



2018 ADOPTED BUDGET

ONE COMMUNITY AROUND THE LAKE

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COUNCILMEMBER KURT HILT
COUNCILMEMBER RAUCHEL McDANIEL
COUNCILMEMBER BRETT GAILEY



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CITY OF LAKE STEVENS

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November 1, 2017



Honorable City Council Members:

It is a pleasure to submit to the Council a proposed budget for 2018.

This year has been an exciting year with accomplishments ranging from development of our new temporary City Hall and Movies in the Park to selecting a final design for the Highway 9 and 204 intersection. Our staff have been incredibly successful in completing work that has moved the City from an “in-between” City on Highway 9 to a leader on major local and regional initiatives. When I look back on 2017, I am astounded by the work accomplished and the fresh and invigorating attitude our staff embodies to “get things done”.

The greatest measure of our success is how our citizens and customers feel about the City. I hope you receive the same positive feedback that I do on everything we are doing to make this a great place to live.

Your support for the work we do is fantastic. Without the dedication of each of you and your commitment to make Lake Stevens even better, we would not be in the place we are today. I must also give credit to the volunteers who give time to serve on boards and commissions and service clubs and to those who work on civic projects to make Lake Stevens a uniquely great place to live, work and play.

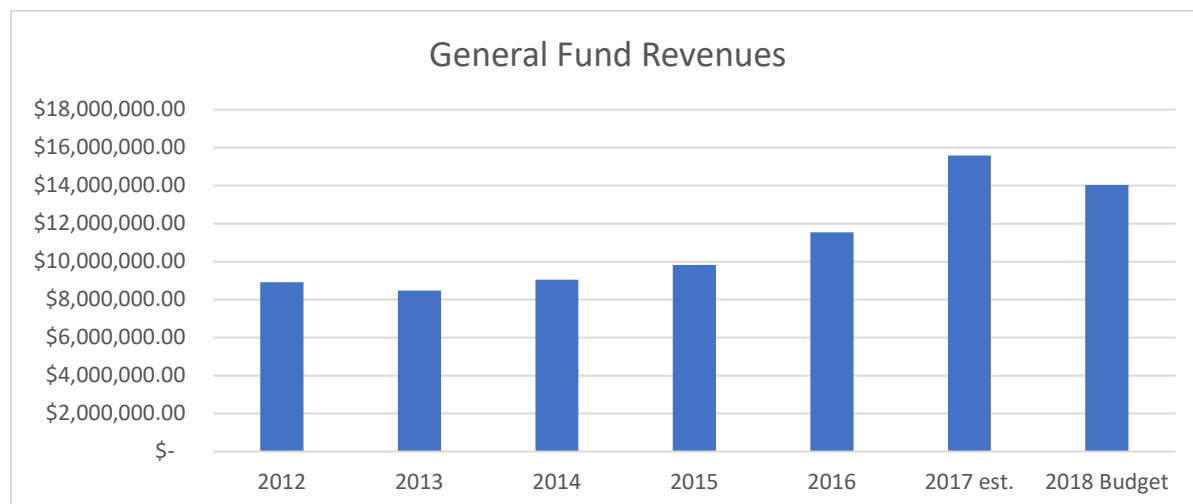
I am very excited about our newest commission, the Veterans Commission. I look forward to engaging more of our veterans and active duty residents in community activities. They are a great resource living right here in our town.

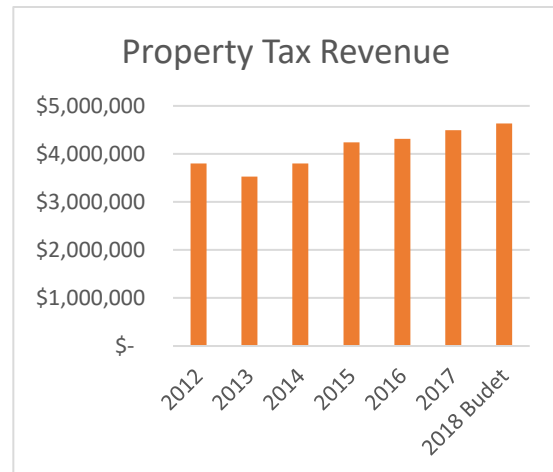
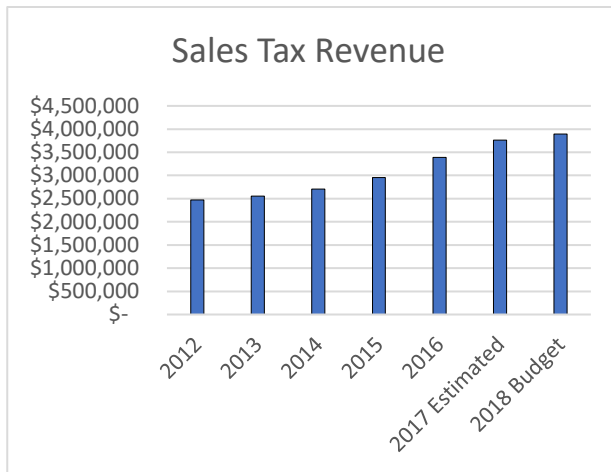
Now for budget:

Revenue

Lake Stevens continues to find itself in a healthy financial condition.

On the revenue front the graphs below illustrates the continuing growth in revenue:





Due to this improvement in revenues, we have taken a less conservative approach in forecasting future revenues. Below are the assumptions we have used for 2018 and to 2024:

- 1.) Property tax increase of 1% year over year.
- 2.) Sales tax increase by 10% through 2019, then decreasing by 1% a year until 2023 then the increase settles on 4%.
- 3.) Other revenues increasing at a steady rate of 1% to 2% each year.
- 4.) A decrease in building permits.
- 5.) No new large retail establishments.
- 6.) Only one year revenue from internet sales tax.

BUDGET IN BRIEF

Our 2018 budget continues priorities established by Council in 2017: (1) improve public safety, (2) invest in infrastructure to encourage economic development, (3) improve parks and build Cavelero Skateboard Park, and (4) revitalize downtown with upgrade of North Cove Park and street improvements.

The Base Operating Budget

The base budget for 2018 includes the following assumptions regarding salaries, benefits and other operating costs, some of which may change based on union contract negotiations:

- 1.) 2.7% cola for non-represented employees (90% of CPI-W).
- 2.) 2% for Teamsters (per contract agreement).
- 3.) Police Guild (not set – in contract negotiations).
- 4.) Benefits increase of 3%.

Major Operating Budget Request

Given the unprecedented growth in our city, we are requesting key staff increases to provide quality services. These are:

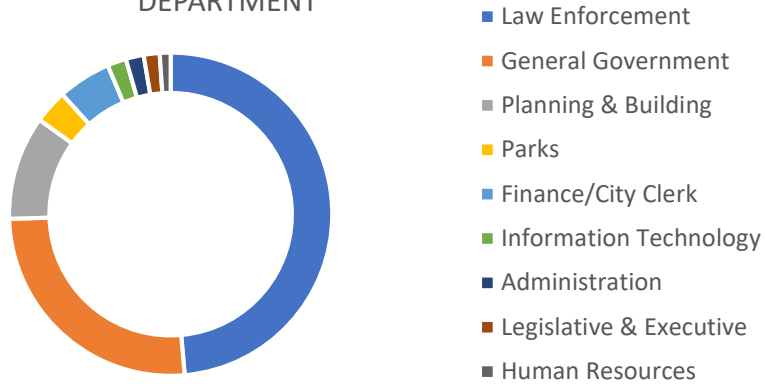
- 1.) Police Department: Two additional officers are requested for the Police Department. These two positions will enable the Department to assure a full complement of officers on all shifts. To-date,

it has been very difficult, without overtime, to maintain each shift's complement of officers due to officers being unavailable due to vacation, sick leave, or training.

- a. Two Patrol Officers: \$215,425
 - b. One police Vehicle: \$49,000
- 2.) Public Works: One full time position is requested to assist in the implementation of significant capital projects, particularly those that involve larger sums of money, longer period of construction and fulfillment of requirements from granting agencies. Four seasonal employees are requested to help meet peak workload. While our current public works staff try to focus on general maintenance of roads and stormwater, a great deal of their time is committed to large in-house projects. With additional seasonal help, we will be able to improve our general maintenance in all areas and cost effectively complete large in-house projects.
- a. Capital Projects Coordinator: \$113,875
 - b. 4 Seasonal Crew Workers: \$72,200
- 3.) Finance: The city's finance department has experienced a significant increase in work load to handle the processing of an ever-increasing load of operating and capital projects and to meet legal requirements for filing and document retrieval under the Freedom of Information Act. To respond to this increased work load we are requesting one additional accountant with ability to support our filing and clerk duties.
- a. Accountant Clerk – AP: \$79,000.
 - b. Reclassify Deputy Clerk to City Clerk: \$8,500.
 - c. Document Scanning/Archiving: \$50,000.
 - d. Electronic Time & Attendance program: \$20,000.
- 4.) Information Technology: Reclassification of IT Specialist to Network Security Analyst is requested in this budget. The city's information technology services have expanded over the last few years requiring more focus on threat assessment and network security. These critical functions of network security have been performed by our IT Specialist with increasing frequency.
- a. Reclassify IT Specialist to Network Security Analyst: \$9,000
- 5.) Planning and Community Development: In 2018, PCD expects workload to continue at a similar pace as 2017 with a greater emphasis on new plats and subdivisions and a decline in the number of residential building permits and a slight increase in commercial development resulting from our push to encourage economic development in Lake Stevens. The planning division will also undertake a significant review of the City's comprehensive plan with a focus on growth management and density in relationship to infrastructure conditions. This comprehensive plan will be coordinated with the Snohomish County Tomorrow organization that is taking an aggressive approach to the development of the PSRC 2050 plan, which allocates growth within the region. To meet this work-load we are requesting the addition of a Principal Planner. This additional staff position is being done in conjunction with the conversion of an existing full-time position to part-time and will result in a net gain of 0.6 full-time equivalent staff.
- a. Principal Planner: \$118,000.
 - b. Reclassify Assistant Planner to Associate Planner: \$1,200.

The graph below illustrates the expenditure percentages for each of our primary functional areas with Law Enforcement and General Government making up the bulk of our general fund expenditure budget. Together they total 75% of the budget.

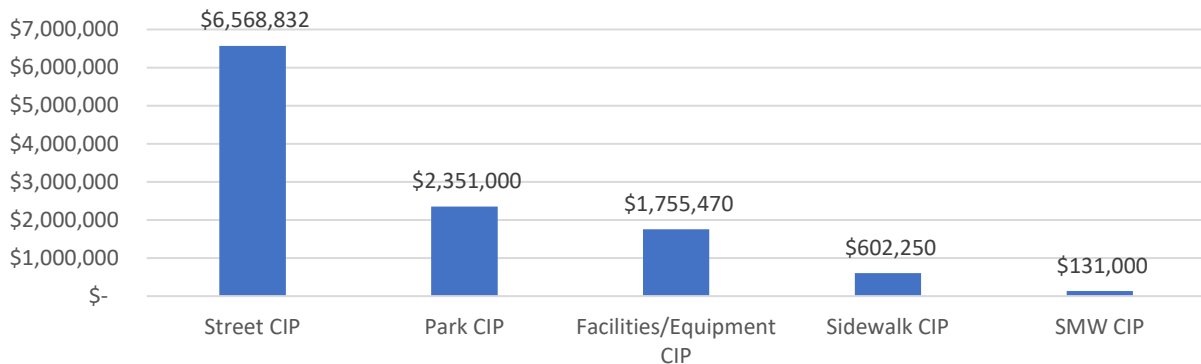
2018 PROPOSED BUDGET: GENERAL FUND EXPENDITURES BY DEPARTMENT



Major Capital Requests

Our capital requests continue the initiatives begun in 2017: improve transportation, develop our parks, develop our downtown area and North Cove Park, build a new Police Department Headquarters and new City Hall. There are many other capital items requested and listed in the full budget document.

CAPITAL EXPENDITURES 2018 PROPOSED BUDGET



Parks

This 2018 budget provides for a major upgrade to Lundeen Park by adding funds to complete a full irrigation system, re-contour parts of the park that flood during wet weather and to upgrade the children's playground. There is also funding set aside for development of the newly acquired park at Frontier Heights as well as funding for the City's share of Cavelero Park. Staff will be pursuing grant funds for the development of Frontier Heights to match the City's contribution. In addition to the City's financial contribution to Cavelero Park, we will be using our street fund to extend 79th Ave. SE across 20th Street SE to the entrance to the park. Overall, the City will be investing approximately \$1,412,000 in the initial development of Cavelero Park.

We have set aside \$850,000 in 2018 for downtown Main Street and North Cove Park development in anticipation of passage of the state capital budget providing approximately \$3.0M for Lake Stevens. We do not anticipate a matching requirement for these funds, but do want to move forward in a significant way once approved.

In addition to the major park improvements of Lundeen, Cavelero, and North Cove Parks, the City will continue improvements to Eagle Ridge Park, the 20th St Ball Field, and the newly acquired Frontier Heights Park. Remaining budget from 2017 will roll forward and be utilized in 2018.

We have also reserved \$1.0M for the Williams property acquisition, which was initiated this year.

Transportation

Highway 9 and 204: WSDOT continues to move forward with the preferred design of the SR9/SR204 Interchange. The City was approved a grant for design of interchange improvements at SR9 and 4th in relation to the SR9/204 interchange and will continue to work with WSDOT how to best utilize those funds.

Village Way: 4th Street NE to Frontier: To improve connectivity with Frontier Village, the City will construct a southern entrance which will connect to 4th St. NE through City-owned property. The cost is expected to be \$500K and will include the new road, sidewalk, and likely open recreation space.

91st Avenue NE and Market Street Roundabout: The City was awarded a \$752,800 innovative grant for the construction of a compact urban RAB at 91st and Market. The preferred design for the SR9/204 interchange includes improvements at SR9 and Market which will impact the efficacy of the roundabout at 91st and Market. WSDOT is currently performing traffic modeling to estimate how the SR9 project will impact the RAB and will inform the City if this project will function appropriately.

20th Street SE Phase 1 Construction: The City has applied for a TIB grant for the construction of 20th Street SE Phase for improvements from 83rd to 91st. The notification of award is due to come out in mid-November, with construction likeliest to take place in the 2019 construction season. The total project cost is \$6.8M of which the City will expend \$1.7M.

Main Street: To enhance the street environment and encourage walking and biking, the City plans to construct pedestrian and bicycle improvements along Main Street. The improvements include approximately 1,325 linear feet of roadway from 20th Street NE to 16th Street NE. Phase I improvements will be from 20th Street NE to 17th Street NE and include enhanced sidewalks, dedicated multi-use paths, enhanced landscaping and other pedestrian amenities.

The City completed 1.16 lane miles of Overlays in 2017. An equivalent amount is estimated for 2018 on 91st Ave SE. The intention for the project is to start at 4th St and move south until the allotted funds of \$400K are expended.

Safe Routes to School: 91st Ave SE and 4th Street SE Safer Routes to School grant – 2017 project continuing into 2018. This project will improve pedestrian connectivity in the vicinity Hillcrest Elementary.

Additionally, \$200,000 has been budgeted in 2018 to initiate a city-wide sidewalk maintenance and repair program.

24th Street SE and 91st Avenue SE: To implement the City's economic development goals from the 20th Street SE Subarea Plan, the City is designing the 24th Street SE and 91st Ave SE road extensions to serve

the largest commercial property in the subarea. Construction of these roads will occur in tandem with the commercial development of these sites.

Police Department

A set aside of \$1.5M is included in the budget for design of a new Police Department. Other major capital for the PD includes 2 car replacements and a new car for two officers requested in the operating budget. Smaller items are listed in the full budget.

Public Works

The public works shop needs to be renovated. The initial conceptual improvements include upgrades to offices, lunch/break room, and the common area where daily meetings occur. The expected budget for these improvements is \$100,000.

The City continues to work collaboratively with other local entities to improve efficiencies and reduce costs. The City's mechanic shop services City vehicles and public works equipment and will be working closely with the Fire Department mechanics to create a cooperative effort to maintain vehicles.

The public works crew needs a forklift and an excavator. Currently, the crew has been renting an excavator to perform larger street and storm work which has become cost prohibitive. Public works has requested \$200K for a new excavator and \$20K for a new forklift to be used at the shop.

Planning and Community Development

Staff has requested funding for various administrative tasks such as title and appraisal services and professional services for additional projects as they arise. Planning and Community Development has also asked for increases in the recreation budget and the Arts Commission budget as the City continues to expand community programs and events. Along with these requests, \$10,000 would be set aside to implement the beautification plan including gateway and directional signs.

Administration

In 2017, implementation of an electronic content management system began. This system will greatly reduce the need for hardcopy record storage and improve record management. The City is continuing to increase efficiencies in the area of document management and has requested budget to scan and archive stored hardcopy documents into electronic format. Funding has also been included to implement an electronic time and attendance system which will allow for more efficient payrolls and further reduce the need for hardcopy documents. To accommodate our advances in these areas, and others, funding has been included in the 2018 budget to upgrade the City's datacenter and recovery solutions.

Other Major Expenditures

This budget contains a \$300,000 set aside for prospective debt service starting in 2019 for council issued bonds for a new police department headquarters. This is based on an estimated \$10M debt. Staff are currently working on the space and facility requirements for a new building and will be seeking a professional architect/engineer to design the building in 2018.

A major budget question remains as to whether a municipal court should be included at the Chapel Hill site or at another location. As part of our design work, staff will provide analysis of both the capital options and operating budget associated with a municipal court complex.

We have not budgeted funding for a new civic center building. Action on this is pending the State Capital Budget approval. However, our first stage development for downtown will be to remove the old city hall, build a plaza in its place to support community activities, begin re-grading of North Cove Park and begin widening of Main Street. We will be seeking grants for pedestrian and bike paths for the downtown plan. A new civic building will be part of a stage II development process yet to be fully developed in concert with local civic groups.

We recommend continuing the practice of depositing \$500,000 per year into a contingency fund for capital projects. This is anticipating significant capital work needed to encourage economic development on 20th Street S.E. There remains a significant need for stormwater detention facilities, roads (particularly 24th street extension) and completion of 20th Street SE improvements to the Trestle that began prior to 2008.

General fund expenditures are well under revenue to the General Fund.

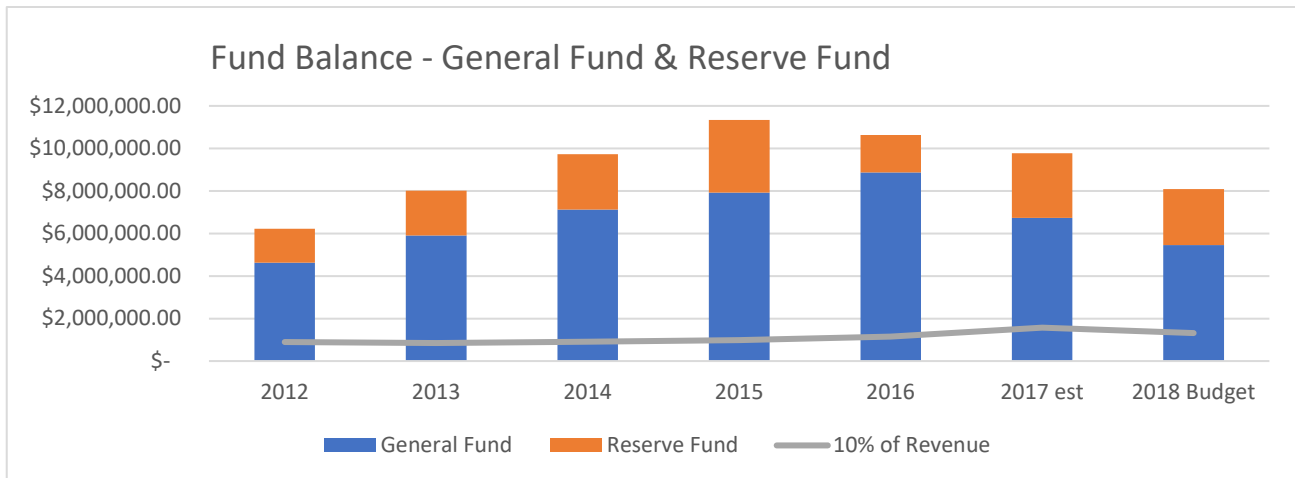
As the table below shows, the City's General Fund has budgeted more operating revenues than operating expenditures, resulting in a net "operating" surplus of more than \$200,000 for 2018.

