



Photo provided by Councilmember Tom Hamilton

City of Snohomish

2016

Budget

Proposed: September 30, 2015

Adopted: Pending - **November 17, 2015**

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Date: November 17, 2015
To: Snohomish City Council and Citizens
From: Larry Bauman, City Manager
Subject: **Transmittal Memo for the 2016 Final Budget**

With this memo I transmit to the City Council and citizens of the City of Snohomish the final 2016 Budget. The purpose of this memo is to provide a narrative overview that highlights the major themes, trends and changes in the final budget for the City of Snohomish. While the numbers in the subsequent sections of this document tell the detailed story of the budget, this memo seeks to tie those numbers together in a way that is a more comprehensive view of the City's finances, services and programs proposed for 2016.

Local governments are service-based organizations, and to provide its services the City's budget is driven primarily by personnel costs. For the 2016 Budget, projected revenues matched to increasing expenditure demands do not support continuing all of the positions authorized in the 2015 Budget, and adding significant new personnel resources is not feasible. As a result, the 2016 Budget continues a conservative budgeting approach based on the need to maintain adequate reserves. The City's sales tax revenue, which is highly influenced by local economic conditions, accounts for the largest share of the City's General Fund resources. The General Fund is the City's core operating fund and supports the costs of basic governmental services—police/criminal justice, streets maintenance, parks and facilities maintenance, planning services, economic development and the general administration of city government. The General Fund does not pay costs for utility (water, wastewater and storm water utilities) services. Utility services are paid by funds generated through user rates and connection fees paid by the customers for these utilities. The basic and conservative assumption embedded in the 2016 Budget is that we should be careful not to expect that recent trends of improvements in our General Fund revenues should be relied upon as long-term sustainable trends. This budget projects a moderately increased revenue stream for the General Fund in 2016.

The 2016 Budget includes considerations of not simply what level of services the City can afford but how those services can be most efficiently delivered at the lowest reasonable cost. As we search for more cost-effective methods to deliver services, the City's staff continues to analyze a variety of options that had not previously been employed. The objectives of maintaining basic services at lower costs have led the City's budget process in recent years down new paths, some of which have been controversial. However, new ideas and changing perspectives concerning how municipal services may be provided are unavoidable results of the changeable economic conditions in which local governments must manage their finances. These conditions have led the City Council to adopt a 2016 Annual Goals statement that includes the objective of developing a five-year financial plan that would be recommended by City staff.

Expenditure trends and revenue support for General Fund services will be the primary focus of the five-year financial plan. Overall, the goal of the five-year financial plan will be determining how the City will be able to fund future service demands while maintaining adequate reserves when sudden downturns in revenue or unexpected increases in expenditures occur. Corollary issues will focus on parks maintenance and capital needs, as well as the rising costs of criminal justice (costs for courts, public defense and jail services) in future years. These two areas of General Fund expenditures are proving to create the most serious budget challenges at this time.

The aftereffects of the economic recession that began in 2008 have continued—but at a decreasing level—to limit revenue growth at the local level. Sales tax revenue has risen to the point that the projected 2016 total revenue may be close to 2008 levels, and that is a sign of economic recovery. However, reaching this benchmark does not account for inflationary influences during the past seven years that undermine the buying power of this revenue.

Total General Fund revenues for the 2016 Budget are projected at \$8.612 million. Recent trends of modest revenue growth, coupled with the pressures of inflation and increasing expenditures noted above require a watchful and conservative approach. Because budget reductions were made in virtually every department and operational division during the 2009-2012 recession period, the work to restore and enhance some of these resources has become a greater focus of budgets for 2015 and 2016.

Because it had previously been a legally separate governmental entity as required by state law, the City's Transportation Benefit District (TBD) was not included within the City's 2015 Budget and was required to have a separate budget. However, changes affecting TBD's adopted in the state's 2015 legislative session now allow cities to incorporate their TBD and their funds entirely into city budgets. As a result, if the City Council adopts an ordinance permitting the TBD to be assumed into the City's regular budget, this change will be included in the 2016 Budget. The Recommended Budget anticipates this change and proposes that TBD revenues and expenditures be included in the City budget to show how this would be accomplished.

The TBD is one of the bright spots on the revenue horizon as this new funding source began in 2012 for the community's street maintenance services and capital improvements. The TBD was funded through voter approval on the 2011 primary ballot of a measure that authorized a two-tenths of one percent increase in the local sales tax rate to pay for street maintenance and two intersection improvement projects. Voters approved the measure by 58 percent to 42 percent, and the initial TBD revenues, estimated at \$660,000 per year were received by the City beginning in March 2012. The ballot measure approved the new revenue source for a 10-year period as limited by state law. If so desired by the City Council, a new TBD measure could go before the voters in 2021 to request that this funding source be renewed and continued.

The 2016 Budget is based upon assessments of how the City may meet the highest priority needs expressed by the community and the City Council. Reflected within the budget are the goals and priorities that the City Council established at its August 18, 2015, Budget and Planning Workshop. The priorities include a careful consideration of a variety of inputs that support the City Council's 2016 Goals and directions for implementing the City's updated Strategic Plan, staff recommendations and the many competing demands on the limited resources available to meet the City's mission of providing high quality local government services. The City's strategic planning process continues to have a major impact in fashioning the priorities of this budget, and the performance of the City in meeting these strategic goals is tracked and reported twice a year.

Many hands have touched this budget process: I extend my appreciation to the City Council and to our City management staff for diligently working to select the best options to meet community needs while limiting the overall costs of government. Through this process, the Council has continually sought to enact budget changes that respond to current economic conditions and still provide essential services to the community at the highest feasible level. As always, my thanks go especially to the City's chief financial and budget manager: Finance Director Jennifer Olson and her staff in providing financial analysis and budget management for the City.

This final budget is the document on which citizens will make comment during the various budget related public hearings scheduled to occur in October and November and on which the City Council will base its decisions to create a final adopted budget for the next fiscal year beginning January 1, 2016. Once adopted by Council, the budget forms the detailed fiscal plan for the City during the next year. Our City budget is a living document that adjusts as revenue

and expenditure changes occur during the fiscal year. Such changes occur in the form of budget amendments adopted periodically by the City Council throughout the fiscal year. City budgets are necessarily complex documents, primarily because many different sources of funding are involved and because a number of these funding sources—such as utility funds—are restricted because expenditures in these budget areas can only benefit the specific programs that generate their revenues. One goal of this transmittal memo is to explain these budget elements in terms so that citizens with no background in municipal finance can understand the forces of change that drive the City's budget process and how the tax dollars that they contribute are proposed to be spent for City services.

2016 Council Strategic Budget Priorities and Annual Goals

On August 18, 2015, the City Council met to review financial information, discuss strategic action recommendations, to set its annual goals and to confirm budget priorities for 2016. Revenue projections and reports of the progress made on meeting the Council's 2015 Goals were part of the foundation on which Councilmember's established a new list of City Council goals for 2016.

The goals and action strategies of the City's Strategic Plan were also provided as reference points for Council to develop 2016's budget priorities and the Council's annual goals. The annual budget is a primary implementation tool for the Strategic Plan goals and action strategies. For 2016, the City Council has developed a revised list of goals focused on achieving results primarily with existing staff. The City Council's 2016 Goals can be found in the Appendix section, page 96, of this budget document. For detailed information about the City's Strategic Plan initiatives, citizens are directed to the following link on the City website: <http://ci.snohomish.wa.us/DocumentCenter/Home/View/285>

2016 Personnel Changes

Revenue recovery since the end of the recession had permitted the City in 2013-2015 to gradually add back into the budget some staff resources that were lost through layoff and attrition during the recession years.

However, the rising costs to provide General Fund-supported community services coupled with relatively low revenue growth have made it difficult to sustain all of the 2015 budgeted positions. This also means that adding new full-time employee positions is not supported. As a result, no new full-time positions are proposed for 2016 and several positions are proposed to remain vacant. Vacant positions for 2016 include:

- Remain vacant - one Office Assistant II position within the City Manager Division shared among all departments (reduction of \$59,115);
- Remain vacant - one Maintenance Worker I position in the Water Utility Division of the Public Works Department (reduction of \$64,884);
- Remain vacant - the Utility Engineering Specialist position in the Engineering Division (reduction of \$34,970).

There are two program areas where demands dictate some change in service delivery and/or additional part-time staffing. One of these areas is Planning and Development Services. Permit service demands are increasing, and many permit applicants are those who are not familiar with development regulations and a higher level of customer service is required to help walk the applicants through the process. When staff is handling higher levels of applicant questions and concerns at the front counter it means they have less time to process permits at their desks. In order to accommodate these needs, two changes will occur in 2016: 1) reduce permit counter

weekly hours from five days to four days (Monday-Thursday) in order to give staff time to catch up with administrative work, and, 2) add temporary staff resources to cover clerical work (filing, etc.). The other area of focus is Economic Development, where the demand for special event permits has significantly increased. Temporary staffing is also recommended to meet this demand in order to assist with processing and clerical tasks.

As a result, these options for adding labor resources are economically feasible and offer the City a means to continue customer services at lower costs as these positions are typically not subject to the same compensation levels as permanent, full-time employees. As a means to provide ongoing services at a lower cost for personnel, the 2016 Budget includes and authorizes the following temporary positions:

- A temporary position in the Economic Development Division of the City Manager's Office (addition of \$10,788);
- A temporary position in the Planning and Development Services Department (addition of \$10,788)

Issues Affecting the 2016 Budget

The most dramatic cost factor currently driving expenditure growth for the General Fund is in criminal justice services to pay for the expenses associated with defendants who are arrested by City police officers for misdemeanor and gross misdemeanor crimes. External court decisions at both state and federal levels and County government actions are primarily responsible for these rapid cost increases. These criminal justice costs—covering everything from initial arrests to final jail sentencing—for such lower level crimes are entirely the responsibility of the City and are paid out of the General Fund. The City is required by law to pay for the costs of prosecuting these defendants as well as offering high quality defense services for those defendants who cannot afford to pay for their own attorney (and the vast majority of the City's defendants are regarded as indigent by the courts). In 2015, the projected costs of criminal justice services—jail costs and provision of indigent public defense in particular—are expected to increase by 266% over 2014's actual costs.

These higher costs are being generated by: 1) recent court decisions regarding the sufficiency of indigent defense that is required to be provided by the arresting agencies; and, 2) the actions of Snohomish County to significantly increase medical services at its jail in response to recent incidents of inmate death and serious illness. Unfortunately these cost factors offer few opportunities for cities such as ours to seek alternate services to substantially reduce such expenses. Due to the high personnel costs required to manage and staff a jail, our City is not large enough to construct and efficiently manage a lower cost alternative with a City-operated jail. We have not found a less expensive alternative provider for public defense services that still meets the new court standards. While a contract for longer-term sentencing at Yakima County was put in place for jail services, the opportunity to shift inmates to this lower-cost facility is limited to final sentencing. However, the percentage of defendants who are sentenced to terms of more than a few days (that is, in addition to whatever prior time they may have already served in jail while awaiting their court dates) is relatively small. As a result, this higher level of criminal justice expense has become the new norm for our budgets and is expected to continue at this higher level into 2016 and foreseeable future years. In total, the combination of higher jail fees and higher costs of indigent public defense will generate an additional \$212,000 in projected costs for 2016 compared to the City's actual costs in 2014.

Given the modest growth in General Fund revenues, the result of these higher criminal justice costs is that expenditures for other City services must be limited or reduced in order to maintain current City Council objectives for the General Fund reserve provided as projected ending fund balance. This challenge to maintain the General Fund reserve level set by Council policy requires leaving vacant several positions as listed above that are currently unfilled in the City Manager's Office and two divisions of the Public Works Department. Although not supported by the General Fund, a vacant maintenance position in the Water Division of Public Works is one of the recommended positions to be left vacant in order to reduce operating costs and potentially avoid the need for a future layoff as the City considers plans to shut down its water treatment plant on the Pilchuck River north of Snohomish.

The decision of the voters to reject the proposed Metropolitan Park District ballot measure in August 2015 leaves an open question about how the City will be able to fund parks maintenance and parks improvement objectives in future years. No new resources are available to augment the budget allocations for parks for 2016. As a result, staff proposes to work with Council during 2016 to develop new strategies about how high-priority maintenance and park improvement goals may be met.

The City's budget is, of course, no stranger to the requirements of reducing expenditures when such actions are demanded by either declining revenues or by higher costs to provide services. The recent Great Recession is a prime example. The economic downturn began in mid-2008 with declines in employment levels and increases in home mortgage foreclosures. By the end of 2008, more significant economic changes had become apparent, and these changes eventually translated into declining sales tax revenues to the City. This trend continued through 2011, resulting in a series of annual budget reductions adopted by the City Council. The net reduction in expenditures since the 2009 Budget was first presented to Council amounted to more than \$2.0 million. These reductions included a variety of measures including vacant employee positions, contracting of police services, employee contributions for medical insurance, line item reductions as well as employee layoffs.

General Fund resources pay the costs of general governmental and non-utility community services. The fact that sales taxes have replaced property taxes as the most significant source of General Fund revenues for the City is in part an outcome of voter approval—and eventual legislative enactment—of limits to levy growth proposed in Initiative 747 in 2001. Those changes limited the City's property tax levy to no more than 101 percent of the previous year's levy. In other words, an annual growth rate of no more than 1 percent is allowed in the levy. This means that the potential increase in the property tax levy typically falls short of the annual rate of inflation. The trend created by this change in municipal finances is that property tax revenue typically shrinks annually as a proportion of total City revenues. The County Assessor annually adjusts the City's property tax rate based on total assessed valuation (AV) of properties. For 2016, based on final AV from the County, means that the City's property tax rate will fall from \$1.03 per \$1,000 of Assessed Valuation (AV) to \$0.97 per \$1,000 of AV if the City Council adopts the 1 percent increase in the City's levy amount.

Many citizens within the community may find this result confusing due to the fact that their individual property tax bills often continue to increase. These increases of the individual property tax bill, however, may be caused by a variety of other factors that include local voter-approved levies for other public taxing authorities as well as increased value assessments of properties. The City Council rejected the 1 percent increase proposed by staff for the budgets of 2010-2013 but approved the 1 percent increase for both 2014 and 2015. Each of the rejected

annual 1 percent increases would have generated approximately \$10,000 in additional annual tax revenue.

As property tax revenues have declined during the last two decades in proportion to the total budget, sales tax revenues have continued to grow as the dominant and largest single source of total General Fund revenues. Due to the fact that sales tax revenues are more sensitive to economic trends, these revenues are closely watched and projections of future revenues are conservatively estimated. The reality of municipal finance is that dependence on sales tax as a source of revenue to support City services and maintenance of infrastructure means that these programs are especially vulnerable to the ups and downs of the economy. The end result of this trend is that funding for core community services has become less stable and predictable.

However, it is also important to recognize that to a limited degree the generation of sales tax revenues may also be directly or indirectly influenced by the City's policies and decisions. Providing additional opportunities for commercial development can improve these revenues. For this reason, supporting economic development and business growth continues to rank as a high value activity for the City's staff. The growth of commercial development opportunities—especially for retail businesses—holds the greatest promise of increased revenues in the near term. Ensuring the availability of sufficient and appropriately located commercial lands for such growth is a key component of the City's economic development strategies. In 2008, the City added to its staff an Economic Development Manager whose primary tasks include working to stimulate economic growth for retail commercial businesses and encouraging the growth of living-wage jobs for the community.

2016 Operating Revenues

Total 2016 revenue for all city funds is \$26,287,890, an increase of \$3,131,891 from 2015 budget sources (Exhibit A.1). Revenue highlights for all city operating funds (Exhibit A.2) will provide additional details on the revenue sources within each fund. General Fund revenue sources primarily consist of retail sales tax 42%, utility taxes 18%, cost allocation fees 17% and property tax 14% (Exhibit A.3). Utility operating fund revenues are projected to increase for water and storm water utilities and remain flat for wastewater utilities as there is no sewer rate increase scheduled at this time.

The 2016 Budget includes a 1 percent increase—the maximum allowed without voter approval or councilmanic use of banked tax capacity—to the City's property tax levy amount. Retail sales tax is projected to increase in 2016 by \$165,000 over what was budgeted in 2015. The percentage of sales tax revenues in the City's finances highlights and supports the City Council's current emphasis on economic development activities that increase sales tax through commercial development of private property. Economic factors and voter-approved initiatives continue to be the most significant limits to the City's revenues. Overall, total General Fund revenues in 2016 are expected to show modest increases as a result of improving development activity and related revenues and continued slow but steady growth in sales tax revenues.

Sales Tax Revenues

Until 2009, a trend in the growth of retail sales tax revenues had been the most positive development for the City budget. This positive trend was increased by the opening of new retail developments such as Snohomish Station on Bickford Avenue. The Station began phased-in operations in the spring of 2008. Since sales tax funds are not restricted for any special uses by state law, a growth in these revenues offers the City Council broad opportunities to support all

services or programs. Construction activity generates sales tax revenues in addition to more conventional retail activity. It is the construction sales tax component that has suffered the most dramatic decline since late 2008. This decline began to be reversed in 2013. Although higher levels of residential development occurred in 2014 and 2015, a reliable trend for new residential or commercial construction has not yet emerged (Exhibit A.4)

Property Tax Revenues

The City property tax rate is one component of the total rate paid by Snohomish property owners. Due to an increase in assessment values, this rate is anticipated to decrease from \$1.03 per \$1,000 of Assessed Valuation (AV) to \$0.97 per \$1,000 of AV if the City Council adopts a levy amount including the allowed 1 percent increase. State law limits annual growth of the regular property tax levy to no more than 101 percent of the previous year without voter approval (a 1 percent annual growth rate). This growth rate in property tax revenue means that property tax declines as a percentage of total City revenue when viewed in respect to the rising cost of goods and services as measured by the Consumer Price Index in future years, it will become more apparent how property tax will not keep pace with current inflationary influences in the economy. The City Council rejected the proposed 1 percent increase in the levy amount for budgets in 2010, 2011 2012 and 2013. The 2016 budget identifies property tax revenues as a percentage of total city revenues will decrease from 13.69% to 13.65%.

While the property tax levy rate for Snohomish property owners in 2015 was approximately \$14.35 per \$1,000 of assessed valuation, the City's share is only a small portion of that amount (Exhibit A.5). The City's share of the tax rate paid by Snohomish County property owners was \$1.03 of the approximate total levy rate of \$14.35 in 2015. The 2016 City's share of the property tax overall levy is expected to be \$.97.

Utility and Other Tax Revenues

Utility taxes are another source of funding for the City's General Fund (Exhibit A.6). 2016 Utility tax revenues are projected to slightly decrease from 2015. The telephone and electric utility tax are expected to generate \$340,000 and \$457,000. The gas utility tax will generate projected revenues of \$185,000. Tax revenues from the City's utilities are expected to generate \$420,000. Television cable taxes are expected to be \$135,000. Gambling taxes are expected to remain the same in 2016.

2016 Operating Expenditures

Total expenditures proposed for all city funds is \$25,902,663, an increase of \$476,552 for all uses (Exhibit B.1). To show in a summary form the major changes occurring in the 2016 Budget in comparison to 2015, Expenditure Highlights (Exhibit B.2) tracks the major operating departmental budget changes for 2016.

Another way of viewing the 2016 Budget is to note the relative allocations of Operating Fund expenditures by function for all funds (Exhibit B.3). General Fund expenditures have several divisions (Exhibit B.4) for service components to include general administration, planning and development, economic development, parks maintenance and law enforcement/criminal justice.

2016 Personnel Changes

The personnel-related budget allocations for 2016 reflect the impact that prior year budget reductions have had as our local government seeks to provide ongoing services (Exhibit C.1).

Wage and Benefit Increases for 2016

As a primarily service and labor-driven organization, wage and benefit changes have the most notable impact on the City's Operating Budget. For 2016 new collective bargaining agreements with union represented employees is expected to be in place before the end of 2015. The final financial impacts are unknown for these agreements that are currently being negotiated. The known impacts of inflation and the rising costs of medical benefits particularly drive much of these increased costs. These known cost drivers for total employee compensation include:

- Medical plan premiums will increase 5% for the Regence plan and 10% for the Group Health plan. Dental, life and vision premiums will not increase in 2016. The Association of Washington Cities Benefit Trust is becoming a self-insured trust and determined premium levels will likely increase at these plan levels over the next few years.
- If an employee's dependent(s) opts out of the medical plan, the City will pay the employee (50%) fifty percent of the City's premium cost it would otherwise have paid for coverage. The employee's dependent(s) must have proof of other coverage. This is an opportunity for cost savings for the City, with an attractive benefit for the employee.
- A less costly medical insurance plan has been found that will satisfy the requirement under state law that the City pay for such benefits for retired police officers who retired under the older Law Enforcement Officers' and Fire Fighters' Retirement System Plan I (LEOFF-I), creating a projected 2016 savings of \$34,630 (the City has three retired police officers who are in the LEOFF-I system).
- The employer contribution rates for state retirement plans (PERS) increased in July of 2015 from 9.2% to 11.18% and are expected to increase again effective July 1, 2017; however, the actual increase is unknown at this time and depends on legislative actions in 2016.
- Unemployment allocation is 0.8% on a maximum salary base of \$31,400 or \$251. The total unemployment costs are projected to be \$5,000 for 2016.
- The rates for Washington State Industrial Insurance are expected to increase on the average 1.8% per classification. The 2016 projected costs for all funds are expected to remain similar to 2015 due to vacant positions.

2016 Capital Projects

The Growth Management Act mandates that the City develop a six-year Capital Facilities Plan (CFP) as part of its Comprehensive Plan. In order to distinguish it from the six-year plan, the one-year version of this plan which is a part of the annual budget is referred to as the Capital Improvement Plan (Appendix page 97).

Projects listed within the CIP generally are those in excess of \$10,000 in estimated cost that improve, repair or maintain the City's infrastructure. CIP projects are accounted for in two non-operating funds: Municipal Capital Projects (310) and Street Capital Projects (311). Utility capital projects are accounted for in their respective Utility Enterprise Fund. Capital project revenues come from a variety of sources.

Fund Balance Overview- 2016

The 2016 Budget anticipates a total of \$16,855,677 of ending, restricted, assigned, committed and unassigned fund balances (Exhibit D.1). This is an increase of \$385,227 from the 2015 estimated ending balance figures. The General Fund ending balance declines at approximately \$188,066. The enterprise utility funds are estimated to increase \$778,886 and be restricted and assigned for operating reserve, capital improvements and debt service obligations. The reserves in the Facilities/Fleet, Equipment Replacement and Information Services internal service funds are committed for future capital equipment replacements and new purchases.

Fund Balance Outlook

Fund balance is an approximate measure of liquidity. It is the intent of the City to provide a stable financial environment so that citizens can depend on a consistent level of service. A Financial Management Plan with Fund Balance/Reserve targets endeavors to provide this stable financial environment for the services the city provides and for planned future expenditures. A Change in Fund Balance chart (Exhibit D.2) shows the General Fund-fund balance prior to, during and exiting the recession along with forecasted future reserve levels. General Fund reserve, being the most crucial to overall operations of the city is projected to be \$958,322 or 13.3% of its total revenues at the end of 2016. It will continue to be important to maintain an adequate fund balance for the General Fund in order to keep a level of reserves available for potential future fiscal challenges. The projected trend line of declining ending fund balance is the primary indicator driving staff's proposal to develop a five-year financial plan.

While the need for revenue growth to keep pace with increased costs continues to be a challenge for the City's budget, the reality to appreciate is that City Council budget decisions in recent years have allowed operations to emerge from the recession without disabling reductions. The City Council's action in 2011 to contract with the Snohomish County Sheriff's Office for police services has had the most positive impact on the budget and at the same time has maintained a high quality of law enforcement services to the community.

Investing in staff to provide the best possible services with existing resources remains a high priority. Providing effective training and tools to ensure high levels of effectiveness and productivity are among the means that support these service outcomes. Recent years of efforts to improve recruitment and retention of effective staff have shown valuable results. These human resources are critical to the organization's success in meeting community expectations.

The City's budget process incorporates information from many sources. It is by nature a complex document that may be difficult for many citizens to read with clear understanding. It is hoped that this memo introduces the 2016 Budget in a fashion that clarifies how the budget is constructed, what it would fund, how economic conditions affect funding levels and how services may generally be impacted by these proposed funding levels.

