

The
CITY OF LAKE STEVENS

Washington

2015 Adopted Annual Budget



One Community Around the Lake

Vern Little
Mayor

City Officials

Vern Little
Mayor

Kim Daughtry
Council President

Suzanne Quigley
Council Vice President

Kathy Holder
Councilmember

Sam Low
Councilmember

John Spencer
Councilmember

Marcus Tageant
Councilmember

Todd Welch
Councilmember

City Staff

City Administrator
Finance Director/City Clerk
Police Chief
Public Works Director/Engineer
Planning Director
Human Resources Director

Jan Berg
Barbara Stevens
Dan Lorentzen
Mick Monken
Becky Ableman
Steve Edin, MPA

2015 Adopted Annual Budget

Table of Contents

BUDGET IN BRIEF

Budget Message	3
Budget Ordinance	6
Budget Process	8
Budget Calendar	10

ADOPTED BUDGET

Revenue Summary	11
Expenditure Summary	15
Budgeted Requests by Department	17
Organizational Chart	19

<u>ADDITIONAL ADOPTED BUDGET DETAIL</u>	20
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October 31, 2014

Honorable Council President Kim Daughtry and City Council members of the City of Lake Stevens, Washington

I am pleased to present you with the 2015 Preliminary Budget for the City of Lake Stevens. The 2015 Preliminary Budget is balanced and represents our continued commitment to provide prudent fiscal management, exceptional service delivery, and the highest quality of life for our citizens.

I would also like to remind you that the annual City Budget is the Council's primary tool for policy-making. It defines the levels of services, programs and projects that you would like to fund during the coming year.

2015 HIGHLIGHTS

Preparing a balanced budget for 2015 continued to be a challenging process due to the sluggish recovery of the economy and government mandated expenditures. Our duty is to manage these expenses wisely, within the resources made available under our state's municipal financing system. Despite these ongoing fiscal challenges and an increasing demand on our tax base, the City remains economically viable, thanks in part to the focus on the multiyear forecasting. This allows the City to build and refine its financial projections for 2015 and beyond.

The Preliminary 2015 Budget includes an estimated increase in revenues in all funds of 2% from the 2014 Budget. The Preliminary 2015 budget includes a 16% increase in expenditures in all funds to \$18.2 million, which includes increased debt service payments, park acquisition, and capital expenditures.

In this fiscal environment, department requests were limited and prioritized based on necessity. Our priorities this year are to continue to maintain the high quality of services provided by city staff, streamline processes, and continue our focus on economic development. Quality development will provide a path to greater financial stability. The solution to our current financial challenges is to continue to focus on essential expenditures while identifying and promoting economic development opportunities in order to broaden our tax base.

City staff has worked diligently and were able to find budgetary savings through:

- Applying conservative fiscal management consistently, regardless of economic conditions
- Leveraging of City resources through grant funding

- Medical/dental insurance savings due to the City's continued participation in the AWC Wellness program
- Utilizing Volunteers, Interns, Seasonal Parks Workers, and contract services

Additionally, the City has been able to receive and offer assistance to other agencies and take advantage of monetary savings by entering into interlocal agreements and utilizing cooperative purchasing agreements such as:

- Lake Stevens Fire District for IT Services
- Lake Stevens School District for SRO Services
- Lake Stevens School District for Fuel
- Department of Enterprise Services – Cooperative Purchasing
- U.S. General Services Administration – Police Cars and IT Products/Services

Some new projects and purchases included in this 2015 Preliminary Budget are:

- Digital Evidence Software
- North Cove Pier Resurfacing
- Floating Dock Access Ramp Replacement
- Lundeen House Upgrades/Repairs
- Roundabout Art and Landscaping
- Information Technology – Software Upgrades
- Information Technology – Hardware Upgrades/Replacements
- Information Technology – Records Content Management Program
- Law Enforcement Vehicle Replacements
- Administration Vehicle Replacements
- Public Works Asset Management System
- Stand-on Mower
- One Ton Truck with Dump and Plow
- Compact Excavator and Compactor
- Install Water Service at Decant Facility

Additionally, various projects and programs span multiple years or are funded on ongoing bases such as computer replacements, street overlays, sidewalk repairs, crosswalk safety, tree safety, and milfoil and alum treatments of the lake. These expenditure requests have also been evaluated and included in this 2015 Preliminary Budget.