General Fund before transfers, contributions and "one time" capital	(\$1,292,718)
General "Capital" Reserve Transfer	\$500,000
Contributions to Capital Equipment Replacement Funds	\$299,000
"On-time" Department Capital Requests	\$100,000
Net Including Capital	(\$393,718)
Construction Sales Tax - Budgeted Deposit to General "Capital" Reserve	\$600,000
Net Surplus Without Capital and Direct GF Deposit of Construction Sales Tax	\$206,282

Fund Balance

Maintaining fund balances is a critical part of good fiscal management and protecting the City against major disruptions in providing services. Our current policy is to maintain a minimum balance of 10% of annual revenue in the general fund. As you can see from the chart below; we have maintained this policy and expect to maintain it through the next 6 years.

We do see a decline in balances below the 10% policy when we use the same revenue forecast assumptions out 10 years. While assumptions today are probably not realistic for the next 10 years, this outlook does serve as a warning to maintain constant review of revenue assumptions and long-term commitments.



Policy Choices

Comprehensive Plan Review and Modified/Reduced Housing Densities

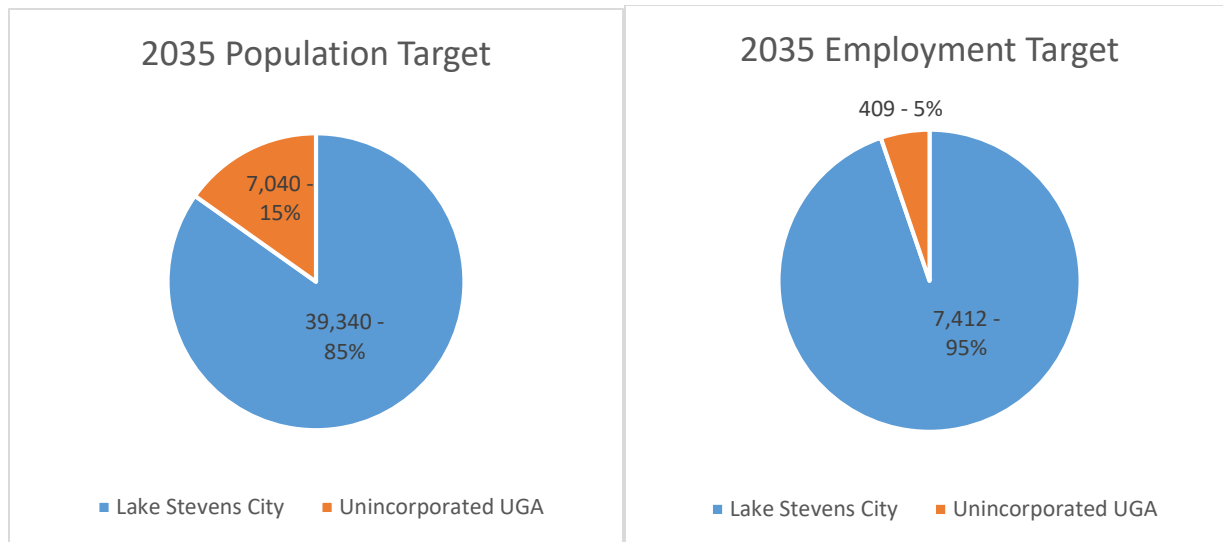
In 2018, we will undertake a significant review of Lake Stevens Comprehensive Plan with a focus on urban densities and infrastructure. This review and update will engage the Council in significant policy choices with respect to housing density, housing supply, affordable housing and housing forms as well as infrastructure priorities and funding.

By way of background; the Snohomish County Growth Monitoring Report indicates the population of the City grew by over 341 percent between 2000 and 2010 adding 21,708 people. Annexation and steady residential development fueled this rapid growth. Since 2010, the City population has continued to grow annually by approximately 3.9 percent. The Puget Sound Regional Council (PSRC) has forecast the region to add another one million people by 2040, of which 200,000 are projected to locate in Snohomish County. Over the next year, the PSRC will be updating its 2040 Plan to 2050 to update transportation and employment center policies, and growth allocations. The current City population allocation is 46,380 including the unincorporated Urban Growth Area (UGA). The job projection is 7,821 jobs also including the UGA. Overall, there is an adequate land capacity to accommodate the adopted 2035 population and employment growth targets but the question remains is there adequate infrastructure to support this growth. Between 2012 and mid-2017 over 1000 single-family dwellings were constructed. Between 2012 and mid-2016, the City has approved 43 new commercial/industrial projects, with roughly half of those approved in 2016. The City has also approved a new elementary school and early learning center off Soper Hill Road and a new shopping center in Lake Stevens Center.

2035 Growth Targets

Concurrent with this update; Snohomish County will be updating its Buildable Lands Report, which is the basis for allocating growth among cities and towns in Snohomish County as well as the County itself.

A review of the City of Lake Stevens Comprehensive Plan is needed to put our City in a leadership role with respect to PSRC Policies, the Buildable Lands Report and to respond to growth allocations under the Growth Management Act. A review and update is also needed to address concerns regarding density and the “urban structure” of our city.



I look forward to working with the Council, Planning Commission, citizens and builders on a review and update to our comprehensive plan and development regulations. My goal is to find an acceptable path through the competing challenges to affordable housing, increasing cost of land and construction, inadequate infrastructure (primarily roads) and a growing population desirous to live in our City for its beauty, recreational opportunities and outstanding schools.

As of 2012, there were approximately 205 acres of buildable lands in the High Urban Residential zoning district. In 2017, this number is closer to 80 acres not including UGA areas. An illustration of the difficult choices ahead is shown in the table below, a very high-level analysis of the effect of reduced densities on mitigation funding for roads, schools, sewers and stormwater facilities. This is just one component of the overall cost and the benefits of lower densities and slowing growth. Lower density may indeed decrease the demand/pressure on our infrastructure.

Model HUR Subdivision								
Acres	Square Feet	Reduction Factor	Net Sq Ft	HUR Current (3600 sq ft)	HUR (4300 sq ft)	HUR (5000 sq ft)	Difference 4300 sq ft	Difference 5000 sq ft
				No. of lots				
10	435,600	25%	326,700	90.75	75.98	65.34	16%	28%

Hypothetical Budget impacts for First Half 2017 w/ increased lot sizes							
	First Half 2017 Permits		First Half 2017 Impact Fees				
	Bld Permits First Half 2017	2017 Revenue	Parks \$2363	Traffic \$2917	School \$6624	Sewer \$8750	Water \$5000
Actual	74	\$212,519	\$174,862	\$215,858	\$490,176	\$647,500	\$370,000
16% Reduction	62.16	\$178,516	\$129,398	\$159,735	\$362,730	\$479,150	\$273,800
28% Reduction	53.28	\$153,014	\$125,901	\$155,418	\$352,927	\$466,200	\$266,400
Difference 16%	\$11.84	\$34,003.04	\$45,464.12	\$56,123.08	\$127,445.76	\$168,350.00	\$96,200.00
Difference 28%	\$20.72	\$59,505.32	\$48,961.36	\$60,440.24	\$137,249.28	\$181,300.00	\$103,600.00

Social Services Funding: Senior Center, Food Bank, Family Center and Health District

Should budget items for Senior Center and Health District be continued? Should the City broaden its role and contribution to Social Services?

The 2017 budget included \$20,000 to assist the Senior Center to make progress toward self-sufficiency. None of this funding was used and has been carried over in the 2018 budget with an additional \$20,000, for a total of \$40,000 in 2018. The goal of this funding is to assist the Senior Center to become self-sufficient.

The 2017 budget included \$31,900 for the Snohomish County Health District. The 2018 budget includes \$31,900 to continue this self-assessment for 2018.

Transportation Benefit District

Should the City establish a Transportation Benefit District for road, trail and sidewalk improvements?

Early in 2017 the Council asked that we consider establishing a Transportation Benefit District (TBD) to address transportation, sidewalk, trails and bikeway inadequacies. This was not done pending outcome of a financial study being done by WSDOT to identify ways and means to fund replacement of the Highway 2 Trestle including the east end intersection with Highway 204 and 20th Street SE. Since this report is due to the Legislature in January of 2018; we recommend that we review the use of a TBD for Lake Stevens. We would initiate this work in the second half of the year pending legislative outcome on trestle funding.

Conclusion

I look forward to working with the Council to adopt a 2018 budget. While there are many choices to be made, we are fortunate to be on sound financial footing to move forward with significant operational and capital programs.

Sincerely,



John Spencer, Mayor

Lake Stevens Vision Statement:

Provide outstanding municipal services to support the physical and social wellbeing of the community of Lake Stevens.

Lake Stevens Mission Statement:

To create a beautiful and functional community by being a caring, committed, and trusted provider of municipal services

Lake Stevens Values:

- **Integrity:** Promoting Honesty and professional ethics
- **Respect:** Caring about customers and employees being trustworthy and openly trust others
- **Service:** Providing excellent service, responsive to customer needs
- **Creativity:** Encouraging entrepreneurial spirit within the organization
- **Partnership:** Creating a team atmosphere both inside and outside the organization.

City of Lake Stevens, Washington City Profile

One Community Around the Lake



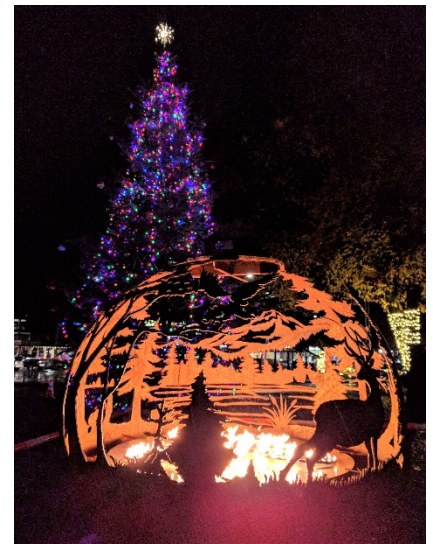
View of Lake Stevens and Mount Pilchuck

Since settling in 1886, Lake Stevens has been home to families who set their sights on pioneering a better way of life for western Washington and beyond. Surrounding one of the region's most coveted recreational lakes, the City of Lake Stevens has emerged as one of the most desirable places in the state to call home.

Just 10 minutes east of Everett, and 34 minutes from downtown Seattle, Lake Stevens is home to hardworking families and retirees. Our growth is outpacing the rest of Snohomish County. In 2017 we had more than 31,000 residents and forecast that by 2035 Lake Stevens will experience 40% growth to exceed a population of 40,000.

Here are some of the reasons people like to call Lake Stevens home:

- NerdWallet ranked Lake Stevens fourth in the Best Small Cities for Families in the Western Region
- Washington State Board of Education Achievement Index shows that Lake Stevens School District consistently outperforms its neighbors
- Lake Stevens is the largest lake in Snohomish County that provides year-round recreational opportunities for our residents and tourists
- Located on the Centennial Trail, Lake Stevens is a gateway destination for cyclists.



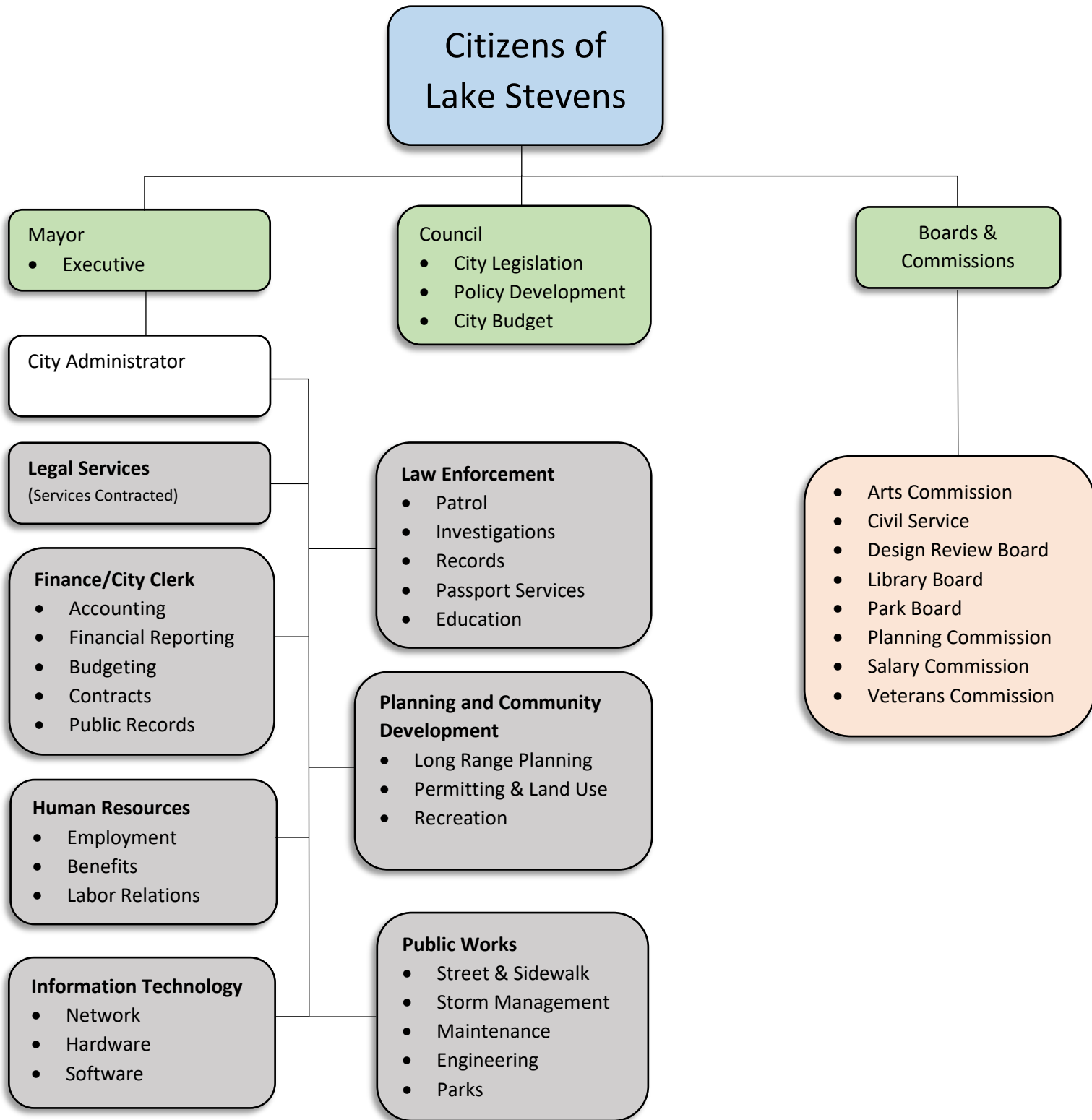
Winterfest 2017

Lake Stevens' government operates under the mayor-council system. The City's motto "One Community Around the Lake" embodies its quality of life, top-ranked school district, and City Council's commitment to providing excellent services and amenities for its citizens.



Community Garden

City of Lake Stevens, Washington
Organization Chart



CITY OF LAKE STEVENS
LAKE STEVENS, WASHINGTON

ORDINANCE NO. 1005

AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF LAKE STEVENS,
WASHINGTON, FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2018

WHEREAS, the Mayor of the City of Lake Stevens, Washington completed and placed on file with the City Clerk a proposed 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, 2018, 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 proposed budget; and

WHEREAS, notices were published in the official newspaper of the City, that the Council of said City would meet on the 14th day of November and the 28th day of November, 2017, 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 proposed 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 proposed budget; and

WHEREAS, the said proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of 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 2018 is hereby adopted, the content which will be set forth in the document entitled City of Lake Stevens 2018 Annual Budget, 1 copy of which will be on file in the Office of the Clerk.

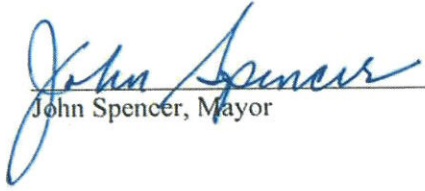
Section 2. Totals for all such funds combined, for the year 2018 are set forth in summary form below, and are hereby appropriated for expenditure during the year 2018 as set forth below:

Fund #	Fund Name	Estimated Bal.	Beg.	Resources	Expenditures	End. Bal.
001	General	\$6,741,522		\$12,919,081	\$14,239,273	\$5,421,329
002	Contingency Reserve	\$3,036,115		\$1,113,843	\$1,508,050	\$2,641,908
101	Street	\$2,175,894		\$2,087,887	\$2,649,013	\$1,614,768
103	Street Reserve	\$1,542		\$11	\$0	\$1,553
111	Drug Seizure & Forfeiture	\$44,308		\$9,316	\$40,000	\$13,624
112	Municipal Arts Fund	\$11,476		\$80	\$0	\$11,556
210	2008 Bonds	\$0		\$349,705	\$349,705	\$0
212	2010 LTGO Bonds	\$0		\$37,082	\$37,082	\$0
213	2015 LTGO Bond	\$0		\$95,955	\$95,955	\$0
301	Cap. Proj.-Dev. Contrib.	\$2,988,506		\$379,720	\$2,530,000	\$838,227
302	Park Mitigation	\$1,898,692		\$350,724	\$1,635,000	\$614,416
303	Cap. Imp.-REET	\$2,255,515		\$612,911	\$328,878	\$2,539,548
304	Cap. Improvements	\$1,838,691		\$620,498	\$965,832	\$1,493,356
309	Sidewalk Capital Project	\$1,101,223		\$473,191	\$602,250	\$972,164
310	20th Street SE Corridor CP	\$0		\$0	\$0	\$0
401	Sewer	\$538,374		\$1,067,650	\$1,090,198	\$515,826
410	Storm and Surface Water	\$1,438,246		\$1,578,826	\$2,053,486	\$963,586
501	Unemployment	\$91,670		\$669	\$30,000	\$62,339
510	Equipment Fund	\$103,812		\$202,932	\$245,786	\$60,958
515	Equipment Fund - Vehicles	\$10,000		\$10,020	\$0	\$20,020
520	Equipment Fund-Police	\$242,731		\$64,620	\$113,540	\$193,812
530	Equipment Fund-PW	\$435,163		\$403,462	\$92,930	\$745,695
540	Aerator Equipment Repl.	\$0		\$0	\$0	\$0
621	Refundable Deposits	\$5,044		\$101,000	\$101,000	\$5,044
633	Treasurer's Trust	\$0		\$201,200	\$201,200	\$0
	Total	\$24,958,523		\$22,680,382	\$28,909,178	\$18,729,727

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.

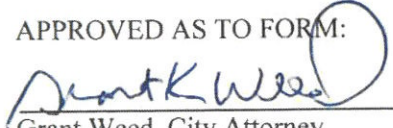
PASSED BY THE CITY COUNCIL OF THE CITY OF LAKE STEVENS this 28th day of November, 2017.


John Spencer, Mayor

ATTEST:


Kathy Pugh, Deputy City Clerk

APPROVED AS TO FORM:

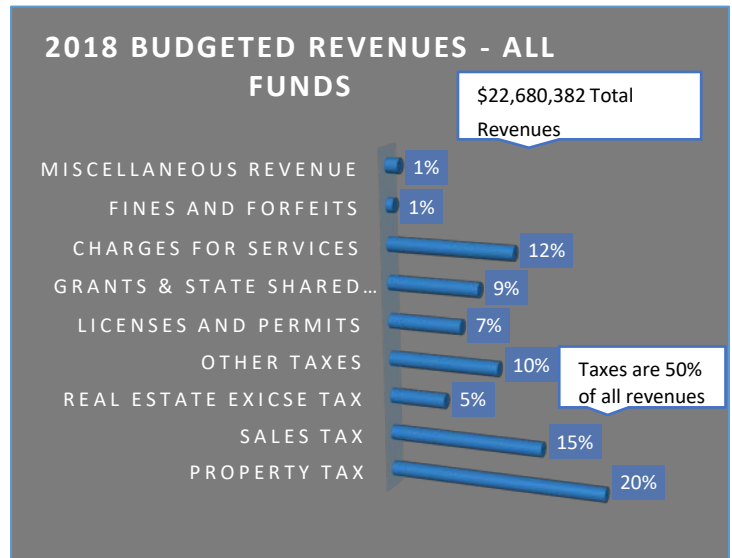

Grant Weed, City Attorney

First Reading: November 14, 2017
Second Reading: November 28, 2017
Final Reading: Nov. 28, 2017
Effective: Dec 6, 2017
Published: Dec. 1, 2017

City of Lake Stevens, Washington 2018 Budget Overview

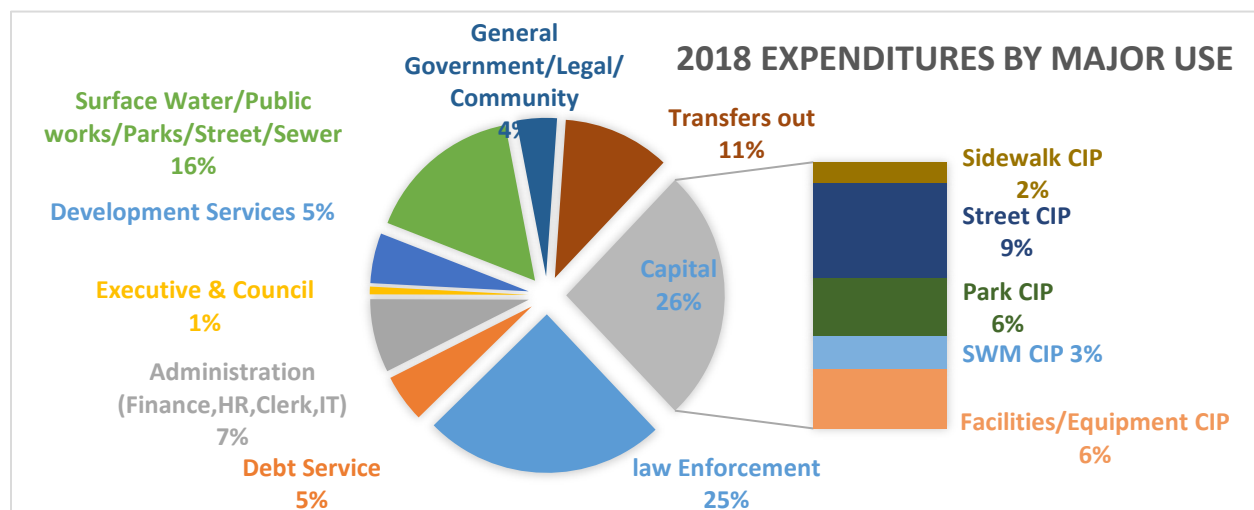
The 2018 Budget includes total budgeted expenditures of \$28.9 million and total budgeted revenues of \$22.7 million. The operating funds of the City of Lake Stevens are the General Fund, Street Fund, and Storm/Surface Water Fund. The City will begin 2018 with a total fund balance of \$28.3 million. Over the past 7 years, the City has been conservative through the hard-economic times and has maintained a healthy fund balance. The City is poised to make some major capital improvements in 2018 and beyond.