City of Snohomish

2016 Budget

Exhibits

Exhibit A.1

CITY OF SNOHOMISH
2016 ADOPTED BUDGET

SUMMARY REVENUES, EXPENDITURES AND FUND BALANCE

Fund	Description	2015 Budget Revenues	2016 Proposed Revenues
001	General	8,248,434	8,611,967
102	Streets	919,871	1,035,375
104	Park Impact Fee	112,180	109,730
107	Visitor Promotion	6,510	7,010
108	PBIA	23,015	24,035
113	Police Seizure	50	0
117	Real Estate Excise Tax	288,300	420,500
125	Traffic Impact Fee	38,494	37,899
130	TBD	675,520	780,520
205	Debt Service	80,283	63,033
310	Municipal Capital Projects	90,000	305,085
311	Street Capital Projects	795,000	1,420,500
401	Water Utility	2,487,320	2,865,140
402	Wastewater Utility	4,929,664	5,251,503
403	Solid Waste	1,972,000	2,005,100
404	Stormwater Utility	1,096,873	1,836,600
501	Fleet & Facilities	836,351	861,124
502	Information Services	369,448	493,185
503	Self-insurance	50,000	5,010
505	Equipment Replacement	118,686	136,249
604	Carnegie Restoration	18,000	18,325
Total Overall		23,155,999	26,287,890
		Change	3,131,891

2016 REVENUE HIGHLIGHTS - Operating Funds

General Fund	<p>General Fund revenue sources are forecast to increase over \$339,000 from 2015. Retail sales tax revenues are estimated to increase over \$165,000. Construction sales tax revenues are estimated to decrease \$20,000. Property tax is proposed to increase the 1% statutorily allowed limit or approximately \$11,000. Utility taxes, overall, are expected to remain the same or slightly decrease approximately \$8,000. Shared, intergovernmental revenues are expected to remain the same as 2015 and fines/fees revenues anticipated to increase an estimated \$14,000. Cost Allocation fees provided from direct service departments and funds are expected to increase \$120,000. Miscellaneous revenue sources are anticipated to increase \$25,000 due to new sources from rebates and cell tower lease fees. Transfer-in sources from the REET fund is anticipated to increase \$10,000 to assist with increase park maintenance costs.</p>	8,611,967
Street Fund	<p>The Street Fund is expecting increased motor vehicle fuel tax revenues due to 2015 Legislative changes and a new direct distribution of tax revenues starting in autumn of 2015. Transfer-in sources from the General Fund and REET Fund are proposed to increase \$45,000 and \$50,000 respectively, due to the increased cost of providing streets maintenance services.</p>	1,035,375
Water Fund	<p>Water utility rates are planned to increase 5% for a total of \$2,510,894 in 2016. Revenues for inspections and permitting are expected to increase \$26,500. Water connection and capital facility charges, from development related activity, are estimated to be \$73,000 and \$159,000</p>	2,865,140
Sewer Fund	<p>Sewer utility rates will not increase - for the third year - and are expected to generate \$4,400,000. Revenues for inspections and permitting are expected to remain the same. Sewer connection, capital facility charges and special development fees are estimated at \$336,000, \$157,000 and \$339,000 based on forecasts of development to occur in 2016.</p>	5,251,503
Storm Water Fund	<p>Storm water rates are planned to increase 7.1% for a total of \$1,200,000. Transfer-in sources are planned from the Sewer Fund \$275,000 and TBD Fund \$250,000 to cover related portions of capital infrastructure improvement projects.</p>	1,836,600

2016 REVENUE HIGHLIGHTS - Operating Funds

Fleet & Facilities Fund	The Fleet and Facilities fund, an internal service fund, generates revenues through allocation from the Cost Allocation Plan. Facility and fleet maintenance operations were shifted to this newly created fund to better track indirect costs associated with maintenance and repair activities.	861,124
Information Services Fund	The Information Services Fund, an internal service fund, generates revenues through allocation from the Cost Allocation Plan. Cost Allocation fees are increasing \$130,000 as part of a phasing plan to recover personnel costs associated with providing technology services to the direct departments or funds who benefit.	493,185

Exhibit A.3

General Fund Revenues

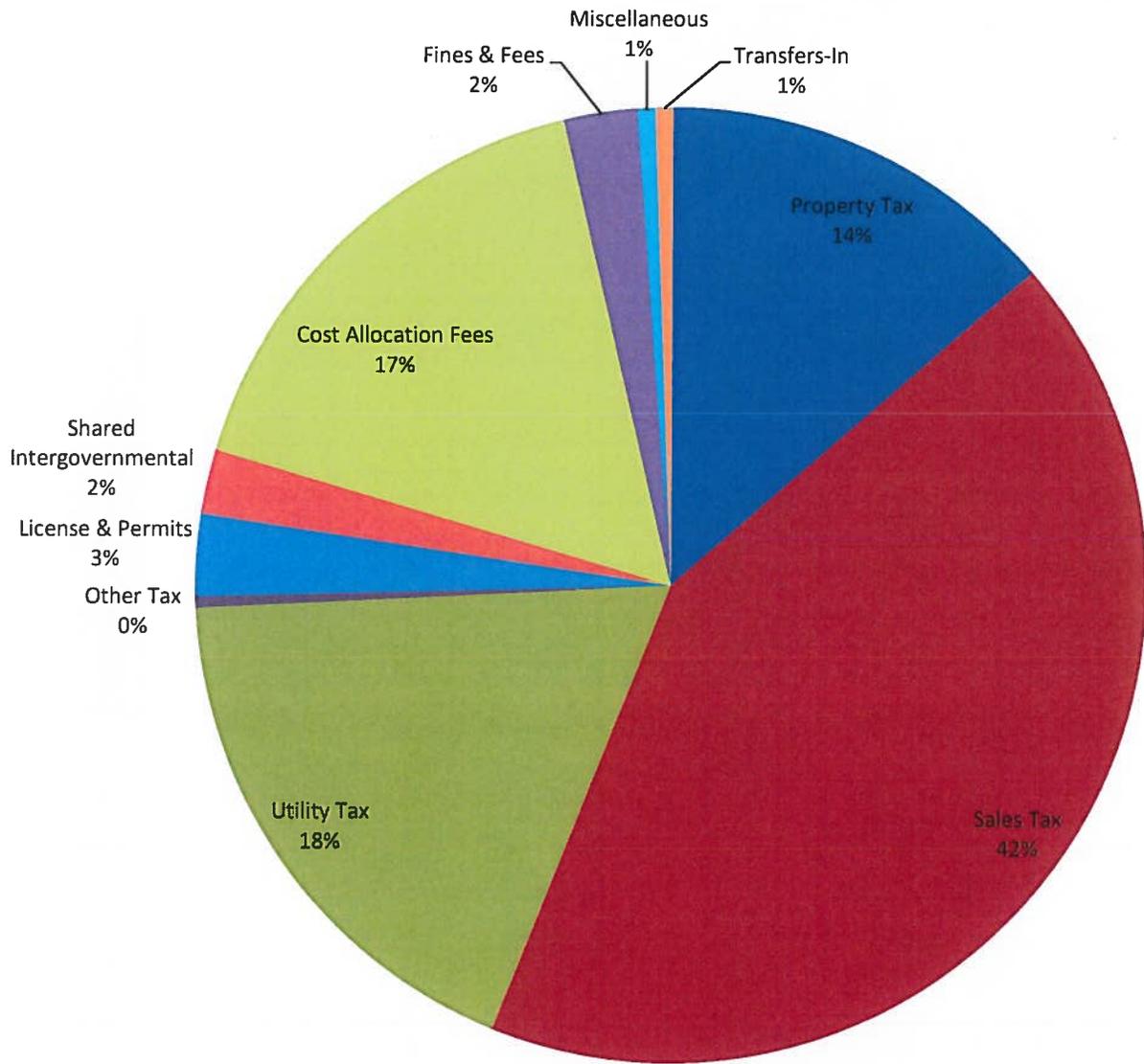


Exhibit A.4

Sales Tax History

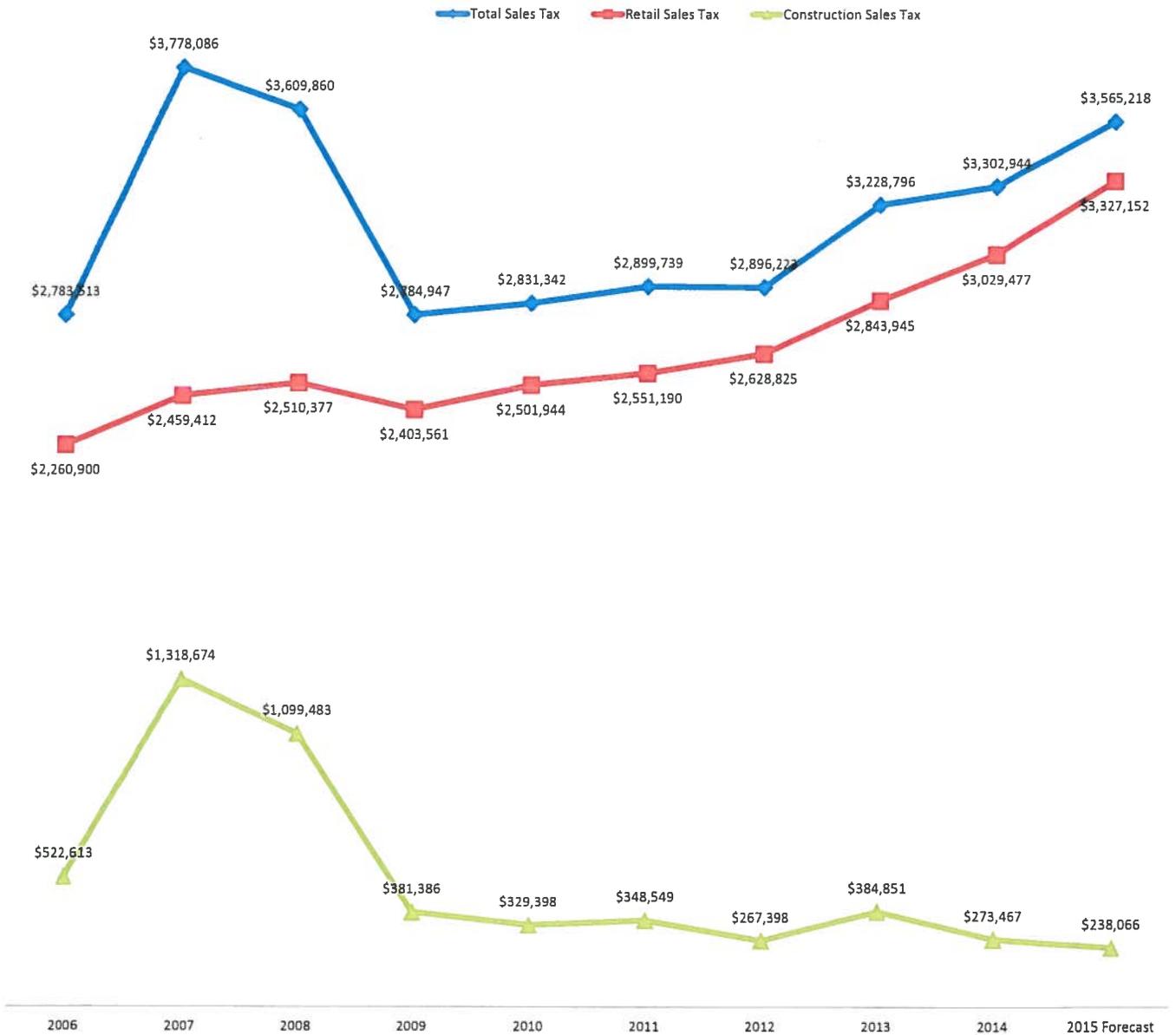


Exhibit A.5

2016 Estimated Share of Property Tax by Jurisdiction

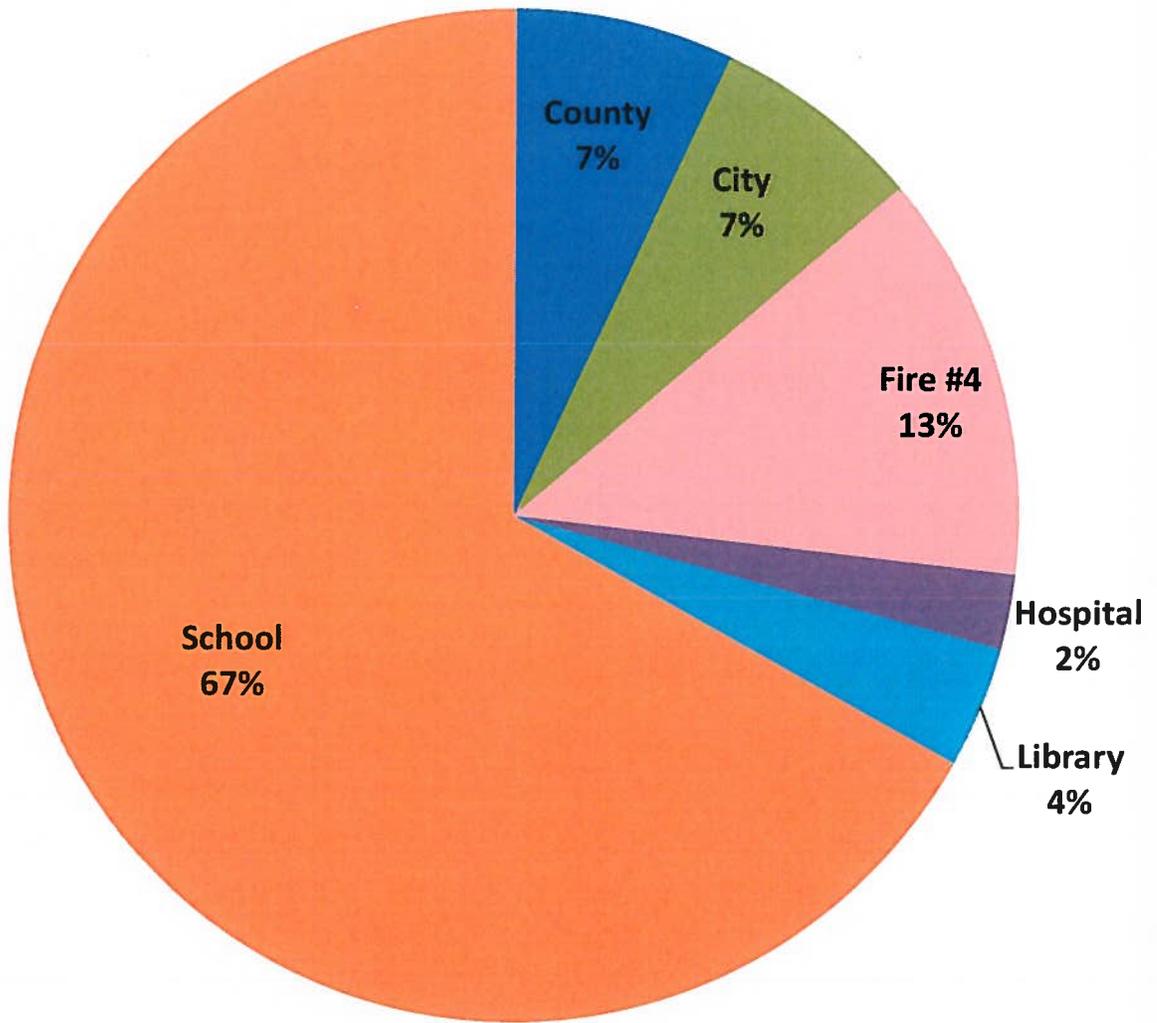


Exhibit A.6

2016 Utility and Other Taxes

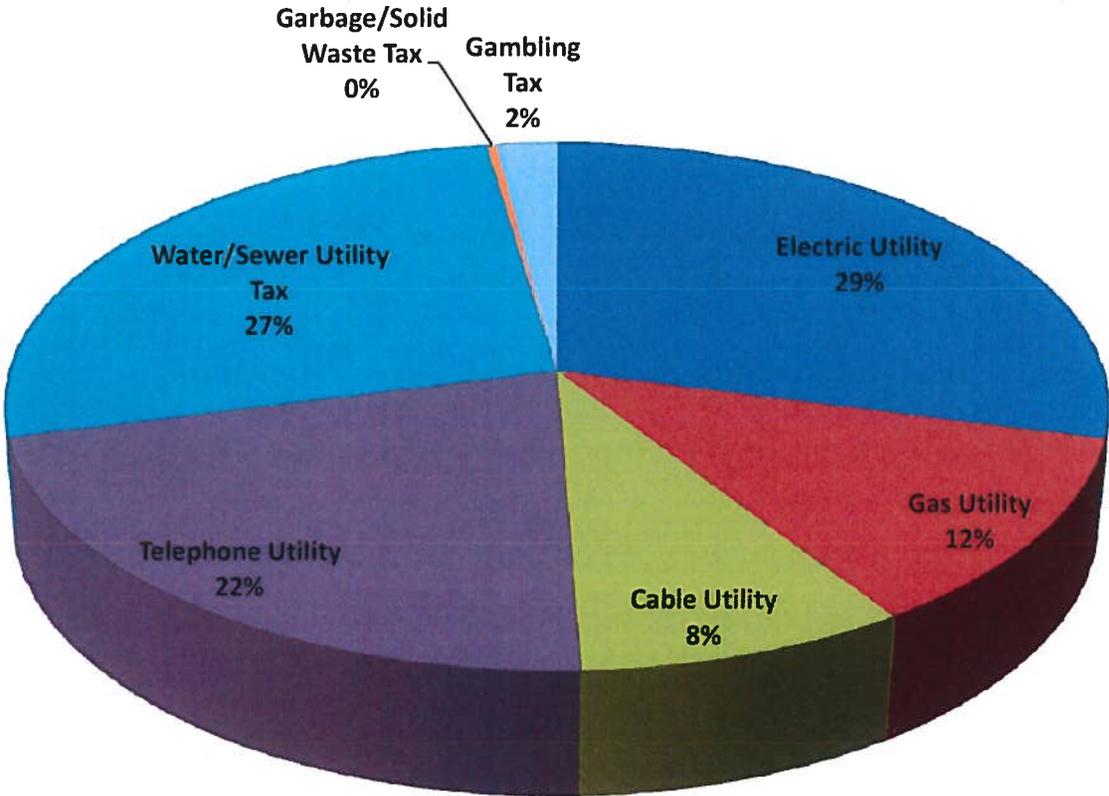


Exhibit B.1

CITY OF SNOHOMISH
2016 ADOPTED BUDGET

SUMMARY REVENUES, EXPENDITURES AND FUND BALANCE

Fund	Description	2015 Budget Expenditures	2016 Proposed Expenditures
001	General	8,666,771	8,800,033
102	Streets	1,039,525	1,019,291
104	Park Impact Fee	0	0
107	Visitor Promotion	11,200	11,120
108	PBIA	23,000	40,000
113	Police Seizure	40,000	90,000
117	Real Estate Excise Tax	130,000	325,000
125	Traffic Impact Fee	0	100,000
130	TBD	608,390	660,000
205	Debt Service	80,733	62,983
310	Municipal Capital Projects	228,000	330,000
311	Street Capital Projects	881,000	1,607,643
401	Water Utility	2,991,522	2,818,408
402	Wastewater Utility	5,952,852	4,285,782
403	Solid Waste	1,921,985	2,036,644
404	Stormwater Utility	1,232,816	2,038,623
501	Fleet & Facilities	903,501	897,003
502	Information Services	531,816	595,533
503	Self-insurance	50,000	5,000
505	Equipment Replacement	130,000	162,000
604	Carnegie Restoration	3,000	17,600
Total Overall		25,426,111	25,902,663
		Change	476,552

2016 EXPENDITURE HIGHLIGHTS - Operating Funds

City Council	Increase in personnel costs due to implementation of the 2015 pay schedule for three eligible positions	6,914
Executive	Decrease in personnel and benefits due to a vacant Office Assistant II position in the City Manager division. Increase in City Clerk division due to increase in publication costs. Increase in Human Resources division due to rising WCIA and property insurance premiums. Increase in Economic Development division due to new part-time personnel cost. All divisions include an increase in cost allocation charges for technology and facility maintenance costs. Non-departmental division includes increase in costs for Senior Center support, decrease in retiree insurance premiums, increase in Aquatic Center utilities and decrease in transfer-out for debt service obligation - 2005 Rivertrail bonds	21,844
Planning & Development	Increase in Planning division for personnel and benefits due to new part-time personnel cost. Decrease in Building Inspections division operating supplies due to resource materials purchased in 2015. All divisions include an increase in cost allocation charges for technology and facility maintenance costs	16,970
Support Services: Finance	Increase in education/training and relevant travel to continue staff development activities. Increase in cost allocation charges for technology and facility maintenance costs.	24,538
Support Services: Information Service	Increase in software for new budget software implementation. Carry-over cost for City Hall Generator installation. Decrease in repairs/maintenance. Decrease in education/training. Decrease in software support services based on multi-year agreement.	65,625
Law Enforcement	Increase in criminal justice costs related to the rising jail and booking fee structure implemented by the County. Increase in SCSO contracted services based on 5-year agreement. Increase in cost allocation charges for technology, facility and fleet maintenance cost.	204,643
Public Works: Parks	Decrease in personnel and benefits due to position transitions within department. Increase in small tools. Increase in cost allocation charges for technology, facility and fleet maintenance costs. Increase in communications for additional cell phone needs	(8,221)

2016 EXPENDITURE HIGHLIGHTS - Operating Funds

Public Works: Engineering	No change in personnel and benefits due to vacant position offset by existing contractual increases. Increase in cost allocation charges for technology, facility and fleet maintenance costs. Decrease in professional services for new water supply study.	(10,931)
Public Works: Streets	Decrease in Streets maintenance costs due to reduction in overall cost allocation charges for technology, financial, administrative, engineering, fleet and facility costs. Decrease in repairs/maintenance. Increase in Streets traffic/pedestrian division for increase in operating supplies and street lighting costs.	(19,408)
Public Works: Fleet & Facilities	Increase in personnel and benefits due to reclass of Maintenance Worker position to Facility Specialist position. Increase in TBA supplies. Decrease in fuel costs. Increase in cost allocation charges due to technology, financial and administrative costs.	31,739
Public Works: Water	Decrease in personnel and benefit costs due to vacant Maintenance Worker position. Increase in professional services due to water supply study. Increase in water quality testing for additional DBP requirements. Increase in water excise tax. Decrease in cost allocation charges for technology, financial, administrative, engineering, fleet and facility maintenance costs. Decrease in chemical at WTP. Decrease in electric utility charges. Potential decrease in debt service for debt payoff. Increase in capital projects based on CIP.	130,323
Public Works: Sewer	Decrease in operating supplies and operating rentals. Decrease in utility charges. Decrease in maintenance/repairs for required contractor related maintenance. Cost allocation charges for technology, financial, administrative, engineering, fleet and facility maintenance remain the same. Decrease in capital equipment outlay. Potential decrease in debt service for debt payoff. Decrease in capital projects based on CIP.	(1,055,615)
Public Works: Stormwater	Increase in personnel and benefits due to insurance premium cost for employee. Increase in operating supplies. Increase in cost allocation charges for technology, financial, administrative, engineering, fleet and facility maintenance. Increase in capital projects based on CIP.	631,397

