



2020

Adopted Budget



MAYOR	JOHN SPENCER
COUNCIL PRESIDENT	GARY PETERSHAGEN
COUNCIL VICE-PRES.....	BRETT GAILEY
COOUNCILMEMBER	KIM DAUGHTRY
COUNCILMEMBER.....	TODD WELCH
COUNCILMEMBER.....	KURT HILT
COUNCILMEMBER.....	RAUCHEL McDANIEL
COUNCILMEMBER.....	MARCUS TAGEANT



*CITY OF
LAKE STEVENS*

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CITY OF LAKE STEVENS

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November 1st, 2019

Honorable City Council Members:



I am pleased to submit this budget to you for 2020 with a look to the future for Lake Stevens' growth and fiscal soundness. The overriding strategy is to meet our goal of 10% general fund reserve by 2025 over and above our construction reserve.

Over the past 4 years, we have invested wisely and created a foundation for moving into the future. While we are well positioned financially; significant challenges remain. We are a bootstrap city. We pulled up our boots and moved forward on multiple fronts (creating a sense in the market place that "we are open for business", invested in new and renewed parks, rebuilding our downtown, built up a strong Police and Public Works departments, upgraded our stormwater system, kept the lake clean and safe and built 1,000s of feet of new sidewalk, and more). Additionally, the city continues to support commercial growth as seen through our land use policies and permitting processes. As a result, we have substantial growth in retail and other businesses and the start of a great park system that provides safe, convenient and quality service for our citizens.

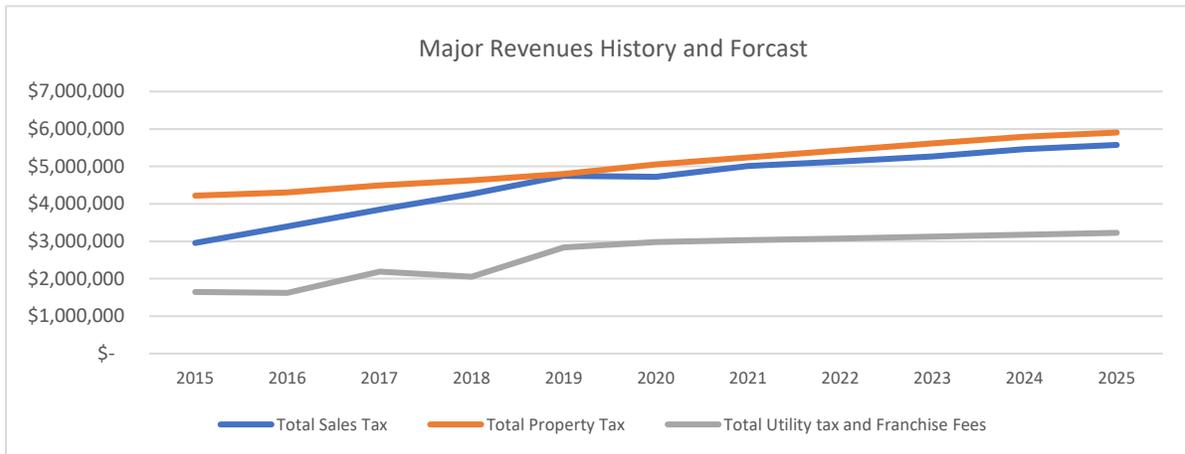
Looking out a few years, there are major capital projects to be built in Lake Stevens; SR9 and SR204 intersection for nearly \$70m, completion of Cavelero Skateboard Park for over \$3.0m, S. Lake Stevens trail and walkway at \$2.7m and a new Costco well over \$70m including infrastructure improvements. We have seen investment by small businesses along with regional and national chains expanding retail and dining options and creating new jobs in Lake Stevens. These investments continue to build on the development of Lake Stevens as a quality urban center. Lake Stevens is truly becoming a real city and not just a place along SR 9.

We can be optimistic that investments will continue to be made in Lake Stevens providing a safe and quality place to raise a family.

By funding or expanded new initiatives, when revenue growth is certain, we can meet our goal of 10% general fund reserve by 2025. I am reminded of Moody's Investment Services comments in upgrading our bond rating; while being impressed with our financial condition and reserves in-place now they will look to us to maintain and improve on reserves over time.

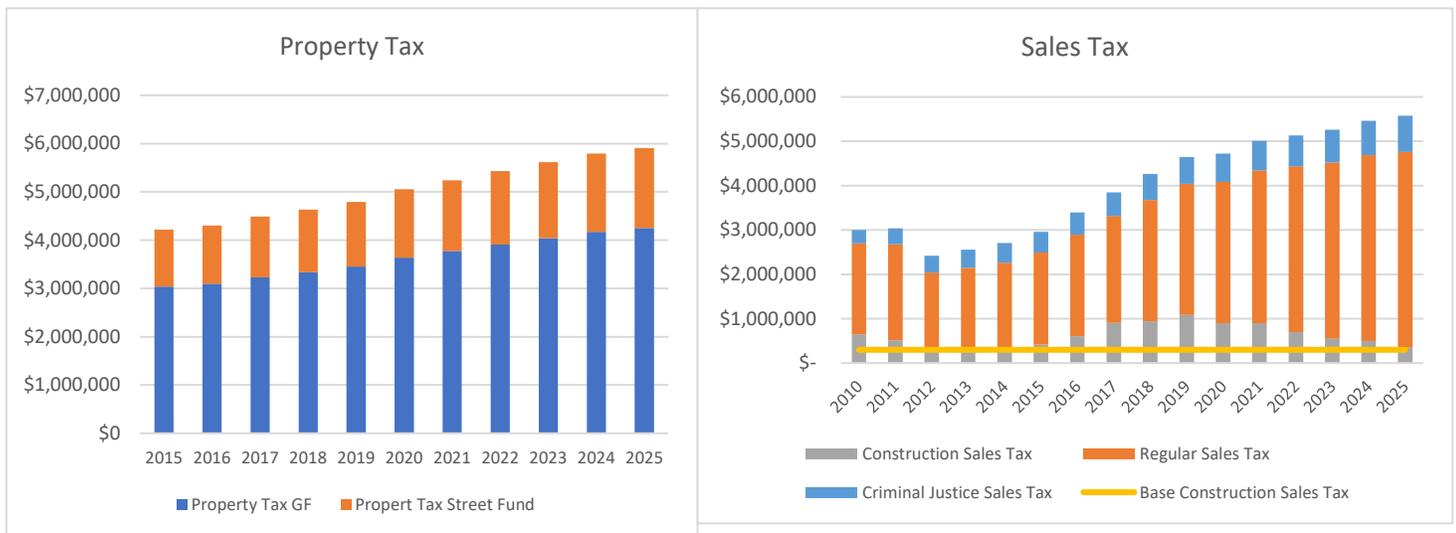
REVENUES

Lake Stevens has enjoyed significant revenue growth over the past 6 years and can expect revenues to continue to grow, although not as rapidly. Using reasonable assumptions, we foresee overall growth of 3.6% per year for all revenue combined.



The assumptions used to make these projections are:

- Sales Tax increase of 8% a year until 2023 then 5% increase thereafter.
- Property Tax increase of 1% plus estimated new construction.
- Utility Tax increase of 2% per year.

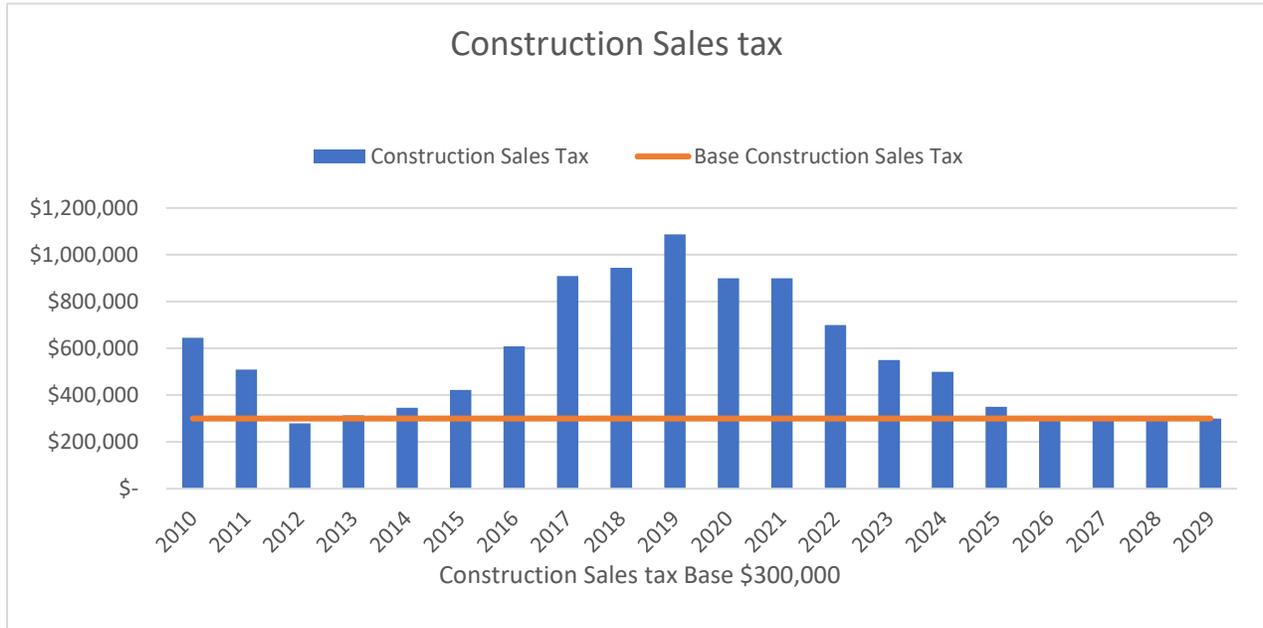


Lake Stevens is also seeing new retail and redevelopment of shopping centers which signal a strong economy and reinforces the Cities revenue projections. Some new retailers are:

- The Ram
- Ulta Beauty
- T.J. Maxx
- Ross

Construction Sales Tax Revenue

We are recommending that a portion of construction sales tax revenue, \$300,000, be used to support the general fund annually. This portion is based on analysis showing we can depend upon having a base of construction occurring in the city, every year. The remaining construction sales tax will be allocated to our capital reserve for future infrastructure needs. The construction sales tax chart shows construction sales tax history and the reason for selecting \$300,000 to remain in the general fund for operating costs.



2020 Priorities

Our operating budget priorities for 2020 are to:

- I. Strengthen the parks and recreation program for Lake Stevens residents.
- II. Increase PD officer patrol time
- III. Upgrade equipment support for PW Department
- IV. Plan for long term financial sustainability

The Baseline Budget

We start with the baseline budget that grows due to inflation (average of 3% per year), market forces and other factors increasing the cost of doing business in the Puget Sound Region. The primary upward cost drivers for the 2020 baseline budget are:

1. Salary and Benefit increases.
2. Normal inflationary increases on all goods and services.

Proposed Operating Budget

Our proposed budget is structured to achieve the 10% general fund reserve by 2025, with confidence that Costco will open in 2021 and the TBD will be funded.

To achieve the 2025 goal, our proposed 2020 budget limits recurring increases in operating budget to \$221,000. In addition, the proposed budget includes one-time requests of \$476,368 in capital requests, new employee costs (i.e. car, computer), and professional service contracts.