The budget includes \$18.2 million in revenues and other financing sources of \$4.5 million. The City's largest source of revenue comes from taxes at \$11.5 million, followed by charges for services. Revenue received for charges for services comes primarily from permit fees, park and traffic impact fees, and surface water assessments. Other financing sources are made up primarily of transfers from other funds, sale of bonds, and the sale of capital assets. This \$4.5 million budgeted other financing sources, includes \$1.5 million for design work on the new police building.



Graph 1: 2018 Budgeted Revenues (excludes transfers)

The budgeted \$28.9 million in expenditures includes transfers of \$3.1 million, and leaves an ending fund balance of \$22.1 million. The General Fund has budgeted expenditures of \$14.2 million while the Street Fund and Storm/Surface Water fund have total budgeted expenditures of \$1.5 million and \$2 million respectfully. A total of \$7.5 million is budgeted for capital projects and equipment replacements. Expenditures for all funds are summarized by major use below.



City of Lake Stevens, Washington
Revenue Summary

**2018 Adopted Budget
All Funds
Summary of Revenues**

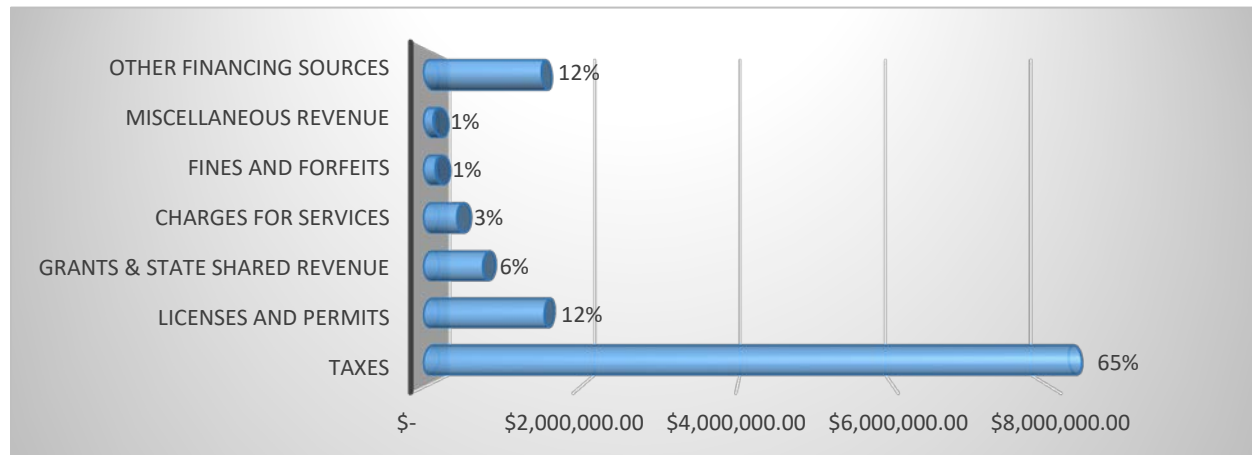
Fund Name	2017 Budgeted Revenues	2017 Actual Revenues	2018 Budgeted Revenues	% Change (2017 Budget vs. 2018 Budget)	% Change (2017 Actual vs. 2018 Budget)
General Fund	\$15,229,923	\$15,144,991	\$12,919,081	-15%	-15%
Reserve Fund	\$807,600	\$1,430,453	\$1,113,843	38%	-22%
Street	\$1,944,773	\$2,037,668	\$2,087,887	7%	2%
Street Reserve	\$5	\$13	\$11	113%	-21%
Drug Seizure & Forfeiture Fund	\$9,120	\$882	\$9,316	2%	956%
Municipal Arts Fund	\$20	\$8,951	\$80	298%	-99%
2008 Bonds	\$354,395	\$354,105	\$349,705	-1%	-1%
2010 LTGO Bonds	\$74,165	\$74,164	\$37,082	-50%	-50%
LTGO Bond 2015	\$93,908	\$93,607	\$95,955	2%	3%
Cap. Proj.-Dev. Contrib.	\$1,111,580	\$674,347	\$379,720	-66%	-44%
Park Mitigation	\$2,872,000	\$2,649,053	\$350,724	-88%	-87%
Cap. Imp.-REET	\$602,500	\$1,031,573	\$612,911	2%	-41%
Cap. Improvements REET 2	\$1,265,700	\$1,039,141	\$620,498	-51%	-40%
Sidewalk Capital Project	\$317,190	\$324,949	\$473,191	49%	46%
Sewer	\$1,336,782	\$1,084,564	\$1,067,650	-20%	-2%
Storm and Surface Water	\$1,533,820	\$1,475,004	\$1,578,826	3%	7%
Unemployment	\$300	\$841	\$669	123%	-20%
Equipment Fund - Computers	\$150,600	\$154,391	\$202,932	35%	31%
Equipment Fund--Vehicles	\$10,000	\$10,020	\$10,020	0%	0%
Equipment Fund-Police	\$196,700	\$200,648	\$64,620	-67%	-68%
Equipment Fund-PW	\$838,200	\$853,530	\$403,462	-52%	-53%
Aerator Equipment Replacement	\$170,143	\$15,213	\$0	-100%	-100%
Refundable Deposits	\$61,000	\$101,639	\$101,000	66%	-1%
Treasurer's Trust	\$201,200	\$225,216	\$201,200	0%	-11%
Total All Funds	\$29,181,624	\$28,984,962	\$22,680,382	-22%	-22%

City of Lake Stevens, Washington Revenue Summary

General Fund Revenue

The General Fund has a beginning fund balance of \$6.7 million, which is more than originally budgeted. The budgeted revenues for 2018 are \$12.9 million as summarized below.

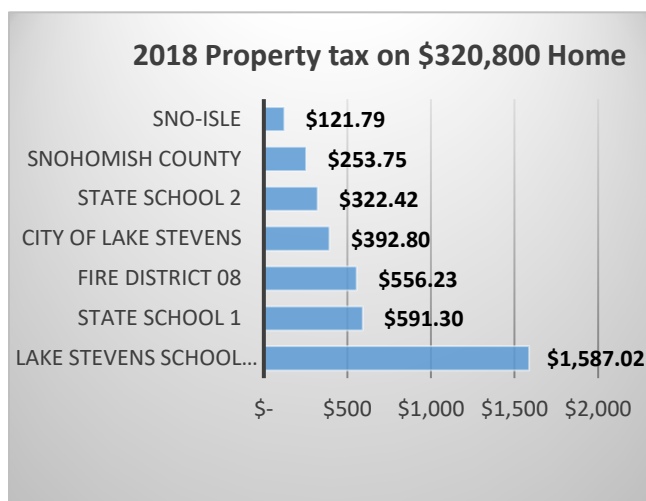
Taxes makes up the bulk of general fund revenues. Taxes are further broken down into property taxes, sales tax, utility tax, and other taxes.



Property Tax:

Total 2018 Property Tax is budgeted at \$4,639,990 with a levy rate of \$1.22 per thousand dollars of assessed valuation. Of the total property tax amount levied, 72% remains in the General Fund, and 28% is receipted into the Street fund. The 2018 General Fund property tax amount is \$3,338,633, making up 26% of total General Fund revenues. The chart below shows how the local property tax rate of \$11.92 per thousand dollars of assessed value is split among various jurisdictions for 2018.

Due to Initiative 747, property taxes are limited to 1% of the prior year levy (highest lawful levy) or CPI whichever is lower. For 2018 the IPD was above 1%.

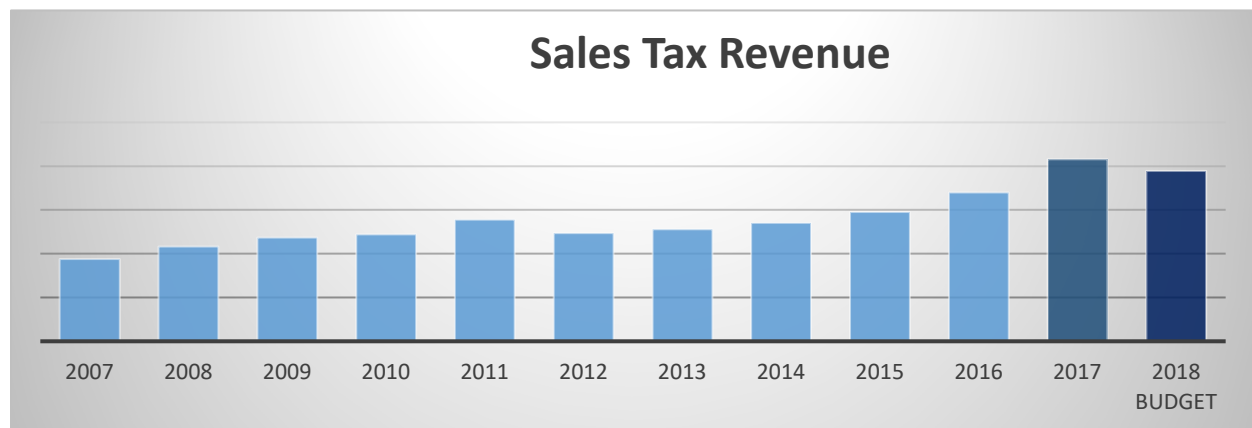


	2017 Levies	2018 Levies
City of Lake Stevens	1.35	1.22
Fire District 08	1.68	1.73
Lake Stevens School District No 04	4.14	4.95
State School 1 & 2	2.03	2.85
Snohomish County	0.88	0.79
Sno-Isle	0.42	0.38
Total	10.49	11.92

Sales Tax

Lake Stevens General Fund is budgeted to collect \$3,291,320 in sales tax revenue. The current sales tax rate in Lake Stevens 8.9%. The City treats sales tax from construction as one time revenue with budgeted amounts of \$600,000 being directly receipted into the Contingency Fund. This amount is a placeholder and will be updated throughout the year based on actual receipts.

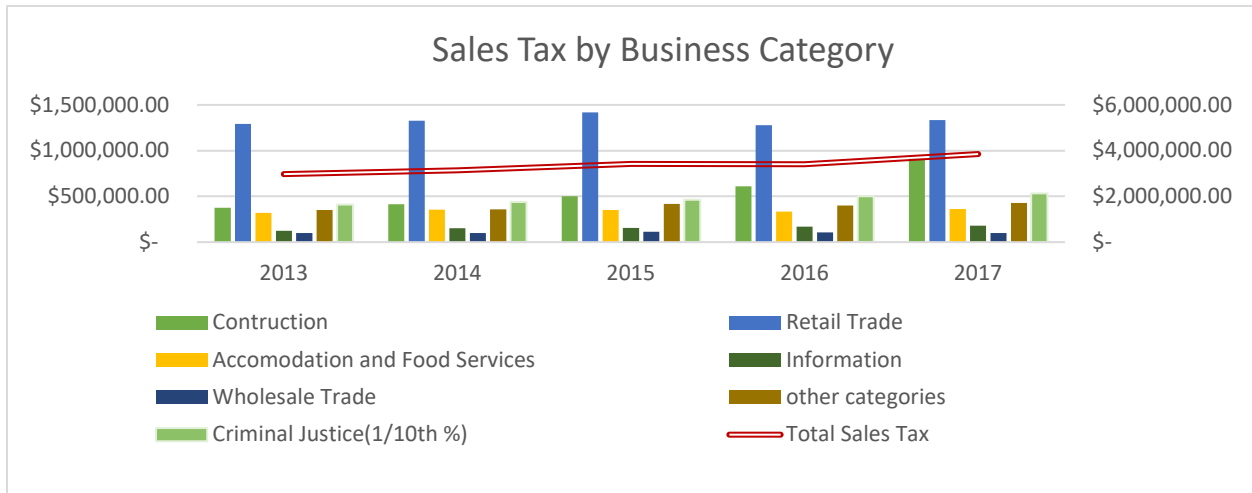
The following chart shows annual sales tax collections for the past 10 years.



Sales tax revenue shown above includes the criminal justice sales tax. In September of 1990, the voters of Snohomish County approved an additional one-tenth of one- percent sales tax effective November 1990. All counties are authorized to levy this tax, subject to repeal by referendum. The revenues from this tax are dedicated exclusively for criminal justice purposes, with an emphasis on drug enforcement and crime prevention.

Sales tax is made up of different categories which help the City get perspective on what segments of business drive sales tax. When a development occurs, we would expect higher amounts of construction related sales tax which help fund capital projects, while retail trade provides a steady base of revenue for operations

City of Lake Stevens, Washington
Revenue Summary - Continued



Utility Tax

Utility taxes are levied on the gross operating revenue that private utilities earn from operations within the boundaries of the City. These utilities include electric, natural gas, and telephone. The City levies a 5 percent rate on electric and natural gas, and a 6 percent rate on telephone. Since utility taxes are levied on gross operating revenue, they have a direct link to population changes. Electric utility tax was split 50% General Fund and 50% Street fund until 2016. The policy decision for 2017 and beyond is to retain 100% of these taxes within the General Fund. The City expects to receive \$1.7 million in utility tax revenue in 2018.

Permits and Licenses

The City issues business licenses to all businesses operating within the City limits. The annual fee for a regular business is \$40. The City is estimating a small decrease in this area.

The City also requires regulatory licenses for the privilege of engaging in certain trades, occupations, and other activities. The businesses and activities governed by the City's regulatory license code are included because of health, safety, or security hazards that might arise if the City does not take an active part in their regulation. The fees for the various regulatory licenses are designed to cover the cost of their administration, inspection and enforcement.

The largest segment of the license and permit revenue is from the issuance of building permits for both residential and commercial construction or remodeling. 2018 building permit revenue is budgeted to increase compared to 2017 actuals.

The following table demonstrates the history and forecast for Licenses and Permits.

City of Lake Stevens, Washington
Revenue Summary - Continued

Year	Business	Building	Animal	Franchise-Cable	Other	Total
2007	\$ 18,467	\$ 704,582	\$ 2,664		\$ -	\$ 725,713
2008	\$ 28,133	\$ 588,800	\$ 3,424		\$ 756	\$ 621,113
2009	\$ 36,208	\$ 769,790	\$ 2,932		\$ 2,189	\$ 811,118
2010	\$ 41,233	\$ 430,854	\$ 4,864		\$ 3,155	\$ 480,107
2011	\$ 43,496	\$ 306,936	\$ 4,280		\$ 5,756	\$ 360,468
2012	\$ 46,714	\$ 710,607	\$ 3,685		\$ 20,763	\$ 781,769
2013	\$ 45,918	\$ 374,039	\$ 3,830		\$ 8,832	\$ 432,618
2014	\$ 48,959	\$ 540,503	\$ 1,840		\$ 10,696	\$ 601,998
2015	\$ 52,460	\$ 698,993	\$ 1,256	\$ 367,671	\$ 11,190	\$ 1,131,570
2016	\$ 54,280	\$ 1,594,885	\$ 1,528	\$ 390,711	\$ 13,074	\$ 2,054,479
2017	\$ 61,280	\$ 827,231	\$ 2,124	\$ 427,278	\$ 13,171	\$ 1,331,084
2018 Budget	\$ 58,934	\$ 1,080,000	\$ 2,000	\$ 390,711	\$ 12,500	\$ 1,544,145

***Cable Franchise Fees moved from Utility Taxes in 2015**

Intergovernmental Revenue

This category is dominated by various state-shared revenues. These revenues are distributed by the state to cities on a per capita basis, including motor vehicle excise tax, liquor tax, liquor profits, and criminal justice. Total intergovernmental revenue is budgeted to be \$759,863 excluding motor vehicle excise tax which is budgeted in the Street Fund.

As previously stated, state-shared revenues are taxes collected by the State of Washington and apportioned on the basis of relative population. As a consequence, the revenue received by the City is affected not only by state-wide growth in the various tax bases, but also by Lake Stevens' share of total population in incorporated areas in the State. Due to the statewide trend toward incorporation, this share of revenue continues to decrease as the revenues are shared among an increasing number of cities. So the expectation is that the growth of these revenues will be minimal.

Charges for Services

This revenue reflects the revenues raised for the City selling goods or providing services. The philosophy behind these revenues is to charge just those people purchasing the goods or requesting the services rather than allocating these costs of goods and services over the City's entire population.

Revenue from charges for services is budgeted at \$430,200. This category of revenue includes passport fees, law enforcement services, zoning and subdivision fees, service ILA's, along with other miscellaneous charges for services.

Fines & Forfeitures

The City anticipates receiving \$154,000 in revenue from fines & forfeitures, largely from traffic infractions.

Miscellaneous

Miscellaneous revenues include various items not associated with the other revenue categories. Revenues in this category include investment interest, facility rentals, donations, and other miscellaneous revenues.

The **Contingency Reserve Fund** is a managerial fund of the General Fund and is budgeted to receive a transfer of \$500,000 and construction related sales tax of \$600,000 per year. This amount is a placeholder and will be updated throughout the year based on actual construction related sales tax receipts. The funds are set aside for capital related projects.

Special Revenue Funds

Special Revenue Funds are used to account for proceeds of taxes or other revenues, which must be used for specific purposes.

The City of Lake Stevens has the following Special Revenue Funds: Street, Drug Seizure & Forfeiture, and Municipal Arts.

The **Street Fund** will receive \$689,393 in State collected gasoline tax. This tax is distributed to the City for the construction, improvement, chip sealing, seal coating and repair of arterial highways and City streets. Gas taxes are distributed monthly, based on population. The Street Fund will also receive 28% of property tax which is \$1,298,357.

The **Drug Seizure Fund** accounts for the proceeds of items forfeited in accordance with RCW 69.50.505. The net proceeds are deposited and receipted in this fund and are expected to be \$9,316.

The **Municipal Arts Fund** receives a percentage allocation from municipal construction projects as well as budgeted contributions from the General Fund and is designated for art purposes. The Fund is estimated to receive \$80 from interest in 2018.

Debt Service Funds

The City has three debt service funds. These funds account for three different General Obligation Bonds which are funded by the general fund, real estate excise tax, and the Lake Stevens Sewer District. The total 2018 debt service of all three bonds will be \$371,266. Total debt service can be seen below. Debt service funds receive revenues as transfers from other funds to pay for the bonds.