Exhibit B.3

Expenditures By Function

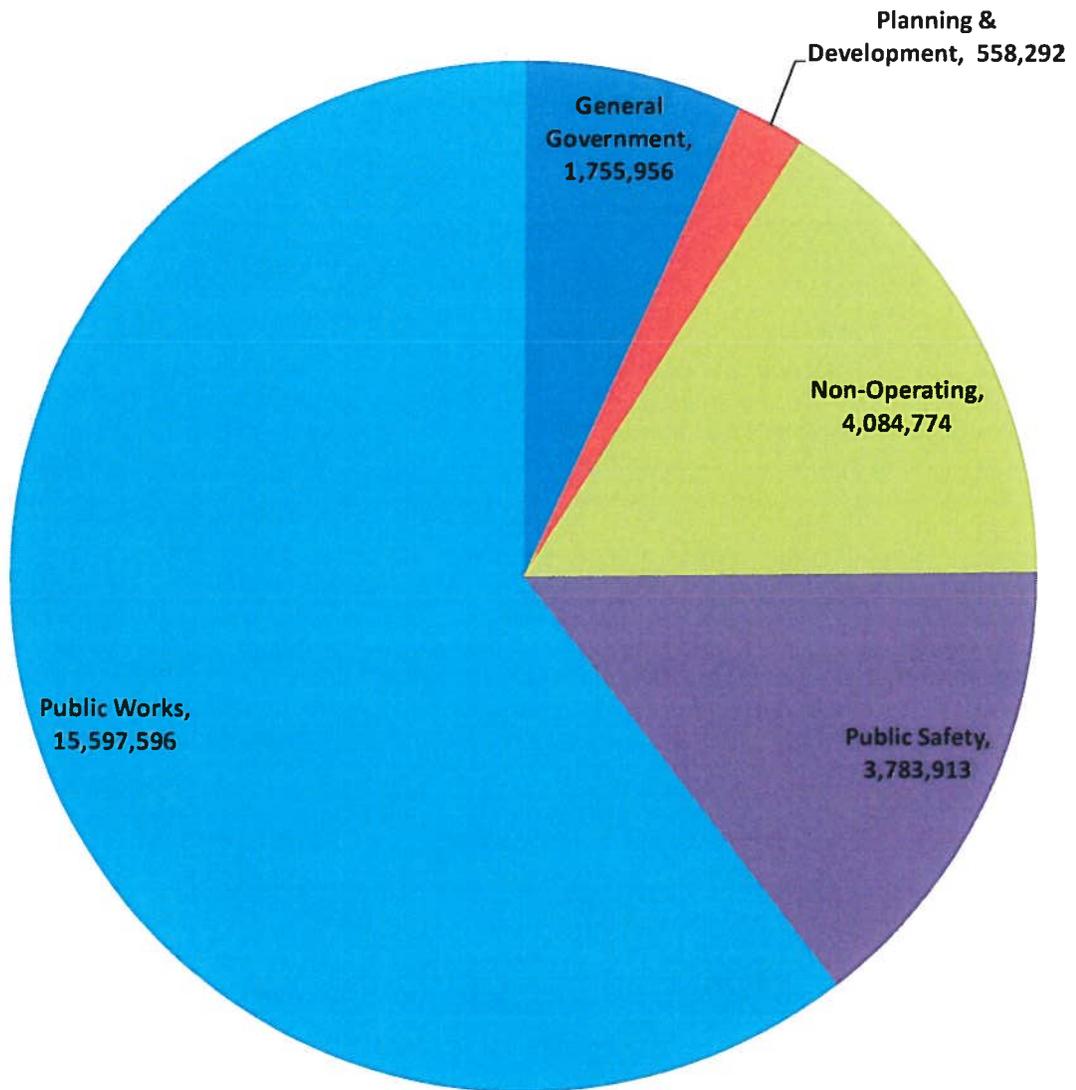


Exhibit B.4

General Fund Expenditures

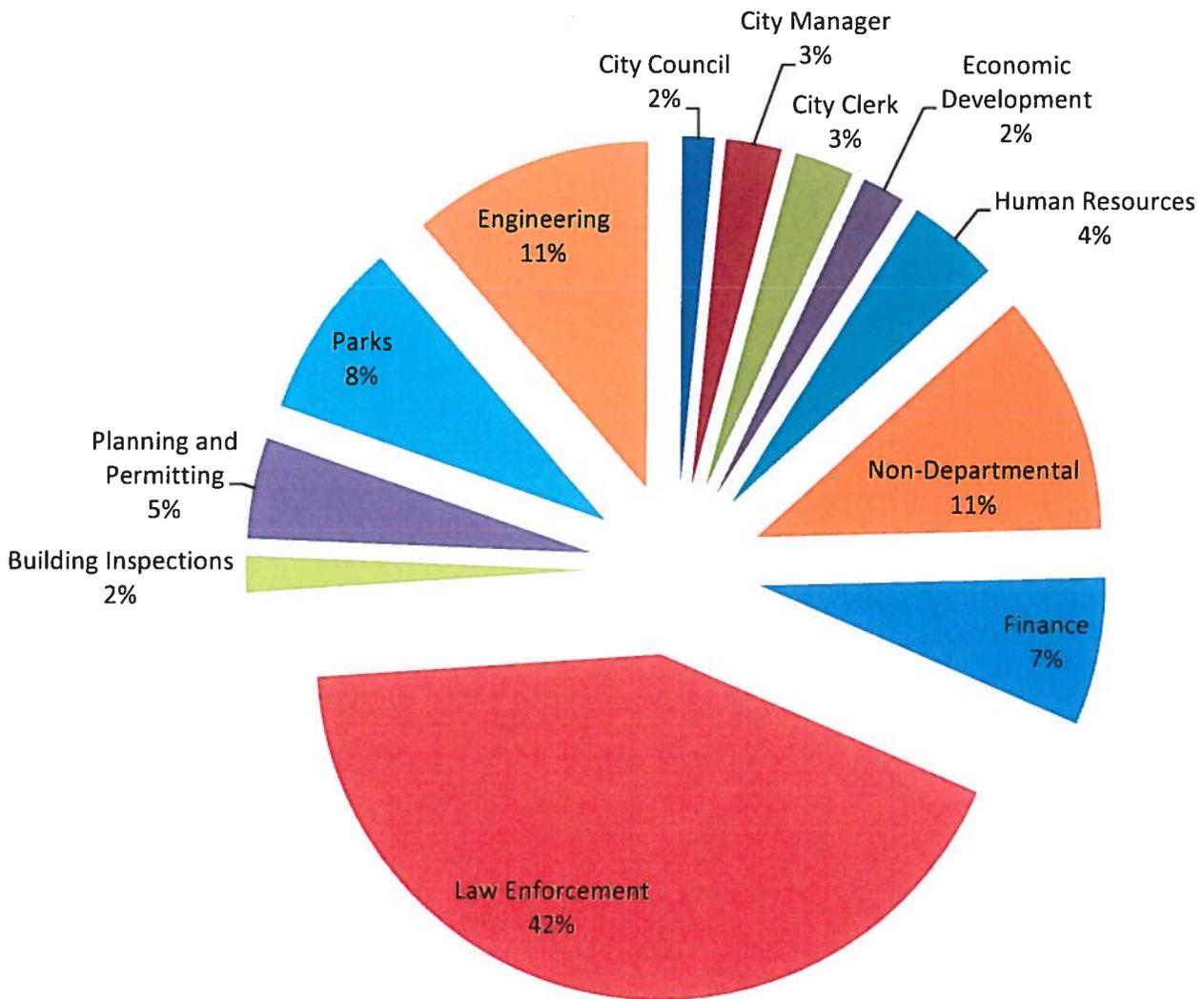


Exhibit C.1

2016 PERSONNEL CHANGES - Impacts

Position Enhancements	2016 Cost	Timing	Budget Impact
Vacant-Maintenance Worker I (Water)	\$ (64,884)	Full Year	\$ (64,884)
Vacant-Office Assistant II (City Manager)	\$ (59,115)	Full Year	\$ (59,115)
Vacant-Utility Engineering Specialist (Engineering)	\$ (34,970)	Partial Year	\$ (34,970)
Seasonal Part-Time -Planning & Economic Development	\$ 21,575	Partial Year	\$ 21,575
Seasonal Part-Time-Parks, Facilities and Streets	\$ 92,335	Partial Year	\$ 0
Seasonal Part-Time-Utilities	\$ 39,771	Partial Year	\$ (0)
Position Enhancement Totals			\$ (137,393)
Council Approved			
Employee COLA Adjustment - Estimated	\$ 70,252		\$ 70,252
Employee Pay Step Movements - Estimated	\$ 61,824		\$ 61,824
City Council Pay Adjustment - for applicable seats			\$ 2,765
Council Approved Totals			\$ 134,841
Third Party			
Medical Insurance Premiums Increase			\$ 33,492
DRS Employer Contribution Increase - full-year			\$ 23,413
Third Party Totals			\$ 56,906
Overall Personnel Impacts			\$ 54,354

Exhibit D.1

CITY OF SNOHOMISH
2016 ADOPTED BUDGET

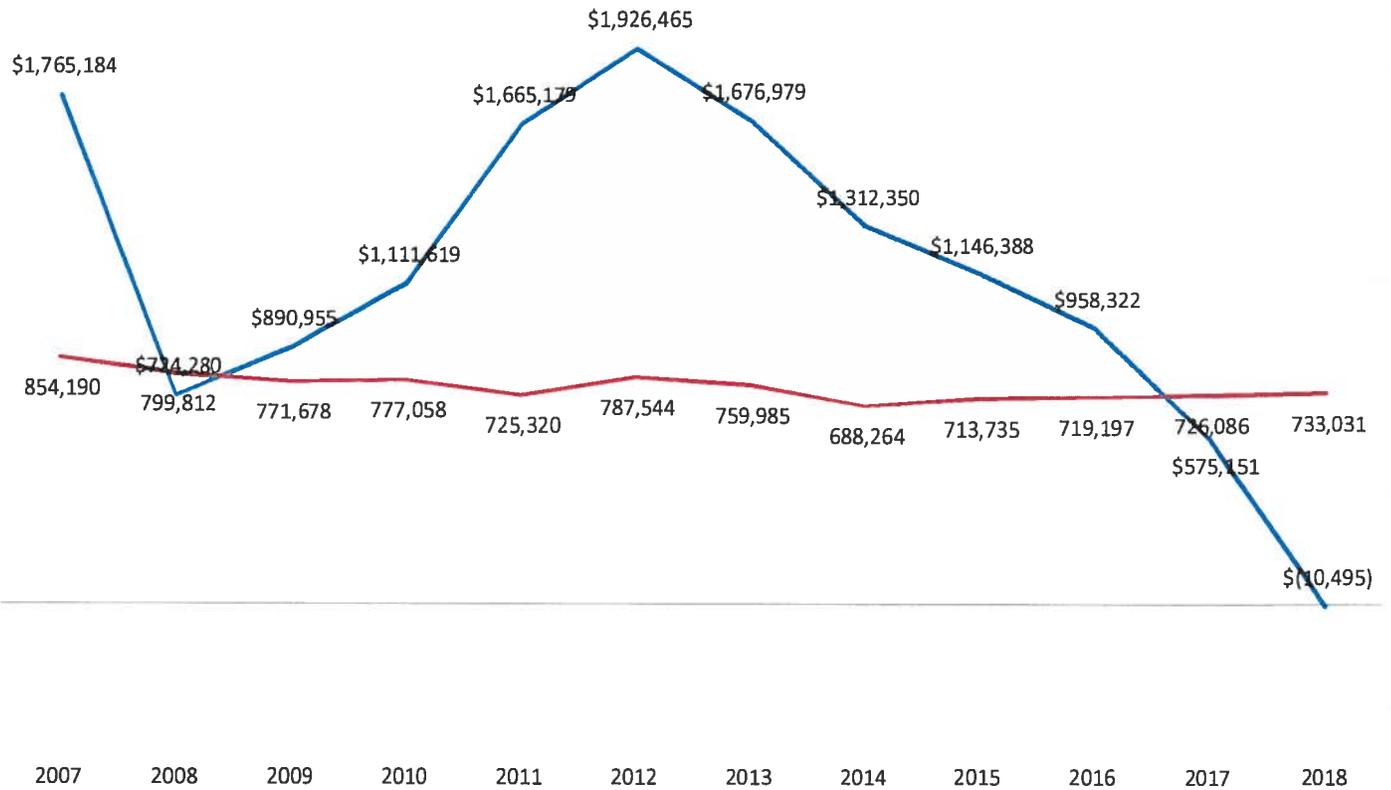
SUMMARY REVENUES, EXPENDITURES AND FUND BALANCE

Fund	Description	2016 Estimated Beginning Fund Balance	2016 Estimated Ending Fund Balance	Fund Balance as % of Revenues
001	General	1,146,388	958,322	13.4%
102	Streets	3,630	19,714	1.9%
104	Park Impact Fee	250,142	359,872	328.0%
107	Visitor Promotion	8,463	4,353	62.1%
108	PBIA	36,567	20,602	85.7%
113	Police Seizure	91,761	1,761	0.0%
117	Real Estate Excise Tax	986,712	1,082,212	257.4%
125	Traffic Impact Fee	410,681	348,580	919.8%
130	TBD	1,219,851	1,340,371	171.7%
205	Debt Service	14,062	14,112	22.4%
310	Municipal Capital Projects	232,433	207,518	68.0%
311	Street Capital Projects	962,418	775,275	54.6%
401	Water Utility	1,765,856	1,812,588	63.3%
402	Wastewater Utility	6,156,540	7,122,261	135.6%
403	Solid Waste	75,688	44,144	2.2%
404	Stormwater Utility	1,964,084	1,762,061	95.9%
501	Fleet & Facilities	633,602	597,723	69.4%
502	Information Services	263,784	161,436	32.7%
503	Self-insurance	12,259	12,269	244.9%
505	Equipment Replacement	198,997	173,246	127.2%
604	Carnegie Restoration	36,532	37,257	203.3%
Total Overall		16,470,450	16,855,677	
			Change	385,227

Exhibit D.2

Change in Fund Balance

Ending Fund Balance Reserve Required per Policy



PART 1

2016 BUDGET

INTRODUCTION

CITY OFFICIALS

2016 Council Members

Position	Name	Term	Ending
Pos 1	Lynn Schilaty	Four Year	December 31, 2015
Pos 2	Karen Guzak	Four Year	December 31, 2015
Pos 3	Paul Kaftanski	Four Year	December 31, 2015
Pos 4	Michael Rohrscheib	Four Year	December 31, 2017
Pos 5	Derrick Burke	Four Year	December 31, 2017
Pos 6	Dean Randall	Four Year	December 31, 2017
Pos 7	Tom Hamilton	Four Year	December 31, 2017

City Officials

Title	Name
City Manager	Larry Bauman
City Clerk	Torchie Corey
Public Works Director	Steve Schuller
Finance Director	Jennifer Olson
Police Chief	Chief John Flood
Planning & Development Services Director	Owen Dennison

Other Officials

Title	Name
City Attorneys	Weed, Graafstra & Associates, Inc. P.S.
City Prosecutor	Snohomish County Prosecuting Office
Hearing Examiner	Sound Law Center
Utility and Parking Ticket Hearing Examiner	Mary Swenson

COUNCIL ADVISORY BOARDS AND COMMISSIONS

There are six active and permanent City Council Advisory Boards and Commissions. As the Boards and Commissions discuss issues and hear testimony, they typically will make a recommendation to the City Council for action. This recommendation is the Board's proposal, and the full Council will vote on the issues brought before them. The Council may, or may not, vote according to the Board or Commission's recommendation. In addition to serving on the City Council, Council Members typically also represent the citizens of Snohomish on at least one Council Board or Commission, or intergovernmental committee. The Snohomish Municipal Code states that members of the Council Advisory Boards and Commissions are to be selected by the Mayor with confirmation by the City Council. The Mayor forwards his recommendation to the City Council for confirmation.

PUBLIC SAFETY COMMISSION

Purpose: Act in an advisory capacity to the Police Chief by making recommendations on liquor license matters and shall focus on public safety matters.

Meets: Second Tuesday of each month (as needed)
Place: Fire District #4 Training Room, 1525 Avenue D
Time: 5:00 p.m.
Members: Seven - 4 year terms

DESIGN REVIEW BOARD

Purpose: Reviews and makes recommendations on the external designs of all architectural improvements, including signs, in the Historic District, and all public agency development citywide.

Meets: Second Wednesday of each month
Place: City Hall Conference Room, 116 Union Avenue
Time: 7:00 p.m.
Members: Five - 4 year terms

PARKS AND RECREATION BOARD

Purpose: Provides policy advice to the City Council concerning all parks and recreation programs within the City.

Meets: Fourth Wednesday of each month
Place: City Hall Conference Room, 116 Union Avenue
Time: 7:00 p.m.
Members: Five - 3 year terms

PLANNING COMMISSION

Purpose: Serves to consider land-use, regional and comprehensive plan issues, and makes recommendations to the City Council. The Planning Commission may recommend moratoria and/or interim land-use controls and hold public hearings as deemed necessary by the City Council.

Meets: First Wednesday of each month
Place: George Gilbertson Board Room,
1601 Avenue D
Time: 7:00 p.m.
Members: Seven - 6 year terms

LODGING TAX ADVISORY COMMITTEE

Purpose: Reviews and makes recommendations to the City Council concerning proposed changes to the Hotel-Motel Tax rates and uses.

Meets: Meets twice annually
Place: City Hall Conference Room, 116 Union Avenue
Time: 7:00 p.m.
Members: Five

ECONOMIC DEVELOPMENT COMMITTEE

Purpose: The Economic Development Committee clarifies and interprets the elements of the Economic Development Strategy; provides a forum for the coordination of information among entities identified as having economic development roles; recommends priorities and establishes a means to monitor progress on goals; and provides such other advice and guidance as is consistent with furthering the “Economic Development Strategy”.

Meets: Fourth Tuesday of January, March, May, July, September, November
Place: City Hall Conference Room, 116 Union Avenue
Time: 7:30 a.m.
Members: Ten – 2 year terms

STEPS IN THE BUDGET PROCESS

JULY

- ✓ **Step 1** – Management Retreat to review and prepare for Budget Planning
- ✓ **Step 2** - Budget Workbooks Issued to Department Heads

AUGUST

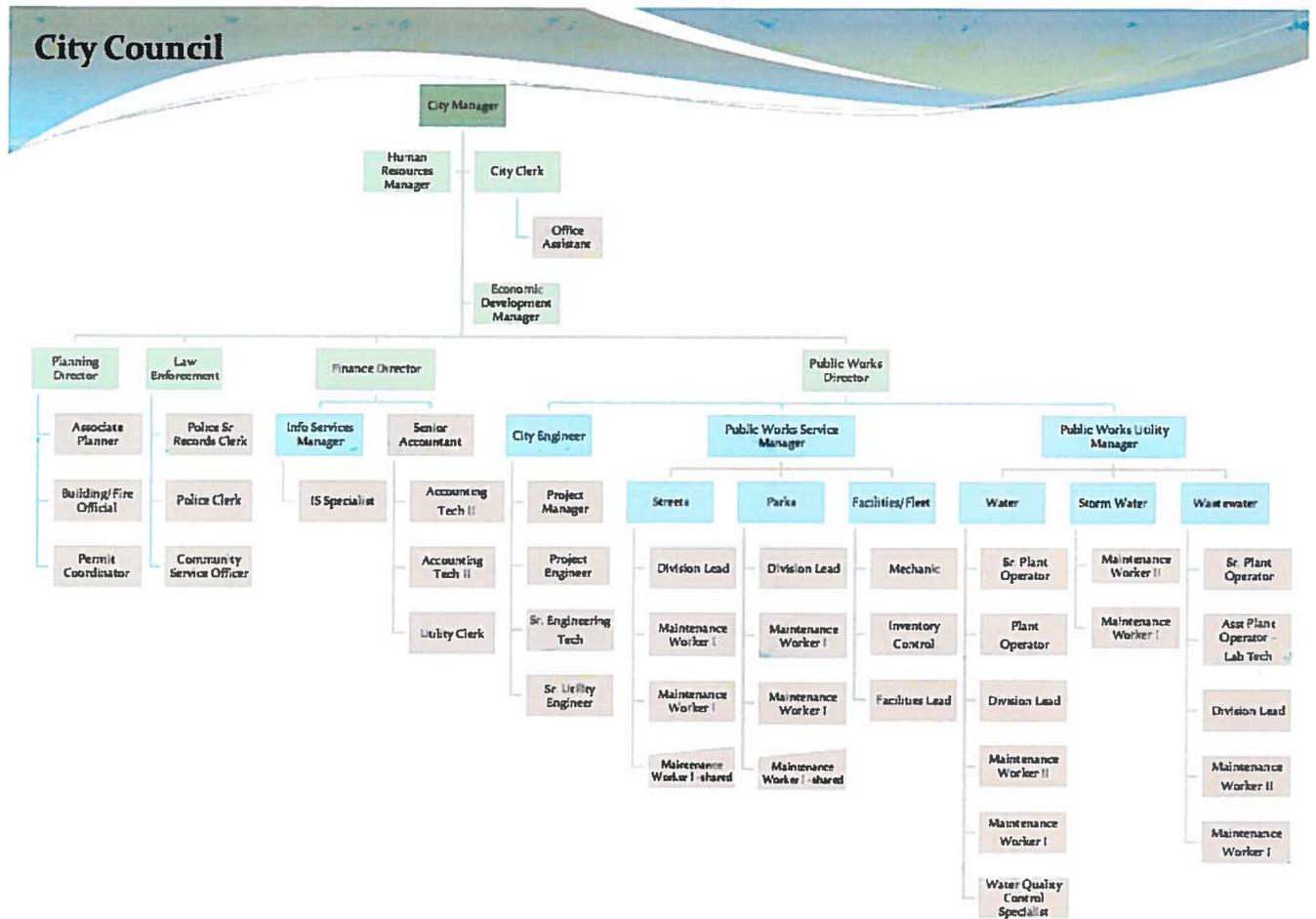
- ✓ **Step 3** - City Council Retreat To Review Accomplishments and Establish Goals
- ✓ **Step 4** ~Year-End Revenue Forecast and New Year Revenue Estimates

SEPTEMBER - DECEMBER

- ✓ **Step 5** - Salary and Wage Review and Forecast
- ✓ **Step 6** - Utility Fund Review – Rates and Capital Infrastructure
- ✓ **Step 7** - City Manager 2016 Recommended Budget delivered to the City Council on September 30, 2015

- ✓ **Step 8** - Department Overviews - City Council, City Manager and Planning and Development Services on October 6, 2015
- ✓ **Step 9** - Department Overviews – Public Safety, Public Works and Support Services on October 20, 2015
- ✓ **Step 10**-Public Hearings – Revenues Sources and Property Tax Levy on October 20, 2015
- ✓ **Step 11**–Public Hearings–Property Tax Levy Adoption and Budget on November 3, 2015
- ✓ **Step 12** –Public Hearing - Council Budget Final Adoption on November 17, 2015

2016 ORGANIZATIONAL CHART



2016 Organizational Chart

2016 SALARY SCHEDULES

Pending Salary Schedules under negotiation

ADOPTED ORDINANCES

Budget and Levy Ordinances Here when adopted

PART 2

2016 BUDGET

OPERATING FUNDS

General Fund Budget - Summary Revenues, Expenditures and Fund Balance

Fund	General	001		
Department	Revenues	300		
	2015	2015	2016	2016
Description	Amended Budget	Estimated Year-End	Requested Budget	Comments/Justifications
Property Tax	1,145,956	1,145,956	1,178,300	1% Levy Increase Plus New Construction/Other
Sales Tax	3,436,947	3,597,000	3,597,000	
Utility Tax	1,550,650	1,546,750	1,542,000	
Other Tax	30,000	32,000	32,000	
License and Permits	223,825	233,700	234,000	
Shared/Intergovernmental	190,671	182,242	186,250	
Cost Allocation Fees	1,300,673	1,300,673	1,420,018	
Fines and Fees	302,662	367,998	319,849	
Miscellaneous	27,050	31,700	52,550	
Transfers-In	40,000	40,000	50,000	
Total General Fund Revenues	8,248,434	8,478,019	8,611,967	

363,533 2016 Increase in Revenue

Fund	General	001		
Department	Expenditures	500		
	2015	2015	2016	2016
Description	Amended Budget	Estimated Year-End	Requested Budget	Comments/Justifications
City Council	141,092	139,592	132,356	
City Manager	286,277	257,306	226,832	
City Clerk	221,497	224,947	243,079	
Economic Development	154,567	154,234	176,835	
Human Resources	369,943	376,999	379,543	
Non-Departmental	959,708	973,316	983,986	
Finance	574,325	574,937	601,263	See Department/Division Budgets
Law Enforcement	3,695,729	3,680,294	3,794,295	
Building Inspections	150,005	142,205	148,524	
Planning and Permitting	390,337	395,211	409,768	
Parks	726,513	749,513	719,851	
Engineering	996,778	975,427	983,701	
Total General Fund Expenditures	8,666,771	8,643,981	8,800,033	

133,262 2016 Increase in Expenditures

Fund Balance Summary

2015 Beginning Fund Balance	1,312,350	1,146,388	Estimated 2016 Beginning Fund Balance
Estimated Yr End 2015 Revenues	8,478,019	8,611,967	Proposed 2016 Revenues
Estimated Yr End 2015 Expenditures	8,643,981	8,800,033	Proposed 2016 Expenditures
Estimated Yr End Ending Fund Balance	1,146,388	958,322	Estimated 2016 Ending Fund Balance
2015 Change in Fund Balance	-165,962	-188,066	2016 Change in Fund Balance
2015 Ending Fund Balance as % of Revenues	16.1%	13.4%	2016 Ending Fund Balance as % of Revenues

City Council

Overview

The City Council serves as the elected legislative branch of city government. The Council consists of seven members elected to four-year terms. Elections are staggered so that every two years either three or four Council positions are elected by the voters. The Mayor is elected by the Council typically also on a two-year cycle. The City of Snohomish is a code city, organized under a Council-Manager form of government. The City Manager is selected and appointed by the City Council as a whole and the Manager takes direction from the Council.

The City Council represents the citizens of Snohomish and interprets community values as it adopts ordinances and resolutions; sets the policies and directions of the City; authorizes the annual budget; appoints the members of the various boards and commissions; provides its members as liaisons to those boards and commissions and represents the City regarding state and regional issues.

Council Positions	2012	2013	2014	2015	2016	Change
City Council Members	7.0	7.0	7.0	7.0	7.0	0.0
Total	7.0	7.0	7.0	7.0	7.0	0.0
Budget History						
	2012	2013	2014	2015	2016	Change
Council	166,019	153,143	124,442	141,092	132,356	-8,736
Total	166,019	153,143	124,442	141,092	132,356	-8,736

2016 Increase includes 2015 pay scale implemented for 3 eligible positions

The Snohomish City Council annually adopts a goals list, which for the coming year represents the consensus goals for 2016 that the City Council believes to be the critical needs and issues facing the community. This Goal List has been developed to support the recommendations by the Community Advisory Committee for the City's Strategic Plan – "Imagine Snohomish: Promoting Vitality and Preserving Character". This is a list of annual goals and budget priorities and included in the 2016 Budget within the City Manager's Budget Transmittal Message.

City of Snohomish City Council Values Statement

The Snohomish City Council values the following ideals for its own operations and for the City of Snohomish as a local government institution:

Respect:

The City Council believes that honesty, integrity, cooperation and civility are essential in maintaining respect for citizens and for the members of the City Council.

Community:

The City Council honors its role in serving the community through a commitment to diversity, volunteerism and compassion.

