

**CITY OF SULTAN COUNCIL RETREAT
Volunteers of America Building
October 19, 2013**

9:00 AM CALL TO ORDER - Pledge of Allegiance and Roll Call

DISCUSSION:

1. Budget Themes
2. Operating Funds Revenue Forecast
3. Staff Time Allocation for 2014
4. General Fund Budget - Expenditures
5. Public Works Funds Budgets - Expenditures
6. Staffing Options and Succession Planning

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SULTAN CITY COUNCIL RETREAT AGENDA ITEM COVER SHEET

ITEM NO: D-1

DATE: October 19, 2013

SUBJECT: Budget Themes and Revenue Assumptions

CONTACT PERSON: Ken Walker, Interim City Administrator

ISSUE:

The issue before the city council is to review:

- Proposed 2011-2014 budget themes (Attachment A)
- Proposed 3-year work plan (Attachment B)

STAFF RECOMMENDATION:

Review the financial assumptions, proposed budget themes, and three-year work plan and direct staff to areas of concern.

Discuss the financial assumptions. Use the assumptions to prioritize the budget themes and three-year work plan to achieve short-term and long-term priorities such as meeting state planning mandates, increasing public safety services, supporting economic development and preparing for economic recovery.

SUMMARY:

The city council continues to complete many of the long-range goals adopted either formally or informally beginning in 2008. These goals included:

GOAL	STATUS
Bringing revenues and expenditures into alignment in the general fund and enterprise funds	On going
Building savings in the contingency fund (rainy-day fund)	On going
Reducing debt	On schedule
Funding repair and replacement funds	On going
Funding facility maintenance and operations	On going
Maintaining the city's existing assets	On going
Stabilizing the police department and improving public safety	Contract with Sheriff will be renewed in 2013
Installing a network of security cameras throughout the city	Camera installation complete
Installing emergency sirens	Sirens will be installed in 2014
Adopting a compliant comprehensive plan	Completed
Updating the Water System Plan, General Sewer Plan, Park and Open Space Plan and 2011 Comprehensive Plan	Completed
Constructing road and park improvements and spending grant funds	14 current projects underway
Moving forward with short-term improvements and removing bottlenecks at the waste water treatment plant to accommodate future growth	Continue to address short-term needs at the WWTP
Implementing streamline permitting – installing Springbrook building permit module and improving permit applications (packets)	Completed in 2012

GOAL	STATUS
Updating the development code	In progress
Reducing the city's population allocation for 2035	Completed
Updating the zoning code and revising the future land use map	In progress

Proposed Budget Themes

In 2010, the city council adopted new goals to move the community forward. These goals have carried forward into the 2012-2014 budgets. The adopted council goals were based in part by the priorities identified by the community in the citizen surveys and consultant interviews completed in 2009 and 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. The budget themes are divided into four categories:

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

Based on council input for 2014, city staff prepared specific implementation strategies for the 2014 budget.

DISCUSSION:

Five-Year Plan Financial Assumptions

The five-year general fund financial analysis assumed declining revenues through 2014. Assessed values are expected to increase by 3.7% for 2014. The city reached its maximum levy rate of \$1.60/\$1,000 assessed value in 2011. Property tax revenues for Sultan are expected to stabilize in 2014.

Property tax revenues are divided between the General Fund, Street Fund, Police Bond Fund (voter approved) and the general obligation bond for the community center (councilmanic). Property and Sales tax revenues are approximately 50% of total taxes.

For the 2014-2018 budgets, property taxes will be needed to make the GO bond payments on the Community Center. The impact to the General Fund will be a 20-25% reduction in property tax revenues.

For 2013, the city council approved changing the percentage of B&O Electric Utility Tax allocated between the Street Fund and the General Fund. City staff recommends continuing the 70/30 split between the General Fund and the Street Fund. General Fund Utility taxes are expected to keep pace with inflation. Utility taxes now make-up 44% of total taxes.

The city's major source of variable revenues 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. Building permit revenue is expected to continue at record lows. The City anticipates increase building activity in 2014.

EXPENSES ASSUMPTIONS AND CHANGES.

Labor Contract

The labor contract for 2014 provides for a minimum of a 2.5% to a high of a 5% wage increase. The wage increase for union employees will be 2.5% in 2014. The benchmark CPI came in at 1.2%.

Reduced hours and pay

Per the direction of the council, the positions of Community Development Director, Permit Assistant and Grants Coordinator were reduced by 10% in 2013. The Grants Coordinator will be maintained at a 10% reduction and the Community Development Director will have a 20% reduction for 2014.

The reduction for the Permit Assistant has been rescinded effective July 1, 2013 as part of duty reassignments. The Community Development Director and Grants Coordinator will continue with furloughs for 2014.

Contract adjustments

The contract amount for law enforcement services will be negotiated in 2013 per the existing contract and Snohomish County Sheriff. The anticipated contract for Law Enforcement services will see a reduction of 3.4%.

The Association of Washington Cities has notified the city its medical insurance members, like Sultan, should anticipate a 0% rate increase for 2014 due to the changeover to a self-insured program.

Proposed Budget Themes

The city has an obligation to provide services to the community. Some services are mandated such as floodplain management, Growth Management Act planning, financial reporting, and building inspection. Other services such as public safety, economic development, code enforcement and park maintenance are optional.

Whether a service is mandatory or optional, the city has a choice about the level-of-service or level of investment to make when providing services to the community. The budget themes identify areas of strategic investment over the next five years to coincide with the five-year forecast.

Strategic investments are needed in order to ensure the city is positioned to attract new development when the economy recovers. Failing to invest now could put the city in the position of falling so far behind that future investment will not be attracted to the Sultan community and will go elsewhere. This could lead to a spiraling decline of the community rather than slow but steady improvement.

RECOMMENDED ACTION:

Review the financial assumptions, proposed budget themes, and three-year work plan and direct staff to areas of concern.

Discuss the financial assumptions. Use the assumptions to prioritize the budget themes and three-year work plan to achieve short-term and long-term priorities such as meeting state planning mandates, increasing public safety services, supporting economic development and preparing for economic recovery.

ATTACHMENTS

A – Proposed 2011-2015 Budget Themes

B – 2013-2015 Work Plan

2011-2015 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 anti-social behavior not acceptable to the Sultan community.
3. Improve the community's perception of public safety.
4. Use technology – such as security cameras and emergency sirens to leverage manpower.
5. Seek strategic partnerships such the school resource officer, volunteers, and emphasis patrols to improve community safety.

Economic Development

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

Community Development

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

Fiscal Responsibility

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

2013-2015 Work Plan

Public Safety

- Update the city's nuisance codes. No direct cost, staff time only,
- Fund annual security cameras replacement program - \$2,000 per location for replacement and installation
- Continue fire inspections of public and private businesses to ensure public safety.
- Work with Snohomish County Sheriff's Office to bring emphasis patrol to city.

Economic Development

- Continue business retention and education efforts – roundtables and workshops. No direct cost. In-house staff.
- Amend the city's land use and development codes to reduce red-tape and unnecessary bureaucracy. No direct cost. In-house staff.
- Participate in public/private partnerships to increase recreation and tourism opportunities in the Sky Valley - No direct cost. In-house staff.
- Rezone urban center, economic development and industrial properties to maximize economic development opportunities.
- Support construction of the Boys and Girls Club \$260,000.
- Complete Waste Water Treatment Plant short-term improvements and remove bottlenecks.
- Fund road and street maintenance in the historic business district \$650,000 to \$1,000,000
- Fund capital improvements to enhance public owned facilities such as City Hall (community center), Post Office and Food Bank.
- Identify potential parcels for future park acquisition and set aside park impact fees for specific acquisition strategy.

Community Development

- Update 10-year watershed management plan \$65,000 **Completed**
- 10-year update to the comprehensive plan – revise population allocation and 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 park properties. Complete trail system from Riverfront Park to Osprey Park.
- Support annexation proposals.

Fiscal Responsibility

- Adopt debt service reduction plan (**complete**)

2013-2015 Work Plan

- Complete cemetery rate study to ensure adequate revenues for perpetual care.
- Use Springbrook modules and handheld devices to reduce redundant data entry and increase efficiency.
- Create 60 day operating reserve for all operating funds.
- Update sewer and water rate studies following growth allocation report in 2013.
- First dollar investment in contingency fund \$25,000 annually.
- Establish depreciation schedule for equipment replacement Prepare to replace garbage truck and implement toter system.

SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

ITEM NO: Discussion D 2
DATE: October 19, 2013
SUBJECT: 2014 Budget Revenues
CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director 

ISSUE:

The issue is to review the anticipated revenues for 2014 for the Operating Fund Budgets.

SUMMARY:

The city has an obligation to provide levels of service to the community that meet the basic need. Some services are mandated such as floodplain management, Growth Management Act planning, financial reporting, and building inspection. Other services such as public safety, economic development, code enforcement and park maintenance are optional.

Whether a service is mandatory or option, the city has a choice about the level-of-service or level of investment to make when providing services to the community. The budget themes identify areas of strategic investment over the next five years to coincide with the five year forecast.

The 2014 budget forecast anticipates declining General Fund revenues and expenditures for the next two years (2014 and 2015).

Strategic investments are needed in order to ensure the city is positioned to attract new development when the economy recovers. Failing to invest now could put the city in the position of falling so far behind that future investment will not be attracted to the Sultan community and will go elsewhere. This could lead to a spiraling decline of the community rather than slow but steady improvement.

GENERAL FUND:

The proposed general fund revenue of \$1.6 million for 2014 is a 6% reduction from 2013. The reduction is tax collections due to the required allocation of property taxes to mee the obligation of the debt service on the GO bonds for the Community Center.