Regular Levy (non-voted)	Maturity Date	Interest	Original Issuance	Reedemed to Date (12/31/2017)	Debt Outstanding	2018 Payments
2008A LTGO Bonds - General port	12/1/2028	3%-4.1%	\$ 3,001,447	\$ 1,156,447	\$ 1,845,000	\$ 135,000
2008 LTGO Bonds- Sewer	12/1/2022	3%-4%	\$ 1,508,553	\$ 898,553	\$ 610,000	\$ 115,000
2010A LTGO Bonds	12/1/2018	3.5%-4.5%	\$ 511,000	\$ 474,734	\$ 36,266	\$ 36,266
2015 LTGO Refunding Bonds	12/1/2013	2.04%	\$ 785,000	\$ 248,000	\$ 537,000	\$ 85,000
TOTAL Non-Voted			\$ 5,806,000	\$ 2,777,734	\$ 3,028,266	\$ 371,266
TOTAL GENERAL OBLIGATION DEBT			\$ 5,806,000	\$ 2,777,734	\$ 3,028,266	\$ 371,266

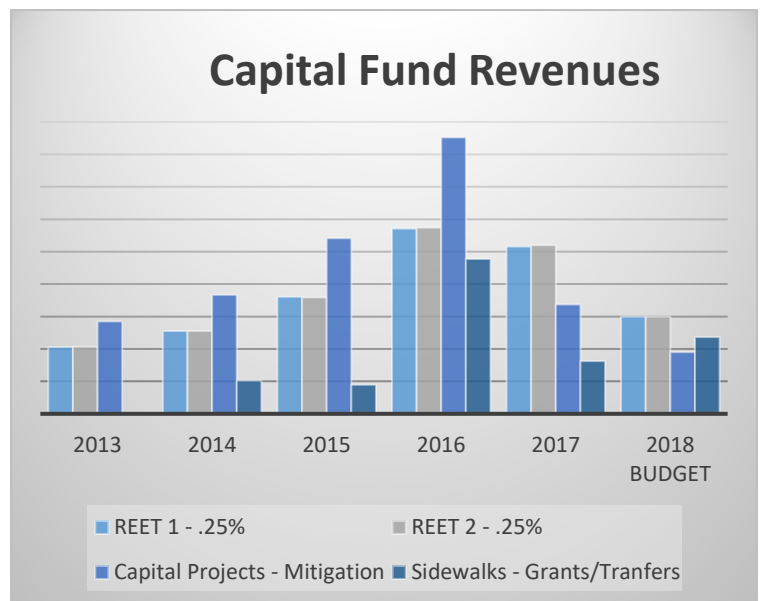
Capital Funds

The City has four Capital Funds. Real Estate Excise tax I, Real Estate Excise tax II, Capital Projects – Developer Contributions, and Sidewalk Capital Projects.

The Real Estate Excise tax funds each receive 0.25% of the selling price of real property in the City. The Real Estate Excise Tax funds have a combined budget of \$1,233,409.

The Capital Projects – Developer Contribution fund receives mitigation fees assessed to developers when properties are developed. Mitigation comes in as traffic mitigation or park mitigation. Total mitigation is expected to be \$379,720.

Sidewalk Capital Projects fund receives revenue from a transfer from the Street Fund and grants. The sidewalk fund will receive \$466,500 in grants for 2018.



Enterprise Funds

The Storm & Surface Water Fund imposes a charge on users for the maintenance and operation of the storm drainage system. No increases have been budgeted for 2018. Additionally, the City receives contributions from Snohomish County to perform milfoil and alum treatments on the lake. Surface water charges are collected by the County and remitted to the City. Budgeted revenues are \$1,578,826.

Internal Service Funds

Internal service funds are designed to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City. The City has six internal service funds: Unemployment, Capital Equipment Computer, Capital Equipment Police, Capital Equipment Public Works, Vehicle Replacement Fund, and Aerator Equipment.

The **Unemployment** Fund provides for the payment of unemployment claims should an ex-employee claim unemployment benefits. The City does not contribute monthly like a private employer would; we contribute only when there is a claim. To protect against any large unexpected claims, money is contributed from the General, Street, Sewer and Storm water funds annually based on previous claim history. This fund has a beginning balance of \$96,253 and is not budgeted to receive any contributions other than investment interest of \$669.

The **Capital Equipment Computer** Fund is for the replacement of computer equipment Citywide. Resources are contributions from participating funds. The fund will receive \$202,932 in contributed capital and interest.

The **Capital Equipment Vehicle** Fund is for the replacement of vehicles for various General Fund departments like planning and administration. Resources are contributions from participating funds. The fund will receive \$10,000 in contributed capital.

The **Capital Equipment Police** Fund provides for the periodic purchase of new police vehicles and vessels. Funds are provided through transfers from the General Fund. The fund will receive \$63,000 from the general fund.

The **Capital Equipment Public Works** Fund provides for the periodic purchase of equipment for the operation of the Public Works Department. Contributions are also received from the Street Fund and Surface Water fund to build and maintain a pool of resources to purchase new equipment or replace equipment. The fund will receive \$400,000 in contributions.

The **Aerator Fund** is set up to maintain the aerator in the lake. The aerator has been removed and the fund will stop receiving contributions.

City of Lake Stevens, Washington
Expenditure Summary

**2018 Adopted Budget
All Funds
Summary of Expenditures**

Fund Name	2017 Budgeted Expenditures	2017 Actual Expenditures	2018 Budgeted Expenditures	% Change (2017 Budget vs 2018 Budget)	% Change (2017 Actual vs 2018 Budget)
General Fund	\$18,474,389	\$17,357,907	\$14,239,273	-23%	-18%
Reserve Fund	\$8,050	\$0	\$1,508,050	18634%	0%
Street	\$3,266,844	\$2,990,920	\$2,649,013	-19%	-11%
Street Reserve	\$0	\$0	\$0	0%	0%
Drug Seizure & Forfeiture Fund	\$40,000	\$3,982	\$40,000	0%	905%
Municipal Arts Fund	\$0	\$0	\$0	0%	0%
2008 Bonds	\$354,395	\$354,105	\$349,705	-1%	-1%
2010 LTGO Bonds	\$74,165	\$74,164	\$37,082	-50%	-50%
LTGO Bond 2015	\$93,908	\$93,607	\$95,955	2%	3%
Cap. Proj.-Dev. Contrib.	\$4,357,000	\$2,796,690	\$2,530,000	-42%	-10%
Park Mitigation	\$771,000	\$74,848	\$1,635,000	112%	2084%
Cap. Imp.-REET	\$1,136,897	\$336,305	\$328,878	-71%	-2%
Cap. Improvements REET 2	\$3,397,915	\$75,211	\$965,832	-72%	1184%
Sidewalk Capital Project	\$19,750	\$0	\$602,250	2949%	0%
20th Street SE Corridor CP	\$0	\$0	\$0	0%	0%
Sewer	\$1,335,295	\$1,082,399	\$1,090,198	-18%	1%
Storm and Surface Water	\$2,248,113	\$1,878,037	\$2,053,486	-9%	9%
Unemployment	\$30,000	\$507	\$30,000	0%	5813%
Equipment Fund - Computers	\$320,000	\$276,150	\$245,786	-23%	-11%
Equipment Fund--Vehicles	\$0	\$0	\$0	0%	0%
Equipment Fund-Police	\$266,100	\$265,484	\$113,540	-57%	-57%
Equipment Fund-PW	\$698,918	\$668,919	\$92,930	-87%	-86%
Aerator Equipment Replacement	\$300,000	\$51,314	\$0	-100%	-100%
Refundable Deposits	\$85,591	\$52,559	\$101,000	18%	92%
Treasurer's Trust	\$215,914	\$237,390	\$201,200	-7%	-15%
Total All Funds	\$37,494,244	\$28,670,498	\$28,909,178	-23%	1%

City of Lake Stevens, Washington Expenditure Summary

Expenditures for all funds are budgeted at \$28.9 million with an ending fund balance of \$22.1 million. The City has three major funds; the General Fund, the Street Fund, and the Storm & Surface Water Fund.

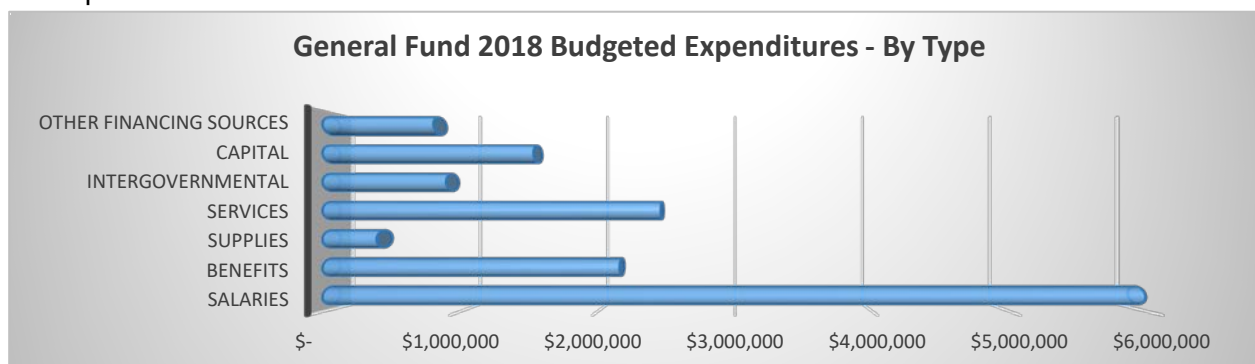
General Fund

The General Fund has \$14.2 million in expenditures budgeted in 2018. The City has 12 departments that make up the General Fund; Legislative & Executive, Administration, City Clerk, Finance, Human Resources, Information Technology, Planning & Community Development, Law Enforcement, Parks, Legal, Community, and General Government.

The table below shows the expenditures by department. As shown, Law Enforcement makes up 49% of the General Fund, while General Government follows with 21%.

Department	2013	2014	2015	2016	2017	2018 Budget	% of 2018 budget
Legislative & Executive	\$ 91,564	\$ 93,779	\$ 150,254	\$ 170,287	\$ 171,292	\$ 224,996	2%
Administration	91,325	128,232	208,777	\$ 195,707	\$ 187,828	\$ 178,424	1%
City Clerk	87,162	102,321	147,008	\$ 158,038	\$ 166,172	\$ 245,037	2%
Finance	214,339	187,698	198,910	\$ 276,519	\$ 424,091	\$ 517,582	4%
Human Resources	70,109	102,724	105,248	\$ 112,261	\$ 151,236	\$ 155,467	1%
Information Technology	165,881	206,423	201,156	\$ 232,419	\$ 276,137	\$ 272,345	2%
Planning & Community Deve	750,692	670,272	798,860	\$ 1,357,037	\$ 1,234,147	\$ 1,476,725	10%
Law Enforcement	4,448,213	4,696,704	5,033,946	\$ 5,523,044	\$ 6,443,207	\$ 6,989,853	49%
Parks	110,548	68,628	104,424	\$ 414,546	\$ 563,897	\$ 444,519	3%
Legal	250,288	323,508	352,801	\$ 437,930	\$ 538,342	\$ 585,586	4%
Community	30,930	46,256	71,170	\$ 53,988	\$ 51,703	\$ 87,435	1%
General Government	965,021	1,169,781	1,642,096	\$ 4,227,296	\$ 7,149,855	\$ 3,061,305	21%
Total	\$ 7,276,072	\$ 7,796,327	\$ 9,014,648	\$ 13,159,073	\$ 17,357,907	\$ 14,239,274	100%

Summarizing General Fund expenditures by type gives a better understanding of what the General Fund pays for. Salaries, benefits and capital expenditures make up 68% of General Fund Expenditures.



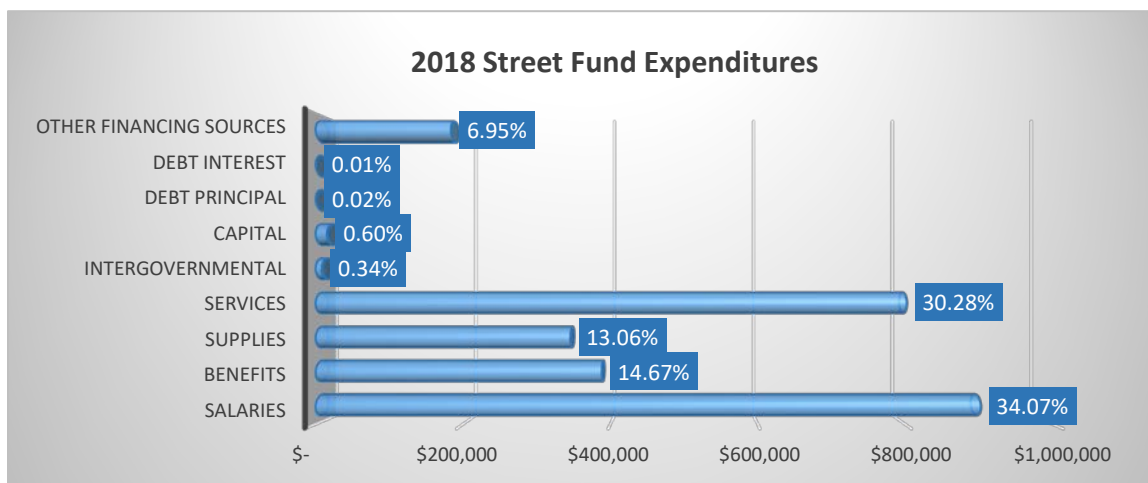
Personnel

The 2018 budget includes a cost of living increase of 2.7% for non-union, 2.0% Public Works Teamsters members, and 2.7% for Police Guild members. New positions and re-classes for 2018 are as follows:

Department	Position
City Clerk - Reclass	City Clerk
Info Technology - Reclass	Network/Security Analyst
Comm Development - Reclass	Associate Planner
Comm Development	Principal Planner/Planning Supervisor
Finance	Accounting/Records Clerk
Law Enforcement	Patrol Officer (Incl Equip)
Law Enforcement	Patrol Officer (Incl Equip)
Public Works	Capital Projects Coordinator
Public Works	(4) Seasonal Worker

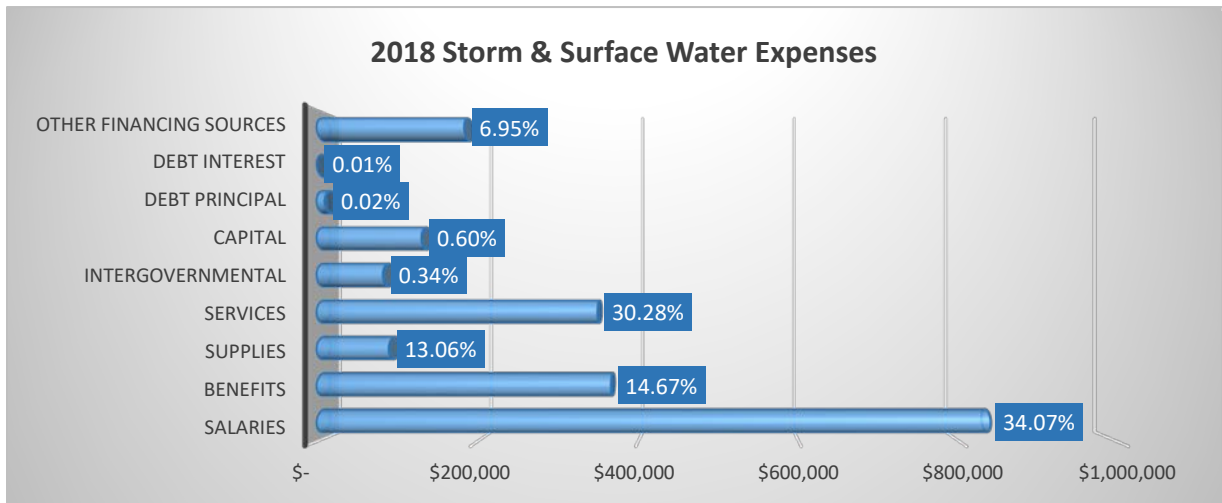
Street Fund

The Street Fund expenditures for 2018 are \$2.6 million. The expenditures cover street maintenance, some street overlays, street lighting, street striping, sidewalk repair, and salaries/benefits. This fund is support by 28% of property taxes as well as the motor vehicle fuel tax. The Street Fund expenditures are summarized below.



Storm & Surface Water Fund

The Storm & Surface Water Fund provides for the maintenance and operation of the City's storm drainage system, lake and stream maintenance. Budgeted expenditures are estimated to be \$2,053,486 summarized below.



Capital Funds

Capital funds include the Sidewalk Fund, Developer Contribution Fund, and Real Estate Excise Tax Funds. Capital projects are mainly funded by State or Federal grants, Real Estate Excise Taxes, and developer mitigation payments. Other funding sources such as the general fund, and the reserve fund can also pay into these projects, including equipment purchases.

Sidewalk Capital Projects

This category includes projects for sidewalks. These projects are primary funded by grants, and transfers from the Street Fund. No transfers from the Street Fund are budgeted for 2018. One Safe Route to School project at 91st and 4th ST SE is budgeted at \$622,000.

Park Capital Projects

Projects in this category are for park capital projects. Funding is received through park mitigation fees in the permitting process. The following projects are slated in 2018 and include roll forward projects.

City of Lake Stevens, Washington
Expenditure Summary - Continued

Project Name	2018 Projects
DT Park Plan & Design	\$ 65,000
Frontier Heights	\$ 186,372
Eagle Ridge	\$ 75,853
Cavelero Park & Basketball/Volleyball Courts	\$ 735,000
Park Property Acquisition	\$ 1,000,000
North Cove Phase 1 (Plaza)	\$ 331,627
Lundeen Restoration (move from GF)	\$ 600,000
Tree Mitigation Expenditures	\$ 58,897
Total	\$ 3,052,749

Capital Projects – Developer Contributions

Projects under this category are for road infrastructure, pedestrian infrastructure, street related capital projects. The City has acquired many grants resulting in \$4.2 million in 2018 budgeted projects and roll forward projects.

Project Name	2018 Projects
Street Op -20th Street P&D	\$ 710,646
20th Street Construction	\$ 1,680,000
TIZ3 - 24th & 91st St Design	\$ 590,510
Callow Road Improvements	\$ 645,000
Main Street - Phase 1	\$ 550,000
24th street &91st T-11	\$ 50,000
Total	\$ 4,226,156

Real Estate Excise Tax Funds

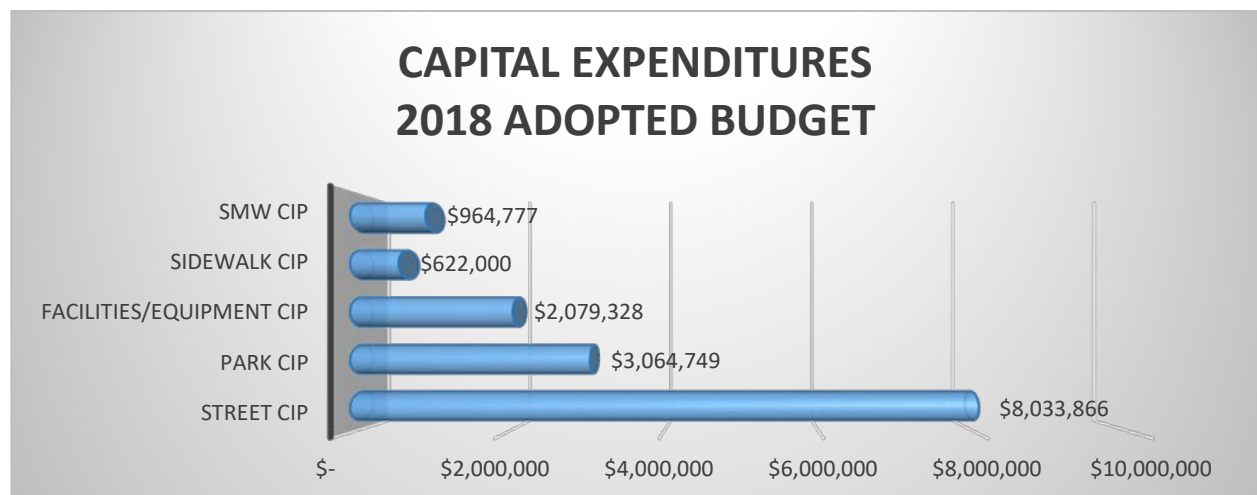
The Real Estate Excise Tax funds are restricted for capital related projects. Expenditures from this fund pay for existing capital related debt and new capital projects. These projects can include street infrastructure, park infrastructure, or surface water infrastructure. The following projects are slated 2018 from REET 1 and REET 2 and include roll forward projects.

City of Lake Stevens, Washington
Expenditure Summary - Continued

Project Name	2018 Projects
Transfer to Police St Debt Fnd	\$ 95,954.80
transfer to 210 for 2008 bonds	\$ 210,305.00
800 MHZ Capital Debt Principal	\$ 18,257.79
800 MHZ Capital Debt Interest	\$ 4,360.21
Tressle/HOV Lane	\$ 800,000.00
REET 1 Total	\$ 1,128,877.80
Capital - SWM Drainage Improve - (Trestle Station)	\$ 810,750.00
79th Ave SE Access Road - (Cavelero)	\$ 1,122,000.00
91st/Market RAB	\$ 941,000.00
Callow Road Embankment & area improvements	\$ 450,000.00
Frontier Village Entrance (4th)	\$ 128,750.00
Transfer to 212 for 2010A Bond	\$ 37,082.06
Reet 2 Total	\$ 3,489,582.06

Capital Projects – City Wide

The City has a total of \$14.7 Million in capital related activity in 2018. Below is the summary of all budgeted and roll forward projects across City funds by type, excluding debt and transfers.