Responsible Stewardship:

The City Council embraces its responsibility for stewardship through respect for the natural environment, maintenance of an intact and small-town identity and growth that supports our historic character. It also believes that financial accountability and geographically balanced support and respect for all areas of the community are essential to creating a positive environment for families through City programs and facilities.

Excellence in Leadership:

The City Council endeavors to excel in leadership through accountability, effectiveness and efficiency, honesty and veracity, and fairness and equity. In working for the greater good of the community, it values listening before making decisions, responding to and respecting diverse opinions and being constantly aware of changes in the community that may require the City's attention.

Regional Perspective:

The City Council advocates within the region for the interests of our community through collaboration with all viable partners that can assist us in supporting the community's needs.

Respect for the Decision-Making Process:

The City Council seeks in its operations as a local government legislative body to work in a spirit of cooperation and toleration of diverse opinions to make the best possible decisions on behalf of the community.

Fund	General	001		
Department	Legislative - City Council	010		
Account Number		2015	2015	2016
511.60	Description	Amended	Estimated	Proposed
		Budget	Year-End	Budget
Salary and Wages				
11.00	Council Salaries	40,800	40,800	43,368
Personnel Benefits				
21.00	Employer Taxes	3,122	3,122	3,318
23.00	Employer Premiums	70	70	70
Supplies				
31.00	Office & Operating Supplies	500	350	350
Services				
41.00	Professional Services	90,000	90,000	80,000
42.00	Postage	600	250	250
43.00	Travel & Subsistence	1,000	500	500
49.00	Miscellaneous	3,500	3,500	3,500
49.20	Education & Training	1,500	1,000	1,000
Total Expenditures		141,092	139,592	132,356

Cost Summary of Significant Changes

Three City Council positions eligible for 2015 adopted pay schedule. Additional allocation for cost of alternate meeting site.

City Manager

Overview

The City Manager is appointed by the City Council to serve as the chief administrator of the City and the City Manager is responsible for achieving the policies, goals and priorities established by the City Council. In the work to implement City Council policies, the City Manager manages the human, operating and capital resources of the City.

The Manager collaborates with the many interests and segments of the community and communicates Council policies, programs and priorities to the public. The major functions of the office include: providing support to the City Council, assisting with policy analysis, intergovernmental relations, risk management, managing response to litigation, providing organizational leadership, implementing Council policies, strategic planning, developing the organization's human resources, economic development, partnering with community organizations, citizen communications, facilitating responses to citizen concerns, and managing the City Budget as a means to meet City goals and desired outcomes. The City Manager Department is comprised of the City Clerk, Economic Development, Human Resources and Non-departmental divisions that assist in meeting the goals and operational objectives of the department and the City government organization as a whole.

For the 2016 Budget, the Office Assistant II position is recommended to remain vacant for the City Manager division. This position is used as a shared resource by all departments operating out of City Hall in 2015. As funding cannot be sustained to support this full-time position in 2016, part-time staffing additions are recommended in 2016 to support Economic Development and Planning and Developmental Services.

City Manager Positions	2012	2013	2014	2015	2016	Change
City Manager	1.0	1.0	1.0	1.0	1.0	0.0
Human Resource Manager	1.0	1.0	1.0	1.0	1.0	0.0
City Clerk	1.0	1.0	1.0	1.0	1.0	0.0
Econ. Dev. Manager	1.0	1.0	1.0	1.0	1.0	0.0
Office Assistant II ¹	0.5	1.0	2.0	2.0	1.0	-1.0
Total	4.5	5.0	6.0	6.0	5.0	-1.0
Budget History						
	2012	2013	2014	2015	2016	Change
City Manager	186,024	224,292	221,551	286,277	226,832	-59,445
Human Resources	414,114	419,826	360,189	369,943	379,543	9,600
City Clerk	170,973	206,367	208,424	221,497	243,079	21,582
Economic Development	122,183	137,412	136,050	152,169	174,190	22,021
Non-Dept	114,408	147,064	145,438	204,475	201,503	-2,972
Transfers ²	413,233	620,733	683,483	755,233	782,483	27,250
Total	1,420,935	1,755,694	1,755,135	1,989,594	2,007,630	18,036

¹ 2012: Shared 1 FTE with Support Services, restored full FTE in 2013; 2014: Added 1 FTE; 2016: 1 FTE vacant

² 2015 Transfer to Street Fund increase \$45,000; Transfer to Debt Fund reduced based on actual principal/interest due

Overall Goals:

The following goals will be a focus for the City Manager in 2016. These key areas represent an overview of goals to which the City Manager's Office will devote the majority of its time and energy during the year.

- ◆ **Implementation of the City Council's 2016 Goals and the Strategic Plan:** The current goals of the City's updated Strategic Plan (Imagine Snohomish: Promoting Vitality and Preserving Character) are incorporated within the 2016 Budget. Reports on the performance measurements and accomplishments of action strategies are scheduled twice each year. The City Council Goals and the Strategic Plan action strategies provide the most specific elements of the work plans administered by the City Manager's Office.
- ◆ **Oversight of Major Council Projects:** The City Manager oversees strategic decision-making, the allocation of staff resources and the outcomes for most major projects. High priority and/or complex Council goals and projects receive more direct attention.
- ◆ **Develop General Fund Budget Resources:** In order to maintain appropriate community services levels, additional budget funds are needed to support core services, such as public safety (including criminal justice programs) and parks. In 2016, the City Manager will engage the City Council in a discussion about revenue options as a part of developing a five-year financial plan for the City.
- ◆ **Organizational Development:** A significant amount of the City Manager's time should be spent on the continuing development of the City organization, its operational strategy and its human resources. The focus in 2016 will include the ongoing implementation of strategic plan strategies for the City's current five-year period for the Strategic Plan. The City organization will also continue to pursue service improvements through best-management practices, procedure reviews and daily staff operations.
- ◆ **Fostering Public Participation:** The City has invested time, talent, and resources to the objectives of engaging public involvement with the issues and challenges of local government. The City Manager is actively engaged in nurturing tools such as the web page, community meetings, use of special committees, surveying citizen opinions and satisfaction levels, using volunteer talent and making direct outreach to community organizations.
- ◆ **Economic Development:** The City Council appointed an Economic Development Committee, supported by the Economic Development Manager, who utilizes the City's Strategic Plan (Imagine Snohomish: Promoting Vitality and Preserving Character) as a work plan. Development of jobs, commercial retail, and tourism opportunities are major goals of this plan and part of the ongoing work of the EDC. Equally important is continued support of business development and growth in the City's other key commercial areas, including those along Avenue D, the Historic District and the newly formed Pilchuck District. The City Manager's Office and other staff will engage the

Economic Development Committee—as well as the wider business community and development partners—in the continuing challenge of achieving meaningful results in 2016.

- ◆ **Improving Intergovernmental Relationships:** Completing key goals for the City Council and the organization often requires partnerships and collaborations with other levels of government, key agencies, and community and business organizations. The City Manager will devote time to improving these relationships at all levels of government and building partnerships to improve organizational success.
- ◆ **Human Resources:** Continue to implement, within the resources permitted in the 2016 City's Budget, the compensation plan that supports improved recruitment and retention of high quality staff in all areas of the organization. Continued training and development of staff are expected to focus on maximizing the effectiveness of staff and improving operational safety.
- ◆ **Emergency Preparedness:** The effects of flooding and other potential disasters require effective cooperation between all levels of government and the community in both preparing for, responding to and recovering from the effects of such emergencies. The City's Comprehensive Emergency Management Plan, to be revised and updated in 2016, requires continual and ongoing testing and training to be effective as a tool for response. The City Manager, in conjunction with staff, outside organizations and community members will work to enhance the testing of these plans and seek improvements as needed to ensure maximum preparedness within given resources.
- ◆ **Administrative and Agenda Support:** Producing professional quality staff reports, meeting agendas and minutes for Council, Boards and Commissions. The staff of the City Manager's office seeks to provide effective citizen communications as well as efficient administrative support to Council, City staff and citizen groups.

City Manager



SERVICE STANDARDS

Service	Level
Strategic Plan Implementation	Performance measurements and progress reports for each action strategy in the plan are established and will be reported to the City Council and community on a bi-annual basis.
Management Leadership	Hold weekly management team meetings to plan, develop strategies for projects, identify opportunities for involvement and resolve problems as they arise. Focus on developing teamwork and improving organizational leadership.
Fiscal Oversight	Monitor City departments and provide advice and correction as needed. Provide quarterly budget reports to the City Council.
Organizational Development	Hold Council and staff retreats to increase clarity of purpose and direction. Increase understanding and commitment to major priorities.
Economic Development	Manage and coordinate the Economic Development Manager's work plan to assist in local economic recovery and growth of local businesses. Work with the Economic Development Committee, business owners, property

Service	Level
	owners, citizens, and developers to increase commercial development and retain existing businesses. Support programs and projects that increase City revenues and create living-wage jobs.
Enforcement of Laws and Ordinances	Coordinate with Clerk and City Attorney to purge and/or update sections of the Snohomish Municipal Code.
Franchises/Agreements/Contracts	Lead negotiations and review agreements in cooperation with the City Attorney.
Intergovernmental Relations	Represent the City at regional forums and advise Council of major policy issues with a regional focus. Continue a leadership role in supporting the regional SR-9 Coalition and participation in the Snohomish County Committee for Improved Transportation (SCCIT). Serve as Chair of the Snohomish County Tomorrow's Managers and Administrators Group.
Council Reports, Advice and Support	Issue timely, quality analysis and recommendations for City Council agenda staff reports to support decision-making.
Community Relations	Provide public information on issues using a variety of venues, including Friday Newsletter, CATV and webpage. Make personal contacts with business and service groups to inform on City priorities. Assume a leadership role in working with the community on vital policy matters as identified by the City Council.
Personnel Management	Oversee the Human Resources function and ensure high quality results for recruitment, training and retention.
Budget Preparation	Ensure a good process and a quality budget document and provide regular updates for the City Council regarding revenues and expenditures.
Grantsmanship	Target at least 50% or greater grant participation for City projects. Build on initiative successes.
Administration	Establish calendars, schedule meetings and otherwise provide Council and staff support. Arrange Council agenda content, publication, bid advertisement and openings, and official notifications. Provide County Auditor liaison, special event permit processing, City

Service	Level
	Council and meeting minute preparation for boards and commissions as needed.
Council Goals and Special Projects	Assign City personnel to complete City Council goals and special projects.
Records Management and Retention	Preserves and authenticates official record of the City and Council actions in ordinances, resolutions and minutes. Achieve proper documentation of policies and transactions of City government. Provide information for decision-making and operations. Maintain records through the life cycle of documents – creation, maintenance and use, and disposition. Comply with regulations for public access.
Customer Service	Continuous evaluation of internal processes, training needs and office culture to ensure service excellence.
Risk Management	Provide oversight of a risk management effort which ensures proper reduction or transfer of liability risks.
Code Enforcement	Provide oversight of the process to respond to and track complaints as well as gain compliance for code enforcement.
Volunteers	Create new opportunities and grow existing programs through the City’s Internet web pages that encourage citizen volunteers to contribute their time and effort in supporting City services and programs.
Transportation Benefit District	Ensure that effective use of tax revenues and grants, management of capital projects and communications to citizens are key elements of supporting the Transportation Benefit District and Board.

Fund	General Fund	001		
Department	Executive - City Manager	020		
Account Number	Description	2015 Amended Budget	2015 Estimated Year-End	2016 Requested Budget
Salary and Wages				
11.00	Regular Pay	192,389	166,000	151,853
Personnel Benefits				
21.00	Employer Taxes	14,718	13,718	11,617
22.00	Employer Retirement	16,943	16,000	16,014
23.00	Employer Premiums	27,279	22,000	18,857
Supplies				
31.00	Office & Operating Supplies	125	400	200
35.00	Small Tools & Minor Equip	200	4,100	100
Services				
41.10	Professional Services	10,000	10,000	10,000
42.10	Postage	500	150	150
42.20	Communications	625	625	650
43.00	Travel & Subsistence	1,000	1,000	700
44.00	Advertising	100	-	-
49.00	Miscellaneous	200	100	100
49.10	Dues & Subscriptions	1,500	1,500	1,500
49.20	Education & Training	500	1,515	1,000
Cost Allocations				
40.10	Fleet & Facility (501)	6,460	6,460	4,411
40.15	Info Services (502)	11,244	11,244	8,139
40.30	IS Equip Replace (502)	2,494	2,494	1,541
Total Expenditures		286,277	257,306	226,832

Cost Summary of Significant Changes

Decrease in Salary and Wages due to elimination of Office Assistant II position. Decrease in Cost Allocation charges due to reduction in division users and shift of costs for M&O and equipment replacements.

Fund	General Fund	001		
Department	City Clerk	020		
Account Number		2015	2015	2016
514.30	Description	Amended	Estimated	Requested
		Budget	Year-End	Budget
Salary and Wages				
11.00	Regular Pay	130,669	130,669	135,192
Personnel Benefits				
21.00	Employer Taxes	9,996	9,996	10,342
22.00	Employer Retirement	13,341	13,341	14,271
23.00	Employer Premiums	25,783	25,783	26,492
Supplies				
31.00	Office & Operating Supplies	800	1,100	1,000
35.00	Small Tools & Minor Equip	-	450	400
Services				
41.00	Professional Services	600	250	500
42.10	Postage	2,500	2,500	2,800
42.20	Communications	650	400	400
43.00	Travel & Subsistence	500	100	500
44.00	Advertising	14,000	18,000	20,000
49.10	Dues & Subscriptions	500	500	600
49.20	Education & Training	800	200	1,000
49.30	Miscellaneous	100	400	500
Cost Allocation				
40.10	Fleet & Facilities (501)	6,460	6,460	8,821
40.15	Information Services (502)	11,244	11,244	16,278
40.30	IS Equipment Replace (502)	3,554	3,554	3,983
Total Expenditures		221,497	224,947	243,079

Cost Summary of Significant Changes

Increase in Advertising and Postage costs for public notices and required mailings. Increase in Cost Allocation charges due to modification in cost sharing of M&O and equipment replacements.

Fund	General Fund	001		
Department	Human Resources	020		
Account Number		2015	2015	2016
518.10	Description	Amended Budget	Estimated Year-End	Requested Budget
Salary and Wages				
11.00	Regular Pay	89,031	89,031	92,093
Personnel Benefits				
21.10	Employer Taxes	6,811	6,811	7,045
22.00	Employer Retirement	9,090	9,090	9,700
23.01	Employer Premiums	9,877	9,877	10,201
Supplies				
31.00	Office & Operating Supplies	300	350	300
31.10	Wellness Supplies	800	1,000	800
Services				
41.00	Professional Services	10,000	15,000	10,000
42.10	Postage	150	-	-
42.20	Communications	250	300	200
44.00	Advertising	7,500	7,000	6,000
46.00	Wcia Premiums	170,265	170,265	171,093
46.20	Property Insurance	49,900	51,376	52,000
49.00	Health and Safety Services	1,000	2,000	1,000
49.10	Dues And Subscription	180	160	160
49.20	Education And Training	200	150	150
49.30	Miscellaneous	3,000	3,000	3,000
Cost Allocation				
40.10	Fleet & Facilities (501)	3,230	3,230	4,411
40.15	Information Services (502)	5,622	5,622	8,139
40.30	IS Equipment Replace (502)	2,737	2,737	3,251
Total Expenditures		369,943	376,999	379,543

Cost Summary of Significant Changes

Increase in WCIA Premiums for 2016 assessment rate. Increase in Property Insurance due to rates. Decrease in Advertising due to no new position recruitment. Increase in Cost Allocation charges due to modifications in cost sharing of M&O and equipment replacements

Fund	General Fund	001		
Department	Economic Development	020		
Account Number		2015	2015	2016
558.70	Description	Amended Budget	Estimated Year-End	Requested Budget
Salary and Wages				
11.00	Regular Pay	97,572	97,572	103,019
13.00	Temporary/Seasonal Pay	-	-	10,000
Personnel Benefits				
21.00	Employer Taxes	7,464	7,464	8,646
22.00	Employer Retirement	9,962	9,962	11,548
23.00	Employer Premiums	14,122	14,122	14,526
Supplies				
31.00	Office & Operating Supplies	150	150	150
31.99	Wayfinder Sign Supplies	400	400	400
35.00	Small Tools & Minor Equip	750	200	200
Services				
41.10	Professional Services	12,400	12,400	12,400
42.20	Telephone	1,125	1,125	1,125
49.10	Dues & Subscriptions	75	290	300
49.20	Educ & Training	400	400	400
Cost Allocation				
40.10	Fleet & Facilities (501)	3,230	3,230	4,411
40.15	Information Services (502)	5,622	5,622	8,139
40.30	IS Equipment Replace (502)	1,297	1,297	1,571
Total Expenditures		154,569	154,234	176,835

Cost Summary of Significant Changes

Increase in Salary and Wages for new part-time position. Increase Cost Allocation charges due to modification in cost sharing of M&O and equipment replacements

Fund	General Fund	001		
Department	Non-Departmental	080		
Account Number		2015	2015	2016
518.90	Description	Amended	Estimated	Requested
		Budget	Year-End	Budget
Personnel Benefits				
23.00	Retiree Insurance Premiums	60,000	60,000	25,370
Supplies				
34.10	Reallocated Copier Charges	1,500	1,500	1,500
39.00	Operating Supplies	1,000	1,000	1,000
Services				
42.00	Local Phone Service	4,500	-	-
47.00	Aquatic Center-Utilities	43,000	53,000	55,000
47.00	Food Bank - Utilities	1,800	1,800	1,800
49.00	Miscellaneous Services	1,500	1,500	1,500
49.00	Snohomish Senior Center	12,000	12,000	17,000
51.00	AHA	-	-	1,591
51.30	Psapca	5,963	5,963	6,729
51.40	Alcohol Rehabilitation	2,000	2,000	2,000
51.50	EASC	4,000	4,000	4,000
51.60	AWC	5,788	6,899	7,000
51.61	PSRC	3,000	3,044	3,170
51.70	Snohomish County Tomorrow	1,700	1,653	1,700
51.80	Voter Registration/Elections	12,000	19,000	14,500
53.00	External Tax	100	100	100
Cost Allocation				
40.10	Fleet & Facilities (501)	44,624	44,624	57,543
Interfund Transfers				
90.55	Transfer-Out (Streets 102)	675,000	675,000	720,000
90.60	Transfer-Out - (Debt 205)	80,233	80,233	62,483
Total Expenditures		959,708	973,316	983,986

Cost Summary of Significant Changes

Decrease in Personnel Costs due to new plan for retiree insurance. Increase in cost for utilities at Aquatic Center. Increase in cost for Senior Center contribution. Increase in Cost Allocation charges due to modification in cost sharing of M&O and equipment replacements. Increase in Transfer-out to Streets Fund for covering operations. Decrease in Transfer-out to Debt Service Fund for annual payment per debt schedule.

Planning and Development

Overview

The Planning and Development Service Department consists of two divisions: 1) Building Safety; and 2) Planning & Permitting. Overall staffing for the two divisions is a total of four FTEs. The Department's primary responsibilities are to ensure that development occurs according to adopted codes, standards, and policies, and that land use plans, policies, regulations, and standards are current with statutory requirements and the City Council's vision and values.

Planning Positions	2012	2013	2014	2015	2016	Change
Director ¹	0.0	1.0	1.0	1.0	1.0	0.0
Planning Manager ²	1.0	0.0	0.0	0.0	0.0	0.0
Associate Planner ²	0.0	0.0	1.0	1.0	1.0	0.0
Bldg/Fire Official	1.0	1.0	1.0	1.0	1.0	0.0
Permit Coordinator	1.0	1.0	1.0	1.0	1.0	0.0
Total	3.0	3.0	4.0	4.0	4.0	0.0
Budget History						
	2012	2013	2014	2015	2016	Change
Building	175,165	141,095	137,375	150,005	148,524	-1,481
Planning	280,037	245,021	379,545	390,337	409,768	19,431
Total	455,202	386,116	516,920	540,342	558,292	17,950

¹ Director position eliminated in 2012 and restored in 2013

² Senior Planner position converted to Planning Manager in 2012, restored in 2013, and converted to Associate Planner position in 2014

Overall Goals:

- ◆ **Permit Processing and Review:** Conduct permit review in a manner that is thorough, technically precise, and expeditious. Continue to monitor and improve the City's permit review and permit tracking processes to promote efficiencies, safeguard the City from liability, and enhance customer services.
- ◆ **Strategic Plan:** Lead and support strategic initiatives identified as priorities for 2016 by the City Council.
- ◆ **Service Levels:** Maintain internal and external customer service levels, including response times for information requests, development applications, and code complaints.
- ◆ **Mapping:** As staff resources permit, continue to provide geographic information system and mapping services to all City departments.

- ◆ **Historic District Design Standards:** Work with the Design Review Board to prepare the first draft of an update to the Historic District Design Standards.
- ◆ **Maintain staff certifications and credentials:** Use available training resources efficiently and effectively to maintain staff proficiencies and credentials necessary for departmental performance.
- ◆ **Public outreach:** Continue to improve communication with the community on policy issues under study and other work items of general or specific interest.

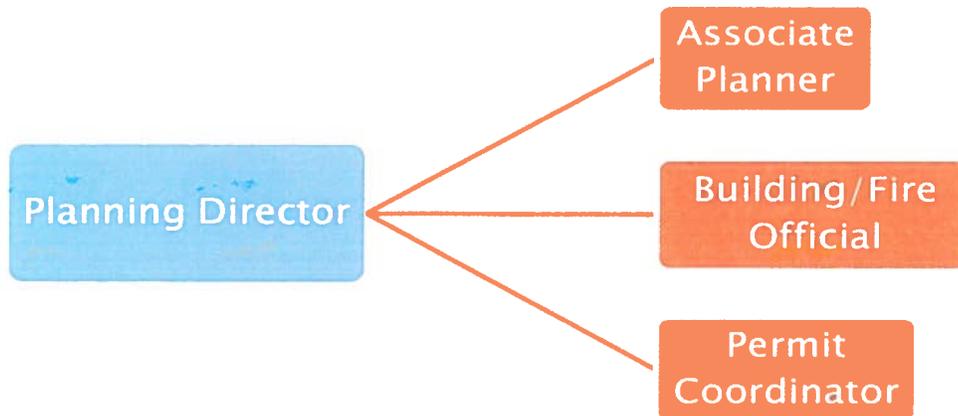
PLANNING/PERMITTING

- ◆ **Development Permitting:** This service function includes review of land use and development applications for compliance with the City's land use and development regulations and standards; coordination and processing of land use, building, and engineering applications; staff support to the Design Review Board and the Hearing Examiner; public information on permits and development, and support for enforcement of land use, environmental, and sign regulations.
- ◆ **Land Use Planning:** This service function includes preparation of policies and regulations that guide land use and development to implement broader City objectives and respond to State mandates. The Comprehensive Plan is the City's primary land use policy document. Land use regulations are contained in Title 14 of the Snohomish Municipal Code (SMC). Related services include mapping and geographic information system analyses, processing of annexations and regional coordination on land use issues. Land use planning includes staff support to the Planning Commission.

BUILDING SAFETY

- ◆ **Building Safety:** This division is responsible for reviewing building and other development permits and inspecting new construction for conformance to the International Codes. Other services include investigation of suspected building and fire code violations, general code enforcement, abatement of dangerous structures and nuisances, and review and inspection of temporary facilities during special events. The Building Safety Division works closely with the City's water and sewer utilities, Fire District No. 4, the Snohomish County Department of Emergency Management, and the County Health District.

Planning & Development



SERVICE STANDARDS

Service	Level
Customer Telephone Contacts	Return all telephone calls and emails within one business day.
Public Contact	A staff member will be available to the public Monday through Thursday during regular business hours.
Development Regulations	Prepare amendments to Title 14 SMC and Title 19 SMC to satisfy federal and State mandates and case law, and to respond to City Council priorities.
Comprehensive Plan	Maintain the Comprehensive Plan as required by the Growth Management Act and as necessary to respond to City Council priorities and changing circumstances.
Permit Review and Building Inspection	<p>Ensure plans for development and redevelopment are designed and constructed to City standards.</p> <p>Route complete permit applications within 48 hours of receipt. Complete permit review within 10 business days. As staffing allows, offer time-specific appointments for building inspections. Conduct building inspections within 48 hours of requests.</p>

Code Enforcement

Investigate written complaints involving life safety and non-life-safety within 24 and 72 hours, respectively. Provide diligent and timely follow-up to until compliance is achieved.

Emergency Response and Public Safety

Maintain preparedness to support emergency response functions and continuity of government during natural disasters and other catastrophic events. Abate buildings and/or conditions that pose a danger to life or property.