The specific budget item requests are:

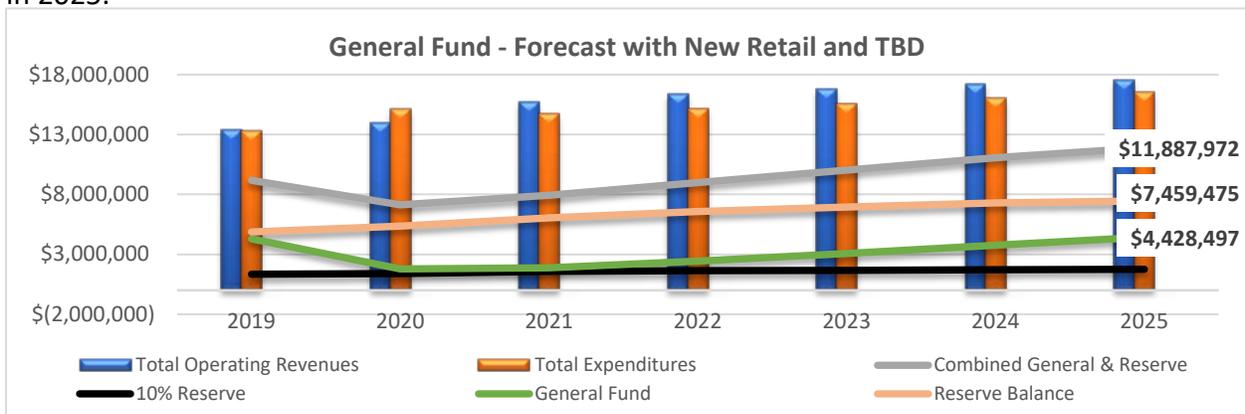
1. Add One Parks Worker 1 to Public Works Department - \$73,000
2. Add two seasonal workers to park crew - \$28,000
3. Add part time Event Specialist- \$64,827
4. Add one Administrative Officer to PD (promotional only); \$24,000 ongoing with normal labor and benefit increases and \$43,000 for vehicle and gear. We recommend not “back-filling” the vacant position in PD until revenue adjustment are made in July

Upgrade equipment support for PW Department

1. Tree removal chipper and stump grinder - \$82,000
2. Pick-up Truck and Trailer for Parks Equipment \$85,000
3. Compressor and Asphalt Roller \$40,000
4. Side Arm Mower \$70,000
5. Vactor Truck (Storm Water account) - \$125,000/year for 5 years

Financial Reserves

The 2020 budget with revenue enhancement from expected Costco development and funding the TBD will achieve the 10% general fund reserve by 2025. This plan will insure the City can continue to provide excellent services to citizens, provides long term stability in the general fund, and maximizes one-time money for City infrastructure. The graph below shows the general fund reserve above the 10% at a fund balance of \$4,428,497 (26%), a reserve fund for capital/infrastructure at \$7,459,475 (43%) and a total combined reserve of \$11,887,972 (69%) in 2025.



This 2020 budget “turns-the-corner” on the downward drift of the general fund reserve and allows the council to look toward increased reserves beyond 2025.

Proposed Capital Budget

Lake Stevens Capital budget is funded from many sources: state and federal grants, mitigation fees, construction sales tax, real estate excise tax and proceeds from bond sales. Attached to this budget message is a capital budget spreadsheet with all capital projects listed. The spreadsheet includes projects that are fully funded (plan, design, build and start-up) and the year in which those activities occur. It also shows projects that are either not funded or only partially funded i.e. design only. Also attached with this message is an individual capital project sheet providing detail on each project including the source of funds.

All capital projects whether fully funded or not amount to \$49 Million between now and 2023.

Fully funded projects through 2023 amount to \$40.7 Million. These projects are funded by Real Estate Excise Taxes, Mitigation funds, Bonds, and the Contingency Fund.

The major projects are:

1. Police Station - \$8.7 Million
2. Public Works Shop - \$834,000
3. 20th St SE Road Project - \$8 Million
4. 24th and 91st Ave Extension - \$17 million

Capital highlights

Project	Funding Amount	Activity
North Cove Park Phase 2	\$1 Million	Design/Build 2020
North Cove Park	\$6.3 Million	Build (2019 construction)
S. Lake Stevens Road	\$2.7 Million	Build 2019-2020
79 th St SE Extension - Cavelero Park	\$1.2 Million	Build 2019-2020
Frontier Heights Park Improvement	\$536K	Design/Build 2020
20 th Street Ball Field	\$1.3 Million	Design 2020 Build 2021 (unfunded)
Power Line Trail	\$100K	Design 2020
Police Station	\$8.7 Million	Design/build 2019-2020
24 th St and 91 st Ave extension	\$17 Million	Design/Build 2020
Market to Vernon Beautification	\$50,000	Design only. Full funding will be a combination of WSDOT ROW improvements and City enhancements

We have proposed a new capital project to this budget to be approved by the Council. That new project is to design and implement a program of landscape and facility improvements associated with the WSDOT construction of the SR 9 and SR 204 intersection. We have included an estimate of design and construction cost for these improvements. The scope of this work is an area running generally from Market Street at SR 9, North to the Vernon Road exit from SR 9. The \$50,000.00 is a preliminary estimate and does not include WSDOT review and/or contribution for WSDOT ROW frontage improvements. Design of these improvements, working with WSDOT, should begin in 2020, so that all permitting, grading and finish landscaping is coordinated with the infrastructure construction to begin in 2021.

SUMMARY

The proposed operating budget is a very constrained budget adding key staff for critical and/or strategic areas and funding equipment to assist PW staff be more efficient. The budget, including expenditures and revenue forecast is, in my assessment, a prudent step that provides room for the Council to amend the budget mid-year to fund other priorities, or not, depending on having even more certainty on revenue to the city.

It has been a pleasure to work with each of you over my term of office. I hope you feel as I do that we have worked in a partnership for the good of the community. I certainly am proud of our accomplishments and the direction Lake Stevens has taken to accommodate new residents and build a quality city.

Thank you.

Sincerely,

A handwritten signature in blue ink that reads "John Spencer". The signature is fluid and cursive, with a long horizontal stroke at the end.

John Spencer, Mayor

CITY OF LAKE STEVENS
LAKE STEVENS, WASHINGTON

ORDINANCE NO. 1071

AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF LAKE STEVENS,
WASHINGTON, FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2020

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, 2020, 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 12th day of November and the 26th day of November, 2019, 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 2020 is hereby adopted, the content which will be set forth in the document entitled City of Lake Stevens 2020 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 2020 are set forth in summary form below, and are hereby appropriated for expenditure during the year 2020 as set forth below:

Fund #	Fund Name	Estimated Beg. Bal.	Resources	Expenditures	End. Bal.
001	General	\$11,244,520	\$15,870,063	\$16,648,920	\$10,465,663
101	Street	\$2,008,522	\$2,570,031	\$2,744,033	\$1,834,520
103	Street Reserve	\$3,591	\$30	\$0	\$3,621
111	Drug Seizure & Forfeiture	\$81,540	\$21,262	\$82,500	\$20,302
112	Municipal Arts Fund	\$21,208	\$10,500	\$31,708	\$0
210	2008 Bonds	\$0	\$349,705	\$349,705	\$0
213	2015 LTGO Bond	\$0	\$94,426	\$94,426	\$0
214	2019A LTGO Bond	\$0	\$433,996	\$433,996	\$0
301	Cap. Proj.-Dev. Contrib.	\$3,629,771	\$10,103,622	\$12,825,410	\$907,983
302	Park Mitigation	\$468,409	\$1,060,424	\$419,130	\$1,109,703
303	Cap. Imp.-REET	\$3,874,092	\$1,180,645	\$765,245	\$4,289,492
304	Cap. Improvements	\$1,256,484	\$3,035,951	\$1,379,553	\$2,912,882
305	Downtown Redevelopment	(\$0)	\$1,000,000	\$1,000,000	(\$0)
306	Facility Capital Project	\$4,004,031	\$0	\$4,000,000	\$4,031
309	Sidewalk Capital Project	\$831,812	\$19,310	\$375,000	\$476,122
310	20th Street SE Corridor CP	\$811,589	\$13,702	\$824,354	\$937
401	Sewer	\$237,705	\$1,060,525	\$1,069,396	\$228,834
410	Storm and Surface Water	\$1,191,100	\$3,562,304	\$4,126,503	\$626,901
411	Storm Water Capital	\$0	\$1,631,486	\$1,631,486	\$0
412	Storm Water Debt	\$0	\$125,404	\$125,404	\$0
501	Unemployment	\$59,765	\$1,542	\$40,000	\$21,307
510	Equipment Fund - Computers	\$76,886	\$329,466	\$311,976	\$94,376
515	Equipment Fund - Vehicles	\$30,849	\$10,536	\$0	\$41,385
520	Equipment Fund-Police	\$277,740	\$218,398	\$210,000	\$286,138
530	Equipment Fund-PW	\$913,232	\$217,751	\$396,432	\$734,551
540	Aerator Equip (Lake Treatment)	\$94,800	\$2,000	\$38,000	\$58,800
621	Refundable Deposits	\$2,578	\$100,000	\$101,000	\$1,578
633	Treasurer's Trust	\$1,493	\$451,804	\$453,297	\$0
Total		\$31,121,718	\$43,474,883	\$50,477,474	\$24,119,127

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 26th day of November 2019.

Gary Petershagen, Mayor Pro Tem

ATTEST:

Kathy Pugh, City Clerk

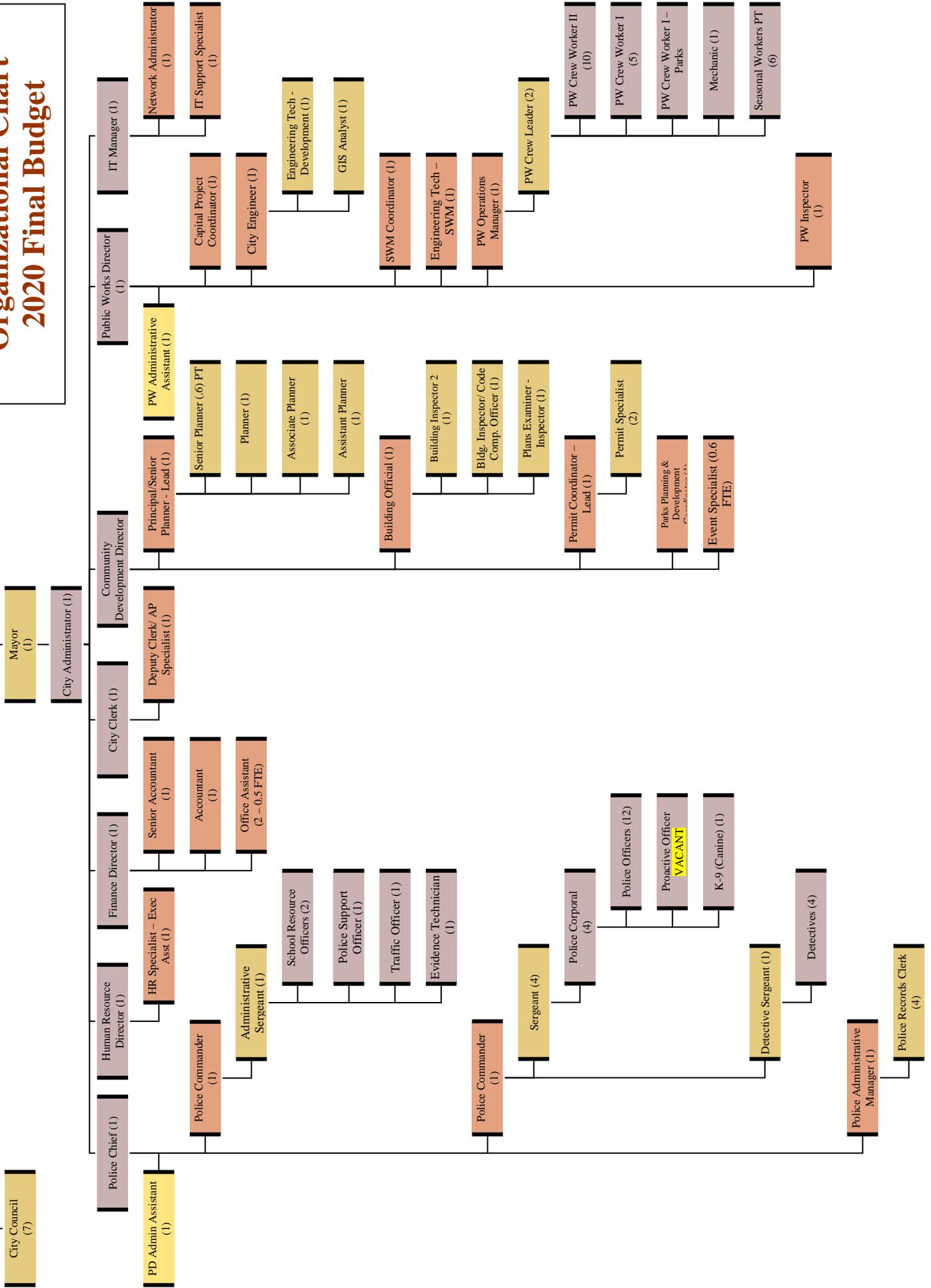
APPROVED AS TO FORM:

Greg Rubstello, City Attorney

First Reading: November 12, 2019
Second Reading: November 26, 2019
Final Reading:
Effective:

City of Lake Stevens Organizational Chart 2020 Final Budget

Citizens of Lake Stevens



City of Lake Stevens, Washington
Vision and Mission Statement

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.

