an outstanding job of leveraging city funds with state and federal grants to complete major capital projects. Since 2006, the city has received more than \$3,000,000 in grants to support capital improvements. That is more than \$1,875 per household.

The city anticipates spending approximately \$2.2 million on capital improvements – major repairs and new construction in 2011. The focus for 2011 is to complete capital projects started in 2010.

Half the funding (\$1,000,000) is to start construction on the third and final phase of the Sultan Basin Road improvements. This is a state and federal grant funded project to extend Sultan Basin Road from US 2 south to the Burlington Northern railroad tracks at Skywall Drive. The project will serve the industrial area and support efforts to attract commercial businesses. The project will also remove a safety hazard and provide controlled access to US 2 for delivery vehicles.

In 2010 the city received a \$335,000 legislative proviso (grant) from the state to remove bottlenecks at the city's waste water treatment plant. Removing the bottlenecks is part of the long-term strategy to increase plant capacity. The money is earmarked to add Ultra Violet lights and a third intermediate screw pump.

Other improvements include 2<sup>nd</sup> Street Reconstruction between Birch and Date and First Street Sidewalks between High Street and Willow.

## **2011 BUDGET THEMES AND GOALS**

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
- Implementing streamline permitting – installing Springbrook building permit module and improving permit applications (packets)
- Updating the development code

With the completion of previous council goals, it is time to set new goals to move the community forward. The purpose of adopting new budget themes is to set the stage for the city council's 2011 budget and 3-year work plan for 2011-2014.

The city council should keep in mind the priorities identified by the community in the citizen surveys and consultant interviews completed in 2009 and 2010 such as public safety, parks maintenance, and economic development.

With the adoption of the budget themes the city council can align revenues, expenditures and staff resources to move the city towards a specific vision.

Once the council decides on the budget themes and prioritized implementation tasks, city staff will prepare specific implementation strategies for council discussion between now and the budget retreat in October. The city council should agree on the budget themes to develop the 2011 budget.

### **Three-Year Plan Financial Assumptions**

The three-year general fund financial analysis assumes continued flat-line revenues through 2013. Staff recommended using the 2010 general fund revenue assumptions (\$1.9 million) as the basis for the 2011 budget.

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.

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.

### **2011 Budget Themes**

The proposed budget themes are divided into four categories:

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

The proposed budget themes build on the work started by the city in 2009 and 2010. The focus is on completing projects started in 2010 and setting the city up to move forward in 2012.

## **2011-2014 Budget Themes**

### **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.

There are two types of public safety projects the council may consider: on-going and one-time. If the city council has a goal of improving public safety specific implementation strategies could include:

- Adding a police officer - \$106,000 on-going
- Adding security cameras - \$5,000 one-time
- Funding emphasis patrols - \$50,000 one-time
- Increase animal control and code enforcement - \$50,000 on-going
- Working with county parks to master plan Sky View Tracts (on the south side of the Skykomish River) - \$0 on-going.

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 be 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.

### **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.

The council should consider efforts to:

- Build relationships with the business community - \$1,000
- Update the city's code to remove economic barriers - \$2,500
- Improve park maintenance - \$30,000
- Develop camping facilities - \$30,000
- Increase code enforcement - \$0-\$50,000

The city council should also set aside staff resources to support the growing regional effort to use the city's natural resources and location to draw tourists and support services to Sultan and the Sky Valley.

**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.

The city budgeted \$300,000 in 2010 to update the comprehensive plan, parks plan, water system plan and general sewer plan. City staff estimate an additional \$124,721 will be needed in 2011 to complete this work.

<b>Comprehensive Plan Element</b>	<b>Funding Source</b>	<b>2010</b>	<b>2011</b>
Comprehensive Plan	General Fund	\$103,600	\$49,900
Park Plan (PMC)	General Fund	\$30,000	\$5,000
General Sewer Plan (RH2)	Sewer Op. Fund	\$100,000	\$32,150
Water System Plan (RH2)	Water Op. Fund	\$60,000	\$37,671
<b>Total</b>		<b>\$293,600</b>	<b>\$124,721</b>

The lower level of planning in 2011 may allow the city council to invest in other one-time optional services such as public safety, code enforcement, parks maintenance and economic development.

**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

The city implemented the Springbrook building permit module in 2009. Work is underway to add public works permits to the system.

The next step is to connect the utility billing, financial services and building permit modules together to reduce redundancies and increase efficiency. The city council should also consider upgrading from the current version (V6) to the .net version (V7) of the software. Springbrook has announced it will not support version 6 after 2011. The wait time to install version 7 is 12 months.

The cost to upgrade the software is approximately \$40,000. Springbrook allows the cost to be distributed at no interest over three years. Springbrook has indicated there is no cost to the city to integrate the modules together.

- Springbrook upgrade and back-end integration - \$40,000
- Pay-off interfund loan - \$76,300
- Create general fund 60 day operating reserve - \$144,000
- Prepare to replace garbage truck - \$550,000

## 2011-2014 Work Plan

### Public Safety

2011

- Update the city's nuisance codes. No direct cost, staff time only
- Implement fire inspections of public and private businesses to ensure public safety.
- Add security cameras to remote trouble-spots - \$7,500 per location plus maintenance and replacement
- Fund emphasis patrols using paid staff and volunteers for drug enforcement, gang activity, auto theft, etc. \$50,000 annually. No on-going commitment.

2012

- 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

2013

- Add a patrol officer to swing shift - \$106,000 plus annual contract adjustment

### Economic Development

2011

- Continue business retention and education efforts – roundtables and workshops
- Participate in public/private partnerships to increase recreation and tourism opportunities in the Sky Valley - \$0
- Support efforts like Grow Washington in partnership with the business community to support start-up businesses in Sultan - \$5,000
- Review the city's land use and development codes. No direct cost. In-house staff.
- Complete campground feasibility study - \$30,000

2012

- Rezone urban center, economic development and industrial properties to maximize economic development opportunities - \$45,000
- Economic development strategic plan - \$75,000
- Update the city's logo, website, letter head and other printed materials to reflect new stage of growth and civic professionalism \$125,000.

## 2013

- Add code enforcement officer - \$30,000 part-time or \$75,000 full-time plus annual cost of living adjustment
- Identify potential parcels for future park acquisition \$65,000. Set aside park impact fees for specific acquisition strategy \$750,000.
- Complete Waste Water Treatment Plan upgrade - \$18,000,000
- 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
- Fund capital improvements to enhance public owned facilities such as the Post Office, Boys and Girls Club and Food Bank \$750,000.

## 2014

- Pave unpaved roadways including sidewalks and storm drain systems \$1,000,000
- Public/private partnership to purchase and develop land for retail center - \$5,000,000
- Add planning and building department staff or contract services to meet growing economic recovery - \$150,000 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.

## **Community Development**

### 2011

- Complete 7-year comprehensive plan update - \$124,000

### 2012-2014

- Update 10-year watershed management plan \$65,000
- 10-year update to the comprehensive plan – revise urban growth area \$75,000
- 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.
- Master plan First Street property \$85,000

## **Fiscal Responsibility**

2011

- Update V6 to V7. Connect the utility billing, financial services and building permits models together to reduce redundancies and increase efficiency \$40,000.
- Pay-off interfund loan borrowed by general fund \$76,300
- Complete cemetery rate study to ensure adequate revenues for perpetual care.

2012

- Pay-off Public Works Trust Fund loan \$625,000
- Create general fund 60 day operating reserve \$325,000

2013

- Update sewer and water rate studies following buildable lands report in 2013 \$90,000
- First dollar investment in contingency fund \$25,000 annually.