Fund	General Fund	001		
Department	Planning - Building Inspection	100		
Account Number		2015	2015	2016
524.20	Description	Amended	Estimated	Requested
		Budget	Year-End	Budget
Salary and Wages				
11.00	Regular Pay	85,140	85,140	86,843
Personnel Benefits				
21.00	Employer Taxes	6,513	6,513	6,643
22.00	Employer Retirement	8,693	8,693	9,735
23.00	Employer Premiums	18,480	18,480	19,124
27.00	Uniforms	250	0	200
Supplies				
31.00	Office & Operating Supplies	2,400	1,100	250
Services				
41.10	Prof. Services - Abatements	2,000	0	500
41.20	Prof. Services -Plan/Ins Serv	6,000	2,000	2,000
42.10	Postage	200	100	200
42.20	Communications	1,050	1,050	1,050
49.10	Dues & Subscriptions	400	350	350
49.20	Education & Training	300	200	300
Cost Allocation				
40.10	Fleet & Facilities (501)	9,385	9,385	9,594
40.15	Information Services (502)	1,457	1,457	1,481
40.25	Equipment Replace (505)	2,115	2,115	2,115
40.30	IS Equipment Replace (502)	5,622	5,622	8,139
Total Expenditures		150,005	142,205	148,524

Cost Summary of Significant Changes

Decrease in Professional Services due to variable allocations require each year. Increase in supplies for updated Code Reference resource software. Decrease in Operating Supplies due to previous year code resources allocation not needed in new year. Increase in Cost Allocation charges due to modifications in cost sharing of M&O and equipment replacements.

Fund	General Fund	001		
Department	Planning - Permitting	100		
Account Number		2015	2015	2016
558.50	Description	Amended	Estimated	Requested
		Budget	Year-End	Budget
Salary and Wages				
11.00	Regular Pay	219,492	219,492	230,995
12.00	Overtime Pay	1,750	2,500	3,000
13.00	Temporary/Seasonal Pay	0	0	10,000
Personnel Benefits				
21.00	Employer Taxes	16,925	16,925	18,666
22.00	Employer Retirement	22,589	22,589	25,873
23.00	Employer Premiums	47,828	47,828	48,809
Supplies				
31.00	Office & Operating Supplies	1,000	500	500
35.00	Small Tools & Minor Equip	200	0	200
Services				
41.10	Professional Services	16,700	16,700	0
41.11	Environmental Consulting	6,000	9,000	6,000
41.30	Hearing Examiner Serv.	20,000	21,500	16,000
42.10	Postage	1,000	1,800	2,000
42.20	Communications	650	400	420
43.00	Travel & Subsistence	50	0	0
44.00	Advertising	2,000	2,000	2,000
49.00	Miscellaneous Services	1,300	1,850	600
49.10	Dues & Subscriptions	850	424	450
49.20	Education & Training	300	0	300
Cost Allocation				
40.10	Fleet & Facilities (501)	9,691	9,691	13,232
40.15	Information Services (502)	5,146	5,146	6,306
40.30	IS Equipment Replace (502)	16,866	16,866	24,417
Total Expenditures		390,337	395,211	409,768

Cost Summary of Significant Changes

Increase in Salary and Wages for Overtime and New Temporary position to accommodate expected workload. Decrease in Professional Services for completed services in prior year. Increase in Cost Allocation charges due to modification in cost sharing of M&O and equipment replacements.

Support Services

Overview

The Support Services Department is comprised of the Finance Division and the Information Services Division. Overall staffing for the two divisions is a total of seven FTEs. The Finance Division is responsible for the financial management of the City including budget, audit, procurement, payroll, investments, debt management and utility billing. The division oversees the administration of the Solid Waste contract and consolidated billing with other Utility services. The Information Services Division is responsible for computer hardware and software inventory control, technology products, database management and system security.

Support Services Positions	2012	2013	2014	2015	2016	Change
Finance Director	1.0	1.0	1.0	1.0	1.0	0.0
Information Services Mgr.	1.0	1.0	1.0	1.0	1.0	0.0
Info Services Spec	0.0	1.0	1.0	1.0	1.0	0.0
Sr. Accountant	1.0	1.0	1.0	1.0	1.0	0.0
Accounting Tech II	1.5	2.0	2.0	2.0	2.0	0.0
Utility Clerk II	1.0	1.0	1.0	1.0	1.0	0.0
Info Services Tech	1.0	0.0	0.0	0.0	0.0	0.0
Total	6.5	7.0	7.0	7.0	7.0	0.0
Budget History						
	2012	2013	2014	2015	2016	Change
Finance	501,904	521,321	605,358	574,325	601,263	26,938
Information Services	447,355	444,524	442,778	531,816	595,533	63,717
Total	949,259	965,845	1,048,136	1,106,141	1,196,796	90,655

¹ Director title changed from Support Services to Finance in 2014.

² 2013 Info Services Tech position upgraded to Info Services Specialist

³ 2012: Accounting Tech reduced to 0.5 FTE-shared staff with Clerk; 2013: full FTE restored

Overall Goals:

- ◆ **Financial Management:** Assist City Council, City Manager and Departments in the visioning, planning and practical application of fiscal stratagems to ensure the financial integrity of City projects and the continued economic good health of the City.
- ◆ **Information Systems Management:** Develop, maintain and support the City's data and phone networks, server systems and software applications. Provide continuous efficient and reliable IT support to the organization.
- ◆ **Staff Development:** Continue staff development and training to ensure all employees have and retain, required certificates, licenses, software application training and financial reporting technical skills.

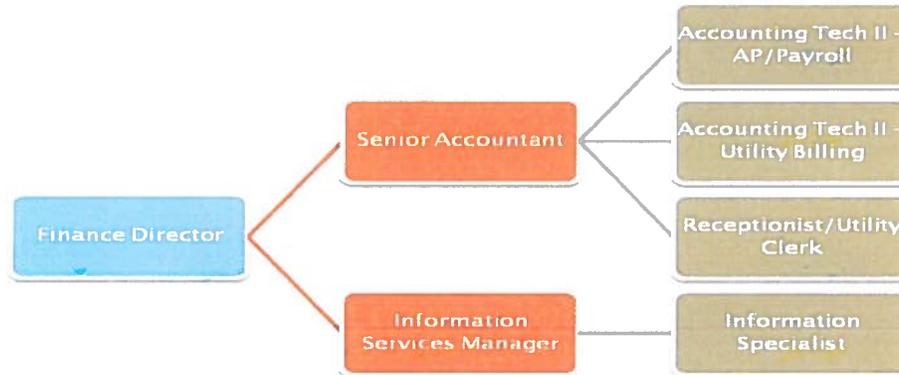
FINANCE

- ◆ **Financial Policies:** Review, make recommendations and update the Financial Management Policy to support the City Council Strategic Plan and annual goals. This involves on-going review of fiscal practices and procedures to ensure proper internal controls are in place to safeguard City assets, comply with audit standards and efficiently deliver services to the public.
- ◆ **Five-Year Financial Plan:** Facilitate the development of a five-year financial plan based on City Council goals and objectives.
- ◆ **Budget Development:** Implement budgeting software and develop biennial budgeting cycle.
- ◆ **Staff Training:** Pursue training opportunities for continued improvement of staff skills in governmental accounting and financial reporting.

INFORMATION SERVICES

- ◆ **Network Infrastructure:** Develop and maintain a robust, scalable network infrastructure to support the City's data and phone system.
- ◆ **Security and Compliance:** Work with Risk Assessment department to develop IT governance policies that are in compliance with WCIA requirements. Implement technology solutions that continue to improve the City's network security infrastructure.
- ◆ **System Maintenance:** Maintain, support and upgrade the City's workstation, server, network and phone systems. Research and evaluate technology solutions to improve monitoring of the City's network and systems.
- ◆ **Software Acquisition, Implementation and Upgrades:** Coordinate and assist with vendor selection on all software needs of the City. Research new software applications or upgrade paths for existing programs including cloud services.
- ◆ **Disaster Recovery and Redundancy:** Plan and construct a redundant network system with file, data, and software application replicas to improve and better support City services and continuity of government in disaster recovery situations.
- ◆ **Equipment Administration:** Maintain technology equipment inventory and surplus unused, outdated equipment on an annual basis. Maintain cost allocation equipment replacement plan and update annually.
- ◆ **Inter-Agency Collaboration:** Work with regional government agencies and organizations to facilitate common technology goals.

Support Services



SERVICE STANDARDS

Service	Level
Management and Council Financial Reporting	Provide timely financial reports to support decision making and to monitor City operations.
Counter Coverage	Provide continuous front counter coverage of at least two staff members between 10 a.m. and 2:00 p.m. and at least one staff person for all other open business hours.
Customer Service	Provide prompt professional service to all city customers. Provide three-week response time to all utility hearing requests.
Cash Management	Deposit all funds received on the same business day. Have on deposit at the City's financial institution only the minimum cash needed to provide for operations.
Annual Report	Complete by June 30th of each fiscal year.
Payroll	Complete all payroll reports and make appropriate tax deposits within time required. Complete payroll change request within one payroll cycle.
Budget Preparation	Continue to improve and adapt the budget process to meet the changing needs of the City Council, citizens, and staff members. Provide the Management Team with

Service	Level
	support and assistance in the preparation of their annual budget.
Staff Training	Provide all department personnel with a training schedule to meet the City's needs and the employee's career goals.
Debt Management	Continuous review of all outstanding debt issues for refunding opportunities. Conduct the financial operations of the City within the bond covenants. Provide required financial reporting for outstanding debt issues.
Investment Operations	Conduct investment operations within compliance of City investment policy. Report investment operations to the City Manager monthly and to the City Council quarterly.
Network Administration	Administer the City's Local Area Networks, including all hardware and software procurements. Provide staff support and guidance through the revival of the Information Systems Advisory Committee (ISAC). Oversee all in-house programming projects and support.
Contract Services	Ensure all City hardware and software systems are operational and functioning for their intended purposes. Respond to service requests within a four-hour period, with updated follow through, until service is restored.
Telephone Services	Maintain, plan and advise on telephone systems serving all City buildings and facilities.
Copying Services	Maintain, plan and advise on copy machines serving all City buildings and facilities.
Programming Support	Provide departmental support for all programming projects.
Web Site Administrator	Maintain, update and improve the City's web site.

Fund	General	001		
Department	Support Services - Finance	040		
Account Number		2015	2015	2016
514.23	Description	Amended	Estimated Year	Requested
		Budget	End	Budget
Salary and Wages				
	11.00 Regular Pay	347,777	347,777	360,094
	12.00 Overtime Pay	0	246	500
Personnel Benefits				
	21.00 Employer Taxes	26,605	26,605	27,547
	22.00 Employer Retirement	35,508	35,508	38,792
	23.00 Employer Premiums	59,799	59,799	59,783
Supplies				
	31.00 Office & Operating Supplies	2,000	1,500	2,000
	35.00 Small Tools & Minor Equip	250	250	250
Services				
	41.10 Auditor Services	35,000	35,000	35,000
	41.20 Professional Services	8,000	2,000	8,000
	42.10 Postage	1,800	1,800	1,800
	42.20 Communications	250	300	300
	43.00 Travel & Subsistence	1,000	2,500	3,000
	49.00 Dues And Subscriptions	950	1,466	1,500
	49.20 Education & Training	3,000	4,500	5,000
	49.30 Miscellaneous Services	500	500	500
	49.31 Bank Service Charges	500	3,800	2,800
Cost Allocation				
	40.10 Fleet & Facilities (501)	16,151	16,151	22,053
	40.15 Information Services (502)	28,110	28,110	24,417
	40.30 IS Equipment Replace (502)	7,125	7,125	7,927
Total Expenditures		574,325	574,937	601,263

Cost Summary of Significant Changes

Increase in Education & Training for on-going governmental accounting updates. Increase in Dues and Memberships for actual; Increase in Travel due to training needs. Increase in Cost Allocation charges due to modification in cost sharing of M&O and equipment replacements.

Fund	Information Services	502		
Department	Support Services - Internal Service	040		
Account Number		2015	2015	2016
518.81	Description	Amended Budget	Estimated Year-End	Requested Budget
Interfund Cost Allocation Fees		369,448	369,448	493,185
Salary and Wages				
	11.00 Regular Pay	174,372	174,372	177,831
Personnel Benefits				
	21.00 Employer Taxes	13,339	13,339	13,604
	22.00 Employer Retirement	17,803	17,803	19,773
	23.00 Employer Premiums	43,460	43,460	42,954
Supplies				
	31.00 Office & Operating Supplies	6,000	5,800	5,050
	31.20 Software	17,500	15,000	36,550
	35.00 Small Tools & Minor Equip	18,300	12,000	20,200
Services				
	41.00 Professional Services	15,000	8,000	26,865
	41.30 Software Support Serv	10,000	5,000	6,000
	42.10 Postage	120	120	500
	42.20 Telephone	25,000	25,000	29,080
	43.00 Travel & Subsistence	1,000	500	1,000
	45.00 Operating Rentals	18,000	13,000	20,380
	48.00 Repairs & Maintenance	13,000	5,000	9,300
	49.20 Education & Training	15,000	8,000	8,000
	49.30 Miscellaneous Services	1,000	500	1,000
Capital Outlay				
	63.00 Software	44,000	44,000	76,000
	64.00 Machinery & Equipment	48,000	0	48,000
Cost Allocation				
	40.01 Financial Services (001)	23,352	23,352	13,216
	40.05 Administrative Services (001)	21,110	21,110	31,409
	40.10 Fleet & Facilities (501)	6,460	6,460	8,821
Total Expenditures		531,816	441,816	595,533

Estimated 2015 Revenues Over (Under) Expend	(72,368)	(102,348)	Proposed 2016 Revenues Over (Under) Expend
2015 Beginning Fund Balance	336,152	263,784	Estimated 2016 Beginning Fund Balance
Estimated 2015 Ending Fund Balance	263,784	161,436	Estimated 2016 Ending Fund Balance
27% 2016 Fund Balance as a % of Expenditures			

Cost Summary of Significant Changes

Increase in Cost Allocation Fees due to phased changes that include partial personnel costs charged to direct service funds. Increase in Supplies due to shift of software maintenance cost allocation from Capital Outlay. Increase in Services due to increase in Communications for VoIP phone system increases. Increase in Capital Outlay due to new budget software purchase. Increase in Cost Allocation charges due to modification in cost sharing of M&O and equipment replacements.

Law Enforcement

Overview

The 2016 Budget consists of the costs of law enforcement services provided by the Snohomish County Sheriff's Office and City direct costs for criminal justice, interagency communications and administrative support.

MISSION AND VISION STATEMENT

The Snohomish Police Department's mission is to provide safe communities through dedicated and professional services. We promise that the Snohomish Police Department will have a department that is community-minded, progressive, and professional.

VALUES:

The Snohomish Police Department is comprised of people who share a common belief and goal to provide the most progressive and professional services possible to the public. To achieve this, we must accept and adhere to basic values. These values are a vital part of the Snohomish Police Department and give us the spirit and direction to achieve our goals.

- ◆ **INTEGRITY:** We adopt an uncompromising approach to the highest ethical standards, being honest, truthful, and worthy of trust.
- ◆ **DIGNITY:** We believe in the importance of treating others with respect and in conducting ourselves in a manner which inspires respect.
- ◆ **COMMITMENT:** We are dedicated to the Office Mission and Vision, to the development and support of employees, and to the highest standards of professional conduct.
- ◆ **PRIDE:** As members of this Office we are honored to serve and protect our community.

2015 ACCOMPLISHMENTS:

- ◆ Established the Snohomish K9 Crimewatch program
- ◆ Trained all staff on New World ahead of the go-live date in late October 2015
- ◆ Successfully forfeited two drug seizure vehicles in connection with a major heroin case
- ◆ Started the design process for the Police Department remodel
- ◆ Increased information sharing between neighboring public safety groups to more effectively target criminal activity.

2016 CHALLENGES:

- ◆ The community connection continues to be a challenge for the police department because of the unique needs of each neighborhood in the city. The Snohomish K9 Crimewatch was started as a way to open the door for additional opportunities to connect with the community. The idea will be to use the K9 Crimewatch program as

an enhancement to our Neighborhood Watch program so that we appeal to a larger audience.

- ◆ Snohomish High School students are causing neighbors to the East of the school some frustration with their before and after school activities. The police department has discovered many of the more troublesome students are coming from the nearby alternative school, AIM. Officers from the dayshift patrol have initiated an outreach program at AIM and Summit schools in an effort to open dialogue between the students and the police department with a goal of breaking down barriers to improve community relations.

Law Enforcement Positions	2012 (A)	2013	2014	2015	2016	Change
Police Chief	1.0	1.0	1.0	1.0	1.0	0.0
Police Officer - Sergeant	4.0	4.0	4.0	4.0	4.0	0.0
Police Officer - Admin Sergeant	1.0	1.0	1.0	1.0	1.0	0.0
Police Officer – Patrol	9.0	9.0	9.0	10.0	10.0	0.0
Police Officer - Detective	2.0	2.0	2.0	2.0	2.0	0.0
Total Commissioned	17.0	17.0	17.0	18.0	18.0	0.0
Senior Records Clerk	1.0	1.0	1.0	1.0	1.0	0.0
Police Clerk	1.0	1.0	1.0	1.0	1.0	0.0
Community Services Officer	1.0	1.0	1.0	1.0	1.0	0.0
Non Commissioned	3.0	3.0	3.0	3.0	3.0	0.0
Total	20.0	20.0	20.0	21.0	21.0	0.0
Budget History	2012	2013	2014	2015	2016	Change
Justice	465,000	408,500	281,750	431,000	435,750	4,750
Administrative	3,310,540	3,132,201	3,139,900	3,264,729	3,358,545	93,816
Total	3,775,540	3,540,701	3,421,650	3,695,729	3,794,295	98,566

Note A. The 2012 Budget consisted of law enforcement costs provided by the Snohomish County Sheriff's Department and City costs for criminal justice, interagency communications and administrative expenses. One time only costs are incurred in 2012 for the cash-out of leave banks offset 100% by transfers from reserve funds.

OVERALL GOALS:

ADMINISTRATION

- ◆ **Community Service:**
 - ◆ **Business Environment:** Provide a more open and response approach to addressing issues and concerns of the business community.
 - ◆ **Public Safety Commission:** Continue to address safety concerns in the community with a more collaborative approach involving all elements of safety.
 - ◆ **Community:** Identify opportunities for a collaborative approach to the growing substance abuse problem in the community.

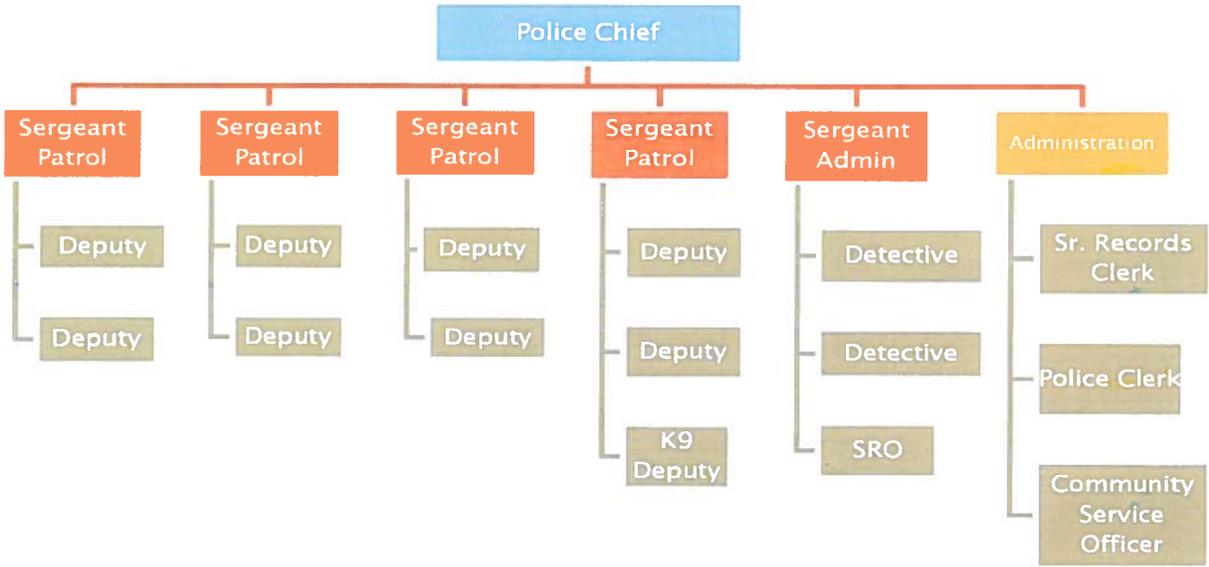
OPERATIONS

- ◆ **Traffic:** Maintain high visibility Traffic Law Enforcement program to include the use of the speed radar trailers.
- ◆ **Enforcement:** Maintain a community-minded, progressive, and professional approach to service delivery in the community.
- ◆ **Training:**
 - ◆ Provide all commissioned officers with annual Mandatory Skills Training and continue bi-monthly firearms training and qualification courses.
 - ◆ Identify opportunities for mentorship of all employees so as to increase the professionalism of the police department.

INVESTIGATIONS

- ◆ Seek ways to improve the clearance rate for crimes committed in the community.
- ◆ Provide opportunities to interact professionally with Sheriff’s Office Detectives.
- ◆ Continue working closely with federal agencies to address local drug problem.

Law Enforcement



SERVICE STANDARDS

Customer Service	Collaborate with the public to develop solutions in problem-solving of community issues; timely and efficient response to in-progress emergency and non-emergency E-911 calls; timely response to and resolution of citizen complaints; and provide walk-up lobby capability.
Patrol	Impartial Enforcement of criminal laws & municipal codes; timely, professional response to E-911 calls-for-service; proactive preventive patrol and dynamic self-initiated activity; enforcement of 'street-level' drug complaints; maintain a minimum staffing of two officers on-duty during peak hours; enhance Community awareness and confidence through high visibility patrol/enforcement;
Traffic Enforcement	Impartial and Fair Enforcement of Traffic Laws; prioritize high-risk behavior enforcement at critical DUI and Road Rage levels; professional investigation of traffic collisions; targeted use of speed display radars provide Patrol / Traffic capability during peak traffic periods; and provide directed enforcement to all valid citizen traffic complaints.
Criminal Investigations	Professional response to and processing of crime scenes; provide timely follow up investigation of all crimes; continued oversight of registered sex offenders; and participate in Regional Drug Task Force for large scale investigations.
Emergency Preparedness	Emergency Preparedness: Provide ICS-level National Incident Management System (NIMS) leadership and / or activation of Emergency Operations Center (EOC) when needed.
Special Events Management	Collaborate with the community sponsors and other City Departments and Agencies in providing adequate Public Safety protection during all major special events.
Community Services	Provide residents with professional services, including concealed weapons permits, fingerprinting, and motorist assists.
Parking	Parking enforcement on complaint basis; proactive and self-initiated parking enforcement as call load allows; and enforcement of the Permit Parking system.
Animal Control	Make every attempt to locate owners of impounded animals. Attempt to license all animals required to have licenses within City limits.

Fund	General Fund	001		
Department	Law Enforcement	060		
Account Number		2015	2015	2016
	Description	Amended Budget	Estimated Year-End	Requested Budget
CRIMINAL JUSTICE 512.40				
41.20	Court Appt. Attorney Fees	135,000	115,000	135,000
41.30	Investigator Fees	10,000	-	-
41.32	Interpreter Services	1,000	750	750
41.40	Prosecution Fees	40,000	40,000	40,000
51.10	County Jail Fees	225,000	225,000	225,000
51.20	Court Filing Fees	20,000	35,000	35,000
		431,000	415,750	435,750
ADMINISTRATION 521.10				
Salary and Wages				
11.00	Regular Pay	170,783	170,783	183,317
12.00	Overtime Pay	1,000	3,000	3,000
Personnel Benefits				
21.00	Employer Taxes	13,141	14,000	14,253
22.00	Employer Retirement	17,539	18,000	19,287
23.00	Employer Premiums	42,711	29,000	30,785
27.00	Uniforms	450	450	750
Supplies				
31.00	Office & Operating Supplies	1,700	2,000	2,000
35.00	Small Tools & Minor Equip	1,000	200	500
Services				
41.00	Professional Services	3,950	5,250	5,000
42.00	Communication	2,900	1,400	1,400
42.10	Postage	500	300	400
43.00	Travel & Subsistence	150	625	200
49.10	Miscellaneous Services	2,100	3,000	4,000
49.20	Education & Training	-	190	2,800
51.99	SCSO-Administration	410,676	410,676	416,816
51.20	Snopac Dispatch Fees	142,500	142,500	142,500
51.30	800 Mhz Debt Service	53,094	53,094	53,094
51.35	800 Mhz M/O	31,985	31,985	31,985
51.40	DEM Assessment	10,700	10,700	10,700
41.10	Prof Service-Child Victims	3,500	3,100	3,500
49.10	Dues & Subscriptions	50	-	300
51.00	SCSO-Personnel	2,094,171	2,094,141	2,156,997
51.01	SCSO-Personnel-SRO	142,991	140,788	144,908
51.10	Animal Impound Fees	10,000	5,000	5,000
51.99	SCSO-Facilities	-	17,224	-
Cost Allocation				
40.10	Fleet & Facilities (501)	59,996	59,996	69,107
40.15	Information Services (502)	26,856	26,856	27,109
40.30	IS Equipment Replace (502)	16,866	16,866	24,417
40.25	Equipment Replace (505)	3,420	3,420	4,420
		3,264,729	3,264,544	3,358,545
Total Expenditures		3,695,729	3,680,294	3,794,295

Cost Summary of Significant Changes

Increase in Criminal Justice - Jail Costs is due to the rising costs for court services, public defense and jail services. Police Administration and Operational cost increases are fixed by the five-year SCSO contract. Increase in Cost Allocation charges due to modification in cost sharing of M&O and equipment replacements.