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 2018 we had more than 32,785 residents and forecast that by 2035 Lake Stevens will experience 40% growth to exceed a population of 40,000.

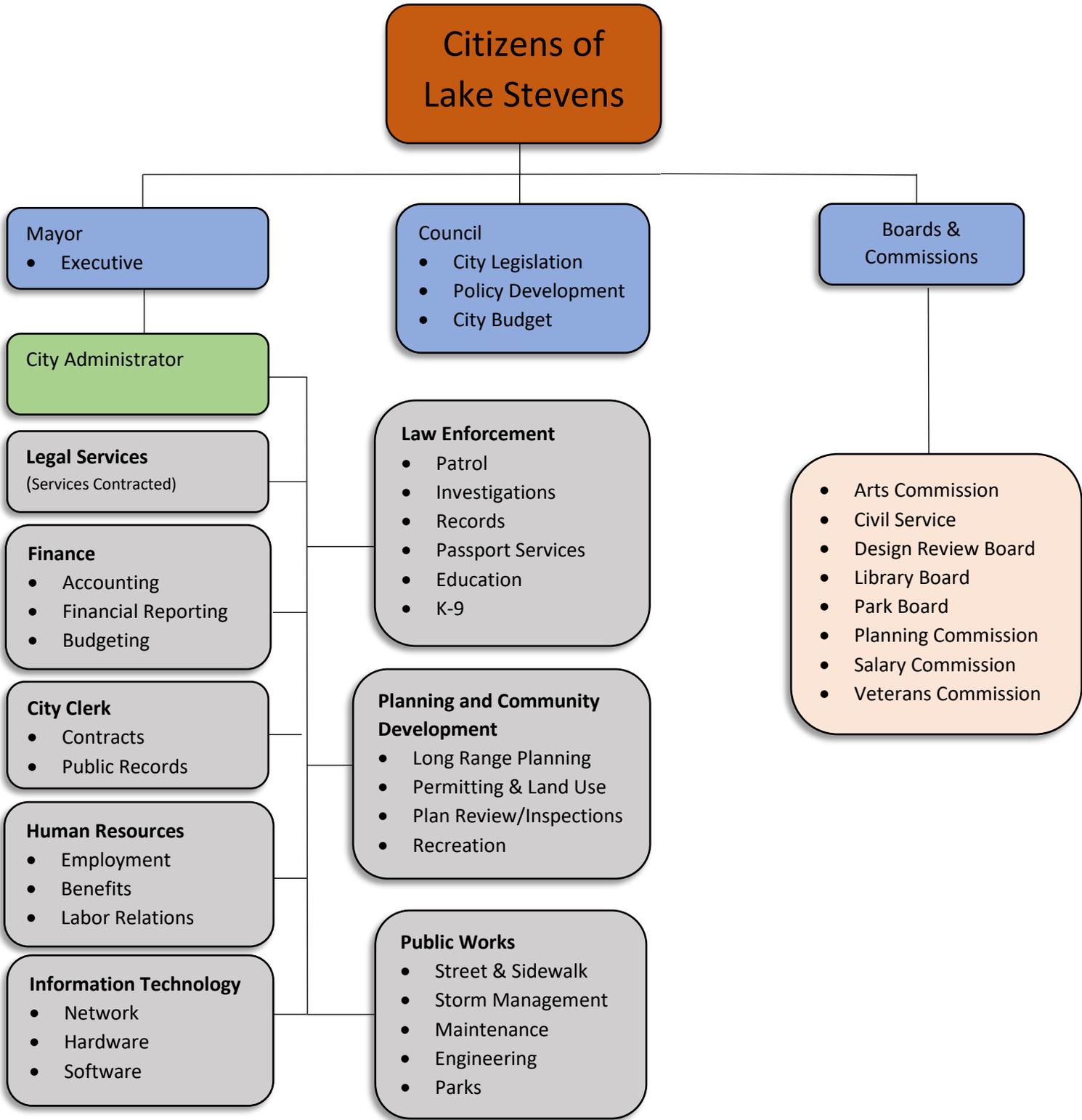
Here are some of the reasons people like to call Lake Stevens home:

- 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.

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.

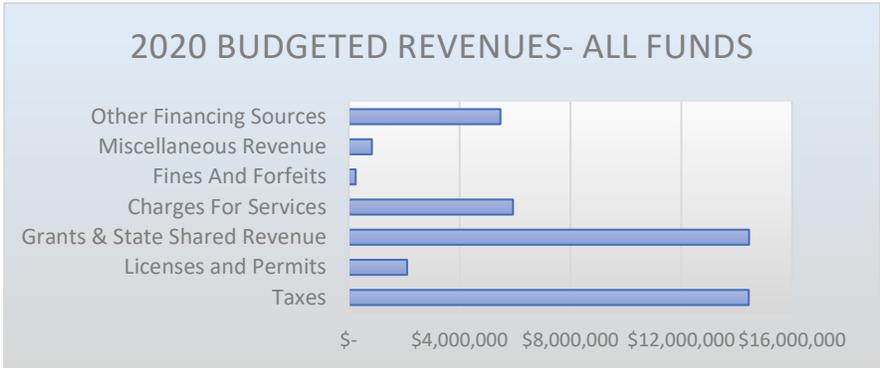


City of Lake Stevens, Washington
 Organization Chart by Function



City of Lake Stevens, Washington
2020 Budget Overview

The 2020 Budget includes total budgeted expenditures of \$50.4 million and total budgeted revenues of \$43.4 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 2019 with an estimated fund balance of \$31.1 million.



Revenues:

The City’s largest source of revenue comes from taxes at \$14.4 million, followed by Grants. Revenue received for charges for services comes primarily from permit fees, park and traffic impact

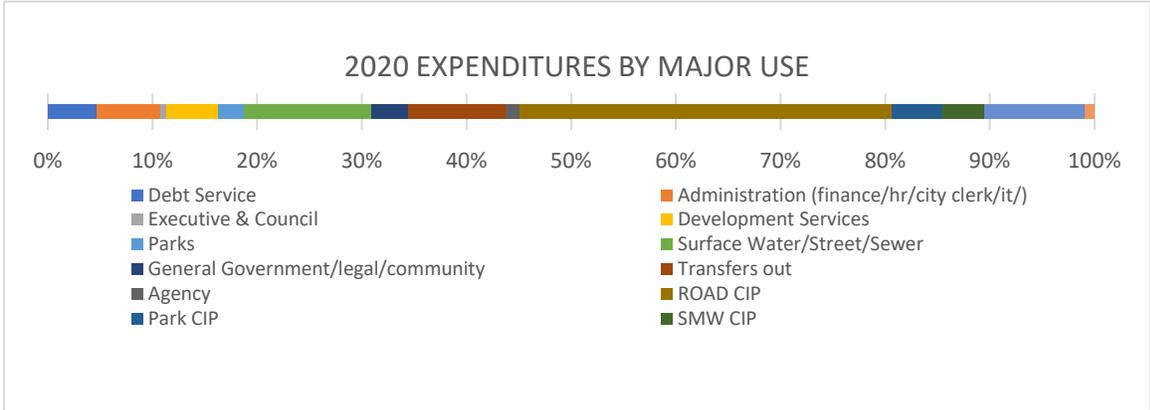
fees, and surface water assessments. Other financing sources are made up primarily of transfers from other funds, sale of bonds, and the sale of capital assets.

The City will see increased revenues in the Surface Water Fund due to the increase in surface water management fees in 2019. These fees are included on resident’s property tax bills and are used to manage surface water in the City.

The City also increased Utility tax fees assessed on electricity and a natural gas and assessed new Utility taxes on water and garbage in 2019. These new revenues will be used to continue levels of service to the public in all areas including public safety, parks, street and stormwater.

Expenditures:

The General Fund has budgeted expenditures of \$15.8 million while the Street Fund and Storm/Surface Water fund have total budgeted expenditures of \$2.57 million and \$5.8 million respectfully. Approximately \$24.1 million is budgeted for capital projects and equipment replacements not including 2018 projects that will be rolled forward. Expenditures for all funds are summarized by major use below:



City of Lake Stevens, Washington
 Revenue Summary

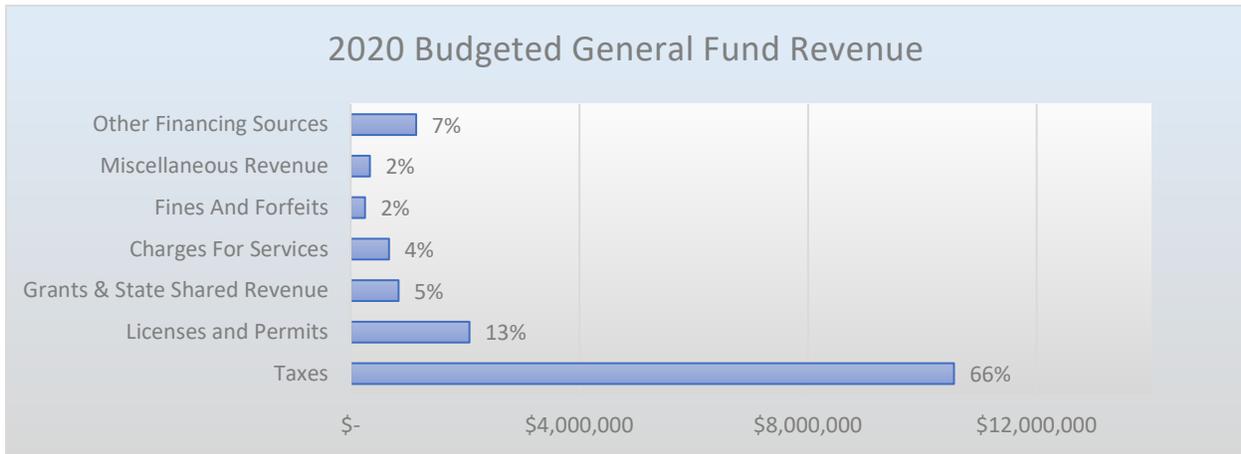
**2020 Adopted Budget
 All Funds
 Summary of Revenues**

Fund Name	2020 Beginning Cash Balance	2019 Amended Budgeted Revenues	2020 Budgeted Revenues	% Change (2019 Budget vs 2020 Budget)
General Fund	\$ 3,926,488	\$ 12,159,656	\$ 13,173,158	8%
Reserve Fund	\$ 4,979,942	\$ 3,795,927	\$ 701,905	-82%
Permitting - Managerial	\$ 2,338,090	\$ 2,100,000	\$ 1,995,000	-5%
General Funds	\$ 11,244,520	\$ 18,055,583	\$ 15,870,063	-12%
Street	\$ 2,008,522	\$ 2,343,027	\$ 2,570,031	10%
Street Reserve	\$ 3,591	\$ 24	\$ 30	27%
Drug Seizure & Forfeiture Fund	\$ 81,540	\$ 55,654	\$ 21,262	-62%
Municipal Arts Fund	\$ 21,208	\$ 10,310	\$ 10,500	2%
2008 Bonds	\$ -	\$ 344,905	\$ 349,705	1%
LTGO Bond 2015	\$ -	\$ 97,221	\$ 94,426	-3%
2019A LTGO Bond	\$ 0	\$ -	\$ 433,996	0%
Cap. Proj.-Dev. Contrib.	\$ 3,629,771	\$ 3,217,629	\$ 10,103,622	214%
Park Mitigation	\$ 468,409	\$ 1,368,821	\$ 1,060,424	-23%
Cap. Imp.-REET	\$ 3,874,092	\$ 885,254	\$ 1,180,645	33%
Cap. Improvements REET 2	\$ 1,256,484	\$ 2,769,244	\$ 3,035,951	10%
Downtown Redevelopment	\$ (0)	\$ 8,403,445	\$ 1,000,000	-88%
Facility Capital Project	\$ 4,004,031	\$ 9,106,562	\$ -	-100%
Sidewalk Capital Project	\$ 831,812	\$ 481,284	\$ 19,310	-96%
20th Street SE Corridor CP	\$ 811,589	\$ 833,105	\$ 13,702	-98%
Sewer	\$ 237,705	\$ 1,059,098	\$ 1,060,525	0%
Storm and Surface Water	\$ 1,191,100	\$ 3,591,620	\$ 3,562,304	-1%
Storm Water Capital	\$ -	\$ 848,500	\$ 1,631,486	92%
Storm Water Debt	\$ -	\$ 61,365	\$ 125,404	104%
Unemployment	\$ 59,765	\$ 1,018	\$ 1,542	52%
Equipment Fund - Computers	\$ 76,886	\$ 325,502	\$ 329,466	1%
Equipment Fund--Vehicles	\$ 30,849	\$ 10,303	\$ 10,536	2%
Equipment Fund-Police	\$ 277,740	\$ 218,290	\$ 218,398	0%
Equipment Fund-PW	\$ 913,232	\$ 414,319	\$ 217,751	-47%
Aerator Equipment Replacement	\$ 94,800	\$ 20,000	\$ 2,000	-90%
Refundable Deposits	\$ 2,578	\$ 101,000	\$ 100,000	-1%
Treasurer's Trust	\$ 1,493	\$ 451,804	\$ 451,804	0%
Total All Funds	\$ 31,121,718	\$ 55,074,886	\$ 43,474,885	-21%

General Fund Revenue

The General Fund has an estimated beginning fund balance of \$11.2 million. Of this amount \$4.9 million is in the reserve fund, \$2.3 million is in the permitting fund. The budgeted revenues for the main general fund in 2020 are \$13.1 million as summarized below.