My goal and intent with regard to organizational structure is to align city staff positions with the Council's long-term goals and strategic plans.

The City is in the process of analyzing staffing needs throughout the Law Enforcement, Public Works, and Planning Departments in order to ensure current resources are being spent on top priority activities and to identify current and future staffing needs. Organization structural changes are likely to occur and require revisions to the budget once completed.

We must create the most efficient and effective organizational structure possible to balance the needs of the community and organization as a whole. Management will continue to review the needs of all city departments in order to achieve and maintain this objective.

CONCLUSION

We are continuing to put a great deal of emphasis on forecasting for the future of the City beyond 2015. We are challenged with increasing demands on our tax base but we are rising to the challenge. This City is well managed and our staff is highly motivated. We will continue to use our greatest talents to put our scarce resources to their best use.

In presenting this information, I welcome any comments, questions, or recommendations to the Budget. It is important to remember that State law requires adoption of a balanced budget. If a majority of the Council wishes to increase expenditures for a certain program, we may also need a corresponding decrease in expenditures in another program. Ultimately, the final outcome of any revisions to this preliminary budget must still be a balanced budget.

I would like to thank the Department Directors who worked diligently to produce their departmental budgets and offered reductions wherever possible. The teamwork from our dedicated staff has contributed significantly to our City's healthy and stable finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Vern Little", with a stylized, flowing script.

Vern Little, Mayor

CITY OF LAKE STEVENS
LAKE STEVENS, WASHINGTON

ORDINANCE NO. 925

AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF LAKE STEVENS,
WASHINGTON, FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2015

WHEREAS, the Mayor of the City of Lake Stevens, Washington completed and placed on file with the City Clerk a Adopted budget and estimate of the amount of the moneys required to meet the public expenses including salaries and benefits of City employees, bond retirement and interest, reserve funds and expenses of government of said City for the fiscal year ending December 31, 2015, and a notice was published that the Council of said City would meet for the purpose of making a budget for said fiscal year and giving taxpayers within the limits of said City an opportunity to be heard upon said budget, and

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

WHEREAS, notices were published in the official newspaper of the City, that the Council of said City would meet on the 10th day of November and the 24th day of November, 2014, at the hour of 7:00 P.M., at the City Council Chambers in the Lake Stevens School District Educational Service Center of said City for the purpose of receiving public testimony in a public hearing as to the matter of said Adopted budget; and

WHEREAS, the said City Council did meet at said dates, times, and place and did receive public testimony during a public hearing as to the matter of said Adopted budget; and

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

NOW, THEREFORE, the City Council of the City of Lake Stevens do ordain as follows:

Section 1. The budget for the City of Lake Stevens, Washington, for the year 2015 is hereby adopted in its final form and content as set forth in the document entitled City of Lake Stevens 2015 Annual Budget, 1 copy of which is on file in the Office of the Clerk.

Section 2. Totals for all such funds combined, for the year 2015 are set forth in summary form below, and are hereby appropriated for expenditure during the year 2015 as set forth below:

Fund #	Fund Name	Estimated Beg. Bal.	Resources	Expenditures	End. Bal.
001	General	\$ 6,877,194	\$ 9,225,643	\$ 9,428,765	\$ 6,674,072
002	Contingency Reserve	\$ 2,602,192	\$ 803,100	\$ 8,050	\$ 3,397,242
101	Street	\$ 3,417,511	\$ 2,155,451	\$ 2,132,956	\$ 3,440,006
103	Street Reserve	\$ 1,524	\$ 2	\$ -	\$ 1,526
111	Drug Seizure & Forfeiture	\$ 31,091	\$ 2,205	\$ 200	\$ 33,096
112	Municipal Arts Fund	\$ 1,323	\$ 20,120	\$ 21,443	\$ -
206	Police Station LTGO 2004	\$ -	\$ 102,532	\$ 102,532	\$ -
210	2008 Bonds	\$ -	\$ 351,424	\$ 351,424	\$ -
212	2010 LTGO Bonds	\$ -	\$ 539,539	\$ 539,539	\$ -
301	Cap. Proj.-Dev. Contrib.	\$ 3,627,182	\$ 314,500	\$ 190,388	\$ 3,751,294
303	Cap. Imp.-REET	\$ 941,185	\$ 402,640	\$ 811,002	\$ 532,823
304	Cap. Improvements	\$ 1,970,482	\$ 401,000	\$ 74,164	\$ 2,297,318
305	Downtown Redevelopment	\$ 1,640	\$ -	\$ 1,640	\$ -
309	Sidewalk Capital Project	\$ 507,540	\$ 500	\$ 223,000	\$ 285,040
401	Sewer	\$ 268,834	\$ 1,387,691	\$ 1,388,226	\$ 268,299
410	Storm and Surface Water	\$ 1,616,472	\$ 1,544,743	\$ 1,501,015	\$ 1,660,200
501	Unemployment	\$ 107,743	\$ -	\$ 30,000	\$ 77,743
510	Equipment Fund	\$ 89,544	\$ 272,317	\$ 297,483	\$ 64,378
520	Equipment Fund-Police	\$ 252,604	\$ 208,400	\$ 120,000	\$ 341,004
530	Equipment Fund-PW	\$ 221,352	\$ 156,225	\$ 215,400	\$ 162,177
540	Aerator Equipment Repl.	\$ 109,159	\$ 10,175	\$ -	\$ 119,334
621	Refundable Deposits	\$ 19,036	\$ 50,000	\$ 69,036	\$ -
<u>633</u>	<u>Treasurer's Trust</u>	<u>\$ 6,957</u>	<u>\$ 200,000</u>	<u>\$ 206,957</u>	<u>\$ -</u>
	Total	\$ 22,670,565	\$ 18,148,207	\$ 17,713,220	\$ 23,105,552