City of Lake Stevens, Washington
2018 Revenue Detail

	Actual	Actual	Actual	Actual	Budgeted
	2014	2015	2016	2017	2018
General Fund					
Taxes					
Property (72%)	\$ 2,729,328	\$ 3,037,721	\$ 3,098,274	\$ 3,232,561	\$ 3,338,633
Sales tax	\$ 2,266,367	\$ 2,491,761	\$ 2,897,442	\$ 2,712,703	\$ 2,733,461
Sales-Criminal Justice	\$ 440,234	\$ 464,164	\$ 501,512	\$ 534,791	\$ 557,859
Gas/Telephone Utility Tax	\$ 956,792	\$ 905,443	\$ 845,836	\$ 860,102	\$ 935,564
Electric Utility Tax*	\$ 365,085	\$ 374,023	\$ 385,355	\$ 836,768	\$ 801,715
Gambling	\$ 15,536	\$ 17,275	\$ 18,398	\$ 21,164	\$ 21,006
Misc.	\$ 5,653	\$ 6,055	\$ 5,415	\$ 8,424	\$ 6,528
Subtotal Taxes	\$ 6,778,995	\$ 7,296,442	\$ 7,752,232	\$ 8,206,513	\$ 8,394,766
*changed allocation to 100% in 2017					
Licenses & Permits					
Business	\$ 49,034	\$ 52,460	\$ 54,280	\$ 61,280	\$ 58,934
Cable	\$ 351,668	\$ 367,671	\$ 390,711	\$ 427,278	\$ 390,711
Building	\$ 540,503	\$ 698,993	\$ 1,594,885	\$ 827,231	\$ 1,080,000
Weapon	\$ 7,511	\$ 7,880	\$ 10,839	\$ 9,946	\$ 10,000
Other	\$ 5,025	\$ 4,566	\$ 3,763	\$ 5,349	\$ 4,500
Subtotal Licenses & Permits	\$ 953,741	\$ 1,131,570	\$ 2,054,479	\$ 1,331,083	\$ 1,544,145
Intergovernmental					
Federal Grants	\$ 30,823	\$ 32,089	\$ 43,100	\$ 24,054	\$ 18,500
State Grants	\$ 10,000	\$ -	\$ 2,307	\$ 299,730	\$ -
WA OPD - Social Worker	\$ -	\$ -	\$ 20,000	\$ 2,260	\$ 25,000
PUD Privilege	\$ 107,791	\$ 110,119	\$ 114,734	\$ 116,168	\$ 115,000
Vessel Registration	\$ 11,393	\$ 11,486	\$ 12,879	\$ 11,718	\$ 13,000
City-County Assistance	\$ 98,635	\$ 113,853	\$ 116,829	\$ 116,997	\$ 100,000
Criminal Justice	\$ 40,271	\$ 40,772	\$ 42,924	\$ 45,128	\$ 43,483
Marijuana Excise	\$ -	\$ 8,209	\$ 28,177	\$ 19,815	\$ 20,699
Liquor Excise Tax	\$ 54,418	\$ 79,417	\$ 139,503	\$ 148,942	\$ 156,161
Liquor Board Profits	\$ 257,320	\$ 255,596	\$ 257,567	\$ 260,885	\$ 263,125
Other	\$ -	\$ 135	\$ 135	\$ -	\$ 4,895
Subtotal Intergovernmental	\$ 610,651	\$ 651,676	\$ 778,155	\$ 1,045,698	\$ 759,863
Charges for Services					
Lobbying	\$ 5,660	\$ -	\$ -	\$ -	\$ -
Public Records	\$ 2,300	\$ 3,611	\$ 3,236	\$ 922	\$ 3,248
Passports	\$ 67,381	\$ 73,807	\$ 88,818	\$ 114,823	\$ 100,000
Law Enforcement Services	\$ 164,102	\$ 194,455	\$ 169,034	\$ 144,079	\$ 169,507
IT - ILA	\$ 78,478	\$ 81,692	\$ 83,112	\$ 49,859	
Zoning & Subdivision	\$ 145,476	\$ 154,215	\$ 320,923	\$ 295,162	\$ 148,500
Other	\$ 5,261	\$ 5,979	\$ 12,563	\$ 18,923	\$ 8,945
Subtotal Charges for services	\$ 468,658	\$ 513,759	\$ 677,686	\$ 623,767	\$ 430,200

City of Lake Stevens, Washington
2018 Revenue Detail

	Actual	Actual	Actual	Actual	Budgeted
	2014	2015	2016	2017	2018
Fines					
District Court	\$ 139,453	\$ 128,372	\$ 143,871	\$ 193,209	150,000
Other	\$ 7,606	\$ 9,949	\$ 6,667	\$ 2,600	\$ 4,000
Subtotal Fines	\$ 147,060	\$ 138,321	\$ 150,538	\$ 195,809	\$ 154,000
Miscellaneous					
Investment Interest	\$ 6,415	\$ 12,566	\$ 35,765	\$ 65,501	\$ 57,010
Boat and Event Fees	\$ 18,548	\$ 22,618	\$ 8,170	\$ 8,948	\$ 7,500
Lease	\$ 25,518	\$ 24,469	\$ 47,396	\$ 62,126	\$ 57,125
donations	\$ 23,805	\$ 5,709	\$ 23,892	\$ 3,025	\$ 700
Misc.	\$ 15,990	\$ 19,549	\$ 3,831	\$ 12,519	\$ 13,773
Grade Road Prop				\$ 3,590,000	\$ -
Transfers	\$ -	\$ -	\$ 2,461,824	\$ -	\$ 1,500,000
Subtotal miscellaneous	\$ 90,276	\$ 84,912	\$ 2,580,878	\$ 3,742,120	\$ 1,636,108
Total General Fund Revenue	\$ 9,049,381	\$ 9,816,679	\$ 13,993,968	\$ 15,144,991	\$ 12,919,081
Contingency Reserve					
Interest	\$ 2,187	\$ 4,857	\$ 13,158	\$ 20,963.38	\$ 13,843.09
Sales Tax				\$ 603,344.24	\$ 600,000.00
Transfer In	\$ 500,000	\$ 800,000	\$ 800,000	\$ 806,145.25	\$ 500,000.00
Other	\$ -	\$ -	\$ 15	\$ -	\$ -
Total Contingency Reserve	\$ 502,187	\$ 804,857	\$ 813,173	\$ 1,430,453	\$ 1,113,843
Special Revenue Funds					
Street					
Motor Vehicle Fuel Tax	\$ 597,362	\$ 614,670	\$ 675,994	\$ 669,205	\$ 689,393
Property tax (28%)	\$ 1,061,405	\$ 1,181,336	\$ 1,204,884	\$ 1,257,107	\$ 1,298,357
Utility Tax (50%)	\$ 365,085	\$ 374,026	\$ 385,355	\$ -	\$ -
Multimodal Transportation	\$ -	\$ -	\$ -	\$ 32,486	\$ 44,753
TBD	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Permits	\$ 21,966	\$ 28,528	\$ 26,442	\$ 32,838	\$ 28,026
Grants	\$ 160,966	\$ -	\$ -	\$ 17,266	\$ -
Charges for Services	\$ -	\$ 3,295	\$ 896	\$ 1,371	\$ 1,500
Misc.	\$ 20,150	\$ 11,528	\$ 23,184	\$ 27,394	\$ 23,858
Insurance Recovery	\$ 700	\$ 233	\$ 4,095	\$ -	\$ 2,000
Total Street	\$ 2,227,635	\$ 2,213,615	\$ 2,320,849.7	\$ 2,037,668	\$ 2,087,887
Street Reserve					
Interest	\$ 1	\$ 2	\$ 7	\$ 13	\$ 11
Total Street Reserve	\$ 1	\$ 2	\$ 7	\$ 13	\$ 11

City of Lake Stevens, Washington
2018 Revenue Detail

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Budgeted 2018
Drug Seizure & Forfeiture					
Interest	\$ 29	\$ 49	\$ 176	\$ 392	\$ 316
Confiscated property	\$ 6,778	\$ 8,288	\$ 10,991	\$ 491	\$ 9,000
State Remittance	\$ 753	\$ 921	\$ -	\$ -	\$ -
Total Drug Seizure & Forfeiture	\$ 7,560	\$ 9,258	\$ 11,167	\$ 882	\$ 9,316
Municipal Art					
Interest	\$ 1	\$ 26	\$ 49	\$ 100	\$ 80
Transfer in	\$ -	\$ 20,000	\$ -	\$ 8,850	\$ -
Total Municipal Art	\$ 1	\$ 20,026	\$ 49	\$ 8,951	\$ 80
Debt Service					
PWTF 2002	\$ 89,547	\$ -	\$ -	\$ -	\$ -
LTGO 2004	\$ 105,721	\$ 16,543	\$ -	\$ -	\$ -
PWTF 2006	\$ 436,160	\$ -	\$ -	\$ -	\$ -
PWTF 2005	\$ 65,263	\$ -	\$ -	\$ -	\$ -
PWTF 2008	\$ 594,668	\$ -	\$ -	\$ -	\$ -
LTGO 2008 bonds	\$ 359,249	\$ 351,402	\$ 353,268	\$ 354,105	\$ 349,705
PWTF 2010	\$ 957	\$ -	\$ -	\$ -	\$ -
2010 LTGO Bonds	\$ 94,912	\$ 549,912	\$ 74,164	\$ 74,164.18	\$ 37,082.06
LTGO Bond 2015	\$ -	\$ 870,322	\$ 97,301	\$ 93,607	\$ 95,955
Total Debt Service	\$ 1,746,477	\$ 1,788,179	\$ 524,732	\$ 521,876	\$ 482,742
Capital Funds					
Capital Projects					
Local Impact	\$ -	\$ -	\$ -	\$ 17,253	\$ 3,000
Traffic Mitigation	\$ 324,708	\$ 303,970	\$ 97,989	\$ -	\$ -
Traffic Mitigation - TIZ 1	\$ 69,979	\$ 41,498	\$ 32,186	\$ 14,540	\$ 25,000
Traffic Mitigation - TIZ 2	\$ 17,531	\$ 229,802	\$ 189,605	\$ 24,007	\$ 12,000
Traffic Mitigation - TIZ 3	\$ -	\$ 24,625	\$ 284,169	\$ 507,554	\$ 300,000
Tree Replacement	\$ -	\$ 1,716	\$ 8,960	\$ -	\$ -
Interest	\$ 3,120	\$ 6,307	\$ 22,339	\$ 38,286	\$ 39,720
Grants	\$ -	\$ 103,478	\$ 280,420	\$ 72,708	\$ -
WSDOT Mitigation	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Projects	\$ 732,883	\$ 1,083,337	\$ 1,704,612	\$ 674,347	\$ 379,720
Park Mitigation * (Park Fund created in 2017)					
Park Mitigation	\$ 317,546	\$ 371,940	\$ 788,944	\$ 346,153	\$ 350,000
Interest	\$ -	\$ -	\$ -	\$ 13,844	\$ 724
Transfer In				\$ 2,289,056	\$ -
Total Park Capital Projects	\$ 317,546	\$ 371,940	\$ 788,944	\$ 2,649,053	\$ 350,724
Real Estate Excise Tax					
REET 1	\$ 509,595	\$ 718,120	\$ 1,136,588	\$ 1,013,308	\$ 600,000
Interest REET 1	\$ 873	\$ 1,677	\$ 5,659	\$ 18,265	\$ 12,911
Subtotal REET 1	\$ 510,468	\$ 719,798	\$ 1,142,247	\$ 1,031,573	\$ 612,911

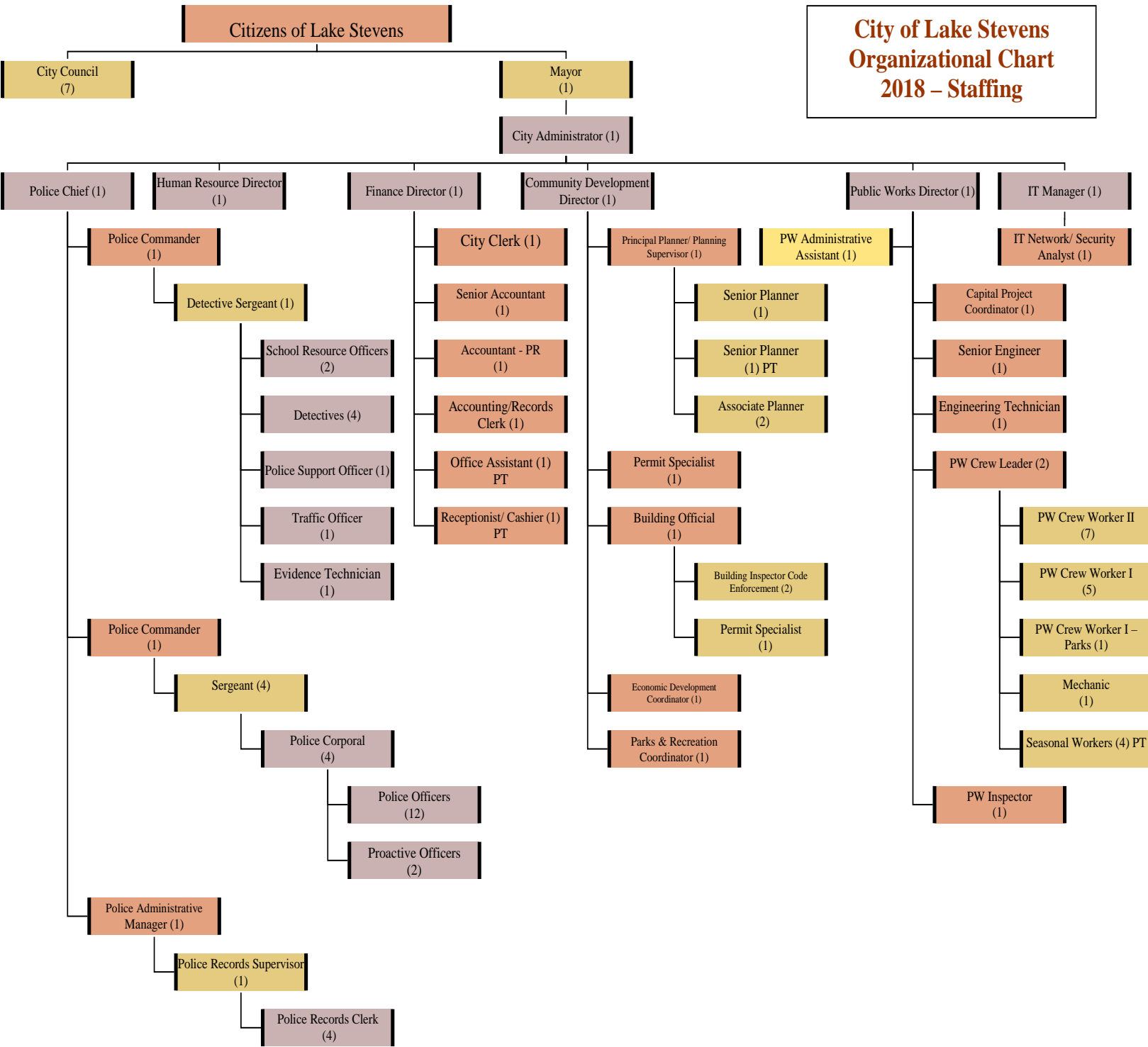
City of Lake Stevens, Washington
2018 Revenue Detail

	Actual	Actual	Actual	Actual	Budgeted
	2014	2015	2016	2017	2018
REET 2	\$ 508,200	\$ 714,039	\$ 1,136,303	\$ 1,010,863	\$ 600,000
Interest REET 2	\$ 1,629	\$ 3,572	\$ 11,831	\$ 28,278	\$ 20,498
Subtotal REET 2	\$ 509,829	\$ 717,610	\$ 1,148,135	\$ 1,039,141	\$ 620,498
Total Real Estate Excise Tax	\$ 1,020,297	\$ 1,437,408	\$ 2,290,381	\$ 2,070,714	\$ 1,233,409
Sidewalk Capital					
Grants	\$ 204,750	\$ 177,600	\$ 450,736	\$ 65,690	\$ 466,500
Interest	\$ 474	\$ 662	\$ 3,259	\$ 9,259	\$ 6,691
Transfer In	\$ -	\$ -	\$ 500,000	\$ 250,000	\$ -
Total Sidewalk Capital	\$ 205,224	\$ 178,261	\$ 953,995	\$ 324,949	\$ 473,191
Enterprise Funds					
Sewer					
Sewer Utility Agreement	\$ 85,600	\$ 77,040	\$ 75,000	\$ 32,083	\$ 15,000
Interest	\$ 357	\$ 447	\$ 1,607	\$ 3,147	\$ 2,979
Lease LT - WWTP Property	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer District reimbursement	\$ 1,319,754	\$ 1,310,290	\$ 1,305,694	\$ 1,049,334	\$ 1,049,671
Total Sewer	\$ 1,405,711	\$ 1,387,776	\$ 1,382,300	\$ 1,084,564	\$ 1,067,650
Sewer Reserve					
Investment Interest	\$ 94	\$ -	\$ -	\$ -	\$ -
SA - Grade Road Basin	\$ 33,080	\$ -	\$ -	\$ -	\$ -
Interfund Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -
Total Sewer Reserve	\$ 33,174	\$ -	\$ -	\$ -	\$ -
Storm & Surface Water					
Grants	\$ 24,356	\$ 111,476	\$ 6,005	\$ 18,995	\$ -
Surface Water Fee	\$ 1,422,642	\$ 1,394,038	\$ 1,440,307	\$ 1,443,850	\$ 1,557,508
SnoCo Aerator Contribute	\$ -	\$ 230	\$ -	\$ -	\$ -
SnoCo Weed Abate Contrib.	\$ 10,238	\$ 10,220	\$ 8,948	\$ -	\$ 10,000
Investment Interest	\$ 1,208	\$ 2,485	\$ 7,393	\$ 12,159	\$ 11,318
Miscellaneous Revenues - Storm	\$ -	\$ 5,050	\$ -	\$ -	\$ -
Interfund Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -
Total Storm & Surface Water	\$ 1,458,444	\$ 1,523,499	\$ 1,462,653	\$ 1,475,004	\$ 1,578,826

City of Lake Stevens, Washington
2018 Revenue Detail

	Actual	Actual	Actual	Actual	Budgeted
	2014	2015	2016	2017	2018
Internal Service Fund					
Unemployment Transfers in/Interest	\$ 8,099	\$ 166	\$ 431	\$ 841	\$ 669
Equipment Fund - Vehicles	\$ -	\$ -	\$ -	\$ 10,020	\$ 10,020
Equipment Fund - IT	\$ 82,173	\$ 272,463	\$ 153,294	\$ 154,391	\$ 202,932
Equipment - Police	\$ 173,195	\$ 213,312	\$ 203,956	\$ 200,648	\$ 64,620
Equipment - Public Works	\$ 52,155	\$ 148,952	\$ 331,015	\$ 853,530	\$ 403,462
Aerator Equipment	\$ 8,101	\$ 10,185	\$ 10,558	\$ 15,213	\$ -
Total internal Service Funds	\$ 323,722	\$ 645,077	\$ 699,254	\$ 1,234,642	\$ 681,703
Fiduciary Funds					
Refundable Deposits					
Retainage -Public Bldg. Maint	\$ 461	\$ 599	\$ 908	\$ 46,004	\$ 1,000
Retainage - Street Project	\$ 18,326	\$ 17,927	\$ 17,505	\$ 24,787	\$ 50,000
Retainage - Other PW Project	\$ -	\$ -	\$ 8,581	\$ 30,849	\$ 50,000
Total Refundable Deposit	\$ 18,787	\$ 18,525	\$ 26,994	\$ 101,639	\$ 101,000
Treasurers Trust					
Seizure & Forfeit - State Rev	\$ -	\$ -	\$ 1,211	\$ 111	\$ 1,200
District Court	\$ 95,963	\$ 98,398	\$ 115,219	\$ 187,163	\$ 145,000
Gun Permit Fees	\$ 11,858	\$ 13,319	\$ 17,929	\$ 14,675	\$ 15,000
St. Bldg. Permit Fee Non-Rev	\$ 1,109	\$ 1,240	\$ 2,574	\$ 2,981	\$ 3,000
Leasehold Excise Tax Receipts	\$ 3,141	\$ 3,141	\$ 4,757	\$ 6,207	\$ 4,500
Violations Bureau-Local St	\$ 8,758	\$ 11,013	\$ 8,160	\$ -	\$ 25,000
Mandatory Ins.-Admin Cost County	\$ 2	\$ -	\$ 0	\$ -	\$ 500
Fire Department Fees	\$ 7,076	\$ 15,028	\$ 28,799	\$ 14,079	\$ 7,000
Interfund Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -
Total Treasurers Trust	\$ 127,906	\$ 142,139	\$ 178,650	\$ 225,216	\$ 201,200
Total Revenue All FUNDS	\$ 18,859,391	\$ 21,068,639	\$ 26,362,784	\$ 28,984,962	\$ 22,680,382

City of Lake Stevens, Washington
2018 Departmental Organization Chart



Department Expenditure Detail



Legislative and Executive

The purpose of the Mayor and City Council is to provide for political leadership and exercise those powers and duties granted by state statute to the executive and legislative branches of Lake Stevens City government, which are in the best interest of City residents and taxpayers.