The following is the proposed 2014 revenues for the General fund:

001 GENERAL FUND					
Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
308-80-000	Beginning Fund Balance	0	0	0	0
311-10-000	Real and Personal Property Tax	611,955	423,849	406,455	345,000
313-11-000	Local and Retail Sales and Use	282,460	278,295	279,230	280,000
313-71-000	Sales Tax - Criminal Justice	59,603	62,462	59,135	59,500
316-41-000	B & O Electric	122,181	147,084	150,000	160,000

316-42-000	Water Utility Tax	51,443	51,444	50,507	57,000
316-43-000	B & O Gas	67,853	48,008	69,482	60,000
316-44-000	Sewer Utility Tax	73,060	75,106	77,261	77,000
316-46-000	B & O Cable	59,574	49,360	59,010	55,000
316-47-000	B & O Telephone	106,520	144,480	160,000	101,000
316-48-000	Garbage Utility Tax	32,839	34,291	33,336	32,000
316-81-000	Gambling Tax	5,350	2,856	4,714	2,000
Taxes Totals:		1,472,837	1,317,233	1,349,130	1,228,500

321-91-000	Cable Franchise Fees	52,339	60,205	53,000	55,000
321-99-000	Business License	16,639	16,558	18,500	17,000
322-10-100	Buildings, Structures, Equipme	3,499	4,101	2,625	15,000
322-10-200	Permits - Other	10,475	9,809	6,500	6,500
322-30-000	Animal Licenses	1,978	1,430	1,050	1,500
322-90-000	Non Business Permits	752	657	525	1,000
Licenses and Permits Totals:		85,682	92,760	82,200	96,000

335-03-910	PUD Privilege Tax	25,840	25,828	26,000	27,000
336-04-980	Local Government Assistance	39,226	48,838	40,000	43,800
336-06-210	Criminal Justice Funding	1,028	1,049	1,212	1,212
336-06-260	CJ Special Programs	2,900	2,610	2,647	4,054
336-06-510	DUI Cities	978	870	900	900
336-06-950	Liquor Board Profits	55,136	63,579	52,391	46,973
Intergovernmental Revenues Totals:		125,108	142,774	123,150	123,939

341-81-000	Copies and Certifications	701	281	300	300
341-91-000	Candidate Filing Fees	186	0	0	0
341-99-000	Passport Fees	6,505	8,405	7,000	7,000
345-81-000	Zoning and Subdivision Fees	700	1,900	2,500	5,000
345-83-000	Plan Check Fees	952	1,736	1,000	1,000
345-89-000	Other Environment Protection	1,375	0	1,000	1,500
Charges for Services Totals:		10,419	12,322	11,800	14,800

353-10-100	District Court	26,442	25,418	25,000	25,000
353-10-300	Violations Bureau	873	3,835	1,500	1,500
354-10-000	Parking Infractions	180	90	100	100
359-90-000	Animal Control Fines	333	436	200	500
359-90-010	Animal Control Fees	544	365	300	300
Fines and Penalties Totals:		28,373	30,144	27,100	27,400

361-11-000	Investment Interest	376	234	1,000	500
361-40-000	Sales Tax Interest	227	123	570	120
362-40-000	Rents and Royalties	47,706	54,343	7,494	7,500
362-50-000	Rental Income Post Office	0	0	45,150	47,860

367-11-010	Contributions/Donations	71,686	2,800	7,500	9,000
369-90-000	Miscellaneous Income/NSF fees	2,897	16,234	5,700	4,000
Miscellaneous Revenues Totals:		122,892	73,734	67,414	68,980
395-10-000	Sale of Fixed Assets	66	1,816	0	0
397-10-100	Operating Transfer In	0	53,983	51,106	51,106
Other Financing Sources Totals:		66	55,799	51,106	56,011
REVENUES TOTALS:		1,845,376	1,724,766	1,711,900	1,615,630

REVENUE ASSUMPTION AND CHANGES

Property Tax

The Snohomish County Assessor has notified the City of Sultan that the assessment value of existing property for Property Taxes Payable in 2014 increased by 3.7%.

The city reached its maximum levy rate of \$1.60/\$1,000 assessed value in 2011. Property tax revenues are divided between the General Fund, Street Fund, Police Bond Fund (voter approved) and the general obligation bond for the community center (councilmanic). For 2014, the increased assessed property values lowered the levy rate to \$1.55/1000 of assessed value. The city will levy at the \$1.60 rate and use part of the \$212,000 of banked capacity.

Due to the need to make payments on the GO bonds for the Community Center, the allocation of property taxes in the General Fund will be less for 2014.

Phone B&O Tax

The collection of phone B&O tax is consist and should come in as projected.

Utility Taxes

Last year the city council approved changing the percentage of B&O Electric Utility Tax allocated between the Street Fund and the General Fund. City staff recommend continuing the 70/30 split between the General Fund and the Street Fund. General Fund Utility taxes are expected to keep pace with inflation. Utility taxes now make-up 44% of total taxes.

Liquor Revenue

As reported previously changes in state law has resulted in less of an impact in liquor revenue. Based on information received from the State, Sultan should receive \$46,973 in liquor tax in 2014.

Building Permits:

There is one residential building permit anticipated for 2014. The city's major source of variable revenues 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. Building permit revenue is expected to continue at record lows.

The Boys/Girls Club project is ready to move forward with building in 2014. A major business and apartment complex are in the preliminary development stages.

STREET FUND:

The major revenue source for the Street Fund is Motor Vehicle Excise tax. This is a state shared revenue based on population.

101	STREET FUND				
Account	Description	2011	2012	2013	2014
		Actual	Actual	Adopted	Requested
308-80-000	Beginning Fund Balance	0	0	0	0
R10	Taxes				
311-10-000	Real and Personal Property Tax	38,427	16,846	20,010	20,000
316-41-000	B & O Electric	78,960	63,559	66,000	35,000
316-43-000	Utility Tax Gas	10,339	3,841	6,300	5,000
316-47-000	Utility Tax Telephone	16,231	11,558	18,000	12,000
322-40-000	Street/Curb Permits -ROW	1,150	3,384	2,500	2,000
336-00-870	Motor Vehicle Excise Tax	97,292	95,119	97,300	95,064
361-11-000	Investment Interest	126	153	200	200
367-11-010	Contributions - Street Project	121	120	0	0
	REVENUES TOTALS:	242,646	194,579	210,310	169,264

ENTERPRISE FUNDS:**CEMETERY**

Cemetery revenues have been increasing slightly over the past three years. The 2013 Budget anticipated \$25,000; year to date revenues are \$21,011.

103	CEMETERY FUND				
Account	Description	2011	2012	2013	2014
		Actual	Actual	Adopted	Requested
308-80-000	Beginning Fund Balance	0	0	0	0
343-60-000	Cemetery Fees	16,080	23,989	25,000	25,000
361-11-000	Investment Interest	31	14	0	100
367-11-000	Contributions -	2,913	138	0	0
	REVENUES TOTALS:	19,024	24,141	25,000	25,100

WATER

The water rate ordinance sets rates thru December 2015. Rates will increase by 4% in 2014 and 4% in 2015. A rate study needs to be planned for 2015 to coincide with the Comprehensive Plan and Water Plan updates.

400	UTILITY WATER FUND				
Account	Description	2011	2012	2013	2014
		Actual	Actual	Adopted	Requested
308-80-000	Beginning Fund Balance	0	0	0	0
343-40-000	Water Service	878,046	874,172	906,103	992,520
359-10-000	Turn On/Off Fees	21,171	10,879	17,000	10,500
361-11-000	Investment Interest	140	542	200	200
369-90-000	Miscellaneous	24,750	23,379	21,000	17,000
379-10-000	Water Connection Charges	1,600	1,200	800	1,000
395-10-000	Sale of Fixed Assets	5,321	389	0	0
	REVENUES TOTALS:	931,018	910,562	945,103	1,021,220

SEWER

The sewer rate ordinance sets the rates thru December 2015. There are no rate increases for 2013 and 2014. A rate study needs to be planned for 2015 to coincide with the Comprehensive Plan and Sewer Plan updates.

401	UTILITY SEWER FUND				
<u>Account</u>	<u>Description</u>	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
308-80-000	Beginning Fund Balance	0	0	0	0
342-00-200	Sewer Inspection Fee	750	0	500	0
343-50-000	Sewer Service	1,240,277	1,248,369	1,246,501	1,275,912
361-11-000	Investment Interest	273	496	0	500
369-90-000	Miscellaneous	14,379	18,337	15,000	15,000
	REVENUES TOTALS:	1,255,679	1,267,201	1,262,001	1,291,412

GARBAGE

The garbage rate ordinance sets rates thru July 2016. Rates are scheduled to increase by 3% in 2014 and 3% in 2015, however, management plans to evaluate the operating fund reserves and equipment reserves to determine if adequate funding is available for the new garbage truck and totes. There are no increases to the recycle rates for 2013.

402	UTILITY GARBAGE FUND				
<u>Account</u>	<u>Description</u>	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
308-80-000	Beginning Fund Balance	0	0	0	0
316-48-000	Garbage State Tax	19,085	19,459	20,950	20,600
321-91-000	Garbage Franchise Fees	1,473	2,962	3,000	3,000
333-03-100	Coordinated Prevention Grant	2,680	1,770	2,500	1,700
343-70-000	Garbage/Solid Waste	545,216	566,490	581,806	540,000
343-70-100	Recycling Charges	175,355	165,586	166,988	166,500
361-11-000	Investment Interest	246	424	200	200
362-20-000	Dumpster Delivery Charges	20,658	20,675	20,708	21,500
369-90-000	Miscellaneous	1,377	434	400	400
	REVENUES TOTALS:	766,090	777,800	796,552	753,900

STORM

The stormwater rate ordinances set rates thru May 2015. A 3% rate increase per year is factored into the rate schedule.

406	STORMWATER UTILITY FUND				
<u>Account</u>	<u>Description</u>	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
308-80-000	Beginning Fund Balance	0	0	37,469	0
343-10-000	Stormwater Utility Fee	126,428	150,169	164,025	165,945
361-11-000	Investment Interest	92	306	200	200
369-90-000	Miscellaneous	0	0	0	0
397-10-100	Operating Transfer In	0	0	0	0
	REVENUES TOTALS:	126,520	150,474	201,694	166,145

CITY COUNCIL AGENDA ITEM COVER SHEET

ITEM NO: Discussion D 3
DATE: October 19, 2013
SUBJECT: Salary/Benefit Allocation to Funds
CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director 

ISSUE:

The issue before the Council is to review the allocation of salaries and benefits to the various funds for operations and capital projects.

SUMMARY:

During the annual budget process a review of staffing requirements will be completed by the Department Heads. Staff will review the current job responsibilities, the proposed work program for the next year and the adopted cost allocation plan to determine the appropriate fund to charge for the salaries and benefits. Staff time must be appropriated to the fund for which the employee performs the work. Allocation of Council time is based on agenda items.