2014

- Establish depreciation schedule for equipment replacement Prepare to replace garbage truck and implement toter system \$550,000

Three-Year Financial Analysis  
General Fund Revenues

General Fund  
Revenues

TAXES	2009 Actual	2010 Budget	2011	2012	2013
R&P TAX	\$ 572,959	\$ 584,046	\$ 584,046	\$ 595,785	\$ 601,743
SALES TAX	\$ 276,000	\$ 276,000	\$ 276,000	\$ 281,548	\$ 284,363
Property Tx Int	\$ 181	\$ 200	\$ 50	\$ 1,192	\$ 1,203
B&O Electric	\$ 120,556	\$ 127,000	\$ 127,000	\$ 132,131	\$ 134,773
B&O Gas	\$ 77,378	\$ 83,000	\$ 83,000	\$ 88,055	\$ 90,696
Cable Franch.	\$ 41,950	\$ 47,570	\$ 47,570	\$ 50,467	\$ 51,981
B&O Cable	\$ 58,209	\$ 58,350	\$ 58,350	\$ 61,904	\$ 63,761
B&O Phone	\$ 121,737	\$ 90,658	\$ 99,724	\$ 96,179	\$ 99,064
Water Utility	\$ 43,387	\$ 42,350	\$ 42,350	\$ 44,929	\$ 45,828
Sewer Utility	\$ 61,731	\$ 62,500	\$ 62,500	\$ 66,306	\$ 67,632
Garbage Utility	\$ 29,281	\$ 29,200	\$ 29,200	\$ 30,978	\$ 31,598
Gambling Tax	\$ 4,332	\$ 1,650	\$ 1,650	\$ 1,717	\$ 1,751
Sales Tax CJ	\$ 58,872	\$ 58,837	\$ 58,837	\$ 61,214	\$ 62,438
<b>Total Taxes</b>	<b>\$ 1,466,573</b>	<b>\$ 1,461,361</b>	<b>\$ 1,470,277</b>	<b>\$ 1,512,404</b>	<b>\$ 1,542,652</b>

Three-Year Financial Analysis  
General Fund Revenues

Lisc&Permits #LU APPS/# BLDG PRMT	2009 Actual	2010 Budget	2011	2012	2013
Business Lisc	\$ 16,483	\$ 18,500	\$ 18,500	\$ 15,000	\$ 15,000
Bldgs/Struct	\$ 26,867	\$ 10,500	\$ 10,500	\$ 11,576	\$ 12,155
Permits Other	\$ 5,669	\$ 5,125	\$ 5,125	\$ 5,384	\$ 5,654
Animal Lics	\$ 495	\$ 500	\$ 500	\$ 551	\$ 579
Non Bus Pmts	\$ -	\$ 450	\$ 200	\$ 496	\$ 521
<b>Total Lic&amp;Pmts</b>	<b>\$ 49,514</b>	<b>\$ 35,075</b>	<b>\$ 34,825</b>	<b>\$ 33,008</b>	<b>\$ 34,658</b>

Int Govt	2009 Actual	2010 Budget	2011	2012	2013
CTED P/Ining	\$ 7,228	\$ 17,500	\$ 0	\$ 7,500	\$ 7,500
WSTC Grnts	\$ 7,525	\$ 95,920	\$ 0	\$ 4,000	\$ 4,000
FEMA	\$ 1,271	\$ 5,440	\$ -	\$ -	\$ -
PUD Privilege	\$ 26,642	\$ 30,300	\$ 30,300	\$ 36,500	\$ 36,500
DUI Cities	\$ 1,488	\$ 900	\$ 900	\$ 1,050	\$ 1,050
Liquor Exs	\$ 31,436	\$ 21,773	\$ 22,759	\$ 22,550	\$ 22,550
Liquor Profit	\$ 22,107	\$ 37,488	\$ 33,544	\$ 41,000	\$ 41,000
CJ Fund	\$ 1,006	\$ 1,093	\$ 1,970	\$ 1,500	\$ 1,500
CJ Special	\$ 2,498	\$ 2,190	\$ 2,201	\$ 2,400	\$ 2,400
Hardship	\$ 74,730	\$ 109,600	\$ 109,600	\$ 45,000	\$ 30,000
<b>Total Intergovt.</b>	<b>\$ 175,931</b>	<b>\$ 322,204</b>	<b>\$ 200,401</b>	<b>\$ 161,500</b>	<b>\$ 146,500</b>

Three-Year Financial Analysis  
General Fund Revenues

Charges For Svcs	2009 Actual	2010 Budget	2011	2012	2013
Sale of Mps Pub		100	100	100	100
Certifications	\$ 245	\$ 500	\$ 500	\$ 500	\$ 500
Law Enf.Cps.	\$ 50	\$ -	\$ -	\$ -	\$ -
Candidate Filing	\$ 90				
Animal Control Fees	\$ 309		\$ 500		
Passport Fees	\$ 10,990	\$ 13,500	\$ 10,000	\$ 14,000	\$ 14,000
L/E Service	\$ -	\$ -	\$ -	\$ -	\$ -
Oth Eviron Prtot	\$ -	\$ 2,000	\$ 2,000	\$ 3,450	\$ 3,450
Hearing Exam	\$ -	\$ 2,500	\$ 2,500	\$ 6,000	\$ 6,000
Cnsit Review Dep	\$ 1,939	\$ -	\$ 0	\$ 10,000	\$ 10,000
Zoning Fees	\$ 39,100	\$ 5,250	\$ 2,500	\$ 5,788	\$ 6,078
Plan Check Fees	\$ 14,498	\$ 5,250	\$ 5,000	\$ 5,788	\$ 6,078
<b>Total Charges</b>	<b>\$ 67,221</b>	<b>\$ 29,100</b>	<b>\$ 23,100</b>	<b>\$ 45,626</b>	<b>\$ 46,205</b>
<b>Fines &amp; Penalty</b>	<b>2009 Actual</b>	<b>2010 Budget</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Dist.Ct	\$ 26,048	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Violations Bur.	\$ 1,619	\$ 3,000	\$ 1,000	\$ 3,000	\$ 3,000
Animal Cntrl	\$ 296	\$ 200	\$ 200	\$ 200	\$ 200
<b>Total F&amp;P</b>	<b>\$ 27,963</b>	<b>\$ 28,200</b>	<b>\$ 26,200</b>	<b>\$ 28,200</b>	<b>\$ 28,200</b>

Three-Year Financial Analysis  
General Fund Revenues

	2009 Actual	2010 Budget	2011	2012	2013
<b>Miscellaneous</b>					
Invest Interest	\$ 13,232	\$ 22,000	\$ 3,000	\$ 45,000	\$ 65,000
Sales Tax Interest	\$ 915	\$ 1,025	\$ 500	\$ 2,500	\$ 2,500
Rents & Royalties	\$ 46,741	\$ 52,644	\$ 52,645	\$ 52,644	\$ 52,644
Contributions	\$ 2,302	\$ -	\$ 56,030	\$ -	\$ -
WASPC Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Admin Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Judgments	\$ 4,695	\$ -	\$ -	\$ -	\$ -
Over/Short	\$ (25)	\$ -	\$ -	\$ -	\$ -
NSF	\$ 1,159	\$ 1,500	\$ 500	\$ 833	\$ 833
Admin Impact	\$ 1,050	\$ 1,050	\$ 1,050	\$ 2,700	\$ 2,700
Misc	\$ 20,381	\$ 7,000	\$ 7,000	\$ 5,000	\$ 5,000
<b>Total Misc</b>	<b>\$ 90,450</b>	<b>\$ 85,219</b>	<b>\$ 120,725</b>	<b>\$ 108,677</b>	<b>\$ 128,677</b>
Operating Transfer	\$ 13,300				
<b>Total Revenues</b>	<b>\$ 1,890,952</b>	<b>\$ 1,961,159</b>	<b>\$ 1,875,528</b>	<b>\$ 1,889,415</b>	<b>\$ 1,926,893</b>