The City of Lake Stevens operates within the Mayor-Council form of Government. This form consists of an elected Mayor (elected at large for a four year term) who serves as the City's Chief Executive Officer (CEO) and a Council (seven members elected at large for four year terms - staggered) which is responsible for formulating and adopting policies that will guide the Mayor in carrying out the functions of the City. The Mayor-Council form of government is characterized by a separation of executive and legislative powers and a system of checks and balances patterned after our traditional national and state governments. In short, the function of the Council is to decide what business the City should accomplish (adoption of policies, ordinances, etc.) and the Mayor's function is to translate those decisions into governmental actions.

2018 Budget Highlights

- There are no significant changes in the 2018 budget over the 2017 budget.

Expenditure Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Legislative					
Salaries	\$ 31,450	\$ 47,575	\$ 62,500	\$ 61,331	\$ 67,200
Benefits	\$ 2,479	\$ 3,724	\$ 3,864	\$ 3,692	\$ 5,640
Supplies	\$ 315	\$ 4,221	\$ 527	\$ 3,457	\$ 500
Services	\$ 3,522	\$ 9,755	\$ 35,444	\$ 70,356	\$ 118,875
Subtotal Legislative	\$ 37,766	\$ 65,275	\$ 102,334	\$ 138,836	\$ 192,215
Executive					
Salaries	\$ 14,400	\$ 22,400	\$ 24,000	\$ 24,000	\$ 24,000
Benefits	\$ 1,172	\$ 1,814	\$ 3,041	\$ 3,035	\$ 2,131
Supplies	\$ 74	\$ 107	\$ 123	\$ 395	\$ 500
Services	\$ 40,367	\$ 60,657	\$ 40,790	\$ 5,025	\$ 6,150
Subtotal Executive	\$ 56,013	\$ 84,978	\$ 67,953	\$ 32,455	\$ 32,781
Total legislative & Executive	\$ 93,779	\$ 150,254	\$ 170,287	\$ 171,292	\$ 224,996

FTE Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Approved
Mayor	1	1	1	1	1
Council	7	7	7	7	7
	8	8	8	8	8

Administration

The Administration Department is responsible for assisting in the coordination of activities and services the City provides its customers and assists in the translation of Mayor/Council goals and policies into action. The Administration Department includes the City Administrator.

The major responsibility of the Administration Department is the coordination and supervision of the work of all other departments. Additional responsibilities include, contract negotiations and management; participation with other departments in the pursuit of grant funds; preparing regular and special management reports; processing citizen inquiries and service requests; and working with other regional governments.

2018 Budget Highlights

- Removal of two (2) Interns.

Expenditure Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 94,316	\$ 152,909	\$ 36,985	\$ 120,958	\$ 125,433
Benefits	\$ 31,422	\$ 33,462	\$ 8,907	\$ 55,173	\$ 43,991
Supplies	\$ 49	\$ 376	\$ 29	\$ 580	\$ 500
Services	\$ 2,445	\$ 22,031	\$ 149,786	\$ 11,118	\$ 8,500
Total Administration	\$ 128,232	\$ 208,777	\$ 195,707	\$ 187,828	\$ 178,424

FTE Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Approved
City Administrator	0.69	0.74	0.76	0.74	0.71

City Clerk

The City Clerk's Division of the Finance Department provides a variety of services that support the City Council, City Departments and the public. The City Clerk coordinates the production of meeting materials for City Council meetings, Planning Commission meetings, Parks Board meetings, and Arts Commission meetings. The Clerk provides legal and public notifications, and official meeting minutes. The City Clerk provides notary services and is responsible for records management and public disclosure.

2018 Budget Highlights

- The 2018 Budget includes re-classing the Deputy Clerk to City Clerk.
- Laserfiche Records Management and Document Scanning Services added in 2018.

Expenditure Summary

	2014		2015		2016		2017		2018
	Actual		Actual		Actual		Actual		Budgeted
Salaries	\$ 59,801	\$	101,786	\$	109,400	\$	113,885	\$	129,904
Benefits	\$ 31,006	\$	40,462	\$	38,602	\$	41,646	\$	43,053
Supplies	\$ 319	\$	392	\$	1,255	\$	470	\$	2,250
Services	\$ 10,145	\$	4,078	\$	8,780	\$	10,170	\$	69,830
Total City Clerk	\$ 101,271	\$	146,718	\$	158,038	\$	166,172	\$	245,037

FTE Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Approved
Reception/Office Assistant	1.24	0.7	0.72	0.72	0.82
Deputy Clerk	0	0.74	0.82	0.72	0
City Clerk*	0.79	0	0	0	0.66
Finance Director	0	0.35	0.38	0.37	0.37
	2.03	1.79	1.92	1.81	1.85

*The City Clerk was combined with Finance Director in 2014 and then separated in 2018.

Finance

The purpose of the Finance Department is to provide administrative support and information services to the public and City departments, maintain financial information in accordance with general accounting principles, and to ensure compliance to legal and prudent fiscal requirements in all financial and procedural operations. The Finance Department includes the Finance Director, Senior Accountant, Accountant, Office Assistant and Receptionist.

The Finance Department has many different areas of responsibility. The following gives a brief description of each:

Administration: To provide planning, organization, and control over the Finance Department functions and overall City financial matters.

Treasury: Responsible for cashiering and cash control, investment of City funds, and debt service payment processing. Financing services include issuance of bonds, interfund loans, etc.

Budget Accounting and Reporting: Provides for financial record keeping including budgeting, accounting, reporting, audit assistance, grant accounting, ongoing balancing, and control.

Personnel Services: Responsible for payroll processing, federal and State reporting of taxes, retirement, insurance, and other deductions.

Purchasing: Provides coordination of purchasing by the departments, processes vendor payments, handles insurance claims, assists in obtaining competitive bids for best prices.

Data Processing: Responsible for financial systems data processing including budgeting, accounting and payroll.

2018 Budget Highlights

- Finance plans to fill a new Accounts/Records Clerk position in 2018.
- An electronic time & attendance system is budgeted in 2018.

Expenditure Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 118,370	\$ 118,446	\$ 153,800	\$ 193,855	\$ 293,035
Benefits	\$ 34,434	\$ 38,962	\$ 57,587	\$ 83,587	\$ 84,952
Supplies	\$ 2,164	\$ 1,665	\$ 3,110	\$ 2,316	\$ 3,500
Services	\$ 32,731	\$ 39,836	\$ 62,022	\$ 144,333	\$ 136,095
Total Finance	\$ 187,698	\$ 198,910	\$ 276,519	\$ 424,091	\$ 517,582

FTE Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Approved
Cashier Receptionist	0	0.7	0.35	0.36	0.4
Office Assistant	0	0	0.35	0.36	0.4
Accountant	0.65	0.75	0.7	0.75	0.77
AP Accountant	0	0	0	0	1
Senior Accountant	0	0	0	0.74	0.78
Finance Director/City Clerk	0.64	0.36	0.38	0.37	0.36
	1.29	1.81	1.78	2.58	3.71

Human Resources

The Human Resources Department's major objective is to develop a Labor Relations and Human Resources Department for the City that is multifaceted and provides support to the public, the Lake Stevens City Council, City Administration, Civil Service Commission, and all other departments.

The Human Resources Department is responsible for providing services for City employment and benefits, employee relations, City employee training, risk management, and wellness. In addition, the department provides staff support to the Civil Service Commission.

2018 Budget Highlights

- There are no significant changes in the 2018 budget over the 2017 budget.

Expenditure Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 73,587	\$ 76,613	\$ 78,145	\$ 88,044	\$ 98,945
Benefits	\$ 21,070	\$ 21,856	\$ 23,099	\$ 38,246	\$ 35,201
Supplies	\$ 1,437	\$ 1,398	\$ 1,796	\$ 3,439	\$ 5,400
Services	\$ 5,852	\$ 5,381	\$ 9,221	\$ 21,508	\$ 15,921
Total Human Services	\$ 101,947	\$ 105,248	\$ 112,261	\$ 151,236	\$ 155,467

FTE Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Approved
Human Resources Director	0.8	0.8	0.8	0.8	0.78
	0.8	0.8	0.8	0.8	0.78

Information Technology

The purpose of the Information Technology Department is to provide technology services to all City Departments through development, implementation, training, and maintenance of the City's technology infrastructure.

The Information Technology Department is responsible for managing the City's growing technology infrastructure. This includes project management, website development, data and internet security, backup and recovery maintenance and support of application systems, network and desktop technology, telecommunication systems and IT plans in support of City goals and objectives.

2018 Budget Highlights

- There are no significant changes in the 2018 budget over the 2017 budget.

Expenditure Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 141,387	\$ 137,403	\$ 141,205	\$ 146,908	\$ 155,798
Benefits	\$ 62,187	\$ 59,672	\$ 62,701	\$ 67,449	\$ 67,531
Supplies	\$ 984	\$ 432	\$ 590	\$ 504	\$ 5,200
Services	\$ 1,865	\$ 3,649	\$ 27,923	\$ 61,277	\$ 43,816
Total Information Technology	\$ 206,423	\$ 201,156	\$ 232,419	\$ 276,137	\$ 272,345

FTE Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Approved
IT Manager	0.84	0.8	0.82	0.83	0.8
IT Specialist	0.84	0.8	0.82	0.83	0.8
	1.68	1.6	1.64	1.66	1.6

Planning & Community Development

The Goal of the Department of Planning and Community Development (DPCD) is to efficiently provide effective and fair administration of land use planning, development permitting, coordination of economic development, parks and recreation services, and building and fire services. The following is a brief description of responsibilities.

Operational Planning and Long Range Planning: Provide comprehensive planning services including administering, maintaining and updating Comprehensive Plan and Land Use Code; preparing local and regional facility plans; conducting interlocal agreement negotiations; and coordinating annexations. Write grants as appropriate. Develop and maintain the City's Geographic Information System (GIS) and Permit Tracking software. Review and comment on State, Federal and Snohomish County regulation changes and land use permit applications in the Lake Stevens Urban Growth Area. Coordinate with and represent the City at various groups.

Development Review: Administer the land use code, coordinate review on all land use applications, review business licenses, conduct pre-application conferences, monitor fees and deposits. Implement the City's permit tracking system. Manage the City's Land Use, Subdivision, SEPA, Shorelines, and Critical Areas codes and other land use processes. Provide staff support for the Hearing Examiner, Planning Commission, Park Board and Design Review Board.

Code Enforcement: Assist in code enforcement activities, particularly as related to the Land Use, Building and Fire Codes.

Support Functions: Provide staff support for City Council, Planning Commission, Park Board, Snohomish County Tomorrow, and various *ad hoc* committees.

Building: Review building permit applications, issue building permits, conduct plan review, and administer the Uniform Building Code, Uniform Plumbing Code, Uniform Mechanical Code, etc. Monitor building permit fees, perform inspections, and perform code enforcement activities.

Parks: The Parks Division acts as Liaison to the Parks Board, coordinates parks and recreation planning for policy development, recreation programs and capital projects with affected departments and stakeholders. Write grants as appropriate.

Economic Development: The Economic Development Division is responsible for recruiting new businesses into the city in support of the city planning efforts, coordinating with the Chamber of Commerce on business retention and expansion opportunities, and promoting opportunities for tourism and special events. Write grants as appropriate.

2018 Budget Highlights

- New Planning Supervisor budgeted for 2018.

City of Lake Stevens, Washington
 Department: Planning & Community Development continued

Expenditure Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Planning					
Salaries	\$ 248,832	\$ 310,221	\$ 433,500	\$ 400,685	\$ 637,996
Benefits	\$ 121,566	\$ 131,543	\$ 179,044	\$ 176,108	\$ 219,458
Supplies	\$ 3,887	\$ 5,342	\$ 8,914	\$ 6,860	\$ 25,586
Services	\$ 50,360	\$ 56,184	\$ 316,328	\$ 264,512	\$ 135,068
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Planning	\$ 424,644	\$ 503,289	\$ 937,786	\$ 848,165	\$ 1,018,108
Building					
Salaries	\$ 168,681	\$ 187,447	\$ 199,732	\$ 247,237	\$ 289,434
Benefits	\$ 69,373	\$ 67,906	\$ 88,015	\$ 116,314	\$ 141,208
Supplies	\$ 3,212	\$ 3,988	\$ 6,842	\$ 3,871	\$ 6,600
Services	\$ 4,362	\$ 36,230	\$ 99,344	\$ 18,561	\$ 21,375
Capital	\$ -	\$ -	\$ 25,318	\$ -	\$ -
Subtotal Building	\$ 245,628	\$ 295,570	\$ 419,251	\$ 385,982	\$ 458,617
Total Planning & Community Development	\$ 670,272	\$ 798,860	\$ 1,357,037	\$ 1,234,147	\$ 1,476,725

FTE Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Approved
Building					
PW/Planning Coordinator	0	0	0	0	0
Permit Specialist	0.3	0.7	0.7	0.7	0.7
Planning Director	0.29	0.29	0.25	0.25	0.25
Building Official	1	1	1	1	1
Building Inspector	1	1	0	0	0
Building Inspector/Code Com	0	0	1	2	2
City Clerk/Amin. Assistant	0	0	0	0	0
Subtotal Building	2.59	2.99	2.95	3.95	3.95
Planning					
Reception/Office Assistance	0	0	0	0	0
PW/Planning Coordinator	0.5	0	0	0	0
Permit Specialist	0.3	0.7	0.7	0.7	0.7
Planning Director	0.29	0.29	0.25	0.25	0.25
Associate Planner	1	1	2	1	0
Assistant Planner	0	0	0	1	2
Project Planner	1	0	0	0	0
Economic Develop. Coordinat	0	1	1	1	1
Planning Supervisor	0	0	0	0	1
Senior Planner	1	2	1	2	1.6
Park & Recreation Coordinato	0	0	0	1	1
Subtotal Planning	4.09	4.99	4.95	6.95	7.55

Law Enforcement

The Police Department is a full service law enforcement agency, providing a full range of community police services. The City enjoys a low violent crime rate because of the partnership between the residents, the police services staff, and the City Council.

The Police Department is divided into the following areas of responsibilities:

Administration

The Police Chief is responsible for planning, organizing and leading the Police Department. The Chief Develops, directs and evaluates programs and policies that provide the community with effective and efficient policing services. The Chief directs personnel-related activities, including the organization of functional areas, approval of plans and activities, performance appraisal, counseling and disciplining and the recommendation of staff hires and promotions. The Chief also serves as the police liaison with other agencies, regional service providers, and community groups.

Supervision (Sergeants and Police Administrative Manager)

Lieutenants and Sergeants provide day to day supervision of patrol, marine, school resource, police support and investigation officers. Lieutenants oversee training program, emergency management, fleet and internal affairs. Sergeants take the lead in special department operations like Aquafest and other City permitted events.

The Police Administrative Manager supervises the Police Records Clerks, Evidence Technician, office volunteers and college interns. In addition, this person oversees budget tracking, department accreditation and policy manual, provides routine information to the media, and coordinates the department's public education efforts.

Patrol

The Patrol function is the most visible service provided by the Police Department. Police officers provide public safety services that include responding to calls for service from the public; investigating criminal activity; responding to community needs; education; traffic safety services; boating safety services; and crime prevention. They work with other city departments and community members to solve and prevent problems.

Investigations

Police Detectives are the main investigations unit in the Police Department. They are highly trained and investigate a wide range of crimes committed in Lake Stevens. They also act as liaisons with other agencies as they investigate crimes that are regional in nature.

2018 Budget Highlights

- Addition of 2 new officers with equipment, increasing salaries and benefits.

Expenditure Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 2,524,196	\$ 2,700,268	\$ 2,954,262	\$ 3,337,672	\$ 3,883,783
Benefits	\$ 1,023,701	\$ 1,050,056	\$ 1,158,863	\$ 1,308,351	\$ 1,402,613
Supplies	\$ 144,482	\$ 151,433	\$ 152,637	\$ 290,703	\$ 236,645
Services	\$ 304,277	\$ 442,598	\$ 629,909	\$ 579,871	\$ 612,002
Intergovernmental	\$ 662,099	\$ 640,027	\$ 596,943	\$ 842,249	\$ 832,024
Capital	\$ 26,946	\$ 38,563	\$ 22,430	\$ 76,360	\$ 14,787
Transfers	\$ 8,150	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Total Law Enforcement	\$ 4,693,852	\$ 5,030,946	\$ 5,523,044	\$ 6,443,207	\$ 6,989,853

FTE Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Approved
Chief	1	1	1	1	1
Police Commander	1	1	1	0	2
Police Lieutenant	0	1	1	2	0
Police Sergeant	5	4	4	5	5
Detective	2	3	3	3	4
Traffic	0	0	0	1	1
Officer	18	15	15	16	18
Police Support Officer	0	0	0	1	1
SRO	0	2	2	2	2
Code Enforcement	0	0	0	1	0
Records Clerk	4	4	4	4	4
Records/Evidence Clerk	0	0	0	1	1
Administrative Manager*	0	0	0	1	1
Administrative Supervisor	1	1	1	0	0
Records Supervisor	0	0	0	1	1
	32	32	32	39	41

*Administrative Supervisor changed to Manager in 2017

Parks

Parks- Shared responsibility between Planning & Community Development (PCD) and Public Works. The PCD is responsible for park planning and development, as well as recreation programming (teen/youth recreation services). Represent the City's interests in regional park development and recreation programming. Seek funding for parks through grants and other sources. Coordinate with Snohomish County on Regional parks planning. Public Works is responsible for park maintenance and physical park development, buoy maintenance, and responding to acts of vandalism at park facilities. Public Works also performs landscaping activities in the public right-of-way.

2018 Budget Highlights

- FTE adjustment of Park crew to align costs with benefiting department.
- Addition of a Capital Project Coordinator (FTE Split Parks/Street/Surface Water)

Expenditure Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 23,171	\$ 29,172	\$ 99,184	\$ 273,915	\$ 206,879
Benefits	\$ 6,715	\$ 8,077	\$ 42,126	\$ 113,871	\$ 77,289
Supplies	\$ 11,488	\$ 19,307	\$ 69,325	\$ 81,910	\$ 74,900
Services	\$ 27,255	\$ 47,867	\$ 85,851	\$ 93,346	\$ 65,451
Capital	\$ -	\$ -	\$ 118,058	\$ 856	\$ 20,000
Total Park	\$ 68,628	\$ 104,424	\$ 414,546	\$ 563,897	\$ 444,519

FTE Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Approved
Park Crew Leader	0	0	0.04	0.2	0.2
Park Crew Worker 1	0.06	0.06	0.15	1.3	0.6
Park Crew Worker 2	0	0	0.12	0.6	0.6
PW Inspector	0	0	0	0.1	0.1
PW Director	0.04	0.04	0.02	0.1	0.1
Season Parks Worker	0	1	1	2	2
Equipment Mechanic	0	0	0	0.34	0.16
Community Dev Director	0.02	0.02	0.1	0.15	0.15
PW Admin Assistant	0	0.1	0.05	0.1	0.1
Capital Project Cord.	0	0	0	0	0.2
PW Superintendent	0.01	0.01	0.05	0.05	0
	0.13	1.23	1.53	4.94	4.21

Legal

Provides for general and prosecuting legal services which includes: providing legal advice to the Mayor/City Council and City Staff in conforming to State and Federal law in all municipal matters; developing actions to defend or attain the City's best interest by agreement or court actions; and, prosecuting violations of City ordinances.

The City contracts with Zachor and Thomas Inc. for prosecuting services.

The City contracts with Feldman and Lee for Indigent defense services.

The City contracts with Weed Graffstra & Associates Inc. for general council.

2018 Budget Highlights

- A grant was retained for part time social worker services in 2018.