The 2014 allocation for wages and benefits is based on actual hours worked in the various funds through September 2013 and the proposed work program for 2014.

In 2013, staff worked on several street projects (Sultan Basin Road intersection and overlay projects, design work on Alder, High and 4th). In 2014, staff time will be spent on water, sewer and stormwater projects and funding potentials.

For 2014, there are no major changes for salaries and benefits allocation. The reduction in wages and benefits will occur due to staff reductions:

1. The Planning Department Community Development director position hours will be reduced from 90% to 80%.
2. The Permit Assistance's time has been reduced to a 15% allocation in the Building Department due to the lack of permit activity.
3. The Grant Coordinator's hours will remain at the 90% level.
4. The position of Deputy City Clerk will provide administrative assistance to the City Administrator, provide web page maintenance and records management.

Attachments: A. Allocation of Wages/Benefits

**SULTAN CITY COUNCIL
BUDGET RETREAT COVER SHEET**

ITEM NUMBER: Discussion D 4
DATE: October 19, 2013
SUBJECT: 2014 General Fund Expenditures Budget
CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director *LK*

ISSUE:

The issue is to review the General Fund Expenditure budget for 2014. The 2014 proposed has been reduced by \$115,000 from the 2013 adopted budget. The need to fund the payments on the Community Center bonds has reduced revenues by \$96,000. The major areas of change include:

- Reduction in legal fees by \$45,000. The land use and personnel issues have been reduced since 2012. The legal fees for 2013 should be less than \$40,000.
- The Law Enforcement contract negotiations should be completed in the next month. There will be an approximate \$25,000 savings in 2014.
- The Community Development Director's hours will be reduced to 80% due to lack of planning activity.
- The Building Department staff allocation has been reduced to 15%. The position has been combined with the Utility Clerk.

The General Fund is comprised of 13 departments and provides:

- General management and financial services
- Law Enforcement services
- Planning and Building services
- Parks and recreation service

The Executive, Legislative and Administrative budgets work together to develop a vision, fund programs to achieve the vision and harness the city's resources to implement projects and programs to improve the City of Sultan.

Council - 2014 Budget Proposal

The 2014 budget for the Council has decreased by \$3,000. Salary, benefits, and travel are reduced for 2014.

Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
005	Legislative				
511-60-100	Salaries and Wages	8,808	7,898	8,162	6,300
511-60-200	Benefits	579	865	1,195	850
511-60-310	Office/Operating	777	824	850	500
511-60-311	Office/Operating - Mayor	0	0	0	200
511-60-430	Travel and Seminars	5,740	4,403	2,500	2,000
511-60-490	Miscellaneous	-221	170	200	0
514-90-510	Voter Registration	6,095	5,832	6,000	6,000
	Legislative Totals:	21,780	19,993	18,907	15,850

Executive - 2014 Budget Proposed

The 2014 Executive budget has increased by \$30,000. Salary and benefits have been adjusted to reflect the work schedule of the City Administrator and to include wages for the proposed position of Deputy Clerk. The Deputy Clerk will provide administrative assistance to the City Administrator.

Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
010	Executive/Administrative				
513-10-100	Salaries and Wages	22,414	24,983	23,104	44,520
513-10-200	Benefits	6,947	4,931	6,522	16,985
513-10-320	Office Supplies	0	17	100	0
513-10-420	Communication	0	26	500	500
513-10-430	Travel and Seminars	3,876	3,364	1,500	500
513-10-490	Miscellaneous	5	167	100	100
	Executive/Administrative Totals:	33,243	33,488	31,826	62,605

Finance - 2014 Budget Proposed

There are no major changes to the 2014 proposed budget for Financial Administration. The City will need to have a single audit next year due to the amount of federal funding received. The accountability audit was done in 2013 and is completed every other year.

Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
015	Finance Administration				
514-23-100	Salaries and Wages	28,508	35,725	36,214	37,870
514-23-200	Benefits	10,383	10,860	16,248	17,520
514-23-310	Office Supplies	0	289	200	250
514-23-410	Audit Costs	10,987	14,604	7,500	7,000
514-23-430	Travel and Seminars	1,648	2,381	900	1,000
514-23-490	Bank Fees	1,479	2,322	1,150	1,000
514-23-491	Miscellaneous Expense	0	0	0	250
	Finance Administration Totals:	53,006	66,182	62,212	64,890

Grants, Economic Development, Volunteer - 2014 Budget Proposed

The Grants/Economic Development 2014 budget has a slight decrease. The Grant Coordinator will remain on the 10% hourly reduction for 2014.

Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
020	Grants				
514-60-100	Salaries and Wages	15,220	40,272	24,726	21,768
514-60-200	Benefits	4,475	6,287	8,804	8,312
514-60-310	Economic Development	99	4,903	2,500	5,000
514-60-320	Office Supplies	40	23	250	250
514-60-350	Small Tools/Minor Equipment	0	74	100	100

514-60-410	Professional Services	0	0	350	350
514-60-430	Travel and Seminars	1,334	1,588	1,000	500
514-60-490	Volunteer Program	243	542	1,200	1,200
Grants Totals:		21,412	53,688	38,930	37,480

Legal and General Governmental Services – 2014 Budget Proposal

Legal fees have reduced by \$47,500 for 2014. The city has not had the personnel and land use issues experienced from 2010-12. City staff have been directed to use MRSC for information rather than call the attorney. General government fees for insurance have increased because they are being charged under Other Governmental Services instead of to each department in the General fund.

Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
025	Legal Services				
515-30-100	Salaries and Wages	3,960	3,964	3,872	3,834
515-30-200	Benefits	1,388	1,388	1,600	1,661
515-30-410	Legal - Litigation Fees	80,207	76,946	87,500	40,000
515-70-510	Crime Victim Services	550	335	500	500
Legal Services Totals:		86,105	82,635	93,472	45,995
035	Other Governmental Services				
518-10-310	Office/Operating Supplies	9,297	9,988	7,500	8,000
518-90-340	Books and Periodicals	955	1,067	750	1,000
518-20-490	Organization Dues	3,093	6,039	4,000	4,000
518-90-410	Professional Services	3,201	19,201	1,000	1,000
518-90-420	Communication	9,161	6,812	6,500	5,500
518-90-440	Advertising and Legal Notices	4,408	3,364	2,500	2,000
518-90-460	Insurance	22,142	32,207	18,000	34,935
518-90-470	Utilities	5,283	4,599	4,500	4,500
518-90-480	Repair and Maintenance	731	130	200	700
518-90-490	Miscellaneous	413	856	800	800
Other Governmental Services Totals:		58,684	84,262	45,750	62,435

Law Enforcement and Emergency Services - 2014 Budget Proposed

The police operating budget includes funding to support city staff time for managing the violations bureau (traffic infractions), the professional services contract with the Snohomish County Sheriff's Office and intergovernmental services including SnoPac and the city's proportionate share of the 800 Mhz system. Law enforcement agency fees for court costs, prosecuting attorney and jail fees are also covered in the law enforcement budget.

The city signed 5 year Interlocal Agency Agreement with the Snohomish County Sheriff's Office in December 2008 effective January 1, 2009 through December 31, 2013. The contract for will expire in 2013 and the city is currently in the process of renegotiating the next five year contract.

Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
040	Law Enforcement				
521-20-100	Salaries and Wages	1,123	2,053	2,108	2,161
521-20-200	Benefits	403	444	854	870
521-20-210	Disability Insurance	11,745	12,034	12,000	6,500
521-20-310	Operating Supplies	0	0	100	100
521-20-460	Insurance	1,000	0	750	0
521-20-490	Miscellaneous	212	726	0	0
521-20-510	Professional Service - SnoCty	878,351	958,931	912,194	890,000
528-10-500	Intergovernmental - SNOPAC	66,760	61,059	60,525	60,500
528-10-510	Intergovernmental - 800 MHZ	13,316	13,857	13,857	13,860
	Law Enforcement Totals:	972,909	1,049,103	1,002,388	973,991
045	Law Enforcement Agency Fees				
512-50-510	Miscellaneous - Court Filing F	16,728	12,664	12,000	6,000
515-30-410	Professional Services - Prosec	36,410	31,542	17,000	15,000
515-30-411	Public Defender Attorney	0	0	18,400	18,400
523-90-510	Miscellaneous - Jail Fees	53,478	50,764	58,000	40,000
	Law Enforcement Agency Fees Totals:	106,616	94,970	105,400	79,400
050	Emergency Services				
525-50-310	Operating Supplies	939	0	0	0
525-10-480	Repair and Maintenance	0	1,292	500	500
525-10-510	Department of Emergency Mgmt	4,840	3,776	5,100	5,100
	Emergency Services Totals:	5,779	5,068	5,600	5,600

Code Enforcement, Planning and Building - 2014 Budget Proposal

The 2014 budget provides for continuation of the 0.5 FTE Community Services Officer position and support funding.

Completion of the Comprehensive Plan in 2011 reduced the budgetary emphasis on Long Range Planning. It also transferred more of the Planning Division's costs to the General Fund because the Planning Board and staff are not participating in development of plans for the Sewer, Water, Solid Waste, and Stormwater Utilities.

The 2014 Planning Division budget for Salaries/Wages is reduced. Staff time in Planning will be reduced by 20%, resulting in 32 hour week for the Community Development Director.

The Building Division continues to operate in cooperation with the Snohomish County Building Division for plan review and inspection services. Staff time allocation for the building permit assistant has been reduced to 15%.

Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
060	Code Enforcement				
554-30-100	Salaries and Wages	21,704	21,679	19,354	22,684
554-30-200	Benefits	4,448	5,224	5,614	6,480
554-30-310	Office/Operating Supplies	1,843	1,216	1,000	1,500
554-30-360	Vehicle Operation/Maintenance	202	1,519	500	500
554-30-370	Vehicle Repair	120	213	500	0
554-30-410	Professional Services	793	566	1,000	750
554-30-430	Travel and Seminars	807	365	375	250
554-30-460	Insurance	1,725	0	500	0
	Code Enforcement Totals:	31,640	30,783	28,843	32,164
065	Planning and Development				
558-60-100	Salaries and Wages	66,409	113,482	85,211	68,560
558-60-200	Benefits	24,204	37,377	36,637	29,750
558-60-310	Office/Operating Supplies	213	282	350	100
558-60-340	Books and Periodicals	160	157	200	0
558-60-350	Small Tools/Minor Equipment	57	0	200	0
558-60-410	Professional Services	32,282	2,760	2,500	2,500
558-60-420	Communication	3,136	528	1,000	500
558-60-430	Travel and Seminars	1,477	2,286	700	0
558-60-440	Advertising and Legal Notices	770	1,369	1,500	750
558-60-490	Miscellaneous	1,827	967	500	500
	Planning and Development Totals:	130,533	159,207	128,798	102,660
070	Building				
558-50-100	Salaries and Wages	27,829	39,979	30,466	10,243
558-50-200	Benefits	12,849	15,088	16,970	5,260
558-50-310	Operating Supplies	59	206	500	250
558-50-340	Books and Periodical	8	0	1,200	900
558-50-360	Vehicle Operation/Maintenance	0	0	250	0
558-50-410	Professional Services	0	1,525	1,000	500
558-50-420	Communication	948	1,019	500	500
558-50-430	Travel and Seminars	708	1,451	500	250
558-50-480	Repair and Maintenance	0	0	300	0
558-50-490	Miscellaneous	587	50	0	200
558-50-510	SnoCty Plan/Building Service	8,638	12,573	9,000	8,000
	Building Totals:	51,626	71,891	60,686	26,103

Public Health and Library Services - 2014 Budget Proposal

Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
075	Public Health				
562-50-510	Intergovernmental	1,125	2,471	1,000	1,000
	Public Health Totals:	1,125	2,471	1,000	1,000
080	Library				
572-20-460	Insurance	0	0	0	0
572-20-470	Utilities	7,286	6,876	7,000	6,500
	Library Totals:	7,286	6,876	7,000	6,500

Park Services - 2014 Budget Proposal

There are no major changes proposed to park services. The city will continue to maintain the current levels of service in parks to the community.

Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
085	Parks and Recreation				
576-80-100	Salaries and Wages	38,942	40,847	36,583	40,200
576-80-200	Benefits	19,825	17,821	16,200	16,680
576-80-220	Uniforms	773	498	500	500
576-80-310	Office/Operating Supplies	2,150	2,678	1,530	1,300
576-80-320	Office Supplies	8	0	0	0
576-80-350	Small Tools/Minor Equipment	61	398	810	350
576-80-360	Vehicle Maintenance	0	0	0	1,300
576-80-370	Vehicle Repair	0	165	1,050	500
576-80-410	Professional Services	0	0	0	1,000
576-80-420	Communication	652	564	600	400
576-80-430	Travel and Seminars	540	95	222	222
576-80-450	Rentals	2,608	3,330	2,226	0
576-80-460	Insurance	5,003	956	3,000	0
576-80-470	Utilities	3,655	2,751	3,000	3,300
576-80-480	Repair and Maintenance	1,873	446	500	500
576-80-490	Miscellaneous	80	399	0	100
594-80-620	Capital - Equipment	328	33	0	0
597-30-000	Operating Transfer Out	600	0	1,000	0
	Parks and Recreation Totals:	77,099	70,981	67,221	66,352

Other Financing Sources:

Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
E90	Interfund Services				
597-40-020	Operating Transfer Out	146,885	1,798	0	0
597-50-010	Operating Transfer Out - 114	8,216	8,576	9,000	9,000
	Interfund Services Totals:	155,101	10,374	9,000	9,000

The following is a summary of the revenue and expenditures for 2014 in the General Fund:

	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
FUND REVENUES	1,845,376	1,724,766	1,711,900	1,615,630
FUND EXPENSES	1,813,943	1,841,971	1,707,033	1,592,025
GENERAL FUND Over/Under Budget	31,433	-117,204	4,867	23,605.00

ATTACHMENT A

2014 Budget

001 GENERAL FUND

Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
308-80-000	Beginning Fund Balance	0	0	0	0
311-10-000	Real and Personal Property Tax	611,955	423,849	406,455	345,000
313-11-000	Local and Retail Sales and Use	282,460	278,295	279,230	280,000
313-71-000	Sales Tax - Criminal Justice	59,603	62,462	59,135	59,500
316-41-000	B & O Electric	122,181	147,084	150,000	160,000
316-42-000	Water Utility Tax	51,443	51,444	50,507	57,000
316-43-000	B & O Gas	67,853	48,008	69,482	60,000
316-44-000	Sewer Utility Tax	73,060	75,106	77,261	77,000
316-46-000	B & O Cable	59,574	49,360	59,010	55,000
316-47-000	B & O Telephone	106,520	144,480	160,000	101,000
316-48-000	Garbage Utility Tax	32,839	34,291	33,336	32,000
316-81-000	Gambling Tax	5,350	2,856	4,714	2,000
	Taxes Totals:	1,472,837	1,317,233	1,349,130	1,228,500
321-91-000	Cable Franchise Fees	52,339	60,205	53,000	55,000
321-99-000	Business License	16,639	16,558	18,500	17,000
322-10-100	Buildings, Structures, Equip	3,499	4,101	2,625	15,000
322-10-200	Permits - Other	10,475	9,809	6,500	6,500
322-30-000	Animal Licenses	1,978	1,430	1,050	1,500
322-90-000	Non Business Permits	752	657	525	1,000
	Licenses and Permits Totals:	85,682	92,760	82,200	96,000
335-03-910	PUD Privilege Tax	25,840	25,828	26,000	27,000
336-04-980	Local Government Assistance	39,226	48,838	40,000	43,800
336-06-210	Criminal Justice Funding	1,028	1,049	1,212	1,212
336-06-260	CJ Special Programs	2,900	2,610	2,647	4,054
336-06-510	DUI Cities	978	870	900	900
336-06-950	Liquor Board Profits	55,136	63,579	52,391	46,973
	Intergovernmental Revenues Totals:	125,108	142,774	123,150	123,939
341-81-000	Copies and Certifications	701	281	300	300
341-91-000	Candidate Filing Fees	186	0	0	0
341-99-000	Passport Fees	6,505	8,405	7,000	7,000
345-81-000	Zoning and Subdivision Fees	700	1,900	2,500	5,000
345-83-000	Plan Check Fees	952	1,736	1,000	1,000
345-89-000	Other Environment Protection	1,375	0	1,000	1,500
	Charges for Services Totals:	10,419	12,322	11,800	14,800
353-10-100	District Court	26,442	25,418	25,000	25,000
353-10-300	Violations Bureau	873	3,835	1,500	1,500

354-10-000	Parking Infractions	180	90	100	100
359-90-000	Animal Control Fines	333	436	200	500
359-90-010	Animal Control Fees	544	365	300	300
Fines and Penalties Totals:		28,373	30,144	27,100	27,400
361-11-000	Investment Interest	376	234	1,000	500
361-40-000	Sales Tax Interest	227	123	570	120
362-40-000	Rents and Royalties	47,706	54,343	7,494	7,500
362-50-000	Rental Income Post Office	0	0	45,150	47,860
367-11-010	Contributions/Donations	71,686	2,800	7,500	9,000
369-90-000	Miscellaneous Income/NSF fees	2,897	16,234	5,700	4,000
Miscellaneous Revenues Totals:		122,892	73,734	67,414	68,980
395-10-000	Sale of Fixed Assets	66	1,816	0	0
397-10-100	Operating Transfer In	0	53,983	51,106	51,106
Other Financing Sources Totals:		66	55,799	51,106	56,011
REVENUES TOTALS:		1,845,376	1,724,766	1,711,900	1,615,630

**GENERAL FUND
EXPENDITURES**

Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
005	Legislative				
511-60-100	Salaries and Wages	8,808	7,898	8,162	6,300
511-60-200	Benefits	579	865	1,195	850
511-60-310	Office/Operating	777	824	850	500
511-60-311	Office/Operating - Mayor	0	0	0	200
511-60-430	Travel and Seminars	5,740	4,403	2,500	2,000
511-60-490	Miscellaneous	-221	170	200	0
514-90-510	Voter Registration	6,095	5,832	6,000	6,000
Legislative Totals:		21,780	19,993	18,907	15,850
010	Executive/Administrative				
513-10-100	Salaries and Wages	22,414	24,983	23,104	44,520
513-10-200	Benefits	6,947	4,931	6,522	16,985
513-10-320	Office Supplies	0	17	100	0
513-10-420	Communication	0	26	500	500
513-10-430	Travel and Seminars	3,876	3,364	1,500	500
513-10-490	Miscellaneous	5	167	100	100
Executive/Administrative Totals:		33,243	33,488	31,826	62,605

Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
015	Finance Administration				
514-23-100	Salaries and Wages	28,508	35,725	36,214	37,870
514-23-200	Benefits	10,383	10,860	16,248	17,520
514-23-310	Office Supplies	0	289	200	250
514-23-410	Audit Costs	10,987	14,604	7,500	7,000
514-23-430	Travel and Seminars	1,648	2,381	900	1,000
514-23-490	Bank Fees	1,479	2,322	1,150	1,000
514-23-491	Miscellaneous Expense	0	0	0	250
	Finance Administration Totals:	53,006	66,182	62,212	64,890
020	Grants				
514-60-100	Salaries and Wages	15,220	40,272	24,726	21,768
514-60-200	Benefits	4,475	6,287	8,804	8,312
514-60-310	Economic Development	99	4,903	2,500	5,000
514-60-320	Office Supplies	40	23	250	250
514-60-350	Small Tools/Minor Equipment	0	74	100	100
514-60-410	Professional Services	0	0	350	350
514-60-430	Travel and Seminars	1,334	1,588	1,000	500
514-60-490	Volunteer Program	243	542	1,200	1,200
	Grants Totals:	21,412	53,688	38,930	37,480
025	Legal Services				
515-30-100	Salaries and Wages	3,960	3,964	3,872	3,834
515-30-200	Benefits	1,388	1,388	1,600	1,661
515-30-410	Legal - Litigation Fees	80,207	76,946	87,500	40,000
515-70-510	Crime Victim Services	550	335	500	500
	Legal Services Totals:	86,105	82,635	93,472	45,995
035	Other Governmental Services				
518-10-310	Office/Operating Supplies	9,297	9,988	7,500	8,000
518-90-340	Books and Periodicals	955	1,067	750	1,000
518-20-490	Organization Dues	3,093	6,039	4,000	4,000
518-90-410	Professional Services	3,201	19,201	1,000	1,000
518-90-420	Communication	9,161	6,812	6,500	5,500
518-90-440	Advertising and Legal Notices	4,408	3,364	2,500	2,000
518-90-460	Insurance	22,142	32,207	18,000	34,935
518-90-470	Utilities	5,283	4,599	4,500	4,500
518-90-480	Repair and Maintenance	731	130	200	700
518-90-490	Miscellaneous	413	856	800	800
	Other Governmental Services Totals:	58,684	84,262	45,750	62,435