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

Section 4. A summary of this ordinance consisting of the title shall be published in the official City newspaper. This ordinance shall take effect and be in full force five (5) days after publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LAKE STEVENS this ____ day of _____, 2014.

Vern Little, Mayor

About the Budget and the Budget Process

The budget is a requirement of State law and constitutes the legal authority for expenditures. Although the City's budget document includes line item detail, the City's budget ordinance is Adopted at the fund level so expenditures may not legally exceed appropriations at the fund level of detail.

The budget includes the financial planning and legal authority to obligate public funds. Additionally, the budget provides significant policy direction from the City Council to the Mayor, City staff and the community. As a result, the City Council, Mayor, staff, and public are involved in establishing the budget for the City of Lake Stevens.

The budget process affords both an interesting and challenging opportunity to reassess plans or legislative policies and the means for accomplishing them. It's through this effort that the budget becomes the single most important policy document produced each year.

Budgetary Functions:

A Policy Document

The budget functions as a policy document in that the decisions made within the budget are designed to "reflect the Major Themes & Policies that guide the actions taken for the future." As a policy document, the budget makes specific attempts to link desired themes and policy direction to the actual day-to-day activities of the City staff.

An Operational Tool

The budget details all of the operations of the City. Activities of each City function and organization have been planned, debated, formalized, and described in the following sections. This process will help to maintain an understanding of the various operations of the City and how they relate to each other and to the attainment of the Major Themes & Policy issues of the City Council.

A Link with the General Public

The budget provides a unique opportunity to allow and encourage public review of City operations. The budget describes the activities of the City, the reason or cause for those activities, future implications, and the direct relationship to the citizenry.

A Legally Required Financial Planning Tool

The budget is a financial planning tool, which has been its most traditional use. In this light, the budget is a State law requirement of all cities, as stated in Title 35A RCW. The budget must be a balanced budget and must be in place prior to the expenditure of any City funds. The budget is the legal authority to expend public monies and controls those expenditures by limiting the amount of the appropriation at the fund level. The revenues of the City are estimated, along with available cash carry-forward, to indicate funds available. The staff's requests for appropriations comprise the disbursement side of the preliminary budget.

Budgetary Process:

The Budget process for the City of Lake Stevens is, in some respects, an on-going, year-round activity. The formal budget planning begins in the summer, with discussions between the Mayor, City Administrator, departments, and the City Council about status of on-going programs, and new policies and objectives for the future which result from the legislative retreat and priority setting process.

The budget and its policies are implemented through the individual departments and the accounting controls of the Finance Department. The budget is monitored by a reporting system consisting of monthly reports to the department heads. Financial reports are issued by the Finance Department which compares actual expenditures and revenues with the budget. In these reports, financial data is presented at the same level of detail as the final budget document. Financial reports are reported to the City Council in summary on a quarterly basis.

Budget preparation actually begins in late spring and early summer with the completion and Council's subsequent review of the six-year financial forecast. Then typically in August, the budget process kicks off with the budget call letter which requests all department heads to complete their departmental expenditure requests.