Taxes make 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 2020 Property Tax is budgeted at \$5,053,911 with a levy rate of \$1.025 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 2020 General Fund property tax amount is \$3,638,816, making up 34% of total General Fund revenues. The chart below shows how the local property tax rate of \$10.68 per thousand dollars of assessed value is split among various jurisdictions for 2019. Property Tax amounts in 2020 are estimated to be similar.

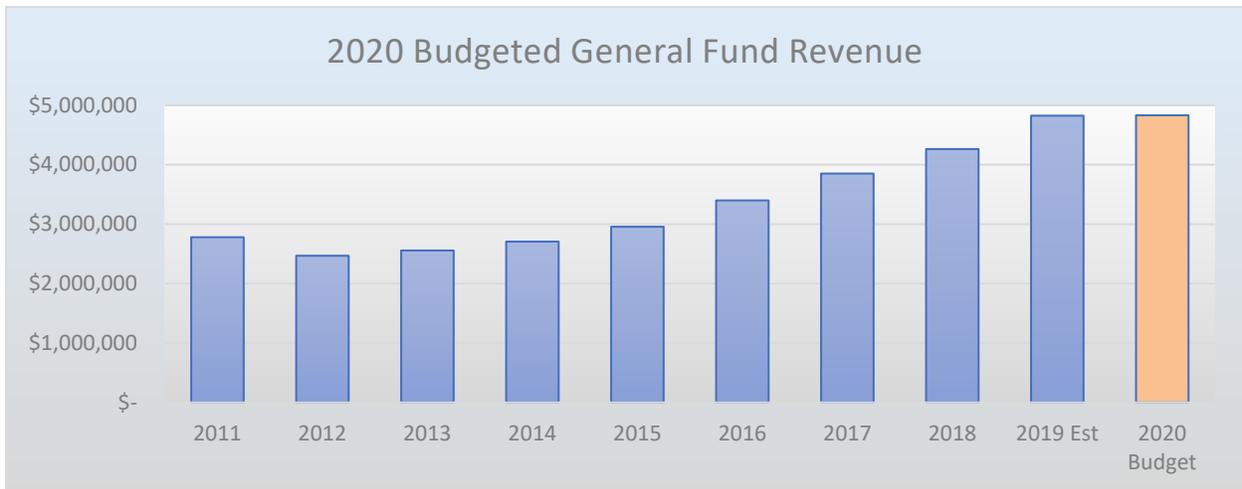
Due to Initiative 747, property taxes are limited to 1% of the prior year levy (highest lawful levy) or CPI whichever is lower. For 2020 the IPD was above 1%.



Sales Tax

Lake Stevens General Fund is budgeted to collect \$4,832,150 in sales tax revenue. The current sales tax rate in Lake Stevens 9%. The City treats sales tax from construction in two ways. The City treats the first \$300,000 as base construction sales tax that is kept in the General Fund for operations. The remaining construction sales tax is treated as one-time revenue with budgeted amounts of \$600,000 being directly receipted into the Contingency Reserve 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.

Utility Tax

Utility taxes are levied on the gross operating revenue that private utilities earn from operations within the boundaries of the City. The City levies a 6% rate on electric, Gas, Water, Telephone and Garbage. All Garbage utility taxes will go to the Street Fund. Since utility taxes are levied on gross operating revenue, they have a direct link to population changes. The City expects to receive \$2 million in utility tax revenue in 2020.

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. 2020 building permit revenue is budgeted to be **\$1.5 million**. These funds are receipted into a managerial fund for use of permitting activities. This fund is rolled into the General Fund for budgeting and reporting purposes.

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

Year	Business	Building **	Animal	Franchise-Cable*	Other	Total
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	\$ 62,541	\$ 1,538,637	\$ 2,056	\$ 408,860	\$ 12,020	\$ 2,024,114
2019 Est	\$ 61,648	\$ 1,727,203	\$ 1,525	\$ 438,157	\$ 12,791	\$ 2,241,324
2020 Budget	\$ 62,265	\$ 1,515,000	\$ 1,469	\$ 485,339	\$ 13,271	\$ 2,077,344

*Cable Franchise Fees moved from Utility Taxes in 2015

**Building permits are accounted for in Fund 003, a managerial fund of the General Fund

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 \$857,912 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 \$670,362. This category of revenue includes passport fees, law enforcement services, zoning and subdivision fees, service ILA's, along with other miscellaneous charges for services.

Zoning and Land use fees are Charges for Services that are now included in the permitting managerial fund. The 2020 budget for these charges is \$480,000.

Fines & Forfeitures

The City anticipates receiving \$250,253 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 construction related sales tax of \$600,000 in 2020. 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 \$702,950 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 \$1,415,095.

The **Drug Seizure Fund** accounts for the proceeds of items forfeited in accordance with RCW 69.50.505. Forfeited property and net proceeds not required to be paid to the state treasurer shall be retained by the seizing law enforcement agency exclusively for the expansion and improvement of controlled substances related law enforcement activity. An estimated \$20,000 is expected in 2020.

The **Municipal Arts Fund** receives a 1% allocation from qualifying municipal construction projects as well as budgeted contributions from the General Fund and is designated for art purposes. The Fund is estimated to receive \$10,000 in 2020 from municipal projects.

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 2020 debt service of all three bonds will be \$878,127. Debt service funds receive revenues as transfers from other funds to pay for the bonds.

Capital Funds

The City has Eight Capital Funds. Real Estate Excise tax I, Real Estate Excise tax II, Capital Projects – Developer Contributions (Traffic Mitigation), Park Mitigation, Downtown Development, Sidewalk Capital Projects, Facility Capital Projects, and 20th Street SE.

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 \$2,200,000. Additionally, a WSDOT grant of \$1,822,000 is expected for the BAT lane on the Trestle.

The **Capital Projects – Developer Contribution** fund receives mitigation fees assessed to developers when properties are developed. Mitigation comes in as traffic mitigation. Total mitigation is expected to be \$3,607,338. We also expect grant funding from WSDOT of \$1,300,000 for the South Lake Stevens Road project.

The **Downtown Development Fund** originally received a \$3,050,000 grant from the Department of Commerce in 2018. These funds along with other City funds will go toward Main Street, North Cove park, and the Pavilion building. The City received an additional grant of \$1,000,000 for North Cove park phase 2. These projects are ongoing and will continue into 2020.

The **Park Mitigation fund**, like the Traffic Mitigation fund, receives fees assessed to developers when properties are developed. Total park mitigation is budgeted to be \$1,019,277.

The **Sidewalk Capital Projects** fund receives revenue from a transfer from the Street Fund and grants. The sidewalk fund is not budgeted to receive a transfer in 2020.

The new **Facility Capital Project Fund** will track the purchase and remodel of the Lake Stevens Fire District Administration Building for the future Police Station.

The **20th Street SE Capital Project Fund** tracks revenues from property sales in the 20th St. SE corridor that must be used for the 20th St. SE improvement project.

Enterprise Funds

The Storm & Surface Water Fund imposes a charge on users for the maintenance and operation of the storm drainage system. The City increased fees in 2020 to \$235 per ERU, to increase the level of service for the storm drainage system. 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 \$3,451,300.

The **Storm Water Capital Fund** is expected to receive \$1,631,486 in transfers from the Storm & Surface Water Fund for Capital purchases. Also, the **Storm Water Debt Fund** will receive \$125,404 in transfers to pay for the Decant Facility Debt (2019 LTGO BOND).

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, and Storm water funds annually based on previous claim history. This fund has a beginning balance of \$59,765 and is not budgeted to receive any contributions other than investment interest of \$1,542.

The **Capital Equipment Computer** Fund is for the replacement of computer equipment and payment of annual software renewals Citywide. Resources are contributions from participating funds. The fund will receive \$278,080 in contributed capital and \$48,514 in technology fees collected from building permits.

The **Capital Equipment Vehicle** Fund is for the replacement of vehicles for various General Fund departments like planning and building. 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 a total \$215,000 combined 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 a total \$200,000 combined from the General Fund, Street Fund, and Surface Water Fund.

The **Aerator Fund** was set up per ILA with Snohomish County to maintain the aerator in the lake. The aerator has since been removed and the remaining funds will either be used for continued maintenance of the lake in the form of alum treatment as authorized by ILA or will be allocated back to the City and County as the contributing entities and the ILA will be amended.

City of Lake Stevens, Washington
Expenditure Summary

**2020 Adopted Budget
All Funds
Summary of Expenditures**

Fund Name	2019 Amended Budgeted Expenditures	2020 Budgeted Expenditures	% Change (2019 Budget vs 2020 Budget)
General Fund	\$14,227,749	\$14,963,023	5%
Reserve Fund	\$ 4,559,910	\$ 345,000	-92%
Permitting - Managerial	\$ 800,000	\$ 1,340,897	0%
General Funds	\$ 2,759,212	\$16,648,920	0%
Street	\$ -	\$ 2,744,033	0%
Street Reserve	\$ -	\$ -	0%
Drug Seizure & Forfeiture Fund	\$ 66,998	\$ 82,500	23%
Municipal Arts Fund	\$ 20,963	\$ 31,708	51%
2008 Bonds	\$ 344,905	\$ 349,705	1%
LTGO Bond 2015	\$ 97,221	\$ 94,426	-3%
2019A LTGO Bond	\$ -	\$ 433,996	0%
Cap. Proj.-Dev. Contrib.	\$ 4,974,609	\$12,825,410	158%
Park Mitigation	\$ 2,495,612	\$ 419,130	-83%
Cap. Imp.-REET	\$ 1,102,144	\$ 765,245	-31%
Cap. Improvements REET 2	\$ 5,393,754	\$ 1,379,553	-74%
Downtown Redevelopment	\$ 8,665,071	\$ 1,000,000	-88%
Facility Capital Project	\$ 5,102,531	\$ 4,000,000	-22%
Sidewalk Capital Project	\$ 526,055	\$ 375,000	-29%
20th Street SE Corridor CP	\$ 41,378	\$ 824,354	1892%
Sewer	\$ 1,128,137	\$ 1,069,396	-5%
Storm and Surface Water	\$ 3,493,459	\$ 4,126,503	18%
Storm Water Capital	\$ 848,500	\$ 1,631,486	92%
Storm Water Debt	\$ 61,365	\$ 125,404	104%
Unemployment	\$ 40,000	\$ 40,000	0%
Equipment Fund - Computers	\$ 364,063	\$ 311,976	-14%
Equipment Fund--Vehicles	\$ -	\$ -	0%
Equipment Fund-Police	\$ 197,725	\$ 210,000	6%
Equipment Fund-PW	\$ 290,110	\$ 396,432	37%
Aerator Equipment Replacement	\$ 38,000	\$ 38,000	0%
Refundable Deposits	\$ 101,000	\$ 101,000	0%
Treasurer's Trust	\$ 454,100	\$ 453,297	0%
Total All Funds	\$58,194,571	\$50,477,475	-13%

City of Lake Stevens, Washington
Expenditure Summary - Continued

Expenditures for all funds are budgeted at \$50.4 million with an ending fund balance of \$24.1 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 \$15 million in expenditures budgeted in 2020. 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 53% of the General Fund, while the Planning & Building department follow with 13%.