Account	Description	2011 Actual	2012 Actual	2013 Adopted	2014 Requested
040	Law Enforcement				
521-20-100	Salaries and Wages	1,123	2,053	2,108	2,161
521-20-200	Benefits	403	444	854	870
521-20-210	Disability Insurance	11,745	12,034	12,000	6,500
521-20-310	Operating Supplies	0	0	100	100
521-20-460	Insurance	1,000	0	750	0
521-20-490	Miscellaneous	212	726	0	0
521-20-510	Professional Service - SnoCty	878,351	958,931	912,194	890,000
528-10-500	Intergovernmental - SNOPAC	66,760	61,059	60,525	60,500
528-10-510	Intergovernmental - 800 MHZ	13,316	13,857	13,857	13,860
	Law Enforcement Totals:	972,909	1,049,103	1,002,388	973,991
045	Law Enforcement Agency Fees				
512-50-510	Miscellaneous - Court Filing F	16,728	12,664	12,000	6,000
515-30-410	Professional Services - Prosec	36,410	31,542	17,000	15,000
515-30-411	Public Defender Attorney	0	0	18,400	18,400
523-90-510	Miscellaneous - Jail Fees	53,478	50,764	58,000	40,000
	Law Enforcement Agency Fees Totals:	106,616	94,970	105,400	79,400
050	Emergency Services				
525-50-310	Operating Supplies	939	0	0	0
525-10-480	Repair and Maintenance	0	1,292	500	500
525-10-510	Department of Emergency Mgmt	4,840	3,776	5,100	5,100
	Emergency Services Totals:	5,779	5,068	5,600	5,600
060	Code Enforcement				
554-30-100	Salaries and Wages	21,704	21,679	19,354	22,684
554-30-200	Benefits	4,448	5,224	5,614	6,480
554-30-310	Office/Operating Supplies	1,843	1,216	1,000	1,500
554-30-360	Vehicle Operation/Maintenance	202	1,519	500	500
554-30-370	Vehicle Repair	120	213	500	0
554-30-410	Professional Services	793	566	1,000	750
554-30-430	Travel and Seminars	807	365	375	250
554-30-460	Insurance	1,725	0	500	0
	Code Enforcement Totals:	31,640	30,783	28,843	32,164
065	Planning and Development				
558-60-100	Salaries and Wages	66,409	113,482	85,211	68,560
558-60-200	Benefits	24,204	37,377	36,637	29,750
558-60-310	Office/Operating Supplies	213	282	350	100
558-60-340	Books and Periodicals	160	157	200	0
558-60-350	Small Tools/Minor Equipment	57	0	200	0
558-60-410	Professional Services	32,282	2,760	2,500	2,500
558-60-420	Communication	3,136	528	1,000	500

558-60-430	Travel and Seminars	1,477	2,286	700	0
558-60-440	Advertising and Legal Notices	770	1,369	1,500	750
558-60-490	Miscellaneous	1,827	967	500	500
Planning and Development Totals:		130,533	159,207	128,798	102,660
070	Building				
558-50-100	Salaries and Wages	27,829	39,979	30,466	10,243
558-50-200	Benefits	12,849	15,088	16,970	5,260
558-50-310	Operating Supplies	59	206	500	250
558-50-340	Books and Periodical	8	0	1,200	900
558-50-360	Vehicle Operation/Maintenance	0	0	250	0
558-50-410	Professional Services	0	1,525	1,000	500
558-50-420	Communication	948	1,019	500	500
558-50-430	Travel and Seminars	708	1,451	500	250
558-50-480	Repair and Maintenance	0	0	300	0
558-50-490	Miscellaneous	587	50	0	200
558-50-510	SnoCty Plan/Building Service	8,638	12,573	9,000	8,000
Building Totals:		51,626	71,891	60,686	26,103
075	Public Health				
562-50-510	Intergovernmental	1,125	2,471	1,000	1,000
Public Health Totals:		1,125	2,471	1,000	1,000
080	Library				
572-20-460	Insurance	0	0	0	0
572-20-470	Utilities	7,286	6,876	7,000	6,500
Library Totals:		7,286	6,876	7,000	6,500
085	Parks and Recreation				
576-80-100	Salaries and Wages	38,942	40,847	36,583	40,200
576-80-200	Benefits	19,825	17,821	16,200	16,680
576-80-220	Uniforms	773	498	500	500
576-80-310	Office/Operating Supplies	2,150	2,678	1,530	1,300
576-80-320	Office Supplies	8	0	0	0
576-80-350	Small Tools/Minor Equipment	61	398	810	350
576-80-360	Vehicle Maintenance	0	0	0	1,300
576-80-370	Vehicle Repair	0	165	1,050	500
576-80-410	Professional Services	0	0	0	1,000
576-80-420	Communication	652	564	600	400
576-80-430	Travel and Seminars	540	95	222	222
576-80-450	Rentals	2,608	3,330	2,226	0
576-80-460	Insurance	5,003	956	3,000	0
576-80-470	Utilities	3,655	2,751	3,000	3,300
576-80-480	Repair and Maintenance	1,873	446	500	500
576-80-490	Miscellaneous	80	399	0	100

594-80-620	Capital - Equipment	328	33	0	0
597-30-000	Operating Transfer Out	600	0	1,000	0
Parks and Recreation Totals:		77,099	70,981	67,221	66,352
E90	Interfund Services				
597-40-020	Operating Transfer Out	146,885	1,798	0	0
597-50-010	Operating Transfer Out - 114	8,216	8,576	9,000	9,000
Interfund Services Totals:		155,101	10,374	9,000	9,000
EXPENDITURES TOTALS:		1,813,943	1,841,971	1,707,033	1,592,025
FUND REVENUES		1,845,376	1,724,766	1,711,900	1,615,630
FUND EXPENSES		1,813,943	1,841,971	1,707,033	1,592,025
GENERAL FUND Over/Under Budget		31,433	-117,204	4,867	23,605.00

**SULTAN CITY COUNCIL
BUDGET RETREAT COVER SHEET**

ITEM NUMBER: Discussion D 5
DATE: October 19, 2012
SUBJECT: Public Works Funds Expenditures
CONTACT PERSON: Mick Matheson, P.E., Public Works Director



ISSUE:

- Review the proposed expenditure budgets for the operating funds
- Determine if additional expenditures are needed
- Determine if expenditures should or can be delayed

PUBLIC WORKS FUNDS

The City's goal is to lead a well equipped and effective staff in serving the Citizens of Sultan. As the City continues to grow and develop so will the Public Works Department in providing services in a professional manner.

The Public Works Department serves the citizens of Sultan with a wide variety of services, as well as being an integral part of Sultan governmental offices. The divisions within Public Works operations and maintenance are Streets, Cemetery, Water, Sewer, Garbage and Stormwater. Public Works is also responsible for maintenance of the parks and city buildings. Those budgets included in the General Fund portion of the budget.

The City has 6 Public Works Operating Funds:

- 101 Street
- 103 Cemetery
- 400 Water
- 401 Sewer
- 402 Garbage
- 406 Storm

With the exception of the Street Fund (which is technically part of the General fund and tax supported) the funds are enterprise funds and must be self-supporting.

2014 STREET OPERATING FUND

The Street Fund is used to repair and maintain the City's streets, sidewalks, alley ways, trails, signs, and vegetation (street trees and grass strips). The City has approximately 31 miles (62 lane miles) of roadways and trails, 600 signs, and 150 trees.

Although the Street Fund is not a part of the city's general fund budget, the two funds share operating revenues. The Street operating budget is supported by property taxes, utility taxes, B & O taxes and the motor vehicle excise tax which is dedicated solely to the Street Operating Fund.

101 STREET FUND

<u>Account</u>	<u>Description</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Adopted</u>	<u>2,014 Revised</u>
308-80-000	Beginning Fund Balance	0	0	0	0
R10	Taxes				
311-10-000	Real and Personal Property Tax	38,427	16,846	20,010	20,000
316-41-000	B & O Electric	78,960	63,559	66,000	35,000
316-43-000	Utility Tax Gas	10,339	3,841	6,300	5,000
316-47-000	Utility Tax Telephone	16,231	11,558	18,000	12,000
	Taxes Totals:	143,958	95,803	110,310	72,000
R20	Licenses and Permits				
322-40-000	Street/Curb Permits -ROW	1,150	3,384	2,500	2,000
	Licenses and Permits Totals:	1,150	3,384	2,500	2,000
R30	Intergovernmental Revenues				
334-03-000	FEMA Payment	0	0	0	0
336-00-870	Motor Vehicle Excise Tax	97,292	95,119	97,300	95,064
	Intergovernmental Revenues Totals:	97,292	95,119	97,300	95,064
R60	Miscellaneous Revenues				
361-11-000	Investment Interest	126	153	200	200
367-11-010	Contributions - Street Project	121	120	0	0
	Miscellaneous Revenues Totals:	247	273	200	200
R90	Other Financing Sources				
395-10-000	Sale of Fixed Assets	0	0	0	0
397-10-100	Operating Transfer In	0	0	0	0
	Other Financing Sources Totals:	0	0	0	0
	REVENUES TOTALS:	242,646	194,579	210,310	169,264

Street Fund Operating Expenditures

Salaries and benefits are decreased by \$32,310 in 2014. Due to declining revenues, It is necessary to significantly reduce staff hours spent in the street fund to balance the budget.

The Public Works Director is projected to be spending less time in the Street Fund in 2014 as development activity is picking up, and more time will be spent working with developers and providing plan review services.