The City's budget and accounting structure uses funds as a means to collect and record all the revenues and expenditures associated with different departments, areas of service, grants, and other projects. There are three primary funds utilized to track a majority of the City's activities. The first is the General Fund which is responsible for a majority of all departments and general operations of the City. The second fund is the Street Fund which supports a variety of activities associated with building, maintaining, and planning for the City's transportation network. The third fund is the Storm and Surface Water Fund which provides maintenance and operations of the City's storm drainage system and lake restoration efforts.

Preliminary Budget

In September the budget is ready for the Mayor and City Administrator's review. The preliminary budget is prepared and available for City Council and citizen review in November. The Council holds formal hearings on the preliminary budget and conducts a series of workshops to examine the budget in detail during October and November. Final action on the budget usually occurs in late November or early December.

Final Budget

The final budget is issued as a formal published document in the same format as the preliminary budget, but as modified by the City Council. The actual appropriations implementing and amending the budget are contained in the budget ordinance by the City Council.

Amending the Budget

The budget can be amended at anytime during the budget year. If the amendment consists of just the movement or adjustment of budget within a single fund without increasing or decreasing the budget grand total for that fund, it may be adjusted with just administrative approval. However if the amendment changes the grand total for that fund or creates or deletes a fund, the amendment must be approved by the city council in the form a budget amendment ordinance.

City of Lake Stevens 2015 Budget Calendar

Budget Instructions to Department Heads (deadline 9/8/2014)	August 1, 2014
Budget Revenue & Expenditure Estimates Filed w/City Clerk (deadline 9/22/2013)	August 15, 2014
Estimates Presented to City Administrator & Mayor (deadline 10/1/2014)	August 20, 2014
Department Heads Meet w/City Administrator & Mayor	August 25 – September 5, 2014
Budget Subcommittee Meeting	September 15, 2014
Budget Subcommittee Meeting	September 22, 2014
Budget Subcommittee Meeting	September 29, 2014
Estimated Revenues & Preliminary Budget Provided to Legislative Body (deadline 10/6/2014)	October 6, 2014
Council Meeting	October 13, 2014
Council Meeting	October 27, 2014
Notice of Public Hearing (submit 10/22/14)	October 29, 2014
Preliminary Budget and Budget Message Filed w/City Clerk (deadline 10/31/2014)	October 31, 2014
Copies of Preliminary Budget Made Available to the Public (deadline 11/20/2014)	October 31, 2014
Council Workshop	November 3, 2014
Notice of Public Hearing	November 5, 2014
Public Hearing #1 (Property Tax Levy – Nov 28 th)	November 10, 2014
Final Public Hearing and Budget Adoption (Budget adoption deadline 12/31/2014)	November 24, 2014
Final Public Hearing (continuation) and Budget Adoption (if needed)	December 8, 2014

**2015 Adopted Budget
All Funds
Summary of Revenues**

Fund #	Fund Name	2014 Budgeted Revenues	2014 Estimated Revenues	2015 Budget Revenues	% Change (2014 vs. 2015 Budget)	% Change (2014 Est vs. 2015 Budget)
001	General Fund	\$8,293,331	\$8,994,069	\$9,225,643	11%	3%
002	Reserve Fund	\$503,100	\$502,222	\$803,100	60%	60%
101	Street	\$2,226,042	\$2,230,490	\$2,155,451	-3%	-3%
103	Street Reserve	\$3	\$2	\$2	-33%	0%
111	Drug Seizure & Forfeiture	\$22,205	\$5,530	\$2,205	-90%	-60%
112	Municipal Arts Fund	\$2	\$1	\$20,120	>100%	>100%
206	Police Station LTGO 2004	\$105,769	\$105,769	\$102,532	-3%	-3%
210	2008 Bonds	\$359,299	\$359,299	\$351,424	-2%	-2%
212	2010 LTGO Bonds	\$95,613	\$95,613	\$539,539	464%	464%
301	Cap. Proj.-Dev. Contrib.	\$231,900	\$744,896	\$314,500	36%	-58%
303	Cap. Imp.-REET	\$301,000	\$485,315	\$402,640	34%	-17%
304	Cap. Improvements	\$301,000	\$484,780	\$401,000	33%	-17%
305	Downtown Redevelopment	\$2	\$2	\$0	-100%	-100%
309	Sidewalk Capital Project	\$205,550	\$205,223	\$500	-100%	-100%
401	Sewer	\$1,407,294	\$1,406,064	\$1,387,691	-1%	-1%
410	Storm and Surface Water	\$1,434,794	\$1,519,028	\$1,544,743	8%	2%
501	Unemployment	\$8,146	\$6,095	\$0	-100%	-100%
510	Equipment Fund	\$82,317	\$82,317	\$272,317	231%	231%
520	Equipment Fund-Police	\$167,400	\$173,180	\$208,400	24%	20%
530	Equipment Fund-PW	\$52,289	\$52,154	\$156,225	199%	200%
540	Aerator Equipment Replacement	\$8,175	\$8,112	\$10,175	24%	25%
621	Refundable Deposits	\$22,316	\$18,753	\$50,000	124%	167%
633	Treasurer's Trust	\$300,000	\$150,000	\$200,000	-33%	33%
	Total	\$17,347,376	\$18,848,687	\$18,148,207	13%	3%