Public Works

Overview

The Public Works Department is comprised of the Utility Operations Division, the Engineering Services Division, and the Parks Division, Streets Division, and Facilities/Fleet Division. Overall staffing for the department totals thirty-one (31) FTEs. The department provides water, wastewater, and storm water utility maintenance and services, maintains streets and traffic safety, manages capital projects from planning to completion, enforces engineering code requirements, and manages and maintains City parks and the City facilities and fleet. In addition to the City's Wastewater Treatment Plant and Water Treatment Plant, the Public Works Department maintains 14 wastewater lift stations, over 50 miles of wastewater and storm water pipes, 9.2 million gallons of water storage at 3 storage tanks serving over 3,300 water meter connections and 56 miles of water mains, 41 miles of streets, 10 city parks plus several trails and open spaces, and 30,000 square feet of city building space and about 80 pieces of equipment in the fleet.

Utility Operations Division: Operations provides utility infrastructure operations and maintenance services for the City of Snohomish. Some typical areas of service include maintain surface water management, cross connection and pretreatment monitoring, drinking water treatment, water storage and distribution, wastewater collection and treatment, wastewater lift station maintenance, and utility vegetation control. This division is staffed by 14.0 FTEs.

Engineering Services Division: Engineering Services provides engineering, inspection and project management oversight of capital construction, public works maintenance, and operations within the public right-of-ways. This Division also assists the Planning Department in review of development plans and building permits. Other services include transportation engineering, water engineering, wastewater engineering, surface water engineering, code enforcement and construction inspection. This division is staffed by 6.0 FTEs.

Parks, Streets and Facilities/Fleet Division: Parks, Streets, and Facilities/Fleet provide maintenance and operations of the City's 10 parks, streets and sidewalks, and the City facilities and fleet. Typical services include custodial cleaning, building maintenance, park grounds maintenance, park structure maintenance, parks facility reservations, maintaining streets and sidewalks, street sweeping, street lighting, street signs, traffic signal maintenance, vegetation control, traffic control, pedestrian and vehicle safety, vehicle maintenance, and shop inventory. This division is staffed by 11.0 FTEs.

**CITY OF SNOHOMISH
2016 FINAL BUDGET**

Public Works Positions	2012	2013	2014	2015	2016	Change
Public Works Director	1.0	1.0	1.0	1.0	1.0	0.0
City Engineer	1.0	1.0	1.0	1.0	1.0	0.0
Public Works Manager-Services	0.0	0.0	1.0	1.0	1.0	0.0
Public Works Manager-Utilities	1.0	1.0	1.0	1.0	1.0	0.0
Project Manager/ Project Engineer	3.0	3.0	3.0	2.0	2.0	0.0
Sr. Utilities Engineer ¹	0.0	0.0	0.0	1.0	1.0	0.0
Sr. Field Engineering Technician	1.0	1.0	1.0	1.0	1.0	0.0
Utility Engineering Specialist ²	0.0	0.0	0.0	1.0	0.0	-1.0
Water Quality Specialist	1.0	1.0	1.0	1.0	1.0	0.0
Sr. Wastewater Plant Operator	1.0	1.0	1.0	1.0	1.0	0.0
Sr. Water Plant Operator	1.0	1.0	1.0	1.0	1.0	0.0
Asst Wastewater Plant Operator	1.0	1.0	1.0	1.0	1.0	0.0
Water Treatment Plant Operator/Lab	1.0	1.0	1.0	1.0	1.0	0.0
Division Lead	4.0	4.0	4.0	4.0	4.0	0.0
Facilities Specialist ⁴	0.0	0.0	0.0	0.0	1.0	1.0
Maintenance Worker II ³	5.0	5.0	5.0	5.0	3.0	-2.0
Maintenance Worker I	6.0	7.0	7.0	8.0	8.0	0.0
Parks/Facilities/Fleet Manager	1.0	1.0	0.0	0.0	0.0	0.0
Inventory/Mechanic	2.0	2.0	2.0	2.0	2.0	0.0
Total	30.0	31.0	31.0	33.0	31.0	-2.0
Budget History	2012	2013	2014	2015	2016	Change
Engineering	875,175	938,537	991,001	996,778	983,701	-13,077
Parks	359,842	384,695	375,956	726,513	719,851	-6,662
Streets	771,468	797,292	852,045	1,039,525	1,019,291	-20,234
Water	1,954,032	2,254,904	2,357,971	2,991,522	2,818,408	-173,114
Wastewater	3,557,969	3,671,980	4,267,202	5,952,852	4,285,782	-1,667,070
Stormwater	809,259	1,104,821	1,552,424	1,232,816	2,038,623	805,807
Facilities/Fleet	879,155	914,995	852,045	903,501	897,003	-6,498
Totals	9,206,900	10,067,224	11,248,644	13,843,507	12,762,659	-1,080,848
¹ Promotion of Project Engineer to Sr. Utilities Engineer in 2015						
² New Position in 2015 - unfilled and remains vacant in 2016						
³ Vacant Maintenance Worker II- Water Utility						
⁴ Reclass Maintenance Worker II to Facilities Specialist (PW7)						

OVERALL GOALS:

- ◆ **Annual Street Preservation Projects:** Design and construct fifth annual street preservation projects using Transportation Benefit District (TBD) funds. The TBD was approved by Snohomish voters in August 2011 and received its first source of funds in March 2012. This summer, the City has applied for grant funds to leverage our local TBD dollars in 2016. The grants are highly competitive, but the City has been very successful in past years in receiving grant awards (both federal and state) for preservation.

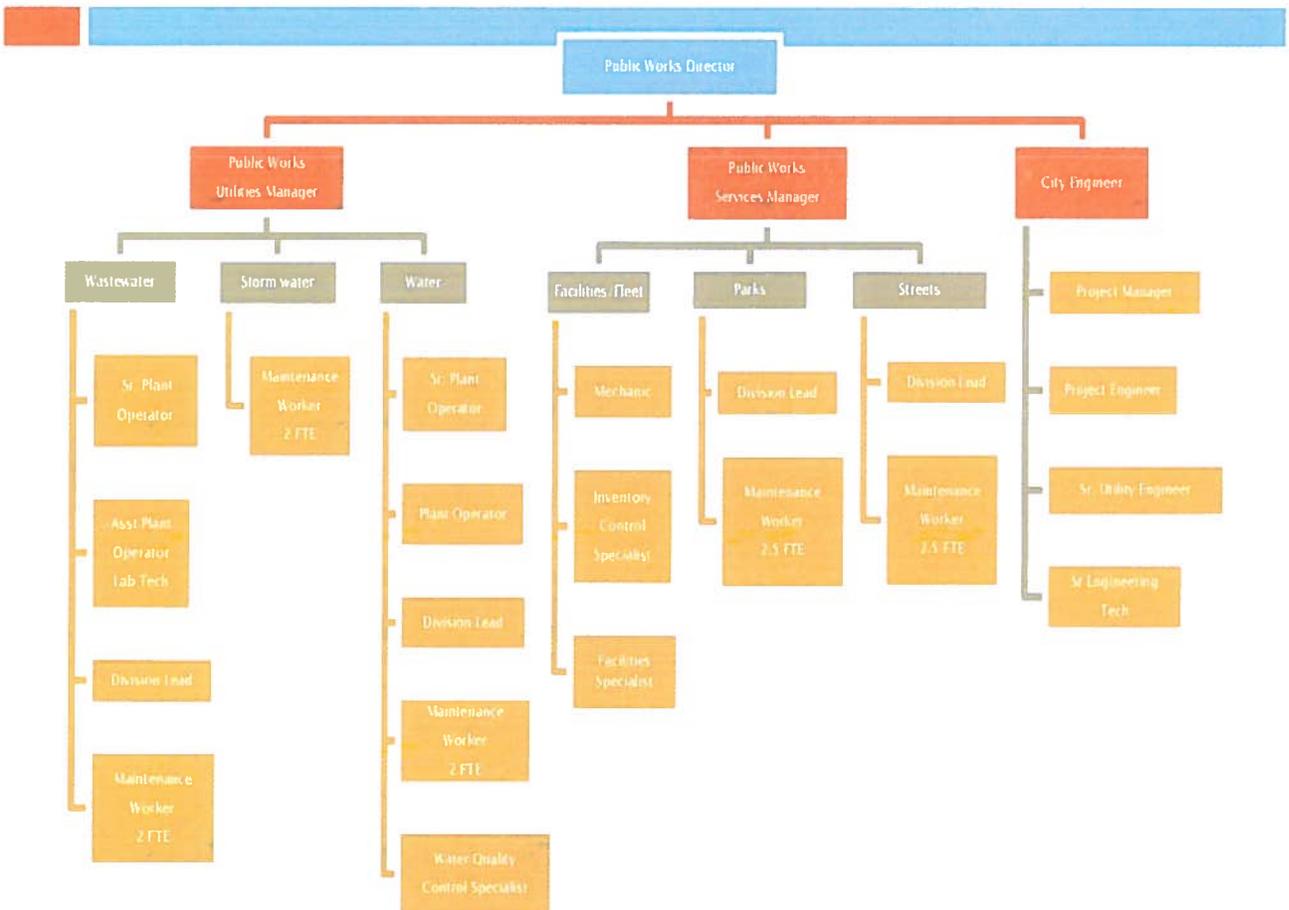
- ◆ **30th Street and SR 9 Intersection Improvements:** Apply for grant funding to construct the project. The City was awarded a PSRC Federal Grant in 2014 for design of the project. Final design was completed in 2015. This summer the City applied for a State grant for construction. Awards are announced in late 2015. If the City is not awarded a State

grant, and separate Federal grant program application is due in the spring of 2016 for which the City would apply.

- ◆ **7th and 10th Street Improvements:** Repair broken sewer line in 7th Street (from Pine Avenue to Mill Avenue) and 10th Street and Mill Avenue intersection. Project also includes water main replacement and pavement overlay on 7th Street.
- ◆ **Riverfront Park:** Complete concept planning for new 20-acre park along the Snohomish River. Property acquired by the City in December 2014 through grant funding. Survey and critical area study completed in 2015. Potential site for off-leash dog area. New boat launch being installed on the property in late 2015 by the Washington State Department of Fish and Wildlife. Operation and maintenance of the boat launch will be the responsibility of the City when completed.
- ◆ **Hal Moe Pool Site:** Complete concept planning to re-purpose old pool site and portions of the existing structure with new multi-purpose facility.
- ◆ **Ludwig Park Tenant:** Determine tenant type and lease existing house. The 10-acre property was purchased in 2013 for future development of a City park in accordance with the Parks, Recreation & Open Space (PROS) plan. 2016 funding is for tenant improvements to the existing house and minor upgrades to the property. Tenant type and agreement discussion planned for City Council meeting in the fall of 2015.
- ◆ **South Zone Reservoir PRV:** Install a pressure reducing valve (PRV) at the south zone reservoir to meet fire flows per engineering study, as part of decommissioning of reservoir No. 1.
- ◆ **Water Main Replacement:** Replace the aged water main on the 6th Street bridge.
- ◆ **Wastewater Treatment Plant (WWTP):** Complete facility improvements including upgrades to the screw pump control panel, modification to the submerged fixed film hoses and valves, and replacement of level transducers and headwork's overhead crane. Also complete an update to the City's General Sewer Plan.
- ◆ **Blackmans Lake Outlet Control:** Replace culverts at Ferguson Park Road, construct overflow channel, install mitigation planting, and re-pave entrance road. Environmental permitting expected to be completed in 2015.
- ◆ **Combined Sewer Overflow (CSO):** Construct 30-inch storm trunk line within the WWTP driveway and facility in order to connect the 25-acre lagoon to existing 30-inch storm trunk line in Second Street.
- ◆ **City Hall Updates:** Construct minor improvements to the front counter and women's restroom, and make repairs to the 1937 original building's exterior.

- ◆ **Police Station Remodel:** Construct “phase 1” improvements to the interior of the police station facility.
- ◆ **Public Works Shop Storage:** Replace the six existing shipping containers used for storage at the shop site.
- ◆ **Carnegie Building Room Updates:** Replace the existing carpet, paint walls and install temporary interior wall and door in the lobby to separate tenant space from meeting space.

Public Works



SERVICE STANDARDS - ENGINEERING

Service	Level
Public Contact	One division staff member will be available to the public at all times during normal working hours.
Engineering Complaints	Respond to written engineering-related Citizen complaints within 3 working days of notification.
Capital Project Design	Ensure Capital Project design and construction meet City standards.
Capital Facility Projects	Develop and manage Capital Improvement projects and budgeting within budget development deadlines.
Development Review and Inspection	Ensure site plans and civil plans for development are designed and constructed to City standards.
Review Building Permits	Process single family permits within one month and commercial permits within 120 days.
Review Land Use Applications	Decision within 120 days of the submittal of a complete application.
Site Inspections	Respond within 24 hours of notification.
Engineering Technical Support	Provide technical Engineering support for City and Public Works management.
Permit Modifications	Review and respond to permit modification requests within 10 working days.
Document Street Condition	Document City street condition once every 4 years.

SERVICE STANDARDS – UTILITY OPERATIONS

Service	Level
Customer Phone Response	Return phone calls within one working day.
Drainage Ditch/Culverts	Respond to reported obstructions within one hour and clear as soon as possible.
Storm Drainage Control	Identify and repair local storm drainage problems in-house if possible.
New Water Meter Services	Install new meters within one week of request.

Service	Level
Wastewater Treatment	Comply with State permit standards (within the constraints of the Plant).
Wastewater Lift Stations	Inspect each lift station three times a week.
Wastewater Collection System	Respond to reported obstructions within one hour and clear as soon as possible.
Water Treatment Plant	Deliver water meeting State and Federal standards seven days a week.
Water Distribution	Respond to water main and service line breaks within one hour and repair as soon as possible.
Dead-end Water Mains	Flush each dead-end water line as needed.
Utility Locates	Respond to requests for utility locates within two working days.
Cross Connection/sewer Pretreatment	Conduct inspections and certify proper cross-connection and pretreatment meets City and State requirements.
Exercise Valves and Hydrants	Annually exercise 25% of the water system valves and flush 25% of the City hydrants.

SERVICE STANDARDS - PARKS, STREETS, FACILITIES/FLEET OPERATIONS

Service	Level
Building Structural Maintenance	Repair functional damage within 1 week of notification.
Building Lighting Maintenance	Replace faulty lights within 3 days of notification.
Building Mechanical Maintenance	Respond to heating or plumbing system discrepancies within 1 day of notification.
Office Custodial Maintenance	Service City Hall trash, vacuum, and clean restrooms. Service Police Department several days a week.
Mow Park Lawn Spaces	Maintain lawn areas no higher than 4-inches of growth.
Parks and Grounds Landscaping	Trim, fertilize and irrigate as needed to maintain plant survival.
Building or Parks Vandalism Repair	Remove offensive graffiti within 24 hours of notification. Repair minor vandalism within 1 month of occurrence.
Recreational Field Reservations	Respond to reservation requests within 2 days.

Service	Level
Public Restroom Custodial Maintenance	Clean public restrooms daily.
Special Event Preparations	Provide preparations prior to start of event.
Street Sweeping	Sweep all streets within City limits at least six times per year.
Pothole Repairs	Repair reported pothole within two weeks after notice.
Street Sign Maintenance	Replace damaged or removed traffic control signs within 2 hours of notice and others as soon as possible.
Snow and Ice Removal	Sand streets, as determined necessary by the Police or Public Works within two hours of notice on arterials.
Pavement Striping	Paint all centerlines and fog lines once each year.
Vegetation Control	Respond to vegetation removal requests within two weeks, Law Enforcement hazards within two days.

Fund	General Fund	001		
Department	Public Works - Engineering	140		
Account Number		2015	2015	2016
595.90	Description	Amended	Estimated	Requested
		Budget	Year-End	Budget
Salary and Wages				
	11.00 Regular Pay	570,111	550,110	570,097
	12.00 Overtime Pay	20,000	20,000	20,000
Personnel Benefits				
	21.00 Employer Taxes	45,144	45,144	45,142
	22.00 Employer Retirement	60,250	60,250	65,179
	23.00 Employer Premiums	109,111	109,111	93,599
	27.00 Uniforms	1,000	500	1,000
	27.10 Safety Equipment	500	400	500
Supplies				
	31.00 Office & Operating Supplies	3,500	2,500	3,500
	35.00 Small Tools & Minor Equip	3,000	1,000	3,000
Services				
	41.00 Professional Services	78,000	85,000	60,000
	42.10 Postage	600	500	600
	42.20 Communications	4,750	4,600	4,750
	43.00 Travel & Subsistence	3,000	500	3,000
	44.00 Advertising	300	300	300
	48.00 Repairs & Maintenance	500	500	500
	49.10 Dues And Subscriptions	2,000	1,500	2,000
	49.20 Education & Training	4,000	2,500	4,000
	49.30 Miscellaneous Services	500	500	500
Cost Allocation				
	40.10 Fleet & Facility (501)	29,055	29,055	32,205
	40.15 Information Services (502)	10,279	10,279	11,395
	40.25 Equipment Replace (505)	11,823	11,823	13,601
	40.30 IS Equipment Replace (502)	39,355	39,355	48,833
Total Expenditures		996,778	975,427	983,701

Cost Summary of Significant Changes

No change in Salary and Wages due to elimination of Utility Engineering Specialist position. Decrease in Services due to Professional Services work completed in prior year. New services include water rate study. Increase in Cost Allocation charges due to modification in cost sharing of M&O and equipment replacements.

Fund	General Fund	001		
Department	Parks	140		
Account Number		2015	2015	2016
576.80	Description	Amended Budget	Estimated Year-End	Requested Budget
Salary and Wages				
11.00	Regular Pay	237,290	237,290	224,427
12.00	Overtime Pay	3,500	3,500	3,500
13.00	Temporary/Seasonal Pay	48,542	48,542	48,542
Personnel Benefits				
21.00	Employer Taxes	21,814	21,814	21,150
22.00	Employer Retirement	24,158	24,158	24,417
23.00	Employer Premiums	63,612	88,612	49,476
27.00	Uniforms	2,000	2,000	2,000
27.10	Safety Equipment	1,000	1,000	1,000
Supplies				
31.00	Office & Operating Supplies	50,300	50,200	50,300
35.00	Small Tools & Minor Equip	5,000	10,000	15,000
Services				
41.00	Professional Services	7,500	7,500	8,000
41.05	Flower Basket Program	7,500	7,500	7,500
42.10	Postage	250	250	250
42.20	Communications	1,600	2,700	2,700
43.00	Travel & Subsistence	500	500	500
44.00	Advertising	500	500	500
45.00	Operating Rentals	2,500	2,500	2,500
47.00	Utility Services	25,000	24,000	25,000
48.00	Repairs & Maintenance	15,000	8,000	15,000
49.10	Dues & Subscriptions	250	250	250
49.20	Education & Training	3,000	3,000	3,500
Cost Allocation				
40.10	Fleet & Facilities (501)	126,717	126,717	122,107
40.15	Information Services (502)	28,111	28,111	31,253
40.30	IS Equipment Replace (502)	5,945	5,945	5,221
40.25	Equipment Replace (505)	44,924	44,924	55,758
Total Expenditures		726,513	749,513	719,851

Cost Summary of Significant Changes

Decrease in Salary and Wages due to new Lead position at step one of paygrade. Increase in Small Tools and Minor Equipment for increased maintenance workload. Increase in Services for Communications new cell phone. Increase in Cost Allocation charges due to modification in cost sharing for M&O and equipment replacement.

Fund	Streets	102			
Department	Public Works-Special Revenue	140			
Account Number		2015	2015	2016	2016
542.00	Description	Amended Budget	Estimated Year-End	Requested Budget	Comments/Justifications
	Motor Vehicle Fuel Tax	190,746	201,600	211,300	Based DOT Forecast for 2016 and new direct distribution from State
	Investment Interest	125	75	75	
	Barricade Rental Revenue	4,000	4,000	4,000	
	Transfer-In (001)	675,000	675,000	720,000	Additional \$45,000 required from General Fund
	Transfer-In (117)	50,000	50,000	100,000	Additional REET for increasing signal, x-walk and sidewalk maintenance
	Total Street Revenues	919,871	930,675	1,035,375	

MAINTENANCE

Salary and Wages

11.00	Regular Pay	135,150	135,150	139,466
12.00	Overtime Pay	3,000	3,000	3,000
13.00	Temp/Seasonal Pay	24,266	24,266	24,266

Personnel Benefits

21.00	Employer Taxes	12,425	12,425	12,755
22.00	Employer Retirement	14,105	14,105	15,836
23.01	Employer Premiums	47,308	47,308	46,504
27.00	Uniforms	1,500	1,500	1,500
27.10	Safety Equipment	1,000	1,000	1,000

Supplies

31.00	Office & Operating Supplies	9,000	9,000	15,000	
34.10	Mix Asphalt	10,000	10,000	10,000	
34.20	Liquid Asphalt	5,000	5,000	5,000	
34.30	Rock & Sand	10,000	10,000	8,000	Substitution of asphalt grindings instead of gravel
34.40	Concrete	2,000	2,000	2,000	concrete for sidewalk repairs
35.00	Small Tools & Minor Equip	7,000	7,000	10,000	

Services

41.20	Professional Services-Lega	530	-	500	
41.30	Professional Services-Other	5,280	5,000	5,000	
41.40	Testing Services	1,000	-	1,000	
42.00	Communications	2,100	2,900	3,500	
43.00	Travel & Subsistence	700	200	700	
45.00	Operating Rentals	8,000	8,000	8,000	Grader and excavator rental for alley maintenance
48.00	Repairs & Maintenance	40,000	20,000	25,000	
49.10	Dues & Subscriptions	200	200	200	
49.20	Education & Training	1,500	1,500	1,500	
49.30	Miscellaneous Services	5,000	3,000	5,000	Danger Tree removal and other emergency services
51.00	Snow & Ice Removal	5,000	-	5,000	
51.10	Professional Services-Intergovt	20,000	20,000	20,000	

Cost Allocation

41.00	Financial Services (001)	54,341	54,341	31,653
41.00	Administrative Services (001)	69,047	69,047	48,914
41.00	Engineering Services (001)	74,716	74,716	62,141
41.00	Fleet & Facilities (501)	81,845	81,845	80,762
41.00	Information Services (502)	3,921	3,921	5,616
41.00	Equipment Replace (505)	24,424	24,424	29,885
41.00	IS Equipment Replace (502)	16,866	16,866	31,172

Fund	Streets	102			
Department	Public Works-Special Revenue	140			
Account Number		2015	2015	2016	2016
542.00	Description	Amended Budget	Estimated Year-End	Requested Budget	Comments/Justifications
TRAFFIC/PEDESTRIAN SAFETY					
Salary and Wages					
11.00	Regular Pay	59,292	59,292	60,478	
12.00	Overtime Pay	1,000	1,000	1,000	
Personnel Benefits					
21.00	Employer Taxes	4,612	4,612	4,703	
22.00	Employer Retirement	6,156	6,156	6,892	
23.00	Employer Premiums	16,170	17,170	18,709	
27.00	Uniforms	550	394	550	
27.10	Safety Equipment	350	506	350	
Supplies					
31.10	Operating Supplies	30,000	35,000	40,000	Continue transition to thermo x-walks
35.00	Small Tools & Minor Equip	5,000	5,000	7,500	
Services					
41.20	Professional Services- Legal	560	1,000	1,000	
47.10	Street Lighting	75,000	75,200	80,000	PUD Rate Increase
48.00	Repairs & Maintenance	2,000	2,000	2,000	
49.20	Education & Training	1,100	1,100	1,100	
51.10	Signal Maintenance Agree-County	55,000	55,000	55,000	Signal maintenance supported by REET
51.20	Paint Striping Agree-County	20,000	15,000	15,000	
51.30	Cross-walk Maintenance	14,000	11,000	14,000	Thermo-plastic materials used
ADMINISTRATION					
Salary and Wages					
11.00	Regular Pay	30,777	30,777	32,197	
Personnel Benefits					
21.00	Employer Taxes	2,354	2,354	2,463	
22.00	Employer Retirement	3,142	3,142	3,556	
23.00	Employer Premiums	6,638	6,638	6,823	
27.00	Uniforms	200	300	200	
27.10	Safety Equipment	500	100	500	
Supplies					
31.10	Operating Supplies	300	-	300	
35.10	Small Tools & Minor Equip	500	500	500	
Services					
41.00	Professional Services	300	-	300	
41.20	Professional Services-Legal	2,000	3,000	3,500	
43.00	Travel & Subsistence	300	-	300	
49.20	Education & Training	500	500	500	
Transfers					
99.00	Transfer-Out (310)	5,000	5,000	-	
Total Expenditures		1,039,525	1,009,455	1,019,291	

Estimated 2015 Revenues Over (Under) Exp	(78,780)	16,084	Proposed 2016 Revenues Over (Under) Exp
2015 Beginning Fund Balance	82,410	3,630	Estimated 2016 Beginning Fund Balance
Estimated 2015 Ending Fund Balance	3,630	19,714	Estimated 2016 Ending Fund Balance
1.9% 2016 Fund Balance as a % of Expenditures			

Cost Summary of Significant Changes

Increase in Motor Vehicle Fuel Tax due to 2015 Legislative changes. Increase in Transfer-in from General and REET Funds for increased cost of sidewalk, signal and cross-walk maintenance. Increase in Street Lighting due to PUD rate increase. Decrease in Cost Allocation charges due to modification in cost sharing of M&O and equipment replacement.