A speed cushion project for 1st Street is projected for 2014 using Street Operating Funds.

The annual chip seal project is tentatively planned for the autumn of 2014 depending on available funding at the time. A \$12,400 Operating Transfer Out is being set aside in the Street Capital Fund for this purpose.

2014 CEMETERY OPERATING FUND

103 CEMETERY FUND

<u>Account</u>	<u>Description</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Adopted</u>	<u>2,014 Revised</u>
308-80-000	Beginning Fund Balance	0	0	0	0
R40	Charges for Services				
343-60-000	Cemetery Fees	16,080	23,989	25,000	25,000
	Charges for Services Totals:	16,080	23,989	25,000	25,000
R60	Miscellaneous Revenues				
361-11-000	Investment Interest	31	14	0	100
367-11-000	Contributions - Cemetery Impro	2,913	138	0	0
	Miscellaneous Revenues Totals:	2,944	151	0	100
	REVENUES TOTALS:	19,024	24,141	25,000	25,100

<u>Account</u>	<u>Description</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Adopted</u>	<u>2,014 Revised</u>
103	Cemetery				
536-10-010	Salaries and Wages	25,351	16,795	11,625	9,790
536-10-200	Benefits	0	0	5,879	4,850
536-10-220	Uniforms	138	12	30	0
536-10-310	Operating Supplies	307	336	300	500
536-10-320	Office Supplies	11	115	0	0
536-10-340	Items for Resale	732	747	500	900
536-10-350	Small Tools/Minor Equipment	40	0	300	100
536-10-360	Vehicle Operation/Maintenance	506	474	500	700
536-10-370	Vehicle Repair	0	0	0	0
536-10-410	Professional Services	400	5,187	4,500	5,000
536-10-420	Communication	0	0	0	0
536-10-460	Insurance	4,287	682	1,000	1,500

536-10-480	Repair and Maintenance	95	0	100	100
594-10-620	Capital - Buildings	0	0	0	0
594-10-640	Capital - Equipment	761	0	0	0
597-40-000	Operating Transfers Out	0	0	0	0
EXPENDITURES TOTALS:		32,627	24,348	24,734	23,440
FUND REVENUES		19,024	24,141	25,000	25,100
FUND EXPENSES		32,627	24,348	24,734	23,440
CEMETERY FUND Difference		-13,602	-208	266	1,660

Cemetery Fund Operating Expenditures

Salaries and benefits are decreased by \$2,554 in 2014. This is proposed to be achieved primarily by reducing the Cemetery Sexton's time allocation to reflect anticipated hours spent working on cemetery related matters.

2014 WATER OPERATING FUND

400 UTILITY WATER FUND

<u>Account</u>	<u>Description</u>	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Adopted</u>	<u>2,014</u> <u>Revised</u>
308-80-000	Beginning Fund Balance	0	0	0	0
R40	Charges for Services				
341-82-100	Engineering Review Services	0	0	0	0
342-00-010	Inspection Fees	0	205	0	0
343-40-000	Water Service	878,046	874,172	906,103	992,520
359-10-000	Turn On/Off Fees	21,171	10,879	17,000	10,500
	Charges for Services Totals:	899,217	885,256	923,103	1,003,020
R60	Miscellaneous Revenues				
361-11-000	Investment Interest	140	542	200	200
369-40-000	Judgements and Settlements	594	0	0	0
369-90-000	Miscellaneous	24,146	23,174	21,000	17,000
379-10-000	Water Connection Charges	1,600	1,200	800	1,000
	Miscellaneous Revenues Totals:	26,481	24,917	22,000	18,200
R90	Other Financing Sources				
395-10-000	Sale of Fixed Assets	5,321	389	0	0
397-10-100	Operating Transfer In	0	0	0	0
	Other Financing Sources Totals:	5,321	389	0	0
REVENUES TOTALS:		931,018	910,562	945,103	1,021,220
		2011	2012	2013	2,014

<u>Account</u>	<u>Description</u>	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Revised</u>
400	Utility Water				
534-80-100	Salaries and Wages	296,914	229,295	256,156	278,075
534-80-200	Benefits	110,136	76,238	114,382	135,446
534-80-220	Uniforms	1,468	1,785	900	1,000
534-80-310	Operating Supply	26,203	38,791	59,240	63,220
534-80-320	Office Supplies	3,267	3,052	3,500	3,600
534-80-350	Small Tools/Minor Equipment	1,194	9,422	7,675	13,175
534-80-360	Vehicle	9,205	7,469	9,650	6,875
	Operation/Maintenance				
534-80-370	Vehicle Repair	225	2,200	500	500
534-80-410	Professional Service - General	98,630	33,255	17,700	8,000
534-80-411	Professional Service - Other	0	0	0	0
534-80-420	Communication	10,249	9,344	9,500	7,000
534-80-430	Travel and Seminars	2,434	2,958	3,655	3,855
534-80-450	Rentals	413	1,364	2,000	3,000
534-80-460	Insurance	29,013	26,085	29,000	45,500
534-80-470	Utilities	105,020	37,976	34,000	20,000
534-80-471	Water Service - Everett	0	0	0	15,000
534-80-480	Repair and Maintenance	15,296	8,462	62,275	62,375
534-80-490	Miscellaneous	14,121	10,837	20,066	15,614
534-80-491	Water - Testing	0	0	0	4,000
534-80-510	Taxes - Excise	43,648	46,366	39,000	39,500
594-80-620	Capital - Buildings	45,370	0	6,000	10,000
594-80-640	Capital - Equipment	6,385	2,028	0	39,500
597-20-000	Operating Transfer Out - 412	91,500	137,167	136,701	133,090
597-20-050	Operating Transfer Out - 403	65,000	65,000	63,500	50,000
597-30-010	Operating Transfer Out - 104	3,000	46,000	42,500	8,000
597-30-010	Operating Transfer Out - 001		12,774	12,774	16,803
597-30-030	Operating Transfer Out - 409	0	12,774	12,774	18,500
597-30-020	Operating Transfer Out - 113	0	0	0	4,000
597-50-020	Operating Transfer Out - 114	10,979	10,500	9,000	9,000
	EXPENDITURES TOTALS:	989,669	831,143	952,448	1,014,628
	FUND REVENUES	931,018	910,562	945,103	1,021,220
	FUND EXPENSES	989,669	831,143	952,448	1,014,628
	UTILITY WATER FUND Totals:	-58,651	79,419	-7,345	6,592

Water Fund Operating Expenditures

Salaries and benefits are increased by \$47,232 in 2014 primarily due to the Public Works Field Supervisor spending more time with in water related activities, as she is one of two employees currently certified to perform weekend duty at the Water Treatment Plant. The Grants Administrator is also slated to spend more time helping prepare water related grants in 2014.

Small Tools and Minor Equipment has a \$5,500 increase in 2014, namely for the purchase of a truck mounted crane and winch to lift fire hydrants (\$3,000), and a drum scale at the water plant (\$3,100).

Professional services has decreased \$9,700 in 2014 and is limited to audit related services. Professional engineering services anticipated for 2014 will be reflected in the capital (not operating) budget.

Utilities has decreased \$14,000 in 2014 because the City of Everett water bill had been previously included in this account in past years.

A new "Water Service – Everett" account has been created for 2014 with an estimated expenditure of \$15,000.

Capital Buildings has increased \$4,000 over 2013. A roof is proposed to be constructed over the currently uncovered air blower units (\$10,000).

Capital Equipment has increased \$39,500 to reflect the following expenditures:

- \$2,500 – 15 hp motor and 200 gpm pump
- \$16,000 – New mower at Water Treatment Plant
- \$15,000 – Contingency
- \$6,000 – Cherry Hill Estates 6-inch electronic meter

Operating Transfer Out to Fund 104 (Equipment Reserve) has decreased \$34,500 from 2013. An \$8,000 expenditure is proposed for the future purchase of a generator at the Water Treatment Plant.

Operating Transfer Out to Fund 409 (Water Improvement Capital Budget) has increased \$5,726 to \$18,500. This expenditure is proposed for the design of two capital projects, Everett Intertie Improvements Design (\$11,000) and PRV 1 Replacement Design (\$7,500).

2014 SEWER OPERATING FUND

401 UTILITY SEWER FUND

		2011	2012	2013	2,014
<u>Account</u>	<u>Description</u>	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Revised</u>
308-80-000	Beginning Fund Balance	0	0	0	0
R40	Charges for Services				
342-00-200	Sewer Inspection Fee	750	0	500	0
343-50-000	Sewer Service	1,240,277	1,248,369	1,246,501	1,275,912
	Charges for Services Totals:	1,241,027	1,248,369	1,247,001	1,275,912
R60	Miscellaneous Revenues				
361-11-000	Investment Interest	273	496	0	500
369-90-000	Miscellaneous	14,379	18,337	15,000	15,000
	Miscellaneous Revenues Totals:	14,653	18,832	15,000	15,500
R90	Other Financing Sources				
395-10-000	Sale of Fixed Assets	85	0	0	0
397-10-100	Operating Transfer In	0	0	0	0
	Other Financing Sources Totals:	85	0	0	0
	REVENUES TOTALS:	1,255,764	1,267,201	1,262,001	1,291,412

		2011	2012	2013	2,014
<u>Account</u>	<u>Description</u>	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Revised</u>
401	Utility Sewer				
535-80-100	Salaries and Wages	284,669	240,139	241,187	244,780
535-80-200	Benefits	91,096	95,984	110,310	101,531
535-80-220	Uniforms	1,665	1,939	900	1,700
535-80-310	Operating Supplies	17,536	23,148	41,040	41,270
535-80-320	Office Supplies	3,752	3,282	3,500	3,500
535-80-350	Small Tools/Minor Equipment	1,065	1,909	14,175	16,575
535-80-360	Vehicle Operation Maintenance	2,848	2,250	7,950	8,375
535-80-370	Vehicle Repair	2,971	2,676	3,000	3,000
535-80-410	Professional Service	98,826	66,311	57,700	10,500
535-80-411	Services - Sludge Hauling	0	0	0	30,000
535-80-420	Communication	10,725	10,739	12,000	9,000
535-80-430	Travel and Seminars	1,119	3,226	2,755	2,755
535-80-450	Rentals	292	3,175	16,000	29,226
535-80-460	Insurance	35,580	37,042	32,000	50,420
535-80-470	Utilities	41,418	38,934	38,000	38,000
535-80-480	Repair and Maintenance	58,210	49,270	88,475	66,375
535-80-490	Miscellaneous	10,442	11,578	6,301	4,654
535-80-491	Sewer - Testing	0	0	0	1,400
535-80-510	Taxes - Excise	29,825	31,447	29,000	29,500
594-80-620	Capital - Buildings	15,336	0	6,000	12,000
594-60-640	Capital - equipment	4,170	47,639	50,000	57,450
597-20-000	Operating Transfer Out - 413	410,000	432,712	330,171	324,608
597-20-040	Operating Transfer Out - 403	65,000	65,000	63,500	50,000