REVENUE ASSUMPTIONS

GENERAL FUND

The General Fund provides general purpose governmental services to the citizens. The City's General Fund receives a wide variety of revenue. This section of the budget will discuss the assumption affecting the revenue for 2015.

The 2015 Budgeted General Fund revenues of \$9,225,643 are \$231,574 more than estimated to be received in 2014.

Anticipated major revenue sources are: Taxes (80%), Licenses and Permits (7%), Grants & State Remitted Revenue (6%), Charges for Services (4%), Fines and Forfeitures (2%), Miscellaneous Revenues (1%), and Other Sources (0%).

GENERAL FUND REVENUE BY SOURCE

Source	Estimated 2014	% of Total	2015 Budget	% of Total
Taxes	7,120,774	79%	7,425,804	80%
Licenses and Permits	622,877	7%	666,500	7%
Grants & State Shared Revenue	603,132	7%	518,822	6%
Charges For Services	417,415	5%	393,223	4%
Fines And Forfeits	152,506	2%	167,600	2%
Miscellaneous Revenue	68,260	1%	53,294	1%
Non- Revenue	8357	0%	100	0%
Other Financing Sources	747	0%	300	0%
Total Revenue	8,994,068	100%	9,225,643	100%

GENERAL FUND REVENUE ASSUMPTIONS

Property tax receipts in the General Fund are budgeted at \$3,046,238. The allocation remains at 72% to the General Fund and 28% to the Street Fund. Assessed values of property within the City of Lake Stevens has increased approximately 14% over 2014, this allows the City to utilize additional “banked capacity” in 2015 as done in 2014. Banked capacity occurs when a jurisdiction is unable to levy the highest amount allowed due to statutory caps. The City of Lake Stevens fell under this cap during 2012 and 2013 resulting in nearly \$583,000 of lost receipts.

The 2015 levy rate falls below the cap of \$3.60 per \$1,000 of assessed value. This rate is shared with the Lake Stevens Fire District who is able to levy up to \$1.50, and the Sno Isle Library District that is allowed to levy up to \$0.50. When the junior taxing districts levy their entire amount allowed, the City is capped at \$1.60. If they do not levy the entire amount, the City is able to utilize any unused portion. This City’s estimated levy rate for 2015 is \$1.57.

Sales tax receipts are budgeted at \$2,208,000. This is an assumed 1% increase overall. Additionally State Law & Justice receipts correlate with sales tax receipts so a 1% is expected here as well.

Utility taxes are levied on the gross operating revenue that private utilities earn from operations within the boundaries of the City. Electric utility tax will continue to be split 50% General Fund and 50% Street Fund and are anticipated to increase slightly with cost increases. Although building permits are anticipated to increase slightly, zoning & subdivision fees will likely fall due to less available land.

Liquor Excise tax are anticipated to remain fairly consistent. Liquor Board Profits (revenues replacing board profits) are anticipated to remain constant as Cities are to remain “whole”, at the same revenue level as 2011, according to the Liquor Initiative.

NON GENERAL FUND REVENUE ASSUMPTIONS

Street Fund

The Street Fund is allocated 28% of property tax receipts which equates to \$1,184,648 in 2015. Electric utility tax will continue to be split 50% General Fund and 50% Street Fund and are anticipated to increase slightly with cost increases. Additionally, the State of Washington provides a state-collected gasoline tax that is shared with cities. This tax is distributed to the City for the construction, improvement, chip sealing, seal coating and repair of arterial highways and city streets. Receipts are anticipated to remain fairly consistent at \$558,913 in 2015.