Expenditure Summary

	2014		2015		2016		2017		2018
	Actual		Actual		Actual		Actual		Budgeted
Professional Service	\$ 131,977	\$	128,832	\$	190,605	\$	252,183	\$	293,297
Prosecutor Fees	\$ 102,960	\$	107,078	\$	130,362	\$	131,905	\$	135,861
Travel	\$ 64	\$	138	\$	-	\$	-	\$	-
General Indigent Defense	\$ 88,508	\$	116,753	\$	116,963	\$	129,945	\$	131,427
Intergovernmental (Grant)	\$ -	\$	-	\$	-	\$	24,310	\$	25,000
Total Legal	\$ 323,508	\$	352,801	\$	437,930	\$	538,342	\$	585,586

Community

Provides for maintaining and housing the Lake Stevens Library, the Lake Stevens Historical Society, the Visitor Information Center, the Lake Stevens Senior Center, and the Community Center. The actual operating costs of the library are provided by contract between the City and Sno-Isle Library District.

2018 Budget Highlights

- There are no significant changes in the 2018 budget over the 2017 budget.

Expenditure Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Supplies	\$ 12,351	\$ 24,162	\$ 20,917	\$ 8,173	\$ 19,650
Professional Service	\$ 24,351	\$ 47,008	\$ 33,072	\$ 43,530	\$ 67,785
Capital	\$ 9,546	\$ -	\$ -	\$ -	\$ -
Total Community	\$ 46,248	\$ 71,170	\$ 53,988	\$ 51,703	\$ 87,435

General Government

The purpose of General Government and Miscellaneous accounts in the General Fund are to provide for those items that are used or expended for the benefit of multiple departments but not directly chargeable to one specific department. The General Government and Miscellaneous accounts represent less than one staff position, and the supervision and management of these accounts are primarily shared between the Administration Department and Finance Department.

2018 Budget Highlights

- Includes property demolition costs for 2018.
- Includes Architecture/Design work for new Police Station

Expenditure Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 14,433	\$ 20,547	\$ 23,072	\$ 103,902	\$ 72,184
Benefits	\$ 6,241	\$ 8,487	\$ 9,082	\$ 37,478	\$ 36,655
Supplies	\$ 9,633	\$ 13,182	\$ 12,518	\$ 29,117	\$ 13,747
Professional Service	\$ 354,639	\$ 363,246	\$ 452,634	\$ 625,486	\$ 572,170
Intergovernmental	\$ 51,566	\$ 56,819	\$ 61,527	\$ 62,202	\$ 67,549
Capital	\$ -	\$ -	\$ 2,548,631	\$ 4,986,675	\$ 1,500,000
Transfers	\$ 733,277	\$ 1,179,815	\$ 1,119,832	\$ 1,304,996	\$ 799,000
Total General Government	\$ 1,169,789	\$ 1,642,096	\$ 4,227,296	\$ 7,149,855	\$ 3,061,305

FTE Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Approved
PW Crew Leader	0.02	0.02	0.02	0.1	0.1
PW Crew Worker 1	0.02	0.03	0.15	0.15	0.35
PW Crew Worker 2	0.05	0.06	0.12	0.3	0.3
PW Inspector	0	0	0	0.05	0.05
PW Director	0.04	0.04	0.02	0.05	0.05
Equipment Mechanic	0	0	0.34	0.34	0.16
PW Admin Assistant	0	0.1	0.05	0.05	0.05
Admin Assistant	0	0	0	0	0
PW Superintendent	0.05	0.05	0.05	0.05	0.05
	0.18	0.30	0.75	1.09	1.11

Contingency Reserve Fund

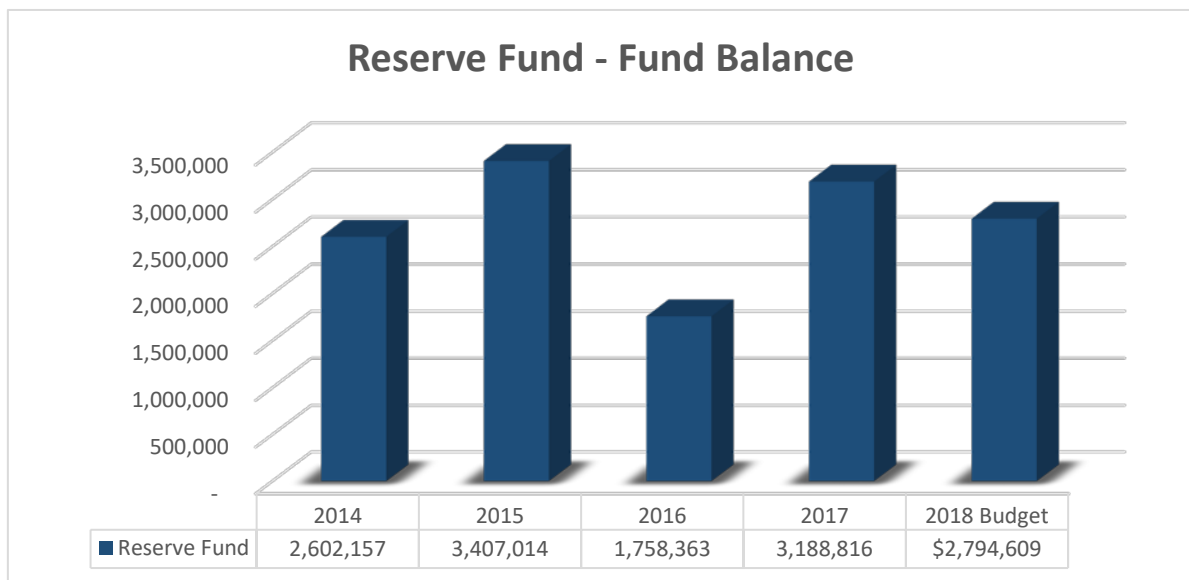
The purpose of this fund is to provide a reserve or safety net for the General Fund in the event of an abnormal budget or catastrophic event which would require emergency resources. Currently, the City has budgeted a transfer of \$600,000 of construction sales tax to this fund for capital related purchases. This helps align one-time money with a one-time capital expenditure.

2018 Budget Highlights

- Transfer to General Fund for Police Station architecture/design work.

Expenditure Summary

	2014		2015		2016		2017		2018	
	Actual		Actual		Actual		Actual		Budgeted	
Unclaimed Checks Paid	\$	-	\$	-	\$	-	\$	-	\$	8,050
GR - Interfund Transfer Out	\$	-	\$	-	\$	2,461,824	\$	-	\$	1,500,000
Total Contingency Fund	\$	-	\$	-	\$	2,461,824	\$	-	\$	1,508,050



Street Fund

The purpose of the Public Works Department's Street Fund is to provide for the maintenance and operation of the City's network of streets, avenues, cul-de-sacs, alleys, pedestrian, bikeway and related facilities. This includes: street striping, traffic control devices, overlays, patches, mowing of shoulders, shoulder maintenance, and the necessary vehicles and equipment to accomplish the required work. Work that has a major impact on water quality, such as ditch maintenance, street and bikeway sweeping, are shared with the Storm and Surface Water Fund 410. The Street Fund pays portions of the salaries of the City staff involved with the operation of the streets, street system, administration, and related activities.

The Street Fund has several areas of responsibility.

Administration

This includes salaries, benefits, overtime, office supplies and insurance.

Street Maintenance

This includes filling of potholes, shoulder repair, overlays, curb and sidewalk repair. Special seasonal tasks include mowing of shoulder areas and control of ice and snow. Maintenance, fuel and operation costs of street equipment are also included.

Engineering/Design

Professional services of consultants working on projects for the City, and costs of right-of-way acquisition.

Street Lighting

Payment to Snohomish County PUD for installation of streetlights and the electricity to operate them. Includes costs of maintenance performed by PUD.

Capital Projects

The Street Fund includes construction and maintenance types of capital projects. Construction types include sidewalk and road projects, whereas maintenance types include projects such as overlays.

City of Lake Stevens, Washington
Fund: Street Fund - Continued

Expenditure Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 578,532	\$ 662,389	\$ 642,502	\$ 774,743	\$ 902,566
Benefits	\$ 250,100	\$ 301,005	\$ 325,165	\$ 418,978	\$ 388,496
Supplies	\$ 64,233	\$ 118,915	\$ 124,288	\$ 118,557	\$ 345,941
Professional Service	\$ 464,092	\$ 721,864	\$ 901,397	\$ 818,490	\$ 802,066
Intergovernmental	\$ 9,063	\$ 9,115	\$ 9,115	\$ 9,618	\$ 9,063
Capital	\$ 3,800	\$ 25,524	\$ 101,834	\$ 251,334	\$ 16,000
Debt	\$ -	\$ 913	\$ 919	\$ 900	\$ 881
Transfers	\$ 48,417	\$ 142,115	\$ 685,558	\$ 598,300	\$ 184,000
Total Street Fund	\$ 1,418,236	\$ 1,981,839	\$ 2,790,778	\$ 2,990,920	\$ 2,649,013

FTE Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Approved
Senior Engineer*	0	0	0	1	0.5
Civil Engineer*	0.5	0.5	1	0	0
Engineering Technician	0.5	0.5	0	0	0
PW Crew Leader	0.97	0.97	0.97	0.9	0.9
PW Crew Worker 1	0.94	1.41	1.35	1.35	2.7
PW Crew Worker 2	2.43	2.91	2.88	2.7	2.7
PW Inspector**	0	0	0	0.45	0.45
PW Director	0.4	0.4	0.38	0.45	0.45
Equipment Mechanic	0	0	0	0.16	0.34
PW Admin Assistant	0	0.4	0.45	0.45	0.45
PW Superintendent**	0.45	0.45	0.45	0	0
Deputy City Clerk	0.11	0.18	0.14	0.23	0.26
Capital Project Cord.	0	0	0	0	0.4
Seasonal	0	0	0	0	0.9
Permit Specialist	0.4	0.4	0.4	0.4	0.4
City Administrator	0.14	0.15	0.14	0.16	0.2
Receptionist/Cashier	0.4	0.34	0.34	0.32	0.24
Finance Director/City Clerk	0.16	0.16	0.14	0.16	0.18
Community Dev Director	0.4	0.4	0.2	0.15	0.15
Senior Accountant	0	0	0	0.14	0.13
Accountant	0.13	0.12	0.15	0.13	0.13
H.R. Director	0.09	0.09	0.11	0.1	0.11
IT Specialist	0.08	0.1	0.08	0.09	0.1
IT Manager	0.08	0.1	0.08	0.09	0.1
	8.18	9.58	9.26	9.43	11.79

*Civil Engineer changed to Senior Engineer in 2017

**PW Superintendent changed to PW Inspector in 2017

City of Lake Stevens, Washington
Special Revenue Funds

Special Revenue Funds

There are three smaller special revenue funds. The Street Reserve, Drug Seizure & Forfeiture, and Municipal Arts Fund.

Street Reserve

The purpose of this fund was to provide a reserve or “safety net” for the Street Fund in the event of an abnormal budget event or catastrophe which would require emergency resources.

Drug Seizure & Forfeiture

The purpose of this fund is to account for the proceeds of items forfeited in accordance with RCW 69.50.505 Seizure and Forfeiture. The net proceeds of forfeited property will be deposited and receipted into this fund. State remittance payments and expenditures related to controlled substances law enforcement activity will be made from this fund according to applicable laws and regulations

Municipal Arts

The City recognizes its responsibility to foster culture and the arts and has an interest in the viable development of the arts. This fund is designated a reserve fund for arts purposes.

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Street Reserve					
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -
Drug Seizure & Forfeiture					
Operating Costs	\$ 2,286	\$ 6,372	\$ 922	\$ 3,982	\$ 40,000
Municipal Arts					
Operating Costs	\$ -	\$ 10,000	\$ -	\$ -	\$ -
Total Special Revenue	\$ 2,286	\$ 16,372	\$ 922	\$ 3,982	\$ 40,000

Debt Service Funds

The Debt Service Funds receive transfers to pay principal and interest for City's outstanding debt obligations.

Debt Service: 2008 Bonds

This fund is to account for the 2008- A and 2008- B bonds. A portion of the bonds were used to refund the 1997 bonds, and a portion of these bonds were used to fund the purchase of property for the potential future civic center. In July of 2010, the City refunded the 2008-B bond into the 2010 B series Bond. Those have since been paid in full. Only the 2008 A bond remains.

The Lake Stevens Sewer District reimburses the City for its portion of the refunded 1997 bonds.

Debt Service: 2010 LTGO Bonds

In 2010, the 2008 series B bonds were refunded into the 2010 series B bonds, the principle of which came due and was paid in full 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.

Debt Service: 2015 LTGO Bonds

In 2015, the 2004 bonds were refunded into the 2015 bond. The original 2004 bond was used for the purchase and installation of the Police Department modular building. The principal of the 2015 issue will come due in 2023. This debt service is being paid from real estate excise tax collections.

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
2008 A Bonds	\$ 359,249	\$ 351,402	\$ 353,368	\$ 354,105	\$ 349,705
2010 LTGO Bonds	\$ 94,912	\$ 549,912	\$ 74,166	\$ 74,164	\$ 37,082
2015 LTGO Bonds	\$ -	\$ 870,322	\$ 97,600	\$ 93,607	\$ 95,955
Total	\$ 454,161	\$ 1,771,637	\$ 525,134	\$ 521,876	\$ 482,742

Debt Limitation

The City is limited on the amount of debt that can be used to finance projects. Washington State law establishes two limits. The first limit is 2.5% of taxable property value and is the maximum amount of debt the City can hold. The general purpose limit is \$94 million at the end of 2017. The second is 1.5% of taxable property value, which is the limit the City can obtain debt without voter approval. This limit was \$56.7 million at the end of 2017.

Capital Funds

The Capital funds account for costs to construct, repair, or improve the City's long-term capital equipment or assets. Capital Improvements include the construction of new, or the significant repair of: streets, storm drain system, parks, buildings, or other facilities. Capital Improvement expenditures are mainly one-time in nature, with replacement not required for many years.

Capital Projects – Developer Contributions

This fund collects and distributes funds collected through mitigation impact fees assessed to developers when a piece of property is developed. The impact fees may be assessed for such things as traffic. The fees are maintained in this fund until a project that matches the purpose of the funds has begun. More detail on capital projects can be found in the expenditure summary section of this budget.

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
20th Street Op - Planning -Design	\$ -	\$ -	\$ 403,637	\$ -	\$ -
TIZ 1 Capital Expenditures	\$ -	\$ 272,900	\$ 154,000	\$ -	\$ -
Street Op -20th Street P&D	\$ -			\$ 248,143	\$ -
20th Street Construction	\$ -			\$ -	\$ 1,680,000
Street Op- Pln&Dsg - 204-91st	\$ -			\$ -	\$ -
TIZ3 - 24th & 91st St Design	\$ -			\$ 259,491	\$ 300,000
Main Street - Phase 1	\$ -			\$ -	\$ 550,000
Transfer Out	\$ -			\$ 2,289,056	\$ -
Total Capital Projects-Developer	\$ -	\$ 272,900	\$ 557,637	\$ 2,796,690	\$ 2,530,000

Park Mitigation

This fund collects and distributes funds collected through mitigation impact fees assessed to developers when a piece of property is developed. The impact fees are used for park capital. More detail on capital projects can be found in the expenditure summary section of this budget.

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Park Mitigation Exp	\$ -	\$ -	\$ 14,594	\$ -	
DT Park Plan & Design	\$ -	\$ -	\$ -	\$ 33,373	\$ -
Frontier Heights	\$ -	\$ -	\$ -	\$ 6,152	\$ -
Eagle Ridge	\$ -	\$ -	\$ -	\$ 24,147	\$ -
Williams Property Acquisition	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
North Cove Phase 1 (Plaza)	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Lundeen Restoration (move from	\$ -	\$ -	\$ -	\$ -	\$ 315,000
20th Street Soccer Field Rehab	\$ -	\$ -	\$ -	\$ -	\$ 20,000
Tree Mitigation Exp	\$ -	\$ -	\$ 977	\$ 11,175	\$ -
Total Park Mitigation	\$ -	\$ -	\$ 15,571	\$ 74,848	\$ 1,635,000

City of Lake Stevens, Washington
Capital Funds Continued

Real Estate Excise Tax I

The purpose of this fund is to collect the proceeds from the first ¼ of one percent real estate excise tax and to expend the resources on capital improvement projects as specified by the RCWs. Typical expenditures from this fund have included lake restoration activities, park purchases, as well as street and sidewalk projects.

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Transfer to Police St Debt Fad	\$ 105,721	\$ 101,865	\$ 97,300	\$ 93,607	\$ 95,955
Transfer to 210 for 2008 bonds	\$ 225,133	\$ 220,456	\$ 220,623	\$ 220,080	\$ 210,305
Transfer to 212 for 2010 Bonds	\$ 20,748	\$ 475,748	\$ -	\$ -	\$ -
800 MHZ Capital Debt Principal	\$ 14,738	\$ 15,549	\$ 16,504	\$ 17,306	\$ 18,258
800 MHZ Capital Debt Interest	\$ 7,880	\$ 7,069	\$ 6,214	\$ 5,312	\$ 4,360
Tressle/HOV Lane (local portion)	\$ -	\$ -	\$ -	\$ -	\$ -
REET 1	\$ 374,219	\$ 820,687	\$ 340,641	\$ 336,305	\$ 328,878

Real Estate Excise Tax II

The purpose of this fund is to collect the proceeds from the second ¼ of one percent real estate excise tax and to expend the resources on capital improvement projects as specified by the RCWs. Typical expenditures from this fund have included street, sidewalk, and drainage improvement projects

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Capital - Callow Road	\$ -	\$ -	\$ -	\$ 1,047	\$ -
79th Ave. SE Access Road	\$ -	\$ -	\$ -	\$ -	\$ -
Capital - SWM Drainage Improve	\$ -	\$ 18,176	\$ 22,249	\$ -	\$ 800,000
Capital - Trans - Land Improve	\$ -	\$ -	\$ 945,738	\$ -	\$ -
Regional Storm Pond	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to 212 for 2010A Bond	\$ 74,164	\$ 74,164	\$ 74,164	\$ 74,164	\$ 37,082
Frontier Village Entrance (4th)				\$ -	\$ 128,750
REET II	\$ 74,164	\$ 92,340	\$ 1,042,152	\$ 75,211	\$ 965,832

City of Lake Stevens, Washington
Capital Funds Continued

Sidewalk Capital

The purpose of this fund is to provide for the accumulation of resources that are restricted, committed, or assigned for expenditure for sidewalk capital outlays. This fund was created in 2011 with a transfer of Street funds intended for sidewalk construction.

	2014		2015		2016		2017		2018	
	Actual		Actual		Actual		Actual		Budgeted	
Sidewalk Construction	\$	-	\$	268,369	\$	573,251	\$	-	\$	-
91st Ave. SE & 4th St. SE (safer ro	\$	-	\$	-	\$	-	\$	-	\$	602,250
Sidewalk Capital	\$	-	\$	268,369	\$	573,251	\$	-	\$	602,250

Enterprise Funds

Enterprise Funds account for operations that are normally financed and operated in a manner similar to private business enterprises. These funds typically charge users a fee for services provided. Funds collected are spent within the fund for operating and capital needs.

Sewer Fund

Prior to 2005 the City maintained its own sewer system. During 2005 the City and the Lake Stevens Sewer District combined their respective sewer systems to reduce any duplication of services in order to most effectively fund the construction of a new waste water treatment plant. The City's expenditures are related to the City's role in providing customer service support and involvement in jointly planning for the expansion of the system including the new treatment plant. The City also makes debt service payments for sewer related debt which are paid in advance by the Sewer District.

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 75,091	\$ 45,841	\$ 46,142	\$ 16,961	\$ 1,275
Benefits	\$ 26,505	\$ 16,418	\$ 16,802	\$ 7,189	\$ 5,336
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Service	\$ 9,329	\$ 9,833	\$ 10,410	\$ 8,916	\$ 33,916
Debt	\$ -	\$ 1,179,344	\$ 1,305,694	\$ 915,309	\$ 910,271
Transfers	\$ 1,319,754	\$ 130,946	\$ -	\$ 134,025	\$ 139,400
Total Sewer	\$ 1,430,680	\$ 1,382,381	\$ 1,379,048	\$ 1,082,399	\$ 1,090,198

Storm and Surface Water Fund

The Storm and Surface Water Fund is an enterprise fund under the Public Works Department. The role of the department with respect to this fund is to provide for the maintenance and operation of the City's storm drainage system, lake and stream maintenance and restoration, street runoff, and roadside ditch and culvert maintenance. This includes restoration projects, such as, the hypo limnetic aerator, non-point stream improvements, and related educational activities, as well as detention ponds, underground vaults, stream bank and ditch maintenance. This fund does not provide erosion control and enforcement or inspection services for new development. Those services are funded by development fees and charged to the General Fund which collects the development fees.