597-30-010	Operating Transfer Out - 104	45,400	21,000	25,000	34,000
597-30-010	Operating Transfer Out - 001	0	0	0	16,803
597-30-030	Operating Transfers Out - 407	0	12,774	50,000	65,000
597-30-030	Operating Transfer Out - 113	0	0	0	4,000
597-50-020	Operating Transfers Out - 114	8,979	14,660	27,434	14,600
	EXPENDITURES TOTALS:	1,240,923	1,216,835	1,256,398	1,271,022
	FUND REVENUES	1,255,764	1,267,201	1,262,001	1,291,412
	FUND EXPENSES	1,240,923	1,216,835	1,256,398	1,271,022
	UTILITY SEWER FUND Totals:	14,841	50,366	5,603	20,390

Sewer Fund Operating Expenditures

Salaries and benefits are slightly decreased by \$5,186 in 2014 primarily due to proposed revisions to employee benefits.

Professional services have a proposed \$47,200 reduction in 2014. The reduction is largely because sludge hauling had been included under this account in previous years, and now has its own account. The \$10,500 proposed is for legal services (\$4,000) and audit services (\$6,500).

Rentals have a \$13,226 increase in 2014. The following is a summary of proposed rentals:

\$1,000 - Vactor-Excavation

\$4,500 - In-plant silt removal

\$2,500 - Annual Lift Station Cleaning

\$8,500 - Vactoring Sewer Collection System

\$5,500 - Tree Removal at Wastewater Treatment Plant

\$3,000 - Skykomish River Outfall Dive/Inspection

\$4,226 - Sani-Can Rental

\$29,226 - Total

Repair and Maintenance have a \$22,100 decrease in 2014. This is primarily due to both mixers in the oxidation ditch at the Wastewater Treatment Plan being replaced in 2013.

2014 GARBAGE OPERATING FUND

402 UTILITY GARBAGE FUND

<u>Account</u>	<u>Description</u>	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Adopted</u>	<u>2,014</u> <u>Revised</u>
308-80-000	Beginning Fund Balance	0	0	0	0
R10	Taxes				
316-48-000	Garbage State Tax	19,085	19,459	20,950	20,600
321-91-000	Garbage Franchise Fees	1,473	2,962	3,000	3,000
	Taxes Totals:	20,558	22,420	23,950	23,600
R30	Intergovernmental Revenues				
333-03-100	Coordinated Prevention Grant	2,680	1,770	2,500	1,700
	Intergovernmental Revenues Totals:	2,680	1,770	2,500	1,700
R40	Charges for Services				
343-70-000	Garbage/Solid Waste	545,216	566,490	581,806	540,000
343-70-100	Recycling Charges	175,355	165,586	166,988	166,500
	Charges for Services Totals:	720,571	732,077	748,794	706,500
R60	Miscellaneous Revenues				
361-11-000	Investment Interest	246	424	200	200
362-20-000	Dumpster Delivery Charges	20,658	20,675	20,708	21,500
369-90-000	Miscellaneous	350	150	400	400
395-10-000	Sale of Fixed Assets	1,027	284	0	0
	Miscellaneous Revenues Totals:	22,280	21,533	21,308	22,100
R90	Other Financing Sources				
397-10-100	Operating Transfer In	0	0	0	0
	Other Financing Sources Totals:	0	0	0	0
	REVENUES TOTALS:	766,090	777,800	796,552	753,900

<u>Account</u>	<u>Description</u>	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Adopted</u>	<u>2,014</u> <u>Revised</u>
402	Garbage				
537-80-100	Salaries and Wages	168,048	143,871	132,004	146,880
537-80-200	Benefits	65,380	73,944	70,125	69,080
537-80-220	Uniforms	680	1,208	900	900
537-80-230	Contract Labor	0	3,565	0	0
537-80-310	Operating Supplies	1,585	1,090	3,540	3,520
537-80-320	Office Supplies	3,180	2,687	2,600	2,600
537-80-350	Small Tools/Minor Equipment	304	92	1,110	1,100
537-80-360	Vehicle Operation/Maintenance	19,148	19,565	22,000	27,000
537-80-370	Vehicle Repair	12,643	7,373	25,000	500
537-80-380	CPG Grant - Clean UP	2,464	1,333	2,500	1,700
537-80-410	Professional	6,439	12,850	8,500	9,750
537-80-420	Communication	8,296	7,402	7,500	7,000
537-80-430	Travel and Seminars	478	1,566	715	915
537-80-460	Insurance	13,817	16,722	14,000	12,890
537-80-470	Utilities	2,489	2,246	3,000	2,000

537-80-480	Repair and Maintenance	1,181	224	4,175	4,175
537-80-490	Miscellaneous	959	2,434	1,065	1,120
537-80-500	Intergovernmental - Recycle	141,917	139,141	140,900	141,500
537-80-510	Intergovernmental - Disposal F	185,726	188,400	187,000	185,000
537-80-520	Taxes - Excise	32,128	30,728	32,000	27,000
594-80-620	Capital Outlay - Buildings	0	0	6,000	8,000
594-80-640	Capital Outlay - Equipment	20,315	18,605	25,000	15,000
597-30-000	Operating Transfer Out - 104	44,000	79,639	75,000	49,000
597-30-000	Operating Transfer Out - 001	0	0	0	16,803
597-30-000	Operating Transfer Out - 113	0	0	0	10,000
597-50-010	Operating Transfer Out - 114	6,479	3,710	17,434	6,000
EXPENDITURES TOTALS:		737,655	758,397	782,068	749,433
FUND REVENUES		766,090	777,800	796,552	753,900
FUND EXPENSES		737,655	758,397	782,068	749,433
UTILITY GARBAGE FUND Totals:		28,435	19,403	14,484	4,467

Garbage Fund Operating Expenditures

Salaries and benefits are increased by \$13,831 in 2014. Three utility workers equally share the garbage duties now, where in past years, two utility workers performed the majority of garbage duties.

Vehicle repair is proposed to be reduced from \$25,000 in 2013, to \$500 in 2014 because a new garbage truck is proposed to be purchased.

Capital Outlay – Equipment is proposed to be reduced from \$25,000 in 2013 to \$15,000 in 2014 because less dumpsters will be purchased.

Operating Transfer Out 104 (Equipment Replacement Fund) is reduced from \$75,000 in 2013 to \$49,000 in 2014 to reflect purchase of a replacement garbage truck in 2023.

2014 STORMWATER OPERATING FUND

406 STORMWATER UTILITY FUND		2011	2012	2013	2,014
Account	Description	Actual	Actual	Adopted	Revised
308-80-000	Beginning Fund Balance	0	0	37,469	0
R40	Charges for Services				
343-10-000	Stormwater Utility Fee	126,428	150,169	164,025	165,945
Charges for Services Totals:		126,428	150,169	164,025	165,945
R60	Miscellaneous Revenues				
361-11-000	Investment Interest	92	306	200	200
369-90-000	Miscellaneous	0	0	0	0
Miscellaneous Revenues Totals:		92	306	200	200
R90	Other Financing Sources				

395-10-000	Sale of Fixed Assets	0	0	0	0
397-10-100	Operating Transfer In	0	0	0	0
Other Financing Sources Totals:		0	0	0	0

REVENUES TOTALS: 126,520 150,474 164,225 166,145

<u>Account</u>	<u>Description</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2,014</u>
		<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Revised</u>
531-10-100	Salaries and Wages	23,023	77,239	81,313	75,845
531-10-200	Benefits	7,020	5,951	32,562	34,085
531-10-220	Uniforms	145	354	235	400
531-10-310	Operating Supplies	436	772	1,560	2,250
531-10-320	Office Supplies	297	415	400	500
531-10-350	Small Tools/Minor Equipment	1,526	389	1,610	2,050
531-10-360	Vehicle Operation	331	154	1,250	1,400
	Maintenance				
531-10-370	Vehicle Repair	60	1,954	0	500
531-10-410	Professional Service	0	5,503	13,500	0
531-10-420	Communication	1,267	1,485	800	1,000
531-10-430	Travel and Seminars	382	1,172	1,140	500
531-10-450	Rentals	17,961	5,047	15,500	10,000
531-10-460	Insurance	1,000	4,762	1,000	9,980
531-10-470	Utilities	0	0	800	800
531-10-480	Repair and Maintenance	3,882	116	1,020	1,020
531-10-490	Miscellaneous	886	40	5,559	184
531-10-510	State Excise Tax	2,309	2,709	2,700	2,700
594-80-640	Capital Outlay - Equipment	0	33	0	0
597-20-010	Operating Transfer - 413 Debt	28,700	28,700	28,632	10,136
597-50-020	Operating Transfers Out - 114	0	3,712	10,104	4,000
597-60-030	Operating Transfer Out - 001	0	0	0	5,601
597-60-030	Operating Transfer Out - 104	31,300	7,127	2,000	0

EXPENDITURES TOTALS: 120,525 147,633 201,685 162,951

FUND REVENUES 126,520 150,474 164,225 166,145

FUND EXPENSES 120,525 147,633 201,685 162,951

STORMWATER UTILITY FUND 5,994 2,841 -37,460 3,194

Totals:

Stormwater Fund Operating Expenditures

Salaries and benefits are decreased by \$3,945 in 2014.

Professional services are decreasing from \$13,500 in 2013 to none in 2014 because the fund cannot support professional services this year. With the existing stormwater utility rates, the primary focus can only be on maintenance. The rates will need to be raised to be able to afford the design and construction of stormwater and flood prevention projects.