**Three-Year Financial Analysis  
General Fund Revenues**

<b>Expenditures</b>	<b>2009 Actual</b>	<b>2010 Budget</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Legislative	\$ 11,452.55	\$ 13,120.00	\$ 14,705	\$ 14,054.47	\$ 14,546.38
Executive	\$40,810.82	\$ 33,247.67	\$ 31,296	\$ 35,615.74	\$ 36,862.29
Finance	\$ 49,438.08	\$ 47,381.00	\$ 46,520	\$ 50,755.71	\$ 52,532.16
Grants	\$ 27,841.06	\$ 28,451.00	\$ 24,140	\$ 30,477.42	\$ 31,544.13
Legal Services	\$ 85,553.66	\$ 56,324.00	\$ 85,944	\$ 60,335.68	\$ 62,447.43
Civil Service	\$ 5,086.65	\$ -	\$ -	\$ -	\$ -
Other Governmental Services	\$ 67,351.00	\$ 54,700.00	\$ 50,240	\$ 58,596.01	\$ 60,646.87
Law Enforcement	\$ 949,137.00	\$ 1,082,608.00	\$ 995,009	\$ 1,159,716.75	\$ 1,200,306.84
Law Enforcement Agency Fees	\$ 113,224.00	\$ 143,400.00	\$ 114,400	\$ 153,613.67	\$ 158,990.14
Code Enforcement Planning and	\$ 19,611.18	\$ 29,586.00	\$ 25,413	\$ 31,693.26	\$ 32,802.53
Development Building and	\$ 230,119.80	\$ 302,856.53	\$ 162,522	\$ 324,427.48	\$ 335,782.44
Development	\$ 64,286.60	\$ 61,520.00	\$ 55,157	\$ 65,901.76	\$ 68,208.32
Public Health	\$ 1,356.21	\$ 1,500.00	\$ 1,500	\$ 1,606.84	\$ 1,663.08
Library Parks and	\$ 8,717.11	\$ 8,200.00	\$ 6,200	\$ 8,784.05	\$ 9,091.49
Recreation	\$ 78,068.00	\$ 91,407.00	\$ 83,318	\$ 97,917.46	\$ 101,344.57
Emergency ser	\$ 1,391.00	\$ 5,825.00	\$ 60,840	\$ 6,239.89	\$ 6,458.28
Debt Service Payments	\$ 42,000.00	\$ -	\$ -	\$ -	\$ -
Operating Transfers	\$ 3,499.60	\$ -	\$ 55,216	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 1,798,944.32</b>	<b>\$ 1,954,301.20</b>	<b>\$ 2,022,701.74</b>	<b>\$ 2,093,496.30</b>	<b>\$ 2,166,768.67</b>
<b>Revenue- Expenditures</b>	<b>\$ 92,008</b>	<b>\$ 6,858</b>	<b>\$ (180,372)</b>	<b>\$ (204,081)</b>	<b>\$ (211,224)</b>

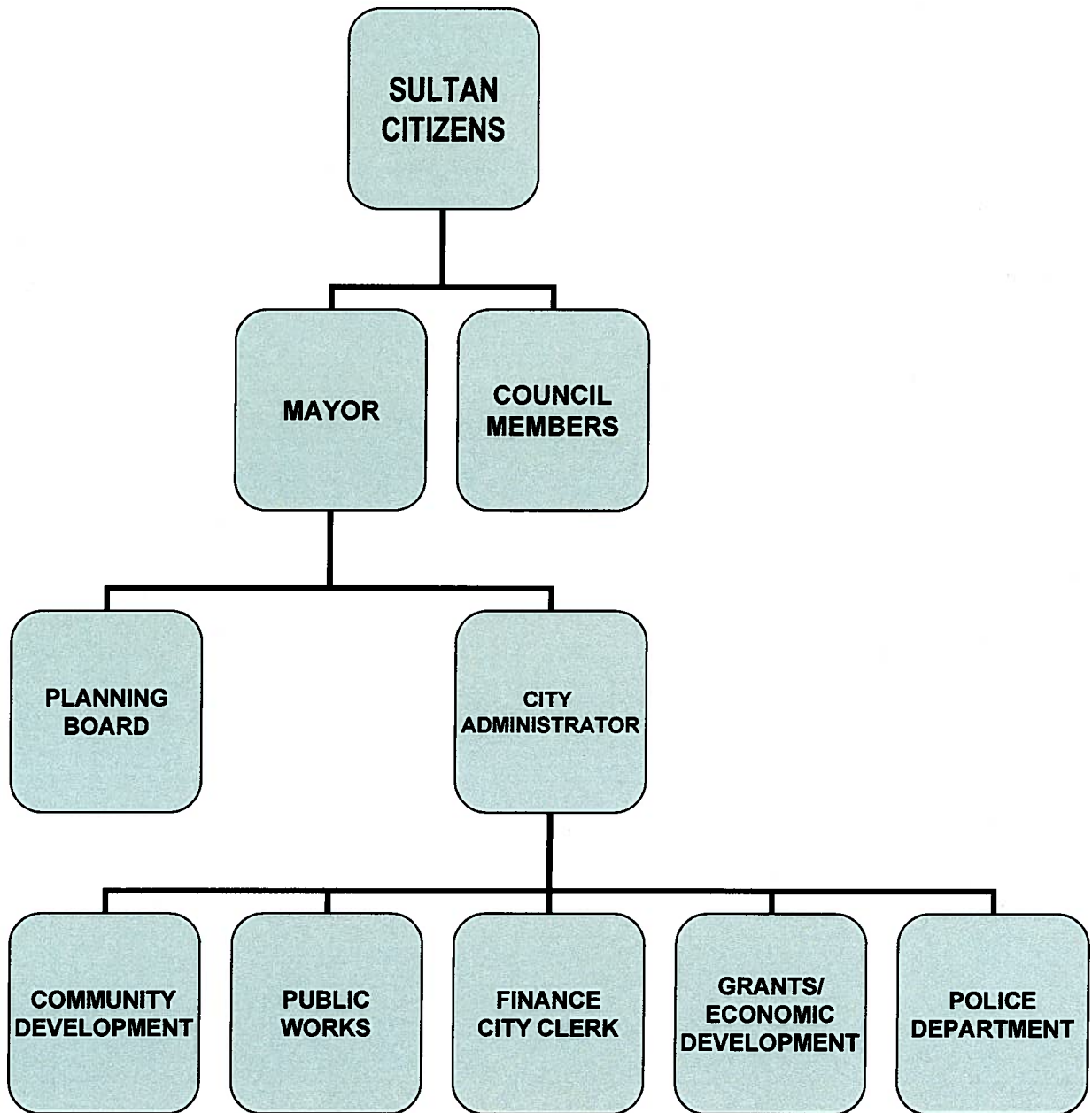
**CITY OF SULTAN**

**FINANCIAL OVERVIEW**



**2011  
BUDGET**

**City of Sultan  
Organization Chart  
2011**



## **CITY OF SULTAN FINANCIAL OVERVIEW**

The City of Sultan was incorporated in 1905 and operates under the laws of the State of Washington applicable to a Code City with a Mayor/Council form of government. The City has an elected Mayor and seven (7) Council members that serve staggered four-year terms. The City uses the revenue and expenditure classifications contained in the Budgeting, Accounting and Reporting System (BARS) manual under the authority of Washington State law, Chapter 43.09 RCW.