City of Lake Stevens, Washington
Enterprise Funds Continued

Expenditure Summary Surface Water

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 453,295	\$ 538,355	\$ 585,989.21	\$ 595,248	\$ 838,498
Benefits	\$ 215,162	\$ 221,812	\$ 234,395.16	\$ 234,865	\$ 366,398
Supplies	\$ 49,830	\$ 40,723	\$ 73,539.40	\$ 194,010	\$ 90,260
Professional Service	\$ 278,713	\$ 304,602	\$ 298,421.47	\$ 272,028	\$ 349,659
Intergovernmental	\$ 65,040	\$ 58,739	\$ 83,103.89	\$ 69,103	\$ 82,971
Grant	\$ 64,009	\$ 24,403	\$ 14,196.46	\$ 15,113	\$ -
Capital	\$ 10,700	\$ 10,700	\$ 55,271.82	\$ 127,668	\$ 131,000
Debt				\$ 10,763	\$ 10,700
Transfers	\$ 27,117	\$ 97,045	\$ 167,487.82	\$ 359,239	\$ 184,000
Total Storm & Surface Water	\$ 1,163,866	\$ 1,296,378	\$ 1,512,405.23	\$ 1,878,037	\$ 2,053,486

FTE Summary Surface Water

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Approved
City Administrator	0.09	0.1	0.09	0.09	0.09
Deputy City Clerk	0.06	0.07	0.04	0.05	0.08
Receptionist/Cashier	0.18	0.24	0.22	0.22	0.14
Accountant	0.1	0.12	0.12	0.11	0.1
Senior Accountant	0	0	0	0.11	0.09
Finance Dir. /City Clerk	0.1	0.12	0.09	0.09	0.09
H.R. Director	0.11	0.11	0.09	0.1	0.11
IT Specialist	0.08	0.1	0.1	0.08	0.1
IT Manager	0.08	0.1	0.1	0.08	0.1
Permit Specialist	0	0.2	0.2	0.2	0.2
Community Dev Director	0	0	0	0.1	0.1
Engineering Technician	0.5	0.5	1	1	1
Civil Engineer	0.5	0.5	0	0	0
Senior Enginner	0	0	0	0	0.5
Capital Project Cord.	0	0	0	0	0.4
PW/Planning Coordinator	0.25	0	0	0	0
PW Admin Assistant	0	0.4	0.45	0.4	0.4
PW Crew Leader	0.97	0.97	0.97	0.8	0.8
PW Crew Worker I	0.94	1.41	1.35	1.2	2.4
PW Crew Worker II	2.425	2.91	2.88	2.4	2.4
PW Inspector	0	0	0	0.4	0.4
PW Superintendent	0.45	0.45	0.45	0.45	0
PW Director	0.32	0.32	0.38	0.4	0.4
Seasonal Worker	0	0	0	2	2.8
Equipment Mechanic	0	0	0	0.16	0.34
	7.16	8.62	8.53	10.44	13.04

City of Lake Stevens, Washington
Internal Service Funds

Internal Service Funds

Internal service funds are designed to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City. Major funds contribute to the Internal Service funds based on allocation amounts or the specific user of the item purchased. The City has five internal service funds: Unemployment, Capital Equipment Computer, Vehicle Replacement, Capital Equipment Police, Capital Equipment Public Works, and Aerator Equipment.

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Unemployment					
Payments to Claimants	\$ -	\$ 8,430	\$ 5,994	\$ 507	\$ 30,000
Capital Equip - Computer					
Equipment/Software	\$ 87,872	\$ 127,761	\$ 92,996	\$ 276,150	\$ 245,786
Capital Vehicles					
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Equip - Police					
Equipment/Vehicles	\$ 131,892	\$ 151,636	\$ 216,894	\$ 265,484	\$ 113,540
Capital Equip - PW					
Equipment	\$ 48,260	\$ 202,961	\$ 271,534	\$ 668,919	\$ 92,930
Aerator Equip Replacment					
Equipment	\$ -	\$ -	\$ -	\$ -	
Aerator Removal	\$ -	\$ -	\$ -	\$ 51,314	\$ -
Total Internal Service	\$ 268,023	\$ 490,788	\$ 587,418	\$ 1,262,374	\$ 482,256

City of Lake Stevens, Washington
Fiduciary Funds

Fiduciary Funds

The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds. The City of Lake Stevens has two such funds summarized below.

Refundable Deposits Funds

The purpose of this fund is to collect required deposits made typically by developers or builders as a means of guarantee for certain performance expectations. These deposits are then refunded back to the developer or builder when the work is completed.

Treasurers Trust Fund

The purpose of this fund is to account for the collection of funds which the City is not entitled to keep but rather are sent to other governmental agencies. The revenues are used to pay for the items for which the money was received. Some of the money collected from the issuance of traffic and criminal citations is collected here and used to pay court and state required criminal justice expenditures. The City's share of citations is collected in the General Fund-001. The state has also required a portion of building fees and gun permit fees be collected in this fund and passed on to the state.

Expenditure Summary

	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Budgeted
Refundable Deposit					
Retainage Release - Other PW	\$ -	\$ -	\$ 4,116	\$ 32,443	\$ 50,000
Street Project Retainage Reimb	\$ 29,960	\$ -	\$ 17,927	\$ 18,760	\$ 50,000
Retainage -Public Bldg Maint			\$ 434	\$ 1,356	\$ 1,000
Subtotal Refundable Deposit	\$ 29,960	\$ -	\$ 22,477	\$ 52,559	\$ 101,000
Treasurers Trust					
Distracted Driver Prevention	\$ -	\$ -	\$ -	\$ 4	\$ -
Seizure & Forfeit State REMIT				\$ 55	\$ 1,200
Building - State BI	\$ 1,087	\$ 1,238	\$ 2,574	\$ 2,783	\$ 2,000
Vehicle License Fraud Account	\$ -	\$ -	\$ -	\$ 16	\$ -
Gun Permit - State Remittance	\$ 8,251	\$ 6,651	\$ 13,076	\$ 10,589	\$ 10,000
Crime Victims Compensation	\$ 2,138	\$ 1,992	\$ 2,218	\$ 3,071	\$ 3,000
Public Safety And Ed. 1986	\$ 52,259	\$ 51,982	\$ 59,562	\$ 78,707	\$ 68,156
Public Safety And Education	\$ 31,185	\$ 30,754	\$ 35,403	\$ 46,868	\$ 55,000
Judicial Information System-Ci	\$ 9,668	\$ 10,277	\$ 15,413	\$ 26,883	\$ 26,844
Gun Permit - FBI Remittance	\$ 4,033	\$ 5,313	\$ 6,980	\$ 4,934	\$ 4,000
Crime Laboratory Analysis Fee	\$ -	\$ -	\$ -	\$ -	\$ 500
Trauma Care	\$ 3,513	\$ 3,822	\$ 4,917	\$ 8,051	\$ 5,000
School Zone Safety	\$ 565	\$ 982	\$ 783	\$ 938	\$ 1,000
Public Safety Ed #3	\$ 1,832	\$ 1,390	\$ 1,401	\$ 1,533	\$ 3,000
Auto Theft Prevention	\$ 4,946	\$ 5,386	\$ 7,016	\$ 11,536	\$ 6,000
HWY Safety Act	\$ 451	\$ 367	\$ 387	\$ 429	\$ 1,000
Death Inv Acct	\$ 366	\$ 287	\$ 273	\$ 258	\$ 1,500
WSP Highway Acct	\$ 2,074	\$ 1,629	\$ 1,547	\$ 1,462	\$ 2,000
Leasehold Excise Tax Remit	\$ 4,634	\$ 2,606	\$ 4,757	\$ 6,207	\$ 4,500
Fire Dept Fee Remittance	\$ 7,280	\$ 10,415	\$ 13,973	\$ 33,067	\$ 6,500
Subtotal Treasurer Trust	\$ 134,281	\$ 135,092	\$ 170,279	\$ 237,390	\$ 201,200
Total Fiduciary Funds	\$ 164,240	\$ 135,092	\$ 192,756	\$ 289,949	\$ 302,200

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 any time 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.

2018 Budget Calendar

Budget Instructions to Department Heads	July 18, 2017
Budget Revenue & Expenditure Estimates Filed w/City Clerk	August 11, 2017
Estimates Presented to City Administrator & Mayor	August 21, 2017
Initial Department Head Budget Discussion	August 28, 2017
Mayoral Budget Discussion	August 31, 2017
Department Heads Meet w/City Administrator & Mayor	August 28 - September 8, 2017
Mayoral Budget Discussion	September 12, 2017
Budget Subcommittee Meeting	September 13, 2017
Budget Subcommittee Meeting	September 21, 2017
Estimated Revenues & Preliminary Budget Provided to Legislative Body	September 26, 2017
City Council Budget Study Session	September 26, 2017
Budget Subcommittee Meeting	October 19, 2017
City Council Budget Study Session	October 24, 2017
Notice of Public Hearing	October 30, 2017
Preliminary Budget and Budget Message Filed w/City Clerk	November 1, 2017
Copies of Preliminary Budget Made Available to the Public	November 1, 2017
Notice of Public Hearing	November 6, 2017
Public Hearing #1	November 14, 2017
(Property Tax Levy)	November 14, 2017
Final Public Hearing and Budget Adoption	November 28, 2017

Glossary

Accounting System: The set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

Accounts Payable: A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

Accounts Receivable: An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

Ad Valorem Taxes: Commonly referred to as property taxes, are levied on both real and personal property according to the property's valuation and the tax rate.

Advance Refunding Bonds: Bonds issued to retire an outstanding bond issue prior to the date on which the outstanding bonds become due or callable.

Agency Funds: A fund used to account for assets held by a government on behalf of individuals, private organizations, other governments, or funds.

Allocation: To set aside or designate funds for specific purposes. An allocation does not authorize the expenditure of funds.

Annual Budget: A budget applicable to a single fiscal year.

Appropriation: An authorization made by the City Council that allows expenditures of governmental resources for specific purposes. Appropriations are typically granted for a one year period.

Assessed Valuation: The estimated value of real and certain personal property used by the Snohomish County Assessor as the basis for levying property taxes.

Assessment Ratio: The ratio at which the tax rate is applied to the tax base.

Asset: Resources owned or held by a government that have monetary value.

Attrition: A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, retirement, or means other than layoffs.

Audit: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- * ascertain whether financial statements fairly present financial position and result of operations;
- * test whether transactions have been legally performed;
- * identify areas for possible improvements in accounting practices and procedures;
- * ascertain whether transactions have been recorded accurately and consistently; and
- * ascertain the stewardship of officials responsible for governmental resources.

Authorized Positions: Employee positions which are authorized in the proposed budget, to be filled during the year.

BARS: The prescribed "Budgeting Accounting & Reporting System" required for all governmental entities in the State of Washington.

Base Budget: Cost of continuing the existing levels of service in the current budget year.

Basis of Accounting: A term used to refer to when revenues, expenditures, expenses and transfers--and the related assets and liabilities--are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or accrual method.

Beginning Fund Balance: The amount remaining after accounting for the previous year's revenues less the previous year's expenditures.

Benefits: Benefits provided for employees, such as Social Security, retirement, worker's compensation, life insurance, and medical insurance.

Bond (Debt Instrument): A written promise to pay a specified sum of money (the face amount of the bond) at a specified future date (the maturity date), at a specified interest rate. Bonds are primarily used to finance capital facilities. The City of Lake Stevens typically issues general obligation, revenue, or special assessment bonds.

Bond Refinancing: The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

Budget: A plan of financial activity for the operation of a program or organization for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period.

Budget Calendar: The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

Budget Document: The official written statement prepared by the City explaining the proposed budget to the public and City Council.

Budget Message: A written explanation by the Mayor and City Administrator of the proposed budget. The budget message explains the principal budget and policy issues, and presents an overview of the budget recommendations.

Budget Ordinance: The official legal document approved by the City Council authorizing the expenditure of resources.

Budgetary Basis: This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally take one of three forms: GAAP, cash, or modified accrual.

Budgetary Control: The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Capital Assets: Assets of significant value and having a useful life of several years. Effect of inflation on compensation.

Capital Facilities Plan (CFP): This is a planning document required by the Growth Management Act which addresses capital projects and anticipated sources of funding over a six year period.

Capital Improvements Program (CIP): A plan or schedule for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long term needs.

Capital Outlay: Expenditures for furnishings, equipment, vehicles, or machinery that results in the acquisition of assets with a useful life of more than one year. Examples include land, buildings, machinery, equipment, and construction projects.

Capital Project: Major construction, acquisition, or renovation activities that add value to a government's physical assets or significantly increase their useful life. Also called capital improvements.

Cash Basis: A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Collective Bargaining Agreement: A legal contract between the employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g., hours, working conditions, salary, benefits, and matters affecting welfare of employees).

Concurrent or Concurrency: The improvements that are in place at the time the impacts of development occur, or that the necessary financial commitments are in place. Public facilities and services shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.

Consumer Price Index (CPI): A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services: Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.

Cost of living Adjustment (COLA): An increase in salaries to offset the adverse effect of inflation on compensation.

Costs Allocation: Assignment of applicable costs and charges from one fund to another required by treating each fund as an independent entity.

Councilmanic Bonds: Councilmanic bonds refer to bonds issued solely upon the approval of the Council. Councilmanic bonds may not exceed 1.5% of assessed valuation.

Debt: An obligation resulting from the borrowing of money or from the purchase of goods and services.

Debt Service: The annual cost of paying principal and interest on borrowed money (bonded indebtedness) according to a predetermined payment schedule.

Debt Service Fund: A fund established to account for the accumulation of resources for, and the payment of, general long term debt principal and interest.

Dedicated Tax: A tax levied to support a specific government program or purpose

Deficit: The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Depreciation: Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Development Activity: Any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any change in the use of land, that creates additional demand and need for public facilities.

Development Related Fees: Those fees and charges generated by building, development and growth in a community. Included are building and street permits, development review fees, and zoning, platting and subdivision fees.

Disbursement: The expenditure of monies from an account.

Encumbrance: The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

Enterprise Fund: An accounting entity of the City used to record and report transactions for business type activities of the City, e.g., Storm Water Fund.

Entitlements: Payments to which local governmental units are entitled, pursuant to an allocation formula determined by the agency providing the monies, usually the state or the federal government.

Estimated Revenue: The amount of projected revenue to be collected during the fiscal year.

Expenditure: The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense: Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Fees: A general term for any charge for services levied by government associated with providing a service, permitting an activity, or imposing a fine or penalty. Major types of fees include business licenses, fines, and user charges.

Financial Forecast (Six Year): Estimates of future revenues and expenditures to help project the long range financial condition of City funds.

Fiscal Policy: A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year: A twelve month period designated as the operating year for accounting and budgeting purposes in an organization.

Full Faith and Credit: A pledge of a government's taxing power to repay debt obligations.

Full Time Equivalent (FTE): Expresses staffing in terms of full time (40 hours per week) employment. For example, a person who works 40 hours per week is described as 1.0 FTE. An employee who works 20 hours per week calculates to a 0.5 FTE (20 hours divided by 40 hours).

Function: A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., public safety).

Fund: An independent fiscal and accounting entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

Fund Balance: The excess of a fund's assets over its liabilities.

GAAP: Generally Accepted Accounting Principles are standards used for accounting and reporting used for both private industry and governments. Government GAAP is currently set by the Governmental Accounting Standards Board.

GASB: Governmental Accountant Standards Board established in 1985 is the current standards-setting board for governmental GAAP.

General Obligation (G.O.) Bonds: Bonds for which the full faith and credit of the issuing government have been pledged for repayment.

Grants: A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

Growth Management Act (GMA): Comprehensive Washington State legislation which requires cities and counties to undergo a prescribed planning process to accommodate projected population growth. Examples of the planning process include defining the levels of service City government will provide to its Citizens, developing a six year capital facilities plan, and determining how to fund existing capital deficiencies.

Impact Fees: A fee assessed on new development that creates additional demand and need for public facilities.

Implicit Price Deflator: for personal consumption expenditures is a figure used to measure inflation, and it can impact how much property tax revenue a jurisdiction can collect in any year

Improvements: Buildings, structures, or attachments to land such as sidewalks, trees, tunnels, drains, and sewers.

Indirect Cost: A cost necessary for the functioning of the organization as a whole, but cannot be directly assigned to one service.

Inflation (Property Tax): Percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve-month period by the bureau of economic analysis of the federal department of commerce by September 25th of the year before the taxes are payable

Infrastructure: The physical assets of a government (e.g., streets, water, sewer, public buildings and parks).

Interfund Payments: Expenditures made to other City funds for services rendered.

Interfund Transfers: The movement of monies between funds of the same governmental entity.

Intergovernmental Revenue: Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Interlocal Agreement: A contract between two government entities whereby one government assumes the lead responsibility of a project that overlaps both jurisdictions.

Internal Control: The system of controls established by the City to protect the assets from misappropriation and ensure accurate reporting of financial transactions.

Internal Service Fund: Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City.

Latecomer Fees: Fees paid by developers or future service users for their share of past improvements financed by others.

Lease Purchase Agreements: Contractual agreements which are termed "leases," but which in substance, amount to purchase contracts.

LEOFF: Law Enforcement Officers and Firefighters retirement system provided for all police officers and firefighters by the State of Washington.

Levy: (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessment or service charges imposed by a government.

Levy Rate: The rate of tax to be imposed on the assessed value of real property for the computation of property tax revenues

Liability: Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date.

Licenses and Permits: Revenue category that includes building permits, business licenses, and any other miscellaneous license.

LID: Local Improvement District or Special Assessments made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Long term Debt: Debt with a maturity of more than one year after the date of issuance.

Materials and Supplies: Expendable materials and operating supplies necessary to conduct departmental operations.

Mill: The property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed property valuation.

Miscellaneous Revenue: The account that provides for accumulation of revenues not specifically in other accounts.

Modified Accrual Basis: Under this accounting method, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures for the most part are recognized when the related fund liability is incurred except for prepayment, accumulated employee leave, and long term debt. All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting.

Mitigation Fees: Contributions made by developers toward future improvements of City facilities resulting from the additional demand on the City's facilities generated from the development.

Net Budget: The legally proposed budget less all interfund transfers and interdepartmental charges.

Object of Expenditure: An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, asphalt, and furniture.

Objective: Something to be accomplished in specific, well defined, and measurable terms and that is achievable within a specific time frame.

Obligations: Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Expense: Those costs including expenditures for salaries and wages, benefits, supplies, services, and charges which are necessary to support the primary services of the organization.

Operating Revenue: Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day to day services.

Operating Transfer: Routine or recurring transfers of asset between funds which support the normal operations of the recipient fund.

Ordinance: A piece of legislation enacted by a municipal authority.

Other Services and Charges: An expenditure classification which includes professional services, communication, travel, advertising, rentals, leases, insurance, public utility services, and repairs and maintenance.

Pay as you go Basis: A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

Performance Measurements: Data collected to determine how effective or efficient a program is in achieving its objectives.

PERS: Public Employees Retirement System provided by the State of Washington for all City employees except police and fire.

Preliminary Budget: The recommended and unapproved City budget submitted to the City Council and the public.

Prior Year Encumbrances: Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Program: A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

Public Facilities: The capital owned or operated by the City or other governmental entities.

Purpose: A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

R.C.W.: Revised Code of Washington

R.E.E.T.: (Real Estate Excise Tax) A tax upon the sale of real property from one person or company to another.

Reserve: An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resolution: A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources: Total dollars available for appropriations including estimated revenues, interfund transfers, and the beginning fund balance.

Revenue: Income received by the City to support community services. This income may be in the form of taxes, fees, user charges, grants, fines, and interest.

Revenue Bonds: Bonds issued pledging future revenues (i.e., sewer, or water charges) to cover debt payments.

Revenue Estimates: A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a fiscal year.

Service Indicator: A unit of work accomplished, without reference to the resources required to do the work (e.g., number of permits issued, number of grants obtained, or number of burglary arrests made). Service indicators do not reflect the effectiveness or efficiency of the work performed.

Source of Revenue: Revenues are classified according to their source or point of origin.

Special Assessment Bonds: Bonds payable from the proceeds of special assessments such as local improvement districts.

Standard Work Year: 2080 hours or 260 working days.

Supplemental Appropriation: An additional appropriation made by the governing body after the initial budget year or biennium has started.

Supplemental Requests: Programs and services which departments have requested (in priority order) over their base budget, or if revenue received is greater than anticipated.

Supplies: An expenditure classification for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas, inventory, resale items, small tools, and equipment.

Tax: Charge levied by a government to finance services performed for the common benefit.

Unencumbered Balance: The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance: The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges: The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Working Capital: The year-end balance of current assets less current liabilities in the Enterprise and Internal Service Funds. The unencumbered balance at year end is available for appropriation in the next year's budget.

Working Cash: Excess of readily available assets over current liabilities or cash on hand equivalents that may be used to satisfy cash flow needs.

Note: Not all terms included in the glossary are contained or used within the budget document but are included to provide a better understanding of general budget terms.