Sewer Fund

In June of 2005 the City of Lake Stevens and the Lake Stevens Sewer District entered into an interlocal agreement to allow the Sewer District to be the sole provider of sewer service within the Lake Stevens Community. To set rates and charges for the combined system, the Sewer Utility Committee was formed consisting of members from the City Council and the Sewer District Commission.

The 2015 Budget reflects the fees charged per the operating agreement between the Sewer District and the City for the entire combined sewer utility and will remain unchanged from prior year.

Storm/Surface Water Fund

The City imposes a storm/surface water charge for the maintenance and operation of the storm drainage system. No increases have been budgeted for 2015 and the total receipts are anticipated to remain fairly consistent. Additionally, the City receives contributions from Snohomish County to perform milfoil and alum treatments on the lake. This budget assumes the contribution will remain 11% of the total costs.

The 2015 Adopted Budget includes various Department of Ecology Grants. These include a Capacity grant, a Milfoil grant that continues through June 2015, and a Low Impact Development (LID) grant that has been extended through June 2015 as well.

MISCELLANEOUS REVENUES

Real Estate Excise Tax

This tax is imposed on sales of real property within the City upon transfer of title. One $\frac{1}{4}$ of one percent of the selling prices is paid to the City. By local option, an additional one $\frac{1}{4}$ of one percent is also levied by the City. This revenue is restricted by law to be spent on specific capital projects.

Impact Fees

Mitigation impact fees are assessed to developers when properties are developed. Impact fees are assessed for such things as traffic and parks. The fees are held until a project is started that matches the purpose of the contributed funds and are then used to help fund that project.

The City recently transitioned to Growth Management Act (GMA) based planning for traffic mitigation including creating three distinct traffic impact zones (TIZ). The TIZ's in the two subarea plans were combined to allow the funds collected to be utilized within the two subarea plans. This will allow for simplified project budgeting for developers as well as increased accessibility of funds for infrastructure related capital projects.

Issuance of Debt Proceeds

One method of funding large projects or purchases is by issuing debt. The City has developed a central Civic Center "Mainstreet" plan. In order to accomplish this plan, certain properties must be purchased. Some of the properties were purchased in 1995, 1996, and 2008. The 2015 Budget reflects the debt service

payments for these properties. These councilmanic bonds were issued to finance major sewer projects as well as repayment of interfund loans for the purchase of this property. The term general obligation debt means that bonds or some other type of debt instrument are authorized by the Council, and are paid from general revenues already established and collected, not an additional levy of property tax.

The remaining amount of the 1997 bonds was refunded into the 2008 series A bonds. The issuance of the 2008 bonds includes a portion of the 1997 bonds that is reimbursed by the Sewer District. The additional issuance is backed by the general revenues of the City but will be paid from real estate excise revenues and sewer rates and charges.

In 2010, the 2008 series B bonds were refunded into the 2010 series B bonds, the principle of which will come due in 2015. The remainder of the 2010 bond, or series A bonds, were used for the purchase of the City Shop. The additional issuance is backed by the general revenues of the City but will be paid from real estate excise revenues.

In 2002, the City received a \$1,692,900 Public Works Trust Fund Loan to construct sewer projects within the City limits. Currently, \$1,626,040 of this loan has been drawn upon. Following the transfer of the sewer utility to the Sewer District, the associated debt service is reimbursed to the City by the Sewer District.

The City issued \$1,340,000 in 2004 for the construction of a new Police Station to replace the old house the department was previously located in. This debt service is being paid from real estate excise tax collections.

In 2005, the City received a \$1,000,000 Public Works Trust Fund Loan to construct the Sunnyside Waste Water Treatment Facility within the City limits. Following the transfer of the sewer utility to the Sewer District, the associated debt service is reimbursed to the City by the Sewer District.

In 2006, the City received an additional \$7,000,000 Public Works Trust Fund Loan for the construction of the Sunnyside Waste Water Treatment Facility. The debt service related to this loan is reimbursed to the City by the Sewer District.

In 2008, the City received an additional \$10,000,000 Public Works Trust Fund Loan for the construction of the Sunnyside Waste Water Treatment Facility. The debt service related to this loan is reimbursed to the City by the Sewer District.