The City is a general purpose government and provides public safety, health and social services, street improvement, parks and recreation, and general administrative services. In addition, the City owns and operates a sewer system, water system and garbage collection service.

### **Basis of Accounting**

The accounts of the City are organized and operated on a fund basis. Each fund is a separate fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund reserves.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year budget appropriations as required by state law.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

### **Budgets**

Annual appropriated budgets are adopted at the fund level, except in the general fund, where expenditures are adopted at the department level. The budgets constitute the legal authority for expenditures at that level. Annual appropriations for all funds lapse at the fiscal period end except for capital project funds, which may be adopted for the length of the project.

The Finance Director is authorized to transfer budgeted amounts between object classes within departments; however, any revisions that alter the total expenditures of fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City's legislative body.

## **Fund Types**

**General (Current Expense Fund) (000)**: This fund is the primary operating fund of the City. There are fifteen departments funded by the General Fund and services include general accounting, parks, library, planning, building, legal, civil services, law enforcement and other general services.

**Special Revenue Funds (100)**: These funds account for revenues that are legally restricted or designated to finance particular activities of the City. Included are the Street, Impact Fee, Drug Enforcement, C.R. Equipment, C. R. Utility fund, Community Improvement and Cemetery Funds.

**Debt Service Funds (200)**: These funds account for the accumulation of resources to pay principal, interest and related costs on general long term debt. Included are the G.O. Limited Bond, LID Bond fund and the Water/Sewer Revenue Bond, and Water and Sewer System Debt funds.

**Capital Project Funds (300)**: These funds account for financial resources that are designated for the acquisition or construction of capital projects. There are funds set up for Park Improvements, Capital Projects, Street Improvements, Water System Improvements and Sewer System Improvements.

**Enterprise Funds (400)**: These funds account for operations that provide goods or services to the general public and are supported primarily through user charges. Included are the Water Utility, Sewer Utility, Garbage Utility and Stormwater Utility fund. The capital project funds and debt service funds for enterprise funds are included in the 400 series of accounts.

**Non-expendable Trust and Agency Funds (600)**: These funds account for assets of which the principal may not be spent and for assets that the City holds for others in an agency capacity.

A matrix of the funds is provided as Appendix A to this section

## **Auditing of City Finances**

The State Auditor is required to examine the affairs of the cities at least once every two years. The examination must include, among other things, the financial condition and resources of the City, whether laws and constitution of the State are being complied with, and the methods and accuracy of the accounts and reports of the City. Reports of the auditor's examinations are required to be filed in the office of the State Auditor and in the Finance Department of the City.

## **Risk Management**

The City is a member of the Cities Insurance Association of Washington. Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 30.34 RCW, the Interlocal Cooperation Act. The pool was formed on September 1, 1988. The pool allows members to jointly purchase insurance coverage and provide related services, such as administration, risk management, claims administration, etc. Coverage for Public Officials Liability is on a "claims made basis". All other coverage are on an "occurrence basis". The pool provides the following forms of group purchased insurance coverage for its members: Property, liability, vehicle liability, other mobile equipment, boiler and machinery, bonds of various types, excess liability and public official liability.

A governing board of directors is selected by the membership and is responsible for conducting the business affairs of the pool. The Board of Directors has contracted with Canfield & Associates, Inc. to perform day to day administration of the pool.

## **Investments**

The City's investments are either insured, registered or held by the City or its agent in the City's name. As required by state law, all investments of the City are obligations of the US Government, the State Investment Pool, bankers acceptances, or deposits with Washington State banks and/or savings and loan institutions. The City has adopted an investment policy to safe guard funds and to provide for allocation of investment interest.

## **Bargaining Units**

The City has two different bargaining units. Public Works and Office Employees are covered under a Union Contract that was renewed on January 1, 2008 and expired on December 31, 2010. Non-union employees negotiate wages and benefits directly with the Mayor and Council.

## 2011 BUDGET SUMMARY

Fund	Fund Name	REVENUE	EXPENSE
001	General Fund	\$1,875,528.00	
	Legislative		\$14,705.00
	Executive		\$31,296.00
	Finance/Administration		\$46,520.00
	Grants		\$24,140.00
	Legal		\$85,944.00
	Civil Service		\$0.00
	Other Governmental		\$50,240.00
	Law Enforcement		\$995,009.00
	Law Enforcement - Court		\$115,400.00
	Emergency Management		\$60,840.00
	Code Enforcement		\$25,413.00
	Planning and Community Development		\$162,522.00
	Building		\$55,157.00
	Public Health		\$1,500.00
	Library		\$6,200.00
	Park/Recreation		\$77,102.00
	Miscellaneous (Transfers Out)		\$55,216.00
	Total Expenditures		<u>\$1,807,204.00</u>
100	General Fund Contingency	\$13,000.00	\$0.00
101	Street Fund	\$247,657.00	\$245,369.00
103	Cemetery Fund	\$37,500.00	\$29,961.00
104	C.R. Equipment Fund	\$115,700.00	\$0.00
105	Park Improvement Fund	\$0.00	\$0.00
107	Drug Enforcement Fund	\$4,825.00	\$1,091.00
108	Street Impact Fee Fund	\$61,360.00	\$61,360.00
109	Community Improvement Fund	\$1,500.00	\$1,500.00
112	Park Impact Fee Fund	\$12,700.00	\$0.00
113	Building Maintenance Fund	\$69,700.00	\$46,330.00
114	Information Tech Fund (IT)	\$38,558.00	\$33,108.00
203	Limited Tax Bond GO	\$128,500.00	\$128,242.00
205	Unlimited Tax GO Bond	\$29,838.00	\$29,838.00
207	LID Guaranty Fund	\$325,800.00	\$324,200.00
301	Capital Project Fund REET 1	\$64,500.00	\$64,500.00
302	Capital Project Fund REET 2	\$64,500.00	\$64,500.00
303	Street Improvement Fund	\$1,418,360.00	\$1,418,360.00
307	LID Project Fund	\$30,000.00	\$30,000.00
400	Utility Water Fund	\$922,000.00	\$921,331.00
401	Utility Sewer Fund	\$1,255,552.00	\$1,255,552.00
402	Utility Garbage Fund	\$762,810.00	\$739,501.00
403	Water Revenue Bond Fund	\$130,200.00	\$127,073.00
404	C.R. Sewer Utility Fund	\$30,000.00	\$30,000.00
405	C.R. Water Utility Fund	\$215,500.00	\$191,900.00
406	Storm Water Utility	\$100,000.00	\$99,833.00
407	Sewer System Improvement Fund	\$385,000.00	\$365,000.00
409	Water System Improvement Fund	\$170,000.00	\$170,000.00
410	Stormwater System Improvement Fund	\$100,000.00	\$100,000.00
412	Water System Debt Fund	\$173,900.00	\$143,926.00
413	Sewer System Debt Fund	\$504,700.00	\$465,959.00
621	Cemetery Trust Fund	\$1,500.00	\$0.00
	<b>TOTALS</b>	<u>\$9,290,688.00</u>	<u>\$8,895,638.00</u>