Department	2015	2016	2017	2018	2019 Budget	2020 Budget	% of 2019 budget
Legislative & Executive	\$ 150,254	\$ 170,287	\$ 219,404	\$ 164,729	\$ 191,310	\$ 259,806	2%
Administration	208,777	\$ 195,707	\$ 200,412	\$ 206,466	\$ 187,334	\$ 230,669	2%
City Clerk	147,008	\$ 158,038	\$ 166,172	\$ 212,465	\$ 233,520	\$ 176,724	1%
Finance	198,910	\$ 276,519	\$ 424,091	\$ 464,794	\$ 558,688	\$ 608,794	4%
Human Resources	105,248	\$ 112,261	\$ 151,236	\$ 240,027	\$ 279,450	\$ 279,057	2%
Information Technology	201,156	\$ 232,419	\$ 276,137	\$ 278,417	\$ 324,136	\$ 396,379	3%
Planning & Community Development	798,860	\$ 1,357,037	\$ 1,234,147	\$ 1,309,383	\$ 1,785,887	\$ 1,936,802	13%
Law Enforcement	5,033,946	\$ 5,523,044	\$ 6,443,207	\$ 7,187,393	\$ 7,768,935	\$ 7,885,990	53%
Parks	104,424	\$ 414,546	\$ 563,897	\$ 689,367	\$ 1,036,952	\$ 1,160,928	8%
Legal	352,801	\$ 437,930	\$ 538,342	\$ 508,054	\$ 548,389	\$ 611,347	4%
Community	71,170	\$ 53,988	\$ 51,703	\$ 43,497	\$ 72,599	\$ 52,849	0%
General Government	1,642,096	\$ 4,227,296	\$ 7,149,855	\$ 1,672,999	\$ 1,240,548	\$ 1,363,678	9%
Total	\$9,014,648	\$13,159,073	\$17,418,603	\$12,977,591	\$14,227,749	\$14,963,023	100%

Summarizing General Fund expenditures by type gives a better understanding of what the General Fund pays for. Salaries and benefits make up 67% of General Fund Expenditures.

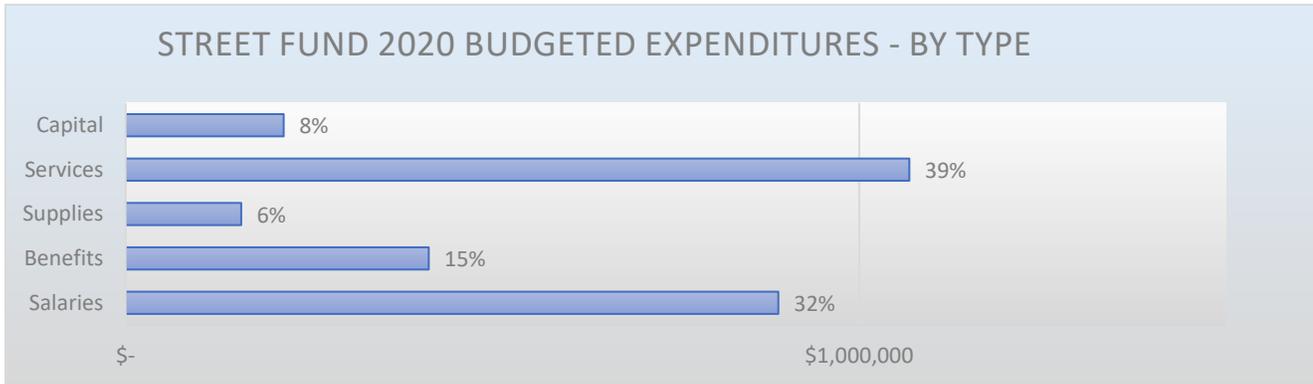


Personnel

The 2020 budget includes a cost of living increase of 1.53% for non-union, 1.53% Public Works Teamsters members, and 1.53% for Police Guild members.

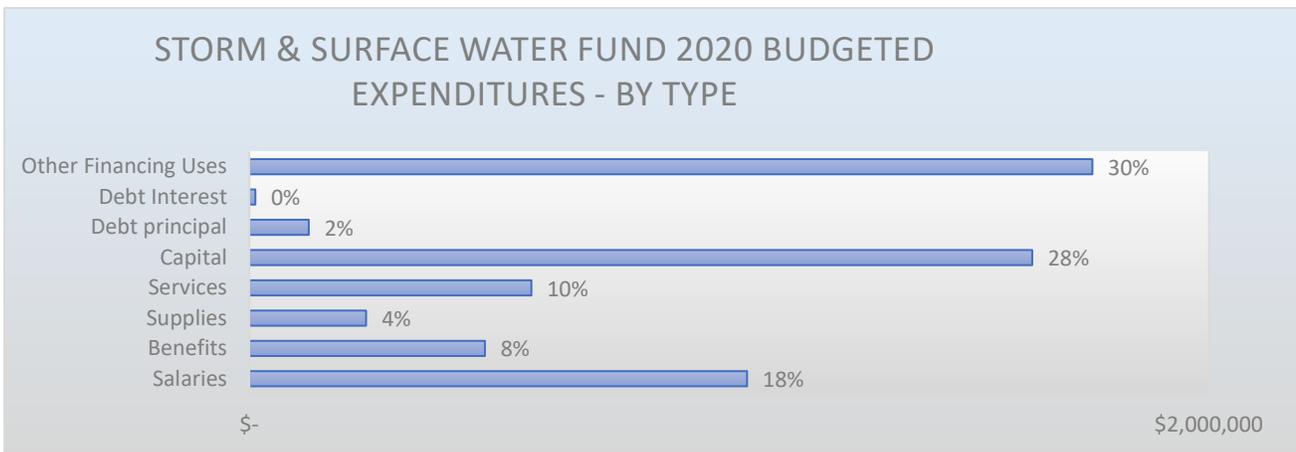
Street Fund

The Street Fund expenditures for 2020 are \$2.7 million. The expenditures cover street maintenance, some street overlays, street lighting, street striping, sidewalk repair, and salaries/benefits. This fund is supported 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. Included are also Storm Capital Fund and Storm Debt Fund. Budgeted expenditures are estimated to be \$3,145,273 in total 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. Listed below are new projects requested for 2020. Some projects from 2019 will be rolled forward in a 2020 budget amendment.

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 2020. A new project for 117th Ave NE is budgeted for 2020 as well as sidewalk construction projects of \$200,000.

Project Name	2020 Projects
117th Ave NE Sidewalk	\$ 175,000
Sidewalk Construction	\$ 200,000
Total Sidewalk Projects	\$ 375,000

Park Capital Projects

Projects in this category are for park capital projects. Funding is received through park mitigation fees in the permitting process and grants. The following projects are slated in 2020.

Project Name	2020 Projects
PM - Frontier Heights Capital	\$ 102,105
PM - North Cove Capital	\$ 180,000
PM - Soccer Field 20th Street	\$ 137,025
Total Park	\$ 419,130

Capital Projects – Developer Contributions

Projects under this category are for road infrastructure, pedestrian infrastructure, street related capital projects.

Project Name	2020 Projects
20th St SE Phase II Construct	\$ 7,439,085
24th St SE & 91st Rd Extension	\$ 3,150,000
TIZ3 - S. Lake Stevens Rd	\$ 2,236,325
Total Developer Contributions	\$ 12,825,410

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 2020 from REET 1 and REET 2.

Project Name	2020 Projects
Transfer to 210 for 2008 bonds	\$ 94,426
Transfer to 212 for 2010 Bonds	\$ 214,205
800 MHZ Capital Debt Principal	\$ 433,996
800 MHZ Capital Debt Interest	\$ 20,321
SW - Decant Facility	\$ 2,297
REET 1	\$ 765,245
Frontier Heights Pk Redevelop	\$ 350,000
24th St SE/91st Rd- Drainage	\$ 800,000
79th Ave SE Access Road	\$ 45,000
Trestle/HOV Lane/BAT	\$ 47,525
S. Lake Stevens Road	\$ 137,028
REET 2	\$ 1,379,553

Facilities Fund

The Facilities Fund is used to track the police renovation project.

Project Name	2020 Projects
Police Dept Project Account	\$ 3,800,000
Police Dept Retrofit - Old facility	\$ 200,000
Total Facilities Fund	\$ 4,000,000

Downtown Redevelopment Fund

The Downtown Redevelopment Fund is used to track expenditures for the North Cove/Pavilion project. In 2020, the City will receive a \$1 Million grant for North Cove Phase 2.

Project Name	2020 Projects
North Cove Park Cap-Local	\$ 1,000,000
Total Downtown Redevelopment	\$ 1,000,000

20th Street SE Capital Fund

The 20th Street SE Capital Fund receives property sales revenues on 20th Street SE and uses those funds for the 20th Street SE road project.

Project Name	2020 Projects
20th St SE - Professional Srv	\$ 824,354
Total 20th St SE	\$ 824,354

Capital Projects – City Wide

The City has a total of \$14.1 Million in capital related activity in 2019. Below is the summary of all budgeted projects across City funds by type, excluding debt and transfers.



City of Lake Stevens, Washington
2020 Revenue Detail

	Actual	Actual	Actual	Budgeted	Budgeted
	2016	2017	2018	2019	2020
General Fund					
Taxes					
Property (72%)	\$ 3,098,274	\$ 3,232,561	\$ 3,333,597	\$ 3,468,013	\$ 3,638,816
Sales tax	\$ 2,897,442	\$ 2,712,703	\$ 2,716,889	\$ 2,935,350	\$ 3,578,664
Sales-Criminal Justice	\$ 501,512	\$ 534,791	\$ 585,808	\$ 584,358	\$ 653,486
Gas/Telephone Utility Tax	\$ 845,836	\$ 860,102	\$ 788,856	\$ 884,731	\$ 732,237
Electric Utility Tax*	\$ 385,355	\$ 836,768	\$ 855,299	\$ 1,075,000	\$ 987,608
Water Utility Taxes	\$ -	\$ -	\$ -	\$ 392,400	\$ 325,515
Gambling	\$ 18,398	\$ 21,164	\$ 24,377	\$ 25,521	\$ 25,853
Misc.	\$ 5,415	\$ 8,424	\$ 8,589	\$ 5,000	\$ 11,193
Subtotal Taxes	\$ 7,752,232	\$ 8,206,513	\$ 8,313,416	\$ 9,370,373	\$ 9,953,372
*changed allocation to 100% in 2017					
Licenses & Permits					
Business	\$ 54,280	\$ 61,280	\$ 62,541	\$ 65,514	\$ 62,265
Cable	\$ 390,711	\$ 427,278	\$ 408,860	\$ 418,000	\$ 485,339
Building	\$ 1,594,885	\$ 827,231	\$ -		
Weapon	\$ 10,839	\$ 9,946	\$ 10,682	\$ 11,213	\$ 10,171
Other	\$ 3,763	\$ 5,349	\$ 3,394	\$ 4,977	\$ 4,569
Subtotal Licenses & Permits	\$ 2,054,479	\$ 1,331,083	\$ 485,477	\$ 499,704	\$ 562,344
Intergovernmental					
Federal Grants	\$ 43,100	\$ 24,054	\$ 30,335	\$ 23,580	\$ 25,500
State Grants	\$ 2,307	\$ 299,730	\$ 902	\$ 54,098	\$ 22,000
PUD Privilege	\$ 114,734	\$ 116,168	\$ 126,790	\$ 128,000	\$ 129,280
Vessel Registration	\$ 12,879	\$ 11,718	\$ 11,766	\$ 12,000	\$ 13,000
City-County Assistance	\$ 116,829	\$ 116,997	\$ 123,903	\$ 125,000	\$ 101,588
Criminal Justice	\$ 42,924	\$ 45,128	\$ 42,477	\$ 47,207	\$ 52,023
Marijuana Excise	\$ 28,177	\$ 19,815	\$ 61,357	\$ 65,000	\$ 47,117
Liquor Excise Tax	\$ 139,503	\$ 148,942	\$ 160,486	\$ 163,710	\$ 181,609
Liquor Board Profits	\$ 257,567	\$ 260,885	\$ 263,043	\$ 268,280	\$ 265,302
Other	\$ 135	\$ -	\$ 4,693	\$ 135	\$ 135
Subtotal Intergovernmental	\$ 758,155	\$ 1,043,438	\$ 825,752	\$ 887,010	\$ 837,554
Charges for Services					
Lobbying	\$ -	\$ -	\$ -	\$ -	\$ -
Public Records	\$ 3,236	\$ 922	\$ 1,798	\$ 1,500	\$ 2,002
Passports	\$ 88,818	\$ 114,823	\$ 115,174	\$ -	\$ -
Law Enforcement Services	\$ 169,034	\$ 144,079	\$ 196,087	\$ 189,250	\$ 176,000
IT - ILA	\$ 83,112	\$ 49,859	\$ -	\$ -	\$ -
Zoning & Subdivision	\$ 320,923	\$ 295,162	\$ -	\$ -	\$ -
Other	\$ 12,563	\$ 18,923	\$ 11,638	\$ 13,599	\$ 12,360
Subtotal Charges for services	\$ 677,686	\$ 623,767	\$ 324,697	\$ 204,349	\$ 190,362