Rentals are reduced from \$15,500 in 2013 to \$10,000 in 2014. The City must provide less factoring this year to have a balanced budget.

SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

ITEM NO: D-6

DATE: October 19, 2013

SUBJECT: Staffing Options and Succession Planning

CONTACT PERSON: Ken Walker, City Administrator

ISSUE: STAFFING OPTIONS

The issue before the city council is to consider restructuring staff in 2014. Employee staffing should be considered when evaluating operations for budget preparation. This is the opportune time to make sure that staffing is adequate to provide the levels of service desired. It is necessary to bring expenditures into alignment with anticipated revenues. Direction provided to the mayor and city staff will be used to ensure that staffing configurations meet the Council's objectives for 2014.

STAFF RECOMMENDATION:

Review the proposed staffing configurations for 2014.

SUMMARY:

The city's general fund is budgeted to experience a \$115,000 reduction in revenues in 2014. The reduction is the result of an increase in property taxes being used to fund payments on Community Center Bonds.

The five-year forecast estimates the general fund, which collects property taxes and provides general government services such as police, building and planning, code enforcement, animal control, and park maintenance, will collect \$1,615,630 in revenues and spend \$1,592,025 in 2014.

While the city has 18 full-time employees, nine of the employees support public works functions. The majority of public works staff are supported by the enterprise funds. In contrast, almost 60% of the city's expenditures in the general fund (\$1,053,391) support police and public safety.

The mayor and city council continue to look for ways to do more with less. For 2013 the city balanced the general fund with furloughs. Property tax values have fallen for the past three years, and the city reached its maximum tax rate of \$1.60/\$1,000 of assessed value in 2011. In order to balance the 2013 budget, the mayor and city

council worked with employees to reduce salaries and benefit costs for city employees by \$23,900.

The five-year general fund financial analysis assumed declining revenues through 2014. Assessed values are expected to increase by 3.7% for 2014. The city reached its maximum levy rate of \$1.60/\$1,000 assessed value in 2011. Property tax revenues for Sultan are expected to stabilize in 2014. Property tax revenues are divided between the General Fund, Street Fund, Police Bond Fund (voter approved) and the general obligation bond for the community center. Property and Sales tax revenues are approximately 50% of total taxes.

DISCUSSION:

City staff is proposing specific staffing changes for 2014. These are based on the following set of assumptions.

Assumptions

1. The adopted 2014 distribution of salaries and benefits will be used as the basis for the fiscal analysis presented to council. Different positions have different impacts to the general fund
2. Any changes should limit the impact to customer facing functions including public safety; park and street maintenance; economic development; community development; code enforcement and animal control. The idea is to fund those positions that provide direct service to the public.
3. Positions may be combined or reclassified to maintain customer facing services and limit the impact to employees. There may be opportunities to use job sharing or reclassification to maintain levels-of-service while lowering personnel costs.
4. If possible the cost savings will support a sustainable reduction to ensure a sufficient cushion to carry the city through 2015.

Specific Staff Changes

Furloughs

- o Increase the 10% furlough to 20% for the Community Development Director position through the end of 2014. Due to the continued low level of development activity in the City, this reduction is financially sound and based on activity levels. It appears that development activity in neighboring communities is on the rise, but it is anticipated that Sultan will lag behind.
- o Maintain the 10% furlough for the Grants Coordinator/Economic Development Director through 2014. The City of Sultan has expanded the number of grants applications in 2013. While it is anticipated that this trend will continue in the

coming months, the Grant Coordinator will be required to dedicate a greater percentage of time to grant preparation.

Combination

- The Permit Tech position has been combined with the Utility Clerk position. While the number of permits is beginning to show signs of recovery, the volume does not support a separate position. The combined position will record actual hours for allocation between specific functions. Based on activity during the latter half of 2013, this is anticipated to be 6 hours per week.

Reorganization

Fund the position of Deputy Clerk to provide assistance to the City Clerk/Finance Director and City Administrator and provide Web Maintenance. This position will replace spending with external service providers and give the City much needed attention to the web site. This position will be allocated 58% to the General Fund and 42% to other funds

ANALYSIS

City operations can be maintained without sacrificing levels of service by reorganizing city staff and making these changes. Moving the permit technician to the front counter allows the city to maintain utility billing services and continue to provide continuity of service for building and zoning permits. The funding of the Deputy Clerk will provide flexibility for Web Services, and finance and Council activities. Under this reorganization proposal the city will be able to continue to leverage limited public dollars by seeking grant funding.

ISSUE: SUCCESSION PLANNING

A multitude of Sultan staff are within 5 years of retirement age. This applies both to management and staff. The concern is increased due to the critical nature of many of these positions. While many of the positions are considered susceptible to vacancies in the near future due to retirements, it is prudent to have plans in place for all critical positions.

The following list of positions and plans are detailed;

Water Systems Manager: A new Water Treatment Plant Operator was hired in 2013 and is being trained to manage the water operations. The employee is currently in the process of acquiring all the necessary certifications to run the plant.

Waste Water Treatment Plant Supervisor: A new Utility Worker was hired in 2013 and will start training to be able to work in the plant in 2014. The current Waste Water Treatment Plant Operator has the required certifications to assume management duties if needed and will begin training in 2014 to allow the promotion if needed.

Public Works Field Supervisor: There are a number of potential candidates for promotion within the Utility Department. Projects are being assigned on a rotating basis to enable them to gain the knowledge necessary to form a basis for promotion. Certifications are being reviewed and acquired. The current Supervisor has started the process of training the staff to prepare for future transition.

City Clerk/Finance Director: The plan is to split the position. The new created position of Deputy Clerk will be on the job training for the City Clerk position. The Administrative Secretary position has already begun learning some Finance Director duties, and will receive additional training in the coming years.

ATTACHMENT

A: Deputy City Clerk Job Description



City of Sultan

Job Description

Title: Deputy City Clerk/Secretarial Assistant Effective Date:
Reports to: City Clerk/Deputy Finance Director and/or City Administrator
FLSA: Non-Exempt

SUMMARY:

To perform a variety of administrative and legislative duties in support of the City Clerk including the implementation of a City-wide records management program; and to serve as the City Clerk in the absence of same.

Individual is responsible for their own work product and for managing and maintaining official records of the City. These duties may involve different and unrelated processes and methods. Individual is expected to possess accounting knowledge and to provide a high level of customer service to the public, City employees and volunteers. Individual is expected to possess considerable knowledge of modern office procedures, business English, spelling, grammar and correct composition. Work is subject to outside audit.

SCOPE OF RESPONSIBILITY:

Receives general supervision from the City Clerk/Deputy Finance Director and City Administrator. Assists with the services, programs and activities of the City Clerk's office. Assists with the management and preparation of the City Council meeting agendas, council packets, and official minutes of all proceedings. Maintains custody of official records and archives of the City in accordance with State law. Responds to requests for public records.

Performs responsible, complex and recurring administrative duties as an assistant to the City Administrator. Perform routine administrative functions relating to the preparation of correspondence, coordination of management information, arranging meetings and appointments, and making travel arrangements. Perform special projects and research activities as directed by the City Administrator.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

1. Assist with implement and over site of the City's official records management program including tracking and retrieval systems for all legislative documents, contracts, inter-local agreements, deeds and easements.
2. Provide guidance in the organization, tracking, retention and archiving of all departmental records; administer vital records program and assure implementation of a uniform system.
3. Perform administrative and legislative duties in support of the City Clerk; review City Council packet materials; prepare legislation for signature; prepare various meeting materials including informational notebooks; participate in special projects as assigned.

4. Coordinate information for public posting in accordance with the Open Public Meetings Act and various State laws; prepare and publish legal notices and ordinance summaries; verify receipt and accuracy of affidavits of publication.
5. Respond to citizen public records requests and inquiries in accordance with the Public Records Act.
6. Coordinates and performs statutory duties of the City Clerk in the City Clerk's absence, such as attending City Council meetings, preparing minutes of City Council meetings, publishing ordinances and legal notices, and providing timely notification of special meetings and/or public hearings.
7. Assist with administration of Channel 21, the City Web Site.
8. Assists with the business licensing and passport services.
9. Performs the functions of Travel Liaison for the City staff and Council.
10. Provides administrative support to the City Administrator.
11. Perform other duties as assigned.

PHYSICAL DEMANDS AND WORKING ENVIRONMENT

Work is primarily performed in an indoor setting with extended periods at a computer. Physical effort is needed to lift and carry office materials and supplies.

Reaching, fingering, grasping, talking, hearing/listening, seeing/observing, repetitive motions. Specific vision abilities required by this job include close vision, distance vision and the ability to adjust focus. Exerting up to a 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects, including the human body. Sedentary work involves sitting most of the time. Walking and standing are required only occasionally.

Knowledge of:

- General accounting and bookkeeping practices and methods
- State budgeting, accounting and reporting systems (BARS)
- Governmental accounting forms and procedures
- Applicable financial information applications and software programs
- Standard office practices and machines
- Knowledge of municipal government rules, regulations, policies and procedures.
- Knowledge of current records management practices and office procedures and practices.
- Knowledge of City policies, procedures and work rules.
- Knowledge of proper punctuation, grammar, spelling, and sentence structure.
- Ability to work independently with a minimum of supervision.

Ability to:

- Apply City policies and procedures
- Maintain complex files, logs, and records and prepare routine fiscal reports
- Apply practical accounting techniques
- Perform accurate calculations
- Use a computer and applicable software proficiently
- Write and transcribe numerical data neatly and legibly
- Meet deadlines
- Provide good customer service
- Communicate effectively orally
- Maintain confidentiality of customer information
- Understand and follow instructions
- Interact appropriately with various levels of employees, officials, and the general public

MINIMUM QUALIFICATIONS**Education, Training and Experience Guidelines**

High school diploma or its equivalent (G.E.D.) and three or more years of previous clerical accounting or bookkeeping experience or an equivalent combination of education and experience to provide sufficient evidence of the successful performance of the essential elements of the job such as those listed above.

LICENSE OR CERTIFICATE REQUIREMENTS

Requires a valid Washington State driver's license and a driving record free of significant moving violations. Must be bondable.

Possession of a Washington State Notary Public Certification or ability to obtain within six months of employment.