**CITY OF SULTAN FUNDS**

Fund #	Name	Purpose	Funding Sources	Restrictions
<b>TAX SUPPORTED FUNDS</b>				
001	General Fund	Operation and Maintenance of gen govt./law/planning/building/parks/library	Taxes/permits & licenses/state shared revenues fines & forfeitures/service fees	
101	Street Fund	Operation and Maintenance	Property tax/utility tax/state shared revenues	
<b>ENTERPRISE FUNDS (SELF SUPPORTING)</b>				
103	Cemetery	Operation and Maintenance	User fees	Enterprises funds must be self supporting and charge adequate fees to cover operation costs
400	Water Utility	Operation and Maintenance	User fees	
401	Sewer Utility	Operation and Maintenance	User fees	
402	Garbage Utility	Operation and Maintenance	User fees	
406	Stormwater Utility	Operation and Maintenance	User fees	
<b>DEBT SERVICE FUNDS</b>				
203	GO Limited Tax	Payment of LT debt - Community Center	Property tax, excise tax, Post Office rent	Bond payments
205	Unlimited Go Tax Fund	Payment of LT Debt - Police Bonds	Excise property tax levy	Bond payments
207	LID 97-1 Bonds	Payment of LT debt - LID 97-1 Bonds	LID assessments of principal/interest	Bond payments
403	Water/Sewer Revenue Bonds	Payment of LT debt - water/sewer bonds	Utility rate payers	Bond payments
412	Water Debt Service	Payment of debt for water - loans	Connection fees, utility rate payers	Debt service
413	Sewer Debt Service	Payment of debt for sewer - loans	Connection fees, utility rate payers	Debt service
<b>CONSTRUCTION FUNDS</b>				
105	Park Improvement	Construction/improvements to Parks	Grants/ loans/ impact fees/donations	Park Improvements only
303	Street Construction	Construction of Streets	Grants/ loans/ impact fees/donations	Street Improvements
307	LID Construction	LID Construction	Bonds/assessment payments	LID payments
407	Sewer Improvement Projects	Sewer system improvements	Grants, loans, connection fees	System Improvements
409	Water Improvement Projects	Water system improvements	Grants, loans, connection fees, timber sales	System Improvements
410	Stormwater Improvements	Storm system improvements	Grants, loans, connection fees	System Improvements
<b>SPECIAL PURPOSE FUNDS</b>				
100	General Fund Contingency	Reserve for General Fund	Excess Funds	Council action
104	Equipment Reserve	Purchase of vehicles - Public Works	Fund Transfers/Sales	
107	Drug Enforcement	Drug enforcement and education	Seizures/Confiscations	Drug Enforcement per RCW
108	Transportation Impact	Receipt of traffic impact fees	Building permit applicants	
109	Community Projects	Joint ventures with other community groups	General fund/state criminal justice funds	
112	Park Impact Fees	Receipt of park impact fees	Building permit applicants	
113	Building Maintenance Fund	Capita improvements to facilities	Taxes, Excess funds	
114	Information Technology	IT services and equipment purchase	Taxes, Excess funds	
301	Capital Projects REET 1	Capital Improvements per RCW	Property Excise tax/property tax/rental fees	Capital Projects per RCW
302	Capital Projects REET 2	Capital Improvements per RCW	Property Excise tax/property tax/rental fees	Capital Projects per RCW
404	CR Sewer Utility	Reserve for sewer projects	Facility charges/user fees	Utility system improvements
405	CR Water Utility	Reserve for water projects	Facility charges/timber sales	Utility system improvements
<b>TRUST AND AGENCY</b>				
621	Cemetery Trust	Future Operation of Cemetery	Perpetual Care payments	Reserve for future operations
631	Warrant Clearing	Clearing fund for payroll warrants	Operating funds	Clearing fund
633	Treasurers Trust	Pass thru funds for other agencies	Impact fees, Violations, deposits	Holding fund
634	Treasurers Excess Cash	Track investment activity	All funds excess cash	

<u>ALFRE</u>	<u>Acct Type</u>	<u>Description</u>	<u>Requested</u>	<u>Proposed</u>	<u>Approved</u>	<u>Adopted</u>
REVENUE						
	R01	Beginning Fund Balance	1,091.00	253,091.00	365,755.00	365,755.00
	R10	Taxes	1,858,315.00	1,813,691.00	1,826,691.00	1,826,691.00
	R20	Licenses and Permits	37,325.00	37,325.00	37,325.00	37,325.00
	R30	Intergovernmental Revenues	580,879.00	1,937,879.00	2,044,182.00	2,044,182.00
	R40	Charges for Services	2,956,316.00	2,957,816.00	3,064,882.00	3,064,882.00
	R50	Fines and Penalties	26,200.00	26,200.00	26,200.00	26,200.00
	R60	Miscellaneous Revenues	532,305.00	532,305.00	593,335.00	593,335.00
	R80	Nonrevenues	258,500.00	258,500.00	300,500.00	300,500.00
	R90	Other Financing Sources	1,013,900.00	1,023,818.00	1,031,818.00	1,031,818.00
		<b>TOTAL FOR REVENUE</b>	<b>7,264,831.00</b>	<b>8,840,625.00</b>	<b>9,290,688.00</b>	<b>9,290,688.00</b>
EXPENSE						
	E10	Salaries and Wages	1,155,590.36	1,144,995.00	1,140,446.65	1,140,446.65
	E20	Employee Benefits	475,955.36	485,754.00	485,120.98	485,120.98
	E30	Operating and Office Supply	196,235.00	189,896.00	189,655.00	189,655.00
	E40	Other Services and Charges	2,009,031.00	2,101,249.00	2,101,049.00	2,101,049.00
	E50	Intergovernmental Services	645,807.00	643,307.00	643,307.00	643,307.00
	E60	Capital Outlays	133,950.00	1,735,023.00	2,145,303.00	2,145,303.00
	E70	Debt Service - Principal	739,950.34	739,950.34	739,950.34	739,950.34
	E80	Debt Service - Interest	319,986.64	319,986.64	319,986.64	319,986.64
	E90	Interfund Services	843,000.00	1,166,818.00	1,130,818.00	1,130,818.00
	E95	Ending Fund Balance	0.00	0.00	0.00	0.00
	E99	Expense Agency Fund	0.00	0.00	0.00	0.00
		<b>TOTAL FOR EXPENSE</b>	<b>6,519,505.70</b>	<b>8,526,978.98</b>	<b>8,895,636.61</b>	<b>8,895,636.61</b>
		<b>Report Totals</b>	<b>745,325.30</b>	<b>313,646.02</b>	<b>395,051.39</b>	<b>395,051.39</b>

# **CITY OF SULTAN**

## **Ordinances and Resolutions**



**2011  
BUDGET**

# **CITY OF SULTAN ORDINANCES AND RESOLUTIONS**

The annual budget process requires the creation of ordinances and resolutions to adopt the budget, set the tax levy, to establish new funds, set the salary schedules and to update the fee schedule. The following is a list of the 2011 ordinances and resolutions:

<b>Ordinance 1096-10</b>	<b>2011 Budget</b>
<b>Ordinance 1094-10</b>	<b>2011 Tax Levy</b>
<b>Ordinance 1095-10</b>	<b>2011 Police Bond Tax Levy</b>
<b>Ordinance 109 -10</b>	<b>2011 Salary Schedule</b>
<b>Resolution 10-20</b>	<b>2011 Payroll Allocation</b>
<b>Resolution 10-21</b>	<b>2011 Interest Allocation</b>
<b>Resolution 10-19</b>	<b>2011 Fee Schedule</b>