City of Lake Stevens, Washington
2020 Revenue Detail

	Actual 2016	Actual 2017	Actual 2018	Budgeted 2019	Budgeted 2020
Fines					
District Court	\$ 143,871	\$ 193,209	\$ 256,084	\$ 273,000	\$ 243,767
Other	\$ 6,667	\$ 2,600	\$ 741	\$ 5,000	\$ 6,486
Subtotal Fines	\$ 150,538	\$ 195,809	\$ 256,825	\$ 278,000	\$ 250,253
Miscellaneous					
Investment Interest	\$ 35,765	\$ 65,501	\$ 100,870	\$ 60,000	\$ 92,961
Boat and Event Fees	\$ 8,170	\$ 8,948	\$ 9,183	\$ 8,000	\$ 8,000
Lease	\$ 47,396	\$ 62,126	\$ 44,480	\$ 29,430	\$ 102,830
donations	\$ 23,892	\$ 3,025	\$ 69,569	\$ 19,788	\$ 15,000
Misc.	\$ 3,831	\$ 12,519	\$ 40,596	\$ 34,002	\$ 15,481
Grade Road Prop		\$ 3,590,000	\$ -		
Transfers	\$ 2,461,824	\$ -	\$ 760,737	\$ 769,000	\$ 1,145,000
Subtotal miscellaneous	\$ 2,580,878	\$ 3,742,120	\$ 1,025,435	\$ 920,220	\$ 1,379,272
Total General Fund Revenue	\$ 13,993,968	\$ 15,142,731	\$ 11,231,601	\$ 12,159,656	\$ 13,173,158
Contingency Reserve					
Interest	\$ 13,158	\$ 20,963	\$ 70,134	\$ 45,927	\$ 101,905
Sales Tax		\$ 603,344	\$ 944,539	\$ 700,000	\$ 600,000
Transfer In	\$ 800,000	\$ 806,145	\$ 500,000	\$ 3,050,000	0
Other	\$ 15	\$ -	\$ -		
Total Contingency Reserve	\$ 813,173	\$ 1,430,453	\$ 1,514,673	\$ 3,795,927	\$ 701,905
Permit Fund					
Building Permits	\$ -	\$ -	\$ 1,538,637	\$ 1,500,000	\$ 1,515,000
Zoning-Subdivision Fees	\$ -	\$ -	\$ 282,479	\$ 600,000	\$ 480,000
	\$ -	\$ -	\$ 1,821,116	\$ 2,100,000	\$ 1,995,000
* Moved to general fund in 2018					
Special Revenue Funds					
Street					
Motor Vehicle Fuel Tax	\$ 675,994	\$ 669,205	\$ 694,988	\$ 679,034	\$ 702,950
Property tax (28%)	\$ 1,204,884	\$ 1,257,107	\$ 1,296,398	\$ 1,348,672	\$ 1,415,095
Utility Tax - Garbage				\$ 168,000	\$ 266,640
Utility Tax - Electric (50%)	\$ 385,355	\$ -	\$ -		
Multimodal Transportation	\$ -	\$ 32,486	\$ 44,671	\$ 45,561	\$ 44,989
TBD	\$ -	\$ -	\$ -	\$ -	
ROW Permits	\$ 26,442	\$ 32,838	\$ 32,800	\$ 34,000	\$ 28,701
Grants	\$ -	\$ 17,266	\$ -	\$ -	
Charges for Services	\$ 896	\$ 1,371	\$ 895	\$ -	
Misc.	\$ 23,184	\$ 27,394	\$ 51,868	\$ 32,760	\$ 64,002
Insurance Recovery	\$ 4,095	\$ -	\$ 5,624	\$ -	
Transfer In	\$ -	\$ -	\$ 30,069	\$ 35,000	\$ 47,654
Total Street	\$ 2,320,849.7	\$ 2,037,668	\$ 2,157,313	\$ 2,343,027	\$ 2,570,031
Street Reserve					
Interest	\$ 7	\$ 13	\$ 30	\$ 24	\$ 30
Total Street Reserve	\$ 7	\$ 13	\$ 30	\$ 24	\$ 30

City of Lake Stevens, Washington
2020 Revenue Detail

	Actual 2016	Actual 2017	Actual 2018	Budgeted 2019	Budgeted 2020
Drug Seizure & Forfeiture					
Interest	\$ 176	\$ 392	\$ 796	\$ 654	\$ 1,262
Confiscated property	\$ 10,991	\$ 491	\$ -	\$ 55,000	\$ 20,000
State Remittance	\$ -	\$ -	\$ -	\$ -	\$ -
Total Drug Seizure & Forfeiture	\$ 11,167	\$ 882	\$ 796	\$ 55,654	\$ 21,262
Municipal Art					
Interest	\$ 49	\$ 100	\$ 367	\$ 310	\$ 500
Transfer in	\$ -	\$ 8,850	\$ -	\$ 10,000	\$ 10,000
Total Municipal Art	\$ 49	\$ 8,951	\$ 367	\$ 10,310	\$ 10,500
Debt Service					
PWTF 2002	\$ -	\$ -	\$ -	\$ -	\$ -
LTGO 2004	\$ -	\$ -	\$ -	\$ -	\$ -
PWTF 2006	\$ -	\$ -	\$ -	\$ -	\$ -
PWTF 2005	\$ -	\$ -	\$ -	\$ -	\$ -
PWTF 2008	\$ -	\$ -	\$ -	\$ -	\$ -
LTGO 2008 bonds	\$ 353,268	\$ 354,105	\$ 349,905	\$ 344,905	\$ 349,705
PWTF 2010	\$ -	\$ -	\$ -	\$ -	\$ -
2010 LTGO Bonds	\$ 74,164	\$ 74,164.18	\$ 37,082	\$ -	\$ -
LTGO Bond 2015	\$ 97,301	\$ 93,607	\$ 95,955	\$ 97,221	\$ 94,426
2019A LTGO BONd	\$ -	\$ -	\$ -	\$ -	\$ 433,996
Total Debt Service	\$ 524,732	\$ 521,876	\$ 482,942	\$ 442,126	\$ 878,127
Capital Funds					
Capital Projects					
Local Impact	\$ -	\$ 17,253	\$ 19,234	\$ 10,060	\$ 2,500
Traffic Mitigation	\$ 97,989	\$ -	\$ -	\$ -	\$ -
Traffic Mitigation - TIZ 1	\$ 32,186	\$ 14,540	\$ 121,573	\$ 47,468	\$ 84,000
Traffic Mitigation - TIZ 2	\$ 189,605	\$ 24,007	\$ 154,280	\$ 370,272	\$ 211,288
Traffic Mitigation - TIZ 3	\$ 284,169	\$ 507,554	\$ 736,530	\$ 782,760	\$ 3,312,050
Tree Replacement	\$ 8,960	\$ -	\$ -	\$ -	\$ -
Interest	\$ 22,339	\$ 38,286	\$ 63,842	\$ 10,868	\$ 90,784
Grants	\$ 280,420	\$ 72,708	\$ -	\$ 76,200	\$ 5,103,000
WSDOT Grant	\$ -	\$ -	\$ 318,399	\$ 1,920,000	\$ 1,300,000
Total Capital Projects	\$ 1,704,612	\$ 674,347	\$ 1,413,857	\$ 3,217,629	\$ 10,103,622
Park Mitigation * (Park Fund created in 2017)					
Park Mitigation	\$ 788,944	\$ 346,153	\$ 710,191	\$ 880,000	\$ 1,029,277
DOC Grant			\$ -	\$ 485,000	\$ -
Interest	\$ -	\$ 13,844	\$ 39,308	\$ 3,821	\$ 31,147
Transfer In	\$ -	\$ 2,289,056	\$ -	\$ -	\$ -
Total Park Capital Projects	\$ 788,944	\$ 2,649,053	\$ 749,499	\$ 1,368,821	\$ 1,060,424
Real Estate Excise Tax					
REET 1	\$ 1,136,588	\$ 1,013,308	\$ 1,051,272	\$ 850,000	\$ 1,100,000
Interest REET 1	\$ 5,659	\$ 18,265	\$ 51,772	\$ 35,254	\$ 80,645
Subtotal REET 1	\$ 1,142,247	\$ 1,031,573	\$ 1,103,044	\$ 885,254	\$ 1,180,645

City of Lake Stevens, Washington
2020 Revenue Detail

	Actual 2016	Actual 2017	Actual 2018	Budgeted 2019	Budgeted 2020
REET 2	\$ 1,136,303	\$ 1,010,863	\$ 1,017,848	\$ 850,000	\$ 1,100,000
Trestle HOV	\$ -	\$ -		\$ 1,822,000	\$ 1,822,000
DOT Grant	\$ -	\$ -	\$ -	\$ -	
Property Sale Proceeds	\$ -	\$ -	\$ -	\$ 75,000	
Interest REET 2	\$ 11,831	\$ 28,278	\$ 75,680	\$ 22,244	\$ 113,951
Subtotal REET 2	\$ 1,148,135	\$ 1,039,141	\$ 1,093,528	\$ 2,769,244	\$ 3,035,951
Total Real Estate Excise Tax	\$ 2,290,381	\$ 2,070,714	\$ 2,196,572	\$ 3,654,498	\$ 4,216,595
Downtown Redevelopment					
State Commerce Grant	\$ -	\$ -	\$ -	\$ 3,050,000	\$ 1,000,000
Interfund Loan	\$ -	\$ -	\$ -	\$ 3,050,000	
Interest			\$ 654	\$ 1,000	
Transfer in	\$ -	\$ -	\$ 534,485	\$ 2,302,445	
* Fund gerated in 2018	\$ -	\$ -	\$ 535,139	\$ 8,403,445	\$ 1,000,000
Sidewalk Capital					
Grants	\$ 450,736	\$ 65,690	\$ -	\$ 466,500	
Interest	\$ 3,259	\$ 9,259	\$ 19,732	\$ 14,784	\$ 19,310
Transfer In	\$ 500,000	\$ 250,000	\$ -	\$ -	
Total Sidewalk Capital	\$ 953,995	\$ 324,949	\$ 19,732	\$ 481,284	\$ 19,310
Facility Capital Project Fund					
2019 LTGO Bond Proceeds	\$ -	\$ -	\$ -	\$ 8,245,000	\$ -
2019 LTGO Bond Premium	\$ -	\$ -	\$ -	\$ 861,562	\$ -
Total Facility Capital Project Fund	\$ -	\$ -	\$ -	\$ 9,106,562	\$ -
20th Street SE Capital					
Investment Interest	\$ -	\$ -	\$ 20	\$ -	\$ -
Interfund Loan	\$ -	\$ -	\$ 25,000	\$ -	\$ -
Sale of Capital Assets	\$ -	\$ -	\$ -	\$ 833,105	\$ -
Total 20th Street SE Capital	\$ -	\$ -	\$ 25,020	\$ 833,105	\$ 13,702
Enterprise Funds					
Sewer					
Sewer Utility Agreement	\$ 75,000	\$ 32,083	\$ 17,917	\$ 15,000	\$ 15,000
Interest	\$ 1,607	\$ 3,147	\$ 6,170	\$ 3,763	\$ 9,825
Lease LT - WWTP Property	\$ -	\$ -	\$ -		
Interfund Transfer			\$ 4,073		
Sewer District reimbursement	\$ 1,305,694	\$ 1,049,334	\$ 1,049,671	\$ 1,040,335	\$ 1,035,700
Total Sewer	\$ 1,382,300	\$ 1,084,564	\$ 1,077,831	\$ 1,059,098	\$ 1,060,525
Storm & Surface Water					
Grants	\$ 6,005	\$ 18,995	\$ 6,891	\$ 43,109	\$ 25,000
Surface Water Fee	\$ 1,440,307	\$ 1,443,850	\$ 1,473,665	\$ 3,477,107	\$ 3,451,300
SnoCo Aerator Contribute	\$ -	\$ -	\$ -	\$ -	\$ -
SnoCo Weed Abate Contrib.	\$ 8,948	\$ -	\$ 32,220	\$ 20,000	\$ 20,000
Investment Interest	\$ 7,393	\$ 12,159	\$ 18,800	\$ 16,404	\$ 17,762
Miscellaneous Revenues - Storm	\$ -	\$ -	\$ 966	\$ -	\$ -
Interfund Transfer In	\$ -	\$ -	\$ 42,818	\$ 35,000	\$ 48,243
Total Storm & Surface Water	\$ 1,462,653	\$ 1,475,004	\$ 1,575,360	\$ 3,591,620	\$ 3,562,304