Fund	Fleet & Facilities	501		
Department	Public Works - Internal Service	140		
Account Number		2015	2015	2016
548.70	Description	Amended Budget	Estimated Year-End	Requested Budget
	Interfund Cost Allocation Fees	836,351	836,801	861,124
Salary and Wages				
	11.00 Regular Pay	208,027	208,027	225,689
	11.05 Temp/Seasonal Pay	12,162	12,162	12,162
	12.00 Overtime Pay	4,000	4,000	4,000
Personnel Benefits				
	21.00 Employer Taxes	17,150	17,150	18,502
	22.00 Employer Retirement	21,648	21,648	24,901
	23.00 Employer Premiums	45,641	45,641	46,294
	27.00 Uniforms	1,600	1,600	1,600
	27.10 Safety Uniforms	1,750	1,750	1,750
Supplies				
	31.00 Office & Operating Supplies	22,600	22,600	27,600
	31.10 TBA Supplies	55,000	55,000	60,000
	31.20 Fluid Supplies	2,500	1,500	2,500
	32.10 Vehicle & Equipment Fuel	65,000	50,000	50,000
	35.00 Small Tools & Equipment	14,000	14,000	15,000
Services				
	41.00 Professional Services	1,000	1,000	1,000
	41.10 Janitorial Services	25,000	25,000	26,000
	42.00 Communication	4,200	3,000	3,000
	42.10 Postage	325	100	150
	43.00 Travel & Subsistence	1,000	500	500
	45.00 Operating Rentals-Fac	1,000	1,000	1,000
	45.01 Operating Rentals-Fleet	5,000	5,000	5,000
	47.10 Electricity	55,000	50,000	50,000
	47.30 Natural Gas	62,000	20,000	20,000
	47.40 Water/Sewer	45,000	45,000	45,000
	48.00 Repairs & Maint-Fleet	55,000	55,000	30,000
	48.01 Repairs & Maint-Facility	32,000	32,000	25,000
	49.00 Miscellaneous Services	2,000	2,000	2,000
	49.10 Dues and Subscriptions	500	600	600
	49.20 Education & Training	3,500	2,100	2,700
Cost Allocations				
	41.01 Financial Services (001)	54,669	54,669	26,957
	41.05 Administrative Svcs (001)	37,246	37,246	64,935
	40.15 Information Services (502)	4,059	4,059	5,756
	99.00 Equipment Replace (505)	27,680	27,680	30,305
	99.15 IS Equipment Replace (502)	11,244	11,244	27,102
Transfers				
	Transfer-Out (to 310)	5,000	5,000	40,000
Total Expenditures		903,501	837,276	897,003
Estimated 2015 Revenues Over (Under) Exp			(475)	(35,879) Proposed 2016 Revenues Over (Under) Exp
2015 Beginning Fund Balance			634,077	633,602 Estimated 2016 Beginning Fund Balance
Estimated 2015 Ending Fund Balance			633,602	597,722 Estimated 2016 Ending Fund Balance
67% 2016 Fund Balance as a % of Expenditures				

Cost Summary of Significant Changes

Increase in Salaries due to reclass of Maintenance Worker I position dedicated to fleet/facilities as a lead role. Decrease in overall Supplies due to actual allocations required. Decrease in Services due to revised utility analysis determining rates. Increase in Cost Allocation charges due to modification in cost sharing of M&O and equipment replacements. Increase in Transfers due to replacement of 6 shipping containers at City Shop Facility.

Fund	Water	401			
Department	Public Works - Enterprise	140			
Account Number		2015	2015	2016	2016
534.00	Description	Amended Budget	Estimated Year-End	Requested Budget	Comments & Justifications
	Water Permits	3,000	4,500	4,500	Per Development Fees forecast
	Water Billings	2,129,400	2,235,870	2,510,894	5% rate increase per study
	Inspection Fees-Water	33,000	50,822	53,000	Per Development Fees forecast
	Interest Earnings	4,000	7,000	7,000	
	Late Penalty Charges	45,000	46,000	46,000	
	On/Off Charges	4,500	4,000	4,000	
	Sale of Scrap and Junk	2,500	2,500	2,500	
	Miscellaneous	3,000	5,000	5,000	
	Connection Fees - Water	82,860	71,812	73,193	Per Development Fees forecast
	Capital Fac. Charges - Water	180,060	156,052	159,053	Per Development Fees forecast
	Total Water Revenues	2,487,320	2,583,556	2,865,140	
Administration					
Salary and Wages					
	11.00 Water Admin Regular Pay	29,662	29,662	30,918	
Personnel Benefits					
	21.00 Employer Taxes	2,269	2,269	2,365	
	22.00 Employer Retirement	3,028	3,028	3,466	
	23.01 Employer Premiums	7,954	7,954	7,861	
	27.00 Uniforms	300	-	300	
	27.10 Safety Equipment	1,000	-	1,000	
Supplies					
	31.10 Operating Supplies	1,500	500	1,000	
	35.10 Small Tools & Equipment	1,000	300	1,000	
Services					
	41.00 Professional Services	10,000	6,500	10,000	
	41.10 Merchant Services	-	-	4,000	Elimination of Customer Convenience Fee
	42.00 Communications	600	700	700	
	43.00 Travel & Subsistence	600	300	600	
	49.10 Education & Training	1,000	1,000	1,000	
Water Distribution					
Salary and Wages					
	11.00 Regular Pay	301,638	301,638	263,633	Elimination of Maintenance Worker position
	12.00 Overtime Pay	12,000	12,000	12,000	
	13.00 Temp/Seasonal Pay	12,162	12,162	12,162	
Personnel Benefits					
	21.00 Employer Taxes	24,604	24,604	22,016	
	22.00 Employer Retirement	31,595	31,595	29,443	
	23.00 Employer Premiums	69,995	69,995	61,630	
	27.00 Uniforms	2,700	2,700	2,700	
	27.10 Safety Equipment	1,800	1,800	1,800	
Supplies					
	31.10 Operating Supplies	100,000	90,000	100,000	
	33.00 Everett Water For Resale	330,000	330,000	330,000	
	34.00 Meters-new services	30,000	25,000	30,000	
	35.00 Small Tools & Minor Equip	15,000	15,000	15,000	

Fund	Water	401			
Department	Public Works - Enterprise	140			
Account Number		2015	2015	2016	2016
534.00	Description	Amended Budget	Estimated Year-End	Requested Budget	Comments & Justifications
Services					
41.00	Professional Services	77,500	23,500	70,000	Water Supply Study
41.20	Professional Services-Legal	4,200	-	-	
42.00	Communication	7,400	7,400	7,400	
42.10	Postage	7,000	7,000	7,000	
43.00	Travel & Subsistence	2,000	1,000	2,000	
45.10	Equipment Rental	8,000	8,000	8,000	
47.00	Utility Services	12,000	10,500	10,800	PUD Rate Analysis
48.00	Repairs & Maintenance	38,000	20,000	40,000	Process Solutions PSA contract required maintenance
49.10	Dues And Subscriptions	1,500	1,500	1,500	
49.15	Printing and Binding	1,000	1,000	1,300	
49.20	Education & Training	4,000	3,000	3,000	
49.30	Misc. Services	11,880	8,000	6,500	
49.40	Water Quality Testing	6,000	11,000	10,000	Additional DBP testing required
49.50	Water quality program	12,000	10,000	10,000	
49.60	Software Maintenance Fees	-	-	5,500	
51.30	Permit Fees	7,000	7,000	7,000	
53.00	Water Utility Excise Tax	100,000	130,000	130,000	
Water Treatment					
Salary and Wages					
11.00	Regular Pay	136,099	136,099	142,004	
12.00	Overtime Pay	7,000	7,000	7,000	
Personnel Benefits					
21.00	Employer Taxes	10,627	10,627	11,399	
22.00	Employer Retirement	14,183	14,183	16,233	
23.01	Employer Premiums	43,597	43,597	42,943	
27.00	Uniforms	1,100	1,100	1,100	
27.10	Safety Equipment	700	700	700	
Supplies					
31.00	Office Supplies	1,000	4,300	6,000	
31.10	Chemicals	45,000	25,000	25,000	
31.20	Operating Supplies	8,200	2,000	10,000	Chlorine Analyzer and spare valves
35.00	Small Tools & Minor Equip	13,000	2,000	10,000	
Services					
41.00	Professional Services	10,000	2,500	10,000	
41.20	Legal Services	1,200	3,000	3,000	
42.00	Communication	5,700	5,700	5,700	
43.00	Travel & Subsistence	1,000	500	1,000	
45.00	Operating Rentals	3,000	3,000	3,000	
47.00	Utility Services	35,000	21,000	22,000	PUD Rate Analysis
48.00	Repairs & Maintenance	40,000	30,000	40,000	Process Solutions PSA contract required maintenance
49.10	Dues And Subscriptions	200	200	200	
49.20	Education & Training	800	500	800	
49.60	Software Maintenance Fees	-	-	3,400	
51.00	Water Quality Testing	1,500	1,500	1,500	
53.00	External Taxes	90	90	90	

Fund	Water	401			
Department	Public Works - Enterprise	140			
Account Number		2015 Amended Budget	2015 Estimated Year-End	2016 Requested Budget	2016 Comments & Justifications
534.00	Description				
Cost Allocation					
	40.01 Financial Services (001)	77,181	77,181	87,348	
	40.05 Administrative Services (001)	104,603	104,603	93,297	
	40.06 Engineering Services (001)	139,893	139,893	126,826	
	40.10 Fleet & Facilities (501)	181,400	181,400	173,847	
	40.15 Information Services (502)	10,886	10,886	9,769	
	40.30 IS Equipment Replace (502)	44,976	44,976	59,658	
Capital Outlay					
	64.00 Capital Outlay: Improvements	210,000	75,000	275,000	6th St & Pilchuck River Bridge main replacement and So Zone Reservoir PRV
	63.00 Capital Outlay: Equipment	-	-	40,000	Replace 03 Flatbed w/ F450 ext Cab.Chassis.Sideboxes
Debt Service					
	78.00 1981 FmHA Bond-Principal	505,000	505,000	-	Pay off of USDA Loan in 2015
	83.00 1982 FmHA Bond-Interest	21,500	21,500	-	
	78.50 PWTF Loan- Comp Plan	18,000	18,000	-	
Transfers					
	99.00 Transfer-Out (311)	-	-	325,000	Transfer for 2016 Capital Projects
	99.00 Transfer-Out (401)	4,200	4,200	-	
	99.00 Transfer-Out (402)	5,000	5,000	-	
Total Expenditures		2,991,522	2,719,842	2,818,408	

Estimated 2015 Revenues Over (Under) Expenditures	(136,286)	46,732	Proposed 2016 Revenues Over (Under) Exp
2015 Beginning Fund Balance	1,902,142	1,765,856	Estimated 2016 Beginning Fund Balance
Estimated 2015 Ending Fund Balance	1,765,856	1,812,588	Estimated 2016 Ending Fund Balance
64% 2016 Fund Balance as a % of Expenditures			
Fund Balance Breakout			
		544,602	Unassigned
		0	Restricted for Debt Service
		1,267,986	Committed for Capital Improvements
		1,812,588	

Cost Summary of Significant Changes

Increase in Water Revenues due to rate study identified increase of 5%. Decrease in overall Salary and Benefits due to elimination of Maintenance Worker position. New allocation in Services for elimination of customer credit card convenience fee and incorporation of cost into annual operating expenditures. Increase in Professional Services for required testing and maintenance. Increase in Capital Outlay for infrastructure improvements as per CIP and replacement vehicle. Increase in Transfers due to water related costs in Transportation improvement projects. Decrease in Debt Service due to pay off of debt in 2015.

Fund	Wastewater	402			
Department	Public Works-Enterprise	140			
Account Number		2015	2015	2016	2016
535.00	Description	Amended Budget	Estimated Year-End	Requested Budget	Comments/Justifications
	Sewer Permits	3,000	2,800	3,000	Per development fee schedule
	Sewer Billings	3,900,000	4,400,000	4,400,000	0% rate increase as per study
	Inspection Fees - Sewer	4,500	4,500	4,500	Per development fee schedule
	Special Development Fees	439,264	348,096	339,808	Per development fee schedule
	Interest Earnings	4,000	10,500	10,500	
	Connection Fees	380,400	329,680	336,020	Per development fee schedule
	Capital Facility Fees	178,500	154,700	157,675	Per Development Fees forecast
	Transfer-In	20,000	20,000	-	
	Total Sewer Revenues	4,929,664	5,270,276	5,251,503	

ADMINISTRATION

Salary and Wages					
11.00	Regular Pay	28,789	28,789	30,008	
Personnel Benefits					
21.00	Employer Taxes	2,202	2,202	2,296	
22.00	Employer Retirement	2,939	2,939	3,364	
23.00	Employer Premiums	7,721	7,721	7,630	
27.00	Uniforms	300	200	300	
27.10	Safety Equipment	100	-	100	
Supplies					
31.00	Operating Supplies	200	200	200	
35.00	Small Tools & Minor Equipment	1,000	200	500	
Services					
41.00	Professional Services	15,000	5,000	1,500	
41.30	Merchant Service Fees	-	-	7,000	Eliminate customer convenience fee
43.00	Travel & Subsistence	300	300	300	
49.10	Dues & Subscriptions	300	100	300	
49.20	Education & Training	600	600	600	

COLLECTION

Salary and Wages					
11.00	Regular Pay	119,950	119,950	125,405	
12.00	Overtime Pay	8,000	8,000	8,000	
13.00	Temp/Seasonal Pay	12,162	12,162	12,162	
Personnel Benefits					
21.00	Employer Taxes	10,719	10,719	11,136	
22.00	Employer Retirement	13,064	13,064	13,892	
23.01	Employer Premiums	26,988	26,988	28,422	
27.00	Uniforms	1,100	800	1,100	
27.10	Safety Equipment	1,100	1,100	1,100	
Supplies					
31.00	Office & Operating Supplies	20,000	15,000	13,500	
35.00	Small Tools & Minor Equip	5,000	7,000	7,000	
Services					
41.00	Professional Services-Engineering	19,000	-	-	
41.10	Professional Services-Other	56,000	56,000	40,000	
41.20	Professional Services-Legal	2,120	-	2,120	
42.00	Communication	9,300	10,100	11,700	
42.10	Postage	4,000	4,000	4,000	
43.00	Travel & Subsistence	2,000	2,000	2,000	
45.00	Operating Rentals	-	-	3,000	
47.00	Utility Services - Gas	6,000	11,000	12,000	

Fund	Wastewater	402			
Department	Public Works-Enterprise	140			
Account Number		2015	2015	2016	2016
535.00	Description	Amended Budget	Estimated Year-End	Requested Budget	Comments/Justifications
	47.10 Utility Services-PUD	33,000	25,000	25,000	
	48.00 Repairs & Maintenance	60,000	15,000	25,000	
	49.10 Dues & Subscriptions	400	150	400	
	49.15 Printing & Binding	1,200	1,200	1,200	
	49.20 Education & Training	3,000	2,000	3,000	
	49.30 Miscellaneous Services	5,000	-	5,000	
	49.60 Software Maintenance	-	-	6,500	
	53.00 Sewer Utility Excise Tax	55,000	55,000	55,000	
Capital Outlay					
	64.00 Machinery & Equipment	45,000	41,000	25,000	New Sewer Line Rapid Assessment Tool (SL-RAT)software
Cost Allocation					
	41.00 Financial Services (001)	61,925	61,925	74,190	
	91.05 Administrative Services (001)	91,812	91,812	92,934	
	41.00 Engineering Services (001)	151,021	151,021	110,873	
	41.00 Fleet & Facilities (501)	190,055	190,055	179,044	
	41.00 Information Services (502)	3,961	3,961	8,109	
	41.00 IS Equipment Replace (502)	16,866	16,866	51,600	
TREATMENT					
Salary and Wages					
	11.00 Regular Pay	213,248	213,248	221,757	
	12.00 Overtime Pay	6,500	6,500	6,500	
	13.00 Temp/Seasonal Pay	12,162	12,162	12,162	
Personnel Benefits					
	21.00 Employer Taxes	14,422	14,422	18,392	
	22.00 Employer Retirement	22,010	22,010	22,996	
	23.01 Employer Premiums	45,756	45,756	46,174	
	27.00 Uniforms	1,650	1,300	1,650	
	27.10 Safety Equipment	1,150	1,150	1,150	
Supplies					
	31.10 Operating Supplies	75,300	50,000	61,500	
	31.20 Chemicals Supplies	225,000	210,000	225,000	
	35.00 Small Tools & Minor Equip	10,000	8,000	10,000	
Services					
	41.10 Professional Services-Other	6,500	5,100	6,500	
	41.50 Professional Services - Engineer	3,000	3,000	3,000	
	42.00 Communication	2,600	4,200	4,200	
	43.00 Travel & Subsistence	1,500	1,000	1,500	
	45.00 Operating Rentals	6,000	1,500	3,000	
	47.00 Utility Services	200,000	165,000	170,000	
	47.10 Solid Waste Services - Decnt	3,500	3,500	3,500	
	48.00 Repairs & Maintenance	45,000	45,000	60,000	
	49.10 Dues & Subscriptions	300	300	300	
	49.20 Education & Training	3,000	1,500	3,000	
	49.30 Software Maintenance	-	-	3,500	
	51.11 Wastewater Discharge Permit	13,000	13,000	13,000	
	51.20 Wastewater Testing	10,000	8,000	10,000	
	53.00 Sewer Utility Tax	50,000	64,000	50,000	

Fund	Wastewater	402			
Department	Public Works-Enterprise	140			
Account Number		2015	2015	2016	2016
535.00	Description	Amended Budget	Estimated Year-End	Requested Budget	Comments/Justifications
Capital Outlay					
64.00	Machinery & Equipment	20,000	25,500	-	
64.00	Capital Improvement	1,740,000	1,205,000	500,000	WWTP Improvements per Capital Projects List
Debt Service					
78.00	1994 SRF - WWTP (Prin)	551,948	551,948	275,974	
78.10	1996 USDA - WWPT (Prin)	780,000	780,000	-	Payoff of USDA Loan #4 Debt in 2015
83.20	1996 USDA - WWPT (Int)	38,992	38,992	-	Payoff of USDA Loan #4 Debt in 2015
78.30	PWTFL WWTP Upgrade	120,210	120,210	120,210	
78.50	PWTFL-CSO Principal	104,386	104,386	104,386	
83.30	PWTFL WWTP Upgrade Interest	8,422	7,720	7,820	
83.50	PWTFL CSO-Interest	7,307	6,698	6,785	
78.00	PWTF Loan WWTP Design Princ	55,099	55,099	55,099	
78.10	PWTF Loan Constructn Principal	361,922	361,922	361,922	
78.02	PWTF Loan Constr II Principal	73,684	73,684	73,684	
83.00	PWTF Loan Design - Interest	2,204	2,041	1,928	
83.01	PWTF Loan Constr-Interest	18,096	16,588	16,286	
83.02	PWTF Loan Const II - Interest	4,790	4,390	4,421	
Transfers					
99.00	Transfer-Out (404)	-	-	275,000	Transfer for Stormwater CSO Project
99.00	Transfer-Out (311)	-	-	510,000	Transfer for 2015 Overlay
Total Expenditures		5,952,852	5,254,950	4,285,782	

Revenues Over (Under) Expenditures	15.326	965.721	Revenues Over (Under) Expenditures
2015 Beginning Fund Balance	6.141.214	6,156,540	Estimated 2016 Beginning Fund Balance
Estimated 2015 Ending Fund Balance	6.156.540	7.122.261	Estimated 2016 Ending Fund Balance
		166%	2015 Fund Balance as a % of Expenditures
Fund Balance Breakout			
		486.817	Unassigned
		-	Assigned
		1.285.645	Restricted for Debt Service
		5,349.799	Committed for Capital Improvements

Cost Summary of Significant Changes

Increase in Sewer Revenues due to actual receipts. No rate increase. Increase in Sewer Administration due to elimination of customer convenience fee and incorporation of expenditure into operating costs. Decrease in Professional Services due to compliance with DOE Agreed Order. Capital Outlay improvements as per Capital Projects List. Increase in Transfers due to sewer cost portions of Transportation projects.

Fund	Stormwater	404			
Department	Public Works - Enterprise	140			
Account Number		2015	2015	2016	2016
542.00	Description	Amended Budget	Estimated Year-End	Requested Budget	Comments/Justifications
	Storm Billings	1,055,973	1,200,000	1,285,000	Rate increase 7.1% per FCS Rate Study
	Interest Earnings	900	1,600	1,600	
	Grant_DOE_ NPDES	40,000	59,387	25,000	Awarded Oct 2015 - additional 25k in late 2016
	Transfer-In (402)	-	-	275,000	Transfer from Sewer for CSO project
	Transfer-In (130)	-	-	250,000	Transfer from TBD for Blackmans Lake Outlet paving overlay
Total Stormwater Revenues		1,096,873	1,260,987	1,836,600	

ADMINISTRATION

Salary and Wages

11.00 Storm Admin Regular Pay 28,789 28,789 30,008

Personnel Benefits

21.00 Employer Taxes 2,202 2,202 2,296
22.00 Employer Retirement 2,939 2,939 3,364
23.00 Employer Premiums 7,721 7,721 7,630
27.00 Uniforms 300 - 300
27.10 Safety Equipment 2,000 - 1,000

Supplies

31.10 Operating Supplies 1,050 - 1,050
35.00 Small Tools & Minor Equip 2,000 - 1,000

Services

41.00 Professional Services 31,140 31,140 36,000 Spill Kit Program implementation
41.00 Merchant Service Fees - - 2,000 Elimination of customer convenience fee
43.00 Travel & Subsistance 300 - 300
49.20 Training & Education 600 19 600
53.00 External Tax 20,000 20,000 20,000

MAINTENANCE

Salary and Wages

11.00 Regular Pay 111,004 111,044 110,391
12.00 Overtime Pay 5,000 5,000 5,000

Personnel Benefits

21.00 Employer Taxes 8,603 8,603 8,827
22.00 Employer Retirement 11,482 11,482 12,567
23.00 Employer Premiums 28,553 45,000 42,781
27.00 Uniforms 1,100 800 1,100
27.10 Safety Equipment 200 1,000 1,000

Supplies

31.00 Office & Operating Supplies 5,000 5,000 15,000
35.00 Small Tools & Minor Equip 500 2,000 7,000

Services

41.00 Professional Services 10,700 10,700 20,000
41.30 Legal Services 1,155 1,155 1,155
41.50 Professional Services 40,000 - -
42.00 Communication 5,250 4,650 4,650
42.10 Postage 3,000 3,000 3,000
43.00 Travel and Sub. 1,000 500 1,000
45.00 Operating Rentals 2,000 1,000 2,000
48.00 Repairs & Maintenance 10,000 5,000 10,000
49.00 Printing & Binding 1,200 1,200 1,200

Fund	Stormwater	404				
Department	Public Works - Enterprise	140				
Account Number		2015	2015	2016	2016	
542.00	Description	Amended Budget	Estimated Year-End	Requested Budget	Comments/Justifications	
49.20	Education & Training	2,000	1,200	2,000		
49.30	Miscellaneous	1,000	1,000	1,000		
49.40	Water Quality Testing	15,000	15,000	15,000	DOE monitoring fee	
49.50	Operating Permit	9,100	9,100	10,000		
49.30	Software Maintenance Fees	-	-	5,000		
51.10	Professional Services - Inter Govt	45,000	25,000	45,000		
51.19	Professional Services-'DOE Cap	37,597	37,597	62,597	Additional capacity supported by Grant	
Cost Allocation						
41.00	Financial Services (001)	36,014	36,014	54,397		
41.00	Administrative Services (001)	58,019	58,019	69,364		
41.00	Engineering Services (001)	186,789	186,789	149,647		
41.00	Information Services (502)	4,051	4,051	3,283		
41.00	Fleet & Facilities (501)	61,592	61,592	60,152		
41.00	IS Equipment Replace (502)	16,866	16,866	18,964		
Capital Outlay						
64.00	Capital Improvement	410,000	203,000	1,115,000	CSO and Blackman's Lake Outlet as per Capital Projects List	
Transfers						
99.00	Transfer-Out (311)	-	-	75,000	Transfer for Storm portion of Ave A project	
99.00	Transfer-Out (402)	5,000	5,000	-		
Total Expenditures		1,232,816	970,172	2,038,623		
Revenues Over (Under) Expenditures		290.815	(202.023)	Revenues Over (Under) Expenditures		
2015 Beginning Fund Balance		1.673.269	1,964,084	Estimated 2016 Beginning Fund Balance		
Estimated 2015 Ending Fund Balance		1.964.084	1.762.061	Estimated 2016 Ending Fund Balance		
				86% 2015 Fund Balance as a % of Expenditures		
				Fund Balance Breakout		
				212.156	Unassigned	
				1.549.905	Committed for Capital Improvements	

Cost Summary of Significant Changes

Increase in Stormwater Revenues for 7.1% rate increase based on FCS Study and Transfers-In for Stormwater Capital Infrastructure projects. Increase in Stormwater Administration Professional Services for spill kit implementation. Increase in Capital Outlay for Stormwater projects based on Capital Projects List. Decrease in Transfers-Out for Capital Outlay portion of Transportation projects as defined in Capital Projects List.