**CITY OF SULTAN  
SULTAN, WASHINGTON  
ORDINANCE NO. 1096-10**

**AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY  
OF SULTAN WASHINGTON FOR THE FISCAL YEAR ENDING  
DECEMBER 31, 2011; PROVIDING FOR SEVERABILITY;  
AND ESTABLISHING AN EFFECTIVE DATE**

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, 2011, and notice was published that the Council of said City would meet on October 28, 2010 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 Council continued the public hearing to November 18, 2010 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 times 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 2011 is hereby adopted in its final form and content as set forth in the document entitled City of Sultan 2010 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 2011 are set forth in the summary form below, and are hereby appropriated for expenditures during the year 2011 as set forth below:

**2011 BUDGET**

<b>Fund</b>	<b>Fund Name</b>	<b>REVENUE</b>	<b>EXPENSE</b>
001	General Fund	\$1,875,528.00	
	Legislative		\$14,705.00
	Executive		\$31,296.00
	Finance/Administration		\$46,520.00
	Grants		\$24,140.00
	Legal		\$85,944.00
	Other Governmental		\$50,240.00
	Law Enforcement		\$995,009.00
	Law Enforcement - Court		\$115,400.00
	Emergency Management		\$60,840.00
	Code Enforcement		\$25,413.00
	Planning and Community Development		\$162,522.00
	Building		\$55,157.00
	Public Health		\$1,500.00
	Library		\$6,200.00
	Park/Recreation		\$77,102.00
	Miscellaneous (Transfers Out)		\$55,216.00
	<b>Total Expenditures</b>		<b>\$1,807,204.00</b>
100	General Fund Contingency	\$13,000.00	\$0.00
101	Street Fund	\$247,657.00	\$245,369.00
103	Cemetery Fund	\$37,500.00	\$29,961.00
104	C.R. Equipment Fund	\$115,700.00	\$0.00
105	Park Improvement Fund	\$0.00	\$0.00
107	Drug Enforcement Fund	\$4,825.00	\$1,091.00
108	Street Impact Fee Fund	\$61,360.00	\$61,360.00
109	Community Improvement Fund	\$1,500.00	\$1,500.00
112	Park Impact Fee Fund	\$12,700.00	\$0.00
113	Building Maintenance Fund	\$69,700.00	\$46,330.00
114	Information Tech Fund (IT)	\$38,558.00	\$33,108.00
203	Limited Tax Bond GO	\$128,500.00	\$128,242.00
205	Unlimited Tax GO Bond	\$29,838.00	\$29,838.00
207	LID Guaranty Fund	\$325,800.00	\$324,200.00
301	Capital Project Fund REET 1	\$64,500.00	\$64,500.00
302	Capital Project Fund REET 2	\$64,500.00	\$64,500.00
303	Street Improvement Fund	\$1,418,360.00	\$1,418,360.00
307	LID Project Fund	\$30,000.00	\$30,000.00
400	Utility Water Fund	\$922,000.00	\$921,331.00
401	Utility Sewer Fund	\$1,255,552.00	\$1,255,552.00
402	Utility Garbage Fund	\$762,810.00	\$739,501.00

403	Water Revenue Bond Fund	\$130,200.00	\$127,073.00
404	C.R. Sewer Utility Fund	\$30,000.00	\$30,000.00
405	C.R. Water Utility Fund	\$215,500.00	\$191,900.00
406	Storm Water Utility	\$100,000.00	\$99,833.00
407	Sewer System Improvement Fund	\$385,000.00	\$365,000.00
409	Water System Improvement Fund	\$170,000.00	\$170,000.00
410	Stormwater System Improvement Fund	\$100,000.00	\$100,000.00
412	Water System Debt Fund	\$173,900.00	\$143,926.00
413	Sewer System Debt Fund	\$504,700.00	\$465,959.00
621	Cemetery Trust Fund	\$1,500.00	\$0.00
	<b>TOTALS</b>	<b>\$9,290,688.00</b>	<b>\$8,895,638.00</b>

**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 2. Severability.** Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

**Section 3. Effective Date.** This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

**ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 16<sup>th</sup> DAY OF DECEMBER 2010.**

CITY OF SULTAN  
Carolyn Eslick, Mayor

ATTEST/AUTHENTICATED:  
Laura Koenig, City Clerk

Approved as to form:  
Margaret J. King, City Attorney

Date of Publication: 12/21/10

**CITY OF SULTAN  
SULTAN WASHINGTON  
ORDINANCE 1094-10**

AN ORDINANCE OF THE CITY OF SULTAN FIXING THE AMOUNT OF TAXES TO BE LEVIED ON TAXABLE PROPERTY WITHIN THE CITY OF SULTAN FOR THE YEAR 2011 PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

**WHEREAS**, the City of Sultan has met and considered its budget for the calendar year 2011; and

**WHEREAS**, the City Council of the City of Sultan after hearing and after duly considering all relevant evidence and testimony presented, determined that the City of Sultan requires a regular levy in the amount of \$689,408, which is a increase in property tax revenue from the previous year, based on amounts resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, and amounts authorized by law as a result of any annexations that have occurred and refunds made, in order to discharge the expected expenses and obligations of the district and in its best interest; now therefore,

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN, WASHINGTON, DO ORDAIN AS FOLLOWS:**

Section 1. That an increase in the regular property tax levy is hereby authorized for the 2011 levy in the amount of \$6,783.48 which is a percentage increase of 1% from the previous year. This increase is exclusive of additional revenue resulting from the addition of new construction and improvements to property and any increase in the value of state assessed property, and any additional amounts resulting from any annexations that have occurred and refunds made.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

**ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 2<sup>nd</sup> DAY OF DECEMBER, 2010.**

CITY OF SULTAN  
Carolyn Eslick, Mayor

**ATTEST/AUTHENTICATED:**  
Laura Koenig, City Clerk

Approved as to form:  
Margaret J. King, City Attorney  
Published: 12/09/10

**CITY OF SULTAN  
SULTAN WASHINGTON  
ORDINANCE 1095-10**

AN ORDINANCE OF THE CITY OF SULTAN FIXING THE AMOUNT OF TAXES TO BE LEVIED FOR THE GENERAL OBLIGATION BONDS AS APPROVED BY THE VOTERS ON TAXABLE PROPERTY WITHIN THE CITY OF SULTAN FOR THE YEAR 2011 PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Proposition No. 1 Emergency Radio System and Health and Safety Bonds was approved by the voters on September 14, 2004, and

WHEREAS, that election allowed bonds to be issued and a regular property tax to be levied each year for a maximum term of 20 years, and

WHEREAS, the bonds have been issued and taxes need to be collected, now therefore

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Snohomish County shall tax the City's taxpayers for the year 2011 for a total of Twenty nine thousand five hundred thirty eight dollars and 00/100 (\$29,538) so as to cause collection of these funds to cover the cost of the required bond debt service payments.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

**ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 18<sup>th</sup> DAY OF NOVEMBER, 2010.**

CITY OF SULTAN  
Carolyn Eslick, Mayor

ATTEST/AUTHENTICATED:  
Laura Koenig, City Clerk

Approved as to form:  
Margaret J. King, City Attorney

Passed by the City Council: 11-18-10  
Date of Publication: 12/04/10

**CITY OF SULTAN  
ORDINANCE NO. 1097-10**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY  
OF SULTAN WASHINGTON ESTABLISHING SALARY  
RATES FOR NON-REPRESENTED PERSONNEL;  
PROVIDING FOR SEVERABILITY; AND ESTABLISHING  
AN EFFECTIVE DATE**

WHEREAS, RCW 35A.33.050 requires that salary ranges for various positions in the City be made a part of the annual budget document adopted with the annual budget, and

WHEREAS, the City Council has determined it appropriate to adjust salary ranges for non-represented employees in order to permit salary increases along with approval of benefits,

NOW, THEREFORE, be it ordained by the City Council of the City of Sultan, Washington as follows:

Section 1 Salaries. As part of the City's annual budget, salaries and wages for non represented employees are hereby approved as follows:

**Table 2 –Salary Schedule**

<b>Salary Schedule</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>
Grants/Economic Dev	4368	4506	4651	4800	4954
Building Official	4843	4999	5159	5323	5494
Public Works Field Supervisor	5393	5565	5742	5927	6117
Clerk/Deputy Finance Director	5539	5717	5899	6089	6284
Public Works Director/Engineer	6879	7100	7327	7561	7803
Community Development Director	6879	7100	7327	7561	7803
City Administrator	8026	8284	8548	8822	9104

Section 2 Non Represented Step Increase: Step increases may be effective on the employee's anniversary date subject to a satisfactory performance evaluation.