City of Lake Stevens, Washington
2020 Revenue Detail

	Actual	Actual	Actual	Budgeted	Budgeted
	2016	2017	2018	2019	2020
Storm & Surface Capital and Debt					
2019 LTGO Bond Proceeds	\$ -	\$ -	\$ -	\$ 600,000	\$ -
Transfer In	\$ -	\$ -	\$ -	\$ 309,865	\$ 1,756,890
Total Storm & Surface Capital and Debt	\$ -	\$ -	\$ -	\$ 909,865,000	\$ 1,756,890
Internal Service Fund					
Unemployment Transfers in/Interest	\$ 431	\$ 841	\$ 1,581	\$ 1,018	\$ 1,542
Equipment Fund - Vehicles	\$ -	\$ 10,020	\$ 10,296	\$ 10,303	\$ 10,536
Equipment Fund - IT	\$ 153,294	\$ 154,391	\$ 245,484	\$ 325,502	\$ 329,466
Equipment - Police	\$ 203,956	\$ 200,648	\$ 146,210	\$ 218,290	\$ 218,398
Equipment - Public Works	\$ 331,015	\$ 853,530	\$ 412,023	\$ 414,319	\$ 217,751
Aerator Equipment	\$ 10,558	\$ 15,213	\$ 17,978	\$ 20,000	\$ 2,000
Total internal Service Funds	\$ 699,254	\$ 1,234,642	\$ 833,571	\$ 989,432	\$ 779,694
Fiduciary Funds					
Refundable Deposits					
Retainage -Public Bldg. Maint	\$ 908	\$ 46,004	\$ -	\$ -	
Retainage - Street Project	\$ 17,505	\$ 24,787	\$ 515	\$ 50,000	\$ 50,000
Retainage-Janitor/Landscape	\$ -	\$ -	\$ 251	\$ 1,000	
Retainage - Other PW Project	\$ 8,581	\$ 30,849	\$ 3,087	\$ 50,000	\$ 50,000
Total Refundable Deposit	\$ 26,994	\$ 101,639	\$ 3,852	\$ 101,000	\$ 100,000
Treasurers Trust					
Seizure & Forfeit - State Rev	\$ 1,211	\$ 111	\$ 10	\$ 10,000	\$ 10,000
District Court	\$ 115,219	\$ 187,163	\$ 275,315	\$ 397,804	\$ 397,804
Gun Permit Fees	\$ 17,929	\$ 14,675	\$ 15,785	\$ 17,000	\$ 17,000
St. Bldg. Permit Fee Non-Rev	\$ 2,574	\$ 2,981	\$ 5,053	\$ 4,000	\$ 4,000
Leasehold Excise Tax Receipts	\$ 4,757	\$ 6,207	\$ 4,247	\$ 3,000	\$ 3,000
Violations Bureau-Local St	\$ 8,160	\$ -	\$ -	\$ -	\$ -
Mandatory Ins.-Admin Cost County	\$ 0	\$ -	\$ -	\$ -	\$ -
Fire Department Fees	\$ 28,799	\$ 14,079	\$ 20,450	\$ 20,000	\$ 20,000
Interfund Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -
Total Treasurers Trust	\$ 178,650	\$ 225,216	\$ 320,860	\$ 451,804	\$ 451,804
Total Revenue All FUNDS	\$ 26,362,784	\$ 28,982,702	\$ 25,935,111	\$ 44,225,354	\$ 43,474,885

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.

Expenditure Summary

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Legislative					
Salaries	\$ 62,500	\$ 61,331	\$ 59,325	\$ 67,200	\$ 73,080
Benefits	\$ 3,864	\$ 3,692	\$ 4,148	\$ 5,379	\$ 5,997
Supplies	\$ 527	\$ 3,457	\$ 321	\$ 500	\$ 500
Services	\$ 35,444	\$ 70,356	\$ 68,991	\$ 86,100	\$ 145,500
Subtotal Legislative	\$ 102,334	\$ 138,836	\$ 132,785	\$ 159,179	\$ 225,077
Executive					
Salaries	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 26,400
Benefits	\$ 3,041	\$ 3,035	\$ 2,394	\$ 2,131	\$ 2,329
Supplies	\$ 123	\$ 395	\$ 214	\$ 200	\$ 200
Services	\$ 40,790	\$ 5,025	\$ 5,336	\$ 5,800	\$ 5,800
Subtotal Executive	\$ 67,953	\$ 32,455	\$ 31,943	\$ 32,131	\$ 34,729
Total legislative & Executive	\$ 170,287	\$ 171,292	\$ 164,729	\$ 191,310	\$ 259,806

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 and Executive Assistant.

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.

Expenditure Summary

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Salaries	\$ 36,985	\$ 120,958	\$ 142,873	\$ 129,830	\$ 167,953
Benefits	\$ 8,907	\$ 55,173	\$ 48,709	\$ 45,904	\$ 51,116
Supplies	\$ 29	\$ 580	\$ 707	\$ 500	\$ 500
Services	\$ 149,786	\$ 11,118	\$ 14,177	\$ 11,100	\$ 11,100
Total Administration	\$ 195,707	\$ 187,828	\$ 206,466	\$ 187,334	\$ 230,669

City Clerk

The City Clerk 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. The City Clerk Department includes the City Clerk and Deputy City Clerk.

Expenditure Summary

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Salaries	\$ 109,400	\$ 113,885	\$ 138,963	\$ 92,522	\$ 102,045
Benefits	\$ 38,602	\$ 41,646	\$ 53,859	\$ 26,348	\$ 40,784
Supplies	\$ 1,255	\$ 470	\$ 1,243	\$ 1,000	\$ 1,000
Services	\$ 8,780	\$ 10,170	\$ 18,400	\$ 113,650	\$ 32,895
Total City Clerk	\$ 158,038	\$ 166,172	\$ 212,465	\$ 233,520	\$ 176,724

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 Assistants, and AP Specialist.

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.

Expenditure Summary

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Salaries	\$ 153,800	\$ 193,855	\$ 227,811	\$ 328,619	\$ 335,184
Benefits	\$ 57,587	\$ 83,587	\$ 96,242	\$ 122,149	\$ 132,190
Supplies	\$ 3,110	\$ 2,316	\$ 2,374	\$ 2,500	\$ 2,500
Services	\$ 62,022	\$ 144,333	\$ 138,367	\$ 105,420	\$ 138,920
Total Finance	\$ 276,519	\$ 424,091	\$ 464,794	\$ 558,688	\$ 608,794

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. The Department includes the Human Resources Director and Human Resources Specialist.

Expenditure Summary

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Salaries	\$ 78,145	\$ 88,044	\$ 142,538	\$ 163,266	\$ 180,643
Benefits	\$ 23,099	\$ 38,246	\$ 55,293	\$ 63,735	\$ 65,414
Supplies	\$ 1,796	\$ 3,439	\$ 3,313	\$ 4,400	\$ 4,400
Services	\$ 9,221	\$ 21,508	\$ 38,881	\$ 48,049	\$ 28,600
Total Human Services	\$ 112,261	\$ 151,236	\$ 240,027	\$ 279,450	\$ 279,057

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 Department includes IT Manager, Network Administrator, and IT Support Specialist

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.

Expenditure Summary

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Salaries	\$ 141,205	\$ 146,908	\$ 158,207	\$ 192,144	\$ 235,292
Benefits	\$ 62,701	\$ 67,449	\$ 68,032	\$ 84,499	\$ 107,694
Supplies	\$ 590	\$ 504	\$ 2,772	\$ 6,200	\$ 6,200
Services	\$ 27,923	\$ 61,277	\$ 49,405	\$ 41,293	\$ 47,193
Total Information Technology	\$ 232,419	\$ 276,137	\$ 278,417	\$ 324,136	\$ 396,379

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.

Expenditure Summary

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Planning					
Salaries	\$ 433,500	\$ 400,685	\$ 466,720	\$ 715,823	\$ 676,473
Benefits	\$ 179,044	\$ 176,108	\$ 206,275	\$ 301,714	\$ 255,080
Supplies	\$ 8,914	\$ 6,860	\$ 19,437	\$ 58,271	\$ 78,185
Services	\$ 316,328	\$ 264,512	\$ 267,984	\$ 238,925	\$ 266,200
Capital	\$ -	\$ -	\$ 5,500	\$ -	\$ -
Subtotal Planning	\$ 937,786	\$ 848,165	\$ 965,917	\$ 1,314,733	\$ 1,275,938
Building					
Salaries	\$ 199,732	\$ 247,237	\$ 232,730	\$ 300,059	\$ 482,548
Benefits	\$ 88,015	\$ 116,314	\$ 93,917	\$ 145,345	\$ 152,566
Supplies	\$ 6,842	\$ 3,871	\$ 5,981	\$ 6,955	\$ 6,955
Services	\$ 99,344	\$ 18,561	\$ 10,838	\$ 18,795	\$ 18,795
Capital	\$ 25,318	\$ -	\$ -	\$ -	\$ -
Subtotal Building	\$ 419,251	\$ 385,982	\$ 343,466	\$ 471,154	\$ 660,864
Total Planning & Community Development	\$ 1,357,037	\$ 1,234,147	\$ 1,309,383	\$ 1,785,887	\$ 1,936,802

Law Enforcement

The Lake Stevens Police Department is a full-service law enforcement agency, providing a full range of community policing services. The City enjoys a low violent crime rate because of our partnerships with the residents, other city departments, other area law enforcement agencies, and the City Council.

The Police Department is divided into three main functions:

Administration Division

The Police Chief is responsible for planning, organizing and leading the Police Department, through working with the Command Team, which is made up of the Chief, the Administrative Manager, the Operations Commander, and the Special Services Commander. This division 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.

The Police Administrative Manager supervises the Police Records Clerks, office volunteers and college interns. In addition, this person oversees budget tracking, department accreditation and policy manual, public disclosure and retention, and case management.

Operations Division

Operations are overseen by an Operations Commander and is made up of the Patrol Unit and Investigations Unit. 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. 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.

Support Services Division

Support Services are overseen by the Support Services Commander. This division is responsible for the multitude of services that are required to support our law enforcement functions. These include all training, public notification, fleet management, community event liaison, IT functions, Emergency Management, internal investigations, etc. Also included in this unit are the departments traffic functions, evidence management, school safety, marine safety, and code enforcement functions.