In 2010, the City received an 80,300 Public Works Trust Fund Loan for the emergency repair of the 36th Street Bridge. Only \$12,045 of this loan was drawn upon prior to closing. The debt service related to this loan is paid by the Street Fund.

**2015 Adopted Budget
All Funds
Summary of Expenditures**

Fund #	Fund Name	2014 Budgeted Expenditure	2014 Estimated Expenditure	2015 Budget Expenditure	% Change (2014 Budget vs. 2015 Budget)	% Change (2014 Est. vs. 2015 Budget)
001	General Fund	\$8,610,767	\$8,435,775	\$9,428,765	9%	19%
002	Reserve Fund	\$8,050	\$0	\$8,050	0%	>100%
101	Street	\$1,899,969	\$1,692,597	\$2,132,956	12%	35%
103	Street Reserve	\$0	\$0	\$0	0%	0%
111	Drug Seizure & Forfeiture	\$7,800	\$2,031	\$200	-97%	-90%
112	Municipal Arts Fund	\$0	\$0	\$21,443	0%	>100%
206	Police Station LTGO 2004	\$105,769	\$105,769	\$102,532	-3%	-3%
210	2008 Bonds	\$359,299	\$359,299	\$351,424	-2%	-2%
212	2010 LTGO Bonds	\$95,613	\$95,613	\$539,539	464%	464%
301	Cap. Proj.-Dev. Contrib.	\$2,000	\$2,000	\$190,388	9419%	9419%
303	Cap. Imp.-REET	\$374,668	\$374,668	\$811,002	116%	116%
304	Cap. Improvements	\$123,696	\$74,515	\$74,164	-40%	0%
305	Downtown Redevelopment	\$0	\$0	\$1,640	0%	>100%
309	Sidewalk Capital Project	\$0	\$0	\$223,000	0%	>100%
401	Sewer	\$1,432,564	\$1,431,624	\$1,388,226	-3%	-3%
406	Sewer Reserve	\$200,814	\$200,758	\$0	-100%	-100%
410	Storm and Surface Water	\$1,327,594	\$1,177,447	\$1,501,015	13%	27%
501	Unemployment	\$24,000	\$0	\$30,000	25%	>100%
510	Equipment Fund	\$89,398	\$88,729	\$297,483	233%	235%
520	Equipment Fund-Police	\$141,700	\$141,747	\$120,000	-15%	-15%
530	Equipment Fund-PW	\$114,800	\$103,260	\$215,400	88%	109%
540	Aerator Equipment Replacement	\$0	\$0	\$0	0%	0%
621	Refundable Deposits	\$36,049	\$13,450	\$69,036	92%	413%
633	Treasurer's Trust	\$306,957	\$150,000	\$206,957	-33%	38%
	Total	\$16,448,106	\$15,635,881	\$17,713,220	16%	28%

2015 Expenditure Assumptions

In order to continue to meet governmental mandates and also provide essential services conservative fiscal management is applied consistently, regardless of economic conditions.

The 2015 Adopted Budget assumes general fund expenditures will increase approximately 19% between 2014 estimated ending expenditures and the 2015 Budget. The City will continue budgeting and saving for future Economic Development. This budget also includes two transfers to the reserve fund for development and infrastructure needs; one is an annual contribution in the amount of \$500,000, the additional \$300,000 is from construction related sales taxes which are considered non-recurring revenues.

The 2015 budget currently includes a cost of living increase of 2% and medical/retirement benefit increases of approximately 5%. Some assumptions may change once all collective bargaining agreements have been settled.

The 2015 Adopted Budget includes two additional positions for a fully commission officer in the Police Department. The Public Works Department will add one Crew Worker I position, and one Crew Worker II position. The Planning Department includes the addition of an Economic Development staff position. The position is expected to aggressively continue toward our economic goals as well as apply for and administer grants and promote tourism.

The budget also incorporates a reorganization of some staffing positions within the Planning & Building Department. One Senior Planner position is eliminated in order to elevate the position to a Lead function and the Building Official position description and salary range will change with the addition of supervisory functions as well.

These recommendations were made based on the results of a staffing analysis performed that evaluated the strengths, weaknesses, and needs of the included departments.

The Street fund budget includes a continuation of the annual overlay paving program in the amount of \$250,000. Additionally, the Public Works Department will be purchasing and integrating asset management software to increase efficiency and ensure proper tracking, maintenance, and replacement of City assets.