PART 3

2016 BUDGET

NON-OPERATING FUNDS

**CITY OF SNOHOMISH
2016 RECOMMENDED BUDGET**

SPECIAL REVENUE FUNDS

Park Impact Fee Fund: 104

The Park Impact Fee Fund was created in 2006 by Ordinance 2112 establishing a SEPA based park impact fee. In 2008, Ordinance 2141 established the fee as code based. The fee is an impact fee for new single family residential and multifamily units. Fund resources are received from beginning fund balance, current years park impact fees and interest income. Fund uses are restricted to acquisition or development of new parks or park facilities. Park impact fees not spent within ten years of their collection must be returned to the payee.

Budget	2015 Budget	2015 Est Yr	2016
		End	Proposed
Beginning Fund Balance	179,702	179,702	250,142
Revenues:			
Park Impact Fees	112,050	70,310	109,600
Interest Income	130	130	130
Expenditures:			
Park Acquisitions	-	-	-
Ending Fund Balance	291,882	250,142	359,872

Visitor Promotion Fund: 107

The Visitor Promotion Fund accounts for monies received from the collection of Hotel/Motel tax and spent to enhance tourism in the City of Snohomish. Resources are received in the form of beginning fund balance, Hotel/Motel Tax and interest income. Fund expenditures are restricted to tourism related activities. The City offers these funds, under competitive process, to local, non-profit agencies.

Budget	2015 Budget	2015 Est Yr	2016
		End	Proposed
Beginning Fund Balance	12,573	12,573	8,463
Revenues:			
Hotel/Motel Taxes	6,500	7,000	7,000
Interest Income	10	10	10
Expenditures:			
Community Events	10,000	10,000	10,000
VIC Dues	1,200	1,120	1,120
Ending Fund Balance	7,883	8,463	4,353

Parking Business Improv Area Fund: 108

The Parking Business Improvement Area Fund accounts for funds associated with the Parking and Business Improvement Area. Fund resources are assessments and interest income. Fund uses are restricted to those allowable under R.C.W. 35.87A.

Budget	2015 Budget	2015 Est Yr	2016
		End	Proposed
Beginning Fund Balance	46,532	46,532	36,567
Revenues:			
Assessments	23,000	24,000	24,000
Interest Income	15	35	35
Expenditures:			
Service Fees	23,000	34,000	40,000
Ending Fund Balance	46,547	36,567	20,602

**CITY OF SNOHOMISH
2016 RECOMMENDED BUDGET**

Special Revenue Funds (Cont.)

Police Seizure Fund: 113

The Police Seizure Fund accounts for monies received from drug seizures, drug investigation "buy" funds and public contributions for capital equipment. Fund resources are received in the form of beginning fund balance, evidence confiscation and interest income.

Budget	2015 Est Yr		2016
	2015 Budget	End	Proposed
Beginning Fund Balance	102,699	102,699	91,761
Revenues:			
Seizures	-	28,978	-
Interest Income	50	85	-
Expenditures:			
Repairs & Maintenance	40,000	40,000	90,000
Ending Fund Balance	62,749	91,761	1,761

Real Estate Excise Tax (REET) Fund: 117

The Real Estate Excise Tax Reserve Fund accounts for the proceeds from Real Estate Excise Taxes levied by the City and authorized by R.C.W. Uses are restricted to certain municipal capital projects. Interim legislation allows for the use of REET funds to support certain parks and facilities related maintenance efforts. This interim, allowable use is for the years 2012 through 2016. Fund resources are received from beginning fund balance, excise tax collections and interest income. Uses are in the form of operating transfers-out to capital project funds and to Street and Park maintenance functions supported by the General Fund.

Budget	2015 Est Yr		2016	
	2015 Budget	End	Proposed	
Beginning Fund Balance	516,212	516,212	986,712	2016 Supported Projects
Revenues:				
REET Taxes	288,000	600,000	420,000	Park Maintenance \$50,000
Interest Income	300	500	500	Street Maintenance \$100,000
Expenditures:				
Transfer-Out	130,000	130,000	325,000	Riverfront Park \$35,000
Ending Fund Balance	674,512	986,712	1,082,212	Hal Moe Site \$90,000
				Ludwig Site \$25,000
				City Hall \$25,000

Traffic Impact Fee Fund: 125

The Street Impact Fee Fund reserves monies for future traffic improvements outlined in the City's Transportation Plan. Fund resources are received in the form of impact fees relating to trip generation. Fund uses are restricted to street projects listed in the Transportation Plan. Impact fees not spent within ten years of their collection must be returned to the payee.

Budget	2015 Est Yr		2016	
	2015 Budget	End	Proposed	
Beginning Fund Balance	376,228	376,228	410,681	2016 Supported Projects
Revenues:				
Impact Fees	38,394	34,128	37,574	Ave A \$100,000
Interest Income	100	325	325	
Expenditures:				
Transfers to Project	-	-	100,000	
Ending Fund Balance	414,722	410,681	348,580	

**CITY OF SNOHOMISH
2016 RECOMMENDED BUDGET**

Special Revenue Funds (Cont.)

Transportation Benefit District (TBD) Fund: 130

The Transportation Benefit District Fund, a newly created special revenue fund, due to 2015 Legislative changes, accounts for the receipt of special district sales tax proceeds. The Transportation Benefit District (TBD) was approved by voters for a sales tax increase of 0.2% effective since January 1, 2012 for the purposes of funding various street capital improvement and maintenance projects.

Budget	2015 Est Yr		2016	
	2015 Budget	End	Proposed	
<i>Beginning Fund Balance</i>	636,213	636,213	1,219,851	<u>2016 Supported Projects</u>
Revenues:				Ave A \$260,000
Sales Tax	675,000	780,000	780,000	7th&10th \$150,000
Interest Income	520	520	520	Blackmans Lk \$250,000
Expenditures:				
Transfers to Project	608,390	196,882	660,000	
<i>Ending Fund Balance</i>	703,343	1,219,851	1,340,371	

**CITY OF SNOHOMISH
2016 RECOMMENDED BUDGET**

DEBT SERVICES FUNDS

Debt Service

Fund: 205

The Debt Service Fund accounts for the City's General Obligation (G.O.) Debt. Fund resources are provided by beginning fund balance, property taxes on voter approved debt issuances, interfund transfers on non-voter approved street debt and interest income. Uses are restricted to debt service obligations of annual principal and interest payments according to bond debt repayment schedules.

Budget	2015 Budget	2015 Est Yr End	2016 Proposed
<i>Beginning Fund Balance</i>	<i>13,012</i>	<i>13,012</i>	<i>14,062</i>
Revenues:			
Property Taxes	-	1,500	500
Interest Income	50	50	50
Transfers-In	80,233	80,233	62,483
Expenditures:			
Principal	55,000	55,000	40,000
Interest	25,233	25,233	22,483
Fees	500	500	500
<i>Ending Fund Balance</i>	<i>12,562</i>	<i>14,062</i>	<i>14,112</i>

Outstanding G.O. Debt as of December 31, 2015: \$480,000
City of Snohomish \$940,000 Limited Tax G.O. Bonds, Dated 2005
Bonds issued for the Rivertrail Improvement Project and other Trail Projects
and for acquisition of Radio Equipment and other Law Enforcement
Technology infrastructure.
Maturity Date: 2025
Interest Rate: 4.80% - 5.00%

**CITY OF SNOHOMISH
2016 RECOMMENDED BUDGET**

CAPITAL PROJECT FUNDS

Municipal Capital Project Fund: 310

The Municipal Capital Project Fund accounts for the acquisition, construction and improvement to major City infrastructure. Fund resources are received from beginning fund balance, grants, donations, interest income and operating transfers in from other City special revenue, capital project and proprietary funds. A detailed list of 2016 capital projects and their respective revenue sources is presented within the appendix section of the City Budget.

Budget	2015 Est Yr		2016	
	2015 Budget	End	Proposed	
Beginning Fund Balance	369,570	369,570	232,433	2016 Projects
Revenues:				Hal Moe Site \$90,000
Interest Income & Misc	-	863	85	Police Station \$90,000
Transfers-In	90,000	90,000	305,000	City Hall \$50,000
Expenditures:				Riverfront Park \$35,000
Capital Outlay	228,000	228,000	330,000	Ludwig \$25,000
Ending Fund Balance	231,570	232,433	207,518	City Shop-Conex \$40,000

Street Capital Project Fund: 311

The Street Capital Project Fund accounts for the acquisition, construction and improvement to major City street infrastructure. Fund resources are received from beginning fund balance, grants, interest income, transfers from the TBD special revenue, and proprietary funds. A detailed list of 2016 projects are included in the appendix section of the City Budget.

Budget	2015 Est Yr		2016	
	2015 Budget	End	Proposed	
Beginning Fund Balance	1,047,918	1,047,918	962,418	
Revenues:				
Grants	635,000	635,000	-	
Interest Income	-	500	500	
Transfers-In	160,000	160,000	1,420,000	
Expenditures:				
Engineering Charges	-	-	187,643	
7th & 10th Street	-	-	705,000	
Ave A Corridor	-	-	715,000	
30th & SR 9	165,000	165,000	-	
Street Overlay	510,000	510,000	-	
Signal Improvements	31,000	31,000	-	
Ave D & 15th	175,000	175,000	-	
Ending Fund Balance	961,918	962,418	775,275	

**CITY OF SNOHOMISH
2016 RECOMMENDED BUDGET**

ENTERPRISE FUND

Solid Waste

Fund: 403

The Solid Waste Fund accounts for the garbage, recycling and yard waste operations and activities based on a negotiated, multi-year contract for collection services to all properties within the City.

Budget	2015 Budget	2015 Est Yr End	2016 Proposed
<i>Beginning Fund Balance</i>	<i>25,885</i>	<i>25,885</i>	<i>75,588</i>
Revenues:			
Interest Income	-	100	100
Charges-Solid Waste	1,393,000	1,335,000	1,393,000
Charges-Recycling	579,000	612,000	612,000
Expenditures:			
Cost Allocation Charges	22,097	22,097	94,244
Supplies & Services	3,400	3,300	5,300
Solid Waste Contractor	1,822,500	1,790,000	1,855,000
State Excise Tax	74,000	82,000	82,000
<i>Ending Fund Balance</i>	<i>75,888</i>	<i>75,588</i>	<i>44,144</i>

**CITY OF SNOHOMISH
2016 RECOMMENDED BUDGET**

INTERNAL SERVICE FUNDS

Equipment Replacement Fund: 505

The Equipment Replacement Fund accounts for equipment and vehicle replacements for non-utility expenditures for new capital equipment. The General Fund, Streets Fund and Fleet & Facilities fund transfer funds based on the Cost Allocation Plan.

Budget	2015 Est Yr		2016	
	2015 Budget	End	Proposed	
Beginning Fund Balance	205,817	205,817	198,997	2016 Equipment & Vehicles
Revenues:				Shop-Excavator \$91,000
Interest Income	100	165	165	Engineering-Vehicle \$30,000
Cost Allocation Fees	118,586	118,586	136,084	Parks-Vehicle \$40,000
Expenditures:				Police-Animal Box \$1,000
Capital Outlay	130,000	125,571	162,000	
Ending Fund Balance	194,503	198,997	173,246	

Self-Insurance Fund: 503

The Self-Insurance Fund accounts for transactions related to unemployment insurance. Fund sources come from Operating Funds as a reimbursement.

Budget	2015 Est Yr		2016	
	2015 Budget	End	Proposed	
Beginning Fund Balance	12,249	12,249	12,259	
Revenues:				
Interest Income	-	10	10	
Unemployment Charges	50,000	5,000	5,000	
Expenditures:				
Unemployment Comp	50,000	5,000	5,000	
Ending Fund Balance	12,249	12,259	12,269	

**CITY OF SNOHOMISH
2016 RECOMMENDED BUDGET**

TRUST FUNDS

Carnegie Restoration

Fund: 604

The Carnegie Restoration Trust Fund accounts for monies donated by the community, community room rentals and lease revenues from Arts of Snohomish for the remodel and restoration of the historic Carnegie Library. Fund proceeds will be used to match against potential grant proceeds and other sources for the building's renovation.

Budget	2015 Est Yr		2016
	2015 Budget	End	Proposed
<i>Beginning Fund Balance</i>	<i>20,807</i>	<i>20,807</i>	<i>36,532</i>
Revenues:			
Interest Income	-	25	25
Rentals/Lease	18,000	18,300	18,300
Expenditures:			
Capital Outlay	-	-	15,000
Other	3,000	2,600	2,600
<i>Ending Fund Balance</i>	<i>35,807</i>	<i>36,532</i>	<i>37,257</i>

PART 4

2016 BUDGET

APPENDIX

Snohomish City Council Annual Goals

Program and Project Priorities for 2016

(Parenthetical references following each goal relate to Strategic Plan Initiatives)

- ❖ Develop a sustainable, five-year financial plan that balances projected revenues and expenditures *(Related to implementation of all Strategic Plan initiatives)*
- ❖ Review and develop a new set of Financial Management policies *(Related to implementation of all Strategic Plan initiatives)*
- ❖ Develop a biennial budget process beginning with the 2017-2018 Budget *(Related to implementation of all Strategic Plan initiatives)*
- ❖ Analyze sustainable budget strategies to support parks operations *(Related to initiative 1)*
- ❖ Collaborate with Snohomish County on the future use of the County's Public Works property on Avenue D. *(Related to Initiative 6)*
- ❖ Increase tax revenues through continued economic development. *(Related to Initiatives 6 & 7)*
- ❖ Attract more living wage jobs for the community. *(Related to Initiative 6)*
- ❖ Collaborate with agencies in the region for development of rails and trails that serve Snohomish. *(Related to Initiatives 1 & 4)*
- ❖ Determine preferred design options for resolving long-term water supply, and preserve the City's Pilchuck River water rights. *(Supports community health and welfare)*
- ❖ Consider private-public partnerships for land acquisition and development. *(Related to Initiatives 6 & 8)*
- ❖ Create a plan for redevelopment and new uses of the Hal Moe Pool property. *(Related to Initiatives 1, 7 and 8)*
- ❖ Review and revise, as appropriate, the City's public communication and civic engagement process. *(Related to implementation of all Strategic Plan initiatives)*

City of Snohomish
Capital Improvement - 2016

Category / Project	Project/Funding Description	Plan Ref.	Rank	2016
Transportation				
7th & 10th Street	Repair broken sewer lines in 7th St (from Pine Ave to Mill Ave) & 10th & Mill Intersection. Pavement overlay and water main replacement on 7th	TIP ID:		\$ 705,000
	<i>Funding Sources:</i>			
	<i>Other Sources</i> TBD			\$ 150,000
	<i>Utility Funds</i> Sewer			\$ 375,000
	<i>Utility Funds</i> Water			\$ 180,000
Avenue A Corridor	Overall corridor improvements 2nd St to 13th St. 2016: Road realignment between 4th St & 5th St. Includes utility, sidewalk, curb & gutter, channelization and asphalt overlay	TIP ID: C-2	L-L	\$ 715,000
	<i>Funding Sources:</i>			
	<i>Impact Fees</i> TIF			\$ 100,000
	<i>Other Source</i> TBD			\$ 260,000
	<i>Utility Funds</i> Water			\$ 145,000
	<i>Utility Funds</i> Sewer			\$ 135,000
	<i>Utility Funds</i> Stormwater			\$ 75,000
Total Transportation Capital Projects				\$ 1,420,000
Total Transportation Funded				\$ 1,420,000
Parks				
Riverfront Park	Property acquired in 2014. Survey & Critical Areas Study completed in 2015. Potential site for off-leash dog area. Parking kiosk installation.	PROS-1-5-6	1	\$ 35,000
	<i>Funding Sources:</i>			
	<i>Other Source</i> REET			\$ 35,000
Hal Moe Pool Site	Replace old pool site with new multi purpose structure. Concept planning in 2015 & 2016	PROS-2	2	\$ 90,000
	<i>Funding Sources:</i>			
	<i>Other Source</i> REET			\$ 90,000
Ludwig Park	Development of new 10-acre park. Property acquired in 2013. 2016 Upgrades with tenant occupying existing house. Potential site for off-leash dog area	PROS-3-5	3	\$ 25,000
	<i>Funding Sources:</i>			
	<i>Other Source</i> REET			\$ 25,000
Total Parks Capital Projects				\$ 150,000
Total Parks Funded				\$ 150,000

City of Snohomish
Capital Improvement - 2016

Category / Project	Project/Funding Description	Plan Ref.	Rank	2016
Utilities - Water				
South Zone Reservoir PRV	Install pressure reducing valve at So Zone Reservoir to meet fire flows per study. Decommission Reservoir #1	Water Plan		\$ 200,000
	<i>Funding Sources:</i>			
	<i>Utility Funds Water</i>			\$ 200,000
Water Main Replacements	Annual Improvements 2016: 6th St/Pilchuck River Bridge water main replacement	Water Plan		\$ 75,000
	<i>Funding Sources:</i>			
	<i>Utility Funds Water</i>			\$ 75,000
Total Water Utility Capital Projects				\$ 275,000
Total Water Utility Funded				\$ 275,000
Utilities - Sewer				
Treatment				
WWTP	Facility Improvements: Replace/repair motor control (MCC), upgrade screw pump control panel, modify submerged Fixed Film (SFF) hose & valve, replace level transducers & headworks overhead crane, improve scrubber building	Sewer Plan		\$ 500,000
	<i>Funding Sources:</i>			
	<i>Utility Funds Sewer</i>			\$ 500,000
Total Sewer Utility Capital Projects				\$ 500,000
Total Sewer Utility Funded				\$ 500,000
Utilities - Storm Water				
Blackmans Lake Outlet Control	Replace culverts at Ferguson Park Rd; construct overflow channel; remove sediment from channel; mitigation plantings and re-pave entrance road	Storm Plan		\$ 565,000
	<i>Funding Sources:</i>			
	<i>Other Source TBD</i>			\$ 250,000
	<i>Utility Funds Storm Water</i>			\$ 315,000
Combined Sewer Overflow (CSO)	Construct 30-in storm trunkline connecting 25-ac lagoon to existing 30-in storm trunkline in 2nd St - removing stormwater flows from WWTP	Storm Plan		\$ 550,000
	<i>Funding Sources:</i>			
	<i>Utility Funds Stormwater</i>			\$ 275,000
	<i>Utility Funds Sewer</i>			\$ 275,000
Total Stormwater Utility Capital Projects				\$ 1,115,000
Total Stormwater Utility Funded				\$ 1,115,000

City of Snohomish
 Capital Improvement - 2016

Category / Project	Project/Funding Description	Plan Ref.	Rank	2016
Facilities				
City Hall	Improvements to existing facility. 2014: Addition 2015: Conference Rm and Cubicle reconfigure 2016: Front Counter, Restrooms, Exterior updates	N/A		\$ 50,000
	<i>Funding Sources:</i>			
	<i>Other Source REET</i>			\$ 25,000
	<i>Other Source Municipal Capital Project Fund #310</i>			\$ 25,000
Police Station	Remodeling & Interior improvements	N/A		\$ 90,000
	<i>Funding Sources:</i>			
	<i>Other Source Equitable Sharing-Seizure Fund #113</i>			\$ 90,000
Shop Storage Building	Replace six connex shipping containers	N/A		\$ 40,000
	<i>Funding Sources:</i>			
	<i>Other Source Fleet & Facilities Fund #501</i>			\$ 40,000
Carnegie Site	Replace carpet, paint walls and install temporary interior wall and door in lobby to separate tenant space from meeting space	N/A		\$ 15,000
	<i>Funding Sources:</i>			
	<i>Other Source Carnegie Restoration Fund #604</i>			\$ 15,000
Total Facilities Capital Projects				\$ 195,000
Total Facilities Funded				\$ 195,000

City of Snohomish
2015/2016 Pending Grant
Potential CIP Projects

Fund Balance Committed But Not Budgeted		
117	<i>REET2</i>	120,000.00
402	<i>Wastewater</i>	-
404	<i>Stormwater</i>	-
130	<i>TBD</i>	435,000.00

The City of Snohomish has had great success in recent years in winning federal and state grants for improvements to the City's infrastructure, especially for much needed transportation and wastewater treatment upgrades. From 1996 to 2010, the City received only one federal grant, totaling \$50,000, for street improvements. In contrast, between 2011 to mid-2015, the City has been awarded six federal grants totaling more than \$2 million for street construction projects.

Wastewater infrastructure improvement projects, from 2010 to 2014, have been awarded more than \$10 million in state and federal grants. These grant funds have a positive impact on minimizing utility rate increases in these times of major modifications to environmental regulations and tighter permit limits.

In 2015, the City has or will apply for a number of new federal and state grants for 2016 capital improvement projects. Most of the grant award announcements for these applications will happen in late 2015 or early 2016 - after the final 2016 budget adoption process is completed. The following is a list of additional, proposed CIP projects that should grant funds be awarded, a budget amendment will be considered by the City Council. Note that fund balances have been committed and may impact dollars available for other projects.

Project Name: 30th & SR 9 Intersection		Tracking Fund: Street Capital Project (311)
Add through, right and left turn lanes on 30th St west leg at SR 9		
Sources	Description	Amount
Grant	TIB	600,000.00
TBD	TBD	300,000.00
	Total Sources	900,000.00
Uses	Description	Amount
Construction Costs	Street Construction	900,000.00
	Total Uses	900,000.00
Project Name: Lincoln Avenue Overlay		Tracking Fund: Street Capital Project (311)
Pavement overlay and upgrade ADA ramps 2nd St to South City Limits		
Sources	Description	Amount
Grant	TIB	340,000.00
TBD	TBD	60,000.00
	Total Sources	400,000.00
Uses	Description	Amount
Construction Costs	Street Construction	400,000.00
	Total Uses	400,000.00

Pending Grants (cont.)

Project Name: Maple Avenue Overlay		Tracking Fund: Street Capital Project (311)
Pavement overlay and upgrade ADA ramps Pine Ave to 2nd Street		
Sources	Description	Amount
Grant	TIB	425,000.00
TBD	TBD	75,000.00
	Total Sources	500,000.00
Uses	Description	Amount
Construction Costs	Street Construction	500,000.00
	Total Uses	500,000.00

Project Name: Interurban Trail		Tracking Fund: Municipal Capital Project (310)
Improve Trail: ROW acquisition, stormwater improvements, pedestrian x-ing at Maple near 6th St, ADA improvements, sidewalk and paving		
Sources	Description	Amount
Grant	WSDOT Ped/Bike Prog	680,000.00
TBD	REET	120,000.00
	Total Sources	800,000.00
Uses	Description	Amount
Construction Costs	Street Construction	800,000.00
	Total Uses	800,000.00

City of Snohomish - Cost Allocation Matrix

2016		Fund Receiving Payment for Service										Total To GF Allocation
		001										
Fund Paying For Service	Financial Services	City Council	City Clerk	City Manager	Human Resources	Engineering Services	Fleet Facilities	Information Services	Equip Reserve	TOTAL		
001	General Fund	235,589	18,985	158,372	126,265	192,153	117,457	345,321	271,956	75,894	1,541,992	
102	Streets	31,653	5,624	-	10,037	33,253	62,141	88,432	36,788	29,885	297,814	142,708
401	Water	87,348	15,962	10,503	19,039	47,794	126,826	173,847	69,427	-	550,745	307,471
402	Wastewater	74,190	22,824	6,750	21,794	41,566	110,873	180,114	59,709	-	517,821	277,998
403	Solid Waste	67,645	10,280	-	7,756	8,562	-	-	-	-	94,244	94,244
404	Stormwater	54,397	17,302	14,434	14,772	22,885	149,647	64,138	22,247	-	359,823	273,438
501	Fleet/Facilities	26,957	4,853	24,733	8,322	27,026	-	-	32,858	30,305	155,055	91,892
502	Information Services	13,216	6,462	6,183	6,309	12,454	-	8,821	-	-	53,446	44,625
311	Streets Capital	1,367	29,063	22,672	17,018	-	117,523	-	-	-	187,643	187,643
Totals		592,363	131,356	243,648	231,313	385,694	684,467	860,573	492,985	136,085	3,758,583	1,420,019