Section 3 Union Employees. Wages and benefits for Union represented employees shall be in accordance with the current Union contracts, the salary scales for which are attached to this Ordinance (Exhibit A).

Section 4 Effective Date of Increase: The amendments to the annual salaries provided for in this ordinance shall become effective with the first pay period for 2011 wages.

Section 5 Repealer: Any and all other ordinances or parts of ordinances of the City of Sultan inconsistent with the provisions of this ordinance are hereby repealed to the extent of such inconsistency.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

**ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 13<sup>th</sup> DAY OF JANUARY, 2011.**

CITY OF SULTAN

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

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Laura Koenig, City Clerk

Approved as to form:

\_\_\_\_\_  
Margaret J. King, City Attorney

Passed by the City Council: 12/2/10

Reconsidered and Passed by the City Council: 1/13/11

Date of Publication:

Effective Date:

APPENDIX A

**Public Works 2010 Wages**

<b>CLASSIFICATIONS</b>	<b>STEP A 00-12m</b>	<b>STEP B 13-24m</b>	<b>STEP C 25-36m</b>	<b>STEP D 37-48m</b>	<b>STEP E 48-60m</b>	<b>STEP F 61m +</b>
Administrative Secretary	\$14.96	\$16.77	\$18.04	\$20.37	\$22.17	\$23.96
Building Inspector	\$15.96	\$17.54	\$18.12	\$20.72	\$22.31	\$23.86
Custodian	\$15.77	\$16.96	\$18.22	\$19.60	\$21.09	\$22.68
Deputy /Treasurer	\$13.96	\$15.28	\$16.71	\$18.29	\$20.03	\$21.91
Permit Assistant	\$13.96	\$15.28	\$16.71	\$18.29	\$20.03	\$21.91
Planning Associate	\$22.99	\$24.14	\$25.35	\$26.61	\$27.93	\$29.31
Police Records Specialist	\$13.96	\$14.96	\$16.04	\$17.18	\$18.41	\$19.74
Utility Clerk/Receptionist	\$13.96	\$14.96	\$16.04	\$17.18	\$18.41	\$19.74
Utility Worker	\$15.77	\$16.96	\$18.22	\$19.60	\$21.59	\$22.68
Water Systems Manager	\$22.99	\$24.14	\$25.35	\$26.61	\$27.93	\$29.31
Waste Water Treatment Plant Operator	\$15.79	\$17.40	\$19.16	\$21.11	\$23.24	\$23.79
Waste Water Treatment Plant Supervisor	\$22.99	\$24.14	\$25.35	\$26.61	\$27.93	\$29.31
Water Treatment Plant Operator	\$15.79	\$17.40	\$19.16	\$21.11	\$23.24	\$23.79
Receptionist General Office	\$11.70	\$12.53	\$13.43	\$14.34	\$15.36	\$16.45

**Public Works 2011 Wages**

<b>CLASSIFICATIONS</b>	<b>STEP A 00-12m</b>	<b>STEP B 13-24m</b>	<b>STEP C 25-36m</b>	<b>STEP D 37-48m</b>	<b>STEP E 48-60m</b>	<b>STEP F 61m +</b>
Administrative Secretary	\$14.96	\$16.77	\$18.04	\$20.37	\$22.17	\$23.96
Building Inspector	\$15.96	\$17.54	\$18.12	\$20.72	\$22.31	\$23.86
Custodian	\$15.77	\$16.96	\$18.22	\$19.60	\$21.09	\$22.68
Deputy /Treasurer	\$13.96	\$15.28	\$16.71	\$18.29	\$20.03	\$21.91
Permit Assistant	\$13.96	\$15.28	\$16.71	\$18.29	\$20.03	\$21.91
Planning Associate	\$22.99	\$24.14	\$25.35	\$26.61	\$27.93	\$29.31
Police Records Specialist	\$13.96	\$14.96	\$16.04	\$17.18	\$18.41	\$19.74
Utility Clerk/Receptionist	\$13.96	\$14.96	\$16.04	\$17.18	\$18.41	\$19.74
Utility Worker	\$15.77	\$16.96	\$18.22	\$19.60	\$21.59	\$22.68
Water Systems Manager	\$22.99	\$24.14	\$25.35	\$26.61	\$27.93	\$29.31
Waste Water Treatment Plant Operator	\$15.79	\$17.40	\$19.16	\$21.11	\$23.24	\$23.79
Waste Water Treatment Plant Supervisor	\$22.99	\$24.14	\$25.35	\$26.61	\$27.93	\$29.31
Water Treatment Plant Operator	\$15.79	\$17.40	\$19.16	\$21.11	\$23.24	\$23.79
Receptionist General Office	\$11.70	\$12.53	\$13.43	\$14.34	\$15.36	\$16.45

**ATTACHMENT B**

**NON REPRESENTED EMPLOYEES**

**2010 Salary Schedule**

<b>Salary Schedule</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>
Grants/Economic Dev	4372	4511	4,656	4805	4959
Building Official	4848	5004	5,164	5328	5499
Public Works Field Supervisor	5398	5571	5,748	5933	6123
Clerk/Deputy Finance Director	5545	5723	5,905	6095	6290
Public Works Director/Engineer	6886	7107	7,334	7569	7811
Community Development Director	6886	7107	7,334	7569	7811
City Administrator	8034	8292	8,557	8831	9113

**2011 Salary Schedule**

**CPI Adjustment**

**-0.1%**

<b>Salary Schedule</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>
Grants/Economic Dev	4368	4506	4651	4800	4954
Building Official	4843	4999	5159	5323	5494
Public Works Field Supervisor	5393	5565	5742	5927	6117
Clerk/Deputy Finance Director	5539	5717	5899	6089	6284
Public Works Director/Engineer	6879	7100	7327	7561	7803
Community Development Director	6879	7100	7327	7561	7803
City Administrator	8026	8284	8548	8822	9104

**CITY OF SULTAN  
SULTAN WASHINGTON**

**RESOLUTION 10-20**

**A RESOLUTION PROVIDING FOR THE ALLOCATION OF WAGES  
AND BENEFITS FOR PAYROLL PURPOSES FOR THE 2011 FISCAL  
YEAR.**

WHEREAS, as a part of the annual budget process the allocation of expenditures for wages and benefits must be determined to properly charge funds for services received and;

WHEREAS, staff has reviewed the current job responsibilities of the employees and the proposed work programs for 2011 and;

WHEREAS, the State Auditor has recommended that the Council adopt the distribution schedule to allocate expenditures for wages and benefits;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN, WASHINGTON,  
DOES RESOLVE AS FOLLOWS:**

Section 1. The attached document entitled Allocation of Wages and Benefits for Payroll Purposes is hereby adopted by reference and the will be used for the distribution of wages and benefits for the 2011 fiscal year.

**PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON  
THE 18<sup>th</sup> DAY OF NOVEMBER, 2010.**

**CITY OF SULTAN  
Carolyn Eslick, Mayor**

**ATTEST/AUTHENTICATED:  
Laura Koenig, City Clerk**

**Approved as to form:  
Margaret J. King, City Attorney**

SALARY AND BENEFIT DISTRIBUTION FOR 2011

Percentage Distribution by Fund

ENTERPRISE AND CAPITAL FUNDS	FTE's	Park Projects FUND	STREET CAPITAL	PARKS	STREET	CEMETERY	UTILITY WATER	UTILITY SEWER	GARBAGE	STORM WATER	BLDG MAINT	TOTAL
MAYOR/COUNCIL (7)	0.00				0.20		0.20	0.20	0.20			0.80
ADMINISTRATOR	0.00			0.05	0.15		0.20	0.20	0.20			0.80
CITY CLERK/DEP FIN	0.00				0.10	0.005	0.20	0.20	0.20			0.705
UTILITY CLERK	1.00						0.30	0.30	0.30			0.90
PERMIT TECH	0.00				0.05		0.05	0.05	0.05			0.150
GRANT ADMIN.	1.00		0.25				0.25	0.25	0.25			0.75
ADMIN. ASSIT/UT	1.00			0.05	0.05	0.05	0.25	0.24	0.30	0.01		0.95
UTILITY CLERK	1.00						0.30	0.30	0.30			0.90
PUBLIC WORKS DIR	1.00		0.01	0.04	0.10	0.02	0.30	0.30	0.18	0.05		1.00
FIELD/WWTP SUPERVISOR	1.00		0.01	0.10	0.10	0.07	0.20	0.25	0.20	0.07		1.00
WWTP OPERATOR	1.00						1.00	1.00				1.00
WATER SYSTEM MANAGER	1.00						1.00	1.00				1.00
WATER PLANT OPERATOR	1.00						1.00	1.00				1.00
UTILITY WORKER	1.00			0.10	0.35	0.02	0.04	0.05	0.30	0.13	0.01	1.00
WWTP OPERATOR	1.00						1.00	1.00				1.00
UTILITY WORKER	1.00			0.10	0.15	0.05	0.05	0.05	0.60			1.00
UTILITY WORKER	1.00			0.10	0.15	0.05	0.05	0.05	0.60			1.00
COMMUNITY DEV DIR	0.00				0.08		0.08	0.08				0.24
PT SUMMER WORKERS	1.00			0.50	0.20	0.02	0.06	0.05	0.10	0.05	0.02	1.00
Sub Total FTE's	14.00	0.00	0.27	1.04	1.68	0.285	4.53	4.57	3.48	0.31	0.03	16.20

GENERAL FUND	WAGES	FINANCE	GRANTS	COUNCIL	EXEC	LEGAL	LAW	CODE	PLAN	BUILDING	TOTAL
ADMINISTRATOR	1.00				0.20						0.20
CITY CLERK/DEP FIN	1.00	0.245				0.05					0.295
GRANTS	0.00		0.25								0.25
UTILITY CLERK	0.00	0.10									0.10
UTILITY CLERK	0.00	0.07					0.03				0.10
PW ADMIN ASST	0.00	0.025		0.025							0.050
COMMUNITY DEV DIR	1.00								0.70	0.06	0.76
PERMIT TECH	1.00								0.40	0.45	0.85
ANIMAL CONTROL	1.00							1.00			1.00
MAYOR/COUNCIL (7)	1.00			0.20							0.20
Sub Total FTE's	6.00	0.440	0.25	0.225	0.20	0.05	0.03	1.00	1.10	0.51	3.81
TOTAL FTE's	20.00	20.00									

FTE = Full time equivalent employee

**CITY OF SULTAN  
RESOLUTION 10-21**

**A RESOLUTION OF THE CITY OF SULTAN WASHINGTON PROVIDING  
FOR THE ALLOCATION OF INVESTMENT INTEREST EARNINGS.**

WHEREAS, the Revised Code of Washington chapter 35.39.034 provides for the disbursement of investment interest earnings; and

WHEREAS, RCW 35.39.034 further provides for commingling of funds within one investment portfolio; and

WHEREAS, RCW 35.39.034 provides that any excess funds on hand may be invested by the City Treasurer for the benefit of the general or current expense fund; now therefore

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The interest earnings received on investment of the City of Sultan shall be distributed to each fund as follows:

	<u>FUND</u>	<u>Interest Distribution</u>
001	General Fund	100%
100	General Fund Contingency	100%
101	Street Fund	100%
103	Cemetery Fund	100%
104	C.R. Equipment Fund	100%
105	Park Improvement Fund	100%
107	Drug Enforcement Fund	100%
108	Street Impact Fee Fund	100%
109	Community Improvement Fund	100%
112	Park Impact Fee Fund	100%
113	Building Maintenance Fund	100%
114	IT Information Tech Fund	100%
203	Limited Tax Bond GO	100%
205	Unlimited Tax GO Bond	100%
207	LID Guaranty Fund	100%
301	Capital Project Fund REET 1	100%
302	Capital Project Fund REET 2	100%
303	Street Improvement Fund	100%
307	LID Project Fund	100%
400	Utility Water Fund	100%
401	Utility Sewer Fund	100%
402	Utility Garbage Fund	100%
403	Water Revenue Bond Fund	100%
406	Storm Water Utility	100%
404	CR Sewer Fund	100%
405	CR Water Fund	100%

407	Sewer System Improvement Fund	100%
409	Water System Improvement Fund	100%
410	Storm Water System Improvement	100%
412	Water System Debt Fund	100%
413	Sewer System Debt Fund	100%
621	Cemetery Trust Fund	100%

**PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 18TH DAY OF NOVEMBER, 2010.**

**CITY OF SULTAN  
Carolyn Eslick, Mayor**

**ATTEST/AUTHENTICATED:  
Laura Koenig, City Clerk**

**Approved as to form:  
Margaret J. King, City Attorney**

**Passed by the City Council: 11/18/10**

**CITY OF SULTAN  
SULTAN WASHINGTON**

**RESOLUTION 10-19**

**A RESOLUTION ESTABLISHING FEES, FINES, PENALTIES  
AND CHARGES FOR SERVICES PROVIDED BY THE CITY.**

WHEREAS, the City Council of the City of Sultan has determined that it is in the best interests of the City of Sultan to provide a single, efficient and convenient listing of all fees, fines, penalties, interest and charges for permits, services applications and filing fees; and

WHEREAS, such a listing will better facilitate the updating and uniform review of all such fees, fines, penalties, interest and charges on a periodic basis;

WHEREAS, all ordinances require the setting of fees, fines, penalties, interest and charges for service by resolution:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sultan that the document as Exhibit "A" entitled "City of Sultan Fee Schedule" is hereby adopted by reference and the fees, fines, penalties, interest and charges for services will be effective January 1, 2011.

PASSED AND ADOPTED this 13th day of January 2011.

CITY OF SULTAN  
Carolyn Eslick, Mayor

ATTEST:  
Laura J. Koenig, City Clerk

**FULL TEXT OF THE FEE SCHEDULE IS AVAILABLE ON THE CITY'S WEB PAGE AT  
[WWW.CI.SULTAN.WA.US](http://WWW.CI.SULTAN.WA.US)**