Expenditures in the Storm/Surface Water fund include continuing the annual phosphorus treatment (Alum) of the lake anticipated at \$100,000, as well as the annual milfoil eradication plan anticipated at \$45,000. Additional expenditures will continue to be reimbursed by Department of Ecology grants approved for 2015.

Below is a list of requests that have been included in the 2015 Adopted Budget as well as the Organizational Chart.

**City of Lake Stevens
Adopted Budget 2015**

Budget Requests by Fund Included in Budget

Fund	Department	Description	2015 Budget
General	Legislative	Council Retreat – RF 2014	\$5,000
General	Legislative	Tablets for Council Members	\$4,000
General	Legislative	Increase of AWC Conferences/SCC Dinners	\$2,000
General	Clerk	Code Updates	\$7,000
General	Clerk	Office Chairs & File Cabinet	\$1,750
General	Finance	Desktop Printer	\$2,050
General	Police	3 Police Vehicles	\$120,000
General	Police	Taser Replacement	\$36,600
General	Police	Training Travel & Meetings	\$15,000
General	Police	Training	\$10,332
General	Police	1 New MDT	\$5,000
General	Police	Interview Room Audio/Visual	\$5,000
General	Police	Range	\$4,300
General	Police	Binoculars (16)	\$4,000
General	Police	Evidence Software - Digital Evidence	\$3,890
General	Police	Camera Body	\$3,600
General	Police	Carpet Repair	\$3,000
General	Police	Live Scan Annual Maintenance (Fingerprint)	\$1,700
General	Police	Gun Cabinet	\$1,500
General	Police	Bike Helmets	\$1,000
General	Police	Metal Detector	\$1,000
General	Police	Accreditation	\$750
General	Police	2 Office Chairs	\$600
General	Police	Patrol Briefing TV	\$575
General	Police	Firearm Maintenance	\$500
General	Police	Range Targets	\$300
General	Parks	Rowing Dock Access Ramp	\$10,000
General	Parks	North Cove Park Resurfacing - RF 2014	\$8,000
General	Parks	Surfacing Material	\$600
General	Parks	Regulation Signage Upgrade - RF 2014	\$6,000
General	Parks	Grant Match for DFW Sign	\$5,000
General	Community	Senior Center Air Condition	\$6,000
General	Community	Aquafest Contribution	\$1,500
General	Community	Grimm House Roof Repair	\$20,000
General	Community	Library Window Replacement - RF 2014	\$5,000
General	Gen Gov't	Lundeen House Upgrades/Repairs	\$5,000
General	Gen Gov't	Contribution to Aerospace Partnership	\$1,000

Street	Street	Pavement Overlay	\$250,000
Street	Street	PW Asset Management Software	\$15,000
Street	Street	Lundeen Weed Abatement	\$12,000
Street	Street	Event Traffic Control Devices	\$10,000
Street	Street	Under Bridge Inspections	\$6,200
Street	Street	High Resolution Aerial Mapping	\$1,600
Storm	Storm	Alum Treatment of Lake	\$100,000
Storm	Storm	Milfoil Treatment of Lake	\$45,000
Storm	Storm	Water Service for Yard @ Decant Facility	\$20,000
Storm	Storm	PW Asset Management Software	\$15,000
Storm	Storm	High Resolution Aerial Mapping	\$1,600
Capital	Dev Contrib	Park Mitigation Funds	\$190,388
Capital	Sidewalk	Grant Matching	\$220,000
Capital	IT - 510	Records/Content Management	\$150,000
Capital	IT - 510	Upgrade Servers/Fiber Connection/Service	\$68,798
Capital	IT - 510	Upgrade Facility/Security of Server Room	\$28,800
Capital	IT - 510	PC Replacements (10)	\$12,000
Capital	IT - 510	Police MDT Replacement (1)	\$6,000
Capital	IT - 510	Adobe 11 Pro (Upgrade from 9 Pro)	\$2,400
Capital	IT - 510	Wireless Access Point (City Hall)	\$900
Capital	PW	One ton truck with dump and plow	\$82,000
Capital	PW	Compact Excavator	\$60,000
Capital	PW	2 City Admin Vehicle (\$19K from GF)	\$56,000
Capital	PW	Compactor for Track Hoe	\$10,000
Capital	PW	Stand on mower	\$7,400

Citizens of Lake Stevens

City of Lake Stevens
Organizational Chart
2015