Expenditure Summary

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Salaries	\$ 2,954,262	\$ 3,337,672	\$ 3,890,464	\$ 4,195,981	\$ 4,343,742
Benefits	\$ 1,158,863	\$ 1,308,351	\$ 1,451,627	\$ 1,570,689	\$ 1,564,317
Supplies	\$ 152,637	\$ 290,703	\$ 302,668	\$ 317,918	\$ 268,205
Services	\$ 629,909	\$ 579,871	\$ 1,472,309	\$ 1,671,782	\$ 1,702,726
Intergovernmental	\$ 596,943	\$ 842,249	\$ -	\$ -	\$ -
Capital	\$ 22,430	\$ 76,360	\$ 70,325	\$ 12,565	\$ 7,000
Transfers	\$ 8,000	\$ 8,000	\$ -	\$ -	\$ -
Total Law Enforcement	\$ 5,523,044	\$ 6,443,207	\$ 7,187,393	\$ 7,768,935	\$ 7,885,990

Parks

The Parks Department is a 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). The PCD represents the City's interests in regional park development and recreation programming and coordinates 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. Both Departments seek funding for parks through grants and other sources.

Expenditure Summary

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Salaries	\$ 99,184	\$ 273,915	\$ 187,603	\$ 381,051	\$ 479,537
Benefits	\$ 42,126	\$ 113,871	\$ 100,421	\$ 170,913	\$ 189,314
Supplies	\$ 69,325	\$ 81,910	\$ 133,183	\$ 63,005	\$ 89,000
Services	\$ 85,851	\$ 93,346	\$ 266,356	\$ 382,633	\$ 295,378
Capital	\$ 118,058	\$ 856	\$ 1,805	\$ 39,350	\$ 107,699
Total Park	\$ 414,546	\$ 563,897	\$ 689,367	\$ 1,036,952	\$ 1,160,928

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 Ogden, Murphy, Wallace Inc. for general council.

Expenditure Summary

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Professional Service	\$ 190,605	\$ 252,183	\$ 207,420	\$ 232,623	\$ 300,000
Prosecutor Fees	\$ 130,362	\$ 131,905	\$ 138,194	\$ 141,991	\$ 146,949
Travel	\$ -	\$ -	\$ -	\$ -	
General Indigent Defense	\$ 116,963	\$ 129,945	\$ 124,770	\$ 134,056	\$ 134,678
Intergovernmental (Grant)	\$ -	\$ 24,310	\$ 37,670	\$ 39,720	\$ 29,720
Total Legal	\$ 437,930	\$ 538,342	\$ 508,054	\$ 548,389	\$ 611,347

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.

Expenditure Summary

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Supplies	\$ 20,917	\$ 8,173	\$ 14,582	\$ 4,570	\$ 14,570
Professional Service	\$ 33,072	\$ 43,530	\$ 28,915	\$ 63,029	\$ 38,279
Capital	\$ -	\$ -	\$ -	\$ 5,000	\$ -
Total Community	\$ 53,988	\$ 51,703	\$ 43,497	\$ 72,599	\$ 52,849

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 supervision and management of the General Government and Miscellaneous accounts are primarily shared between the Public Works, Administration and Finance Departments.

Expenditure Summary

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Salaries	\$ 23,072	\$ 103,902	\$ 72,184	\$ 233,334	\$ 277,040
Benefits	\$ 9,082	\$ 37,478	\$ 34,392	\$ 110,267	\$ 136,724
Supplies	\$ 12,518	\$ 29,117	\$ 16,320	\$ 17,987	\$ 15,487
Professional Service	\$ 452,634	\$ 625,486	\$ 962,313	\$ 875,560	\$ 931,027
Intergovernmental	\$ 61,527	\$ 62,202	\$ -	\$ -	\$ -
Capital	\$ 2,548,631	\$ 4,986,675	\$ 61,389	\$ -	\$ -
Transfers	\$ 1,119,832	\$ 1,304,996	\$ 526,400	\$ 3,400	\$ 3,400
Total General Government	\$ 4,227,296	\$ 7,149,855	\$ 1,672,999	\$ 1,240,548	\$ 1,363,678

City of Lake Stevens, Washington
Contingency Reserve Fund

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.

Expenditure Summary

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Unclaimed Checks Paid	\$ -	\$ -	\$ 5,331	\$ -	\$ -
GR - Interfund Transfer Out	\$ 2,461,824	\$ -	\$ -	\$ 10,000	\$ -
interfund Loan	\$ -	\$ -	\$ -	\$ 3,050,000	0
Traffic Incentive Fee Reimb	\$ -	\$ -		\$ 145,000	\$ 145,000
Park Capital	\$ -		\$ 145,090	\$ -	\$ 200,000
Police Dept - Project Loan	\$ -		\$ 624,253	\$ 1,354,910	0
Total Contingency Fund	\$ 2,461,824	\$ -	\$ 774,674	\$ 4,559,910	\$ 345,000



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 borne by 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

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Salaries	\$ 642,502	\$ 774,743	\$ 845,060	\$ 872,514	\$ 889,682
Benefits	\$ 325,165	\$ 418,978	\$ 373,339	\$ 401,168	\$ 413,157
Supplies	\$ 124,288	\$ 118,557	\$ 239,888	\$ 136,681	\$ 157,515
Professional Service	\$ 901,397	\$ 818,490	\$ 841,429	\$ 1,215,321	\$ 1,068,281
Intergovernmental	\$ 9,115	\$ 9,618	\$ -	\$ -	\$ -
Capital	\$ 101,834	\$ 251,334	\$ 5,621	\$ 132,667	\$ 215,398
Debt	\$ 919	\$ 900	\$ 634	\$ 634	\$ -
Transfers	\$ 685,558	\$ 598,300	\$ -	\$ -	\$ -
Total Street Fund	\$ 2,790,778	\$ 2,990,920	\$ 2,305,970	\$ 2,758,984	\$ 2,744,033

City of Lake Stevens, Washington
Other 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. This fund was eliminated and rolled into the street fund in 2020.

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.

Expenditure Summary

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Drug Seizure & Forfeit					
Operating Costs	\$ 922	\$ 3,982	\$ -	\$ 66,998	\$ 82,500
Municipal Arts					
Art - Public Art Acquisition	\$ -	\$ -	\$ -	\$ 20,963	\$ 31,708
Total Special Revenue	\$ 922	\$ 3,982	\$ -	\$ 87,961	\$ 114,208

Debt Service Funds

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

Debt Service (Fund 210): 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 the Sewer related 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. This bond was fully paid in 2018.

Debt Service (Fund 213): 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 final payment of the 2015 issue will come due in 2023. This debt service is being paid from real estate excise tax collections.

Debt Service (Fund 214): 2019A LTGO Bonds

These bonds were issued to fund the purchase and remodel of an existing building for a new police station. Additionally, some of the proceeds will be used to structurally repair the current police station for another use.

City of Lake Stevens, Washington
Debt Service Funds - Continued

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
2008 Bonds	\$ 353,368	\$ 354,105	\$ 349,905	\$ 344,605	\$ 349,705
2010 LTGO Bonds	\$ 74,166	\$ 74,164	\$ 37,082	\$ -	\$ -
2015 LTGO Bonds	\$ 97,600	\$ 93,607	\$ 95,955	\$ 97,221	\$ 94,426
2019 LTGO Bonds	\$ -	\$ -	\$ -	\$ -	\$ 433,996
Total	\$ 525,134	\$ 521,876	\$ 482,942	\$ 441,826	\$ 878,127

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 \$123 million at the end of 2019. The second is 1.5% of taxable property value, which is the limit the City can obtain debt without voter approval. This limit was \$62 million at the end of 2019.

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.

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Other	\$ -	\$ -	\$ 12,394	\$ -	\$ -
20th Street Op - Planning -Design	\$ 403,637	\$ -	\$ 251,528	\$ 131,602	\$ -
TIZ 1 Capital Expenditures	\$ 154,000	\$ -	\$ -	\$ -	\$ -
Street Op -20th Street P&D	\$ -	\$ 248,143	\$ -	\$ -	\$ -
20th Street Construction	\$ -	\$ -	\$ -	\$ 1,680,000	\$ 7,439,085
Street Op- Pln&Dsg - 204-91st	\$ -	\$ -	\$ -	\$ -	\$ -
24th St SE & 91st Rd Design	\$ -	\$ 259,491	\$ 205,493	\$ 407,088	\$ -
24th St SE & 91st Rd Construction	\$ -	\$ -	\$ -	\$ -	\$ 3,150,000
Callow Road Improvements	\$ -	\$ -	\$ 612,087	\$ -	\$ -
TIZ3 - S. Lake Stevens Rd	\$ -	\$ -	\$ 178,649	\$ 1,576,651	\$ 2,236,325
Village Way	\$ -	\$ -	\$ -	\$ 650,000	\$ -
Transfer Out	\$ -	\$ 2,289,056	\$ 202,858	\$ 529,268	\$ -
Total Capital Projects-Developer	\$ 557,637	\$ 2,796,690	\$ 1,463,010	\$ 4,974,609	\$ 12,825,410

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.

City of Lake Stevens, Washington
Capital Funds Continued

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Park Mitigation Exp	\$ 14,593.64	\$ -	\$ -	\$ -	\$ -
DT Park Plan & Design	\$ -	\$ 33,373	\$ -	\$ -	\$ -
Frontier Heights	\$ -	\$ 6,152	\$ 45,150	\$ 39,125	\$ 102,105
Park Acquisition	\$ -	\$ -	\$ -	\$ 242,000	\$ -
Eagle Ridge	\$ -	\$ 24,147	\$ 59,917	\$ 15,936	\$ -
Cavelero Park	\$ -	\$ -	\$ -	\$ 735,000	\$ -
Transfer Out			\$ 331,627	\$ 1,220,584	\$ -
Williams Property Acquisition	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -
North Cove Phase 1	\$ -	\$ -	\$ -	\$ 162,570	\$ 180,000
Lundeen Restoration (move from GF)	\$ -	\$ -	\$ 600,000	\$ -	\$ -
20th Street Soccer Field Rehab	\$ -	\$ -	\$ 17,904	\$ -	\$ 137,025
Tree Mitigation Exp	\$ 977	\$ 11,175	\$ 5,073	\$ 80,397	\$ -
Total Park Mitigation	\$ 15,571	\$ 74,848	\$ 2,059,671	\$ 2,495,612	\$ 419,130

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.

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Transfer to Police St Debt Fad	\$ 97,300	\$ 93,607	\$ 95,955	\$ 97,221	\$ 94,426
Transfer to 210 for 2008 bonds	\$ 220,623	\$ 220,080	\$ 210,505	\$ 210,205	\$ 214,205
Transfer to 212 for 2010 Bonds	\$ -	\$ -	\$ -		
800 MHZ Capital Debt Principal	\$ 16,504	\$ 17,306	\$ 18,258	\$ 18,258	\$ 20,321
800 MHZ Capital Debt Interest	\$ 6,214	\$ 5,312	\$ 4,360	\$ 4,360	\$ 2,297
Police Station Bond				\$ 500,000	\$ 433,996
Fuel Station/Decant Facility	\$ -	\$ -	\$ -	\$ 272,100	\$ -
REET 1	\$ 340,641	\$ 336,305	\$ 329,078	\$ 1,102,144	\$ 765,245

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

City of Lake Stevens, Washington
Capital Funds Continued

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Capital - Callow Road	\$ -	\$ 1,047	\$ -	\$ -	\$ -
Frontier Heights	\$ -	\$ -	\$ -	\$ -	\$ 350,000
Capital - SWM Drainage Improve	\$ 22,249	\$ -	\$ 4,500	\$ 800,000	\$ 800,000
Capital - Trans - Land Improve	\$ 945,738	\$ -	\$ -	\$ -	\$ -
Trestle/HOV Lane	\$ -	\$ -	\$ -	\$ 2,622,475	\$ 47,525
79th Ave SE Access	\$ -	\$ -	\$ 47,675	\$ 1,134,325	\$ 45,000
Transfer to 212 for 2010A Bond	\$ 74,164	\$ 74,164	\$ 37,082	\$ 7,835	\$ -
Lundeen Park Development	\$ -	\$ -	\$ 200,000	\$ 50,000	\$ -
South Lake Stevens road	\$ -	\$ -	\$ -	\$ -	\$ 137,028
Lundeen park, Soccer Fields, Boat laur	\$ -	\$ -	\$ -	\$ 110,000	\$ -
Transfer Out	\$ -	\$ -	\$ -	\$ 552,593	\$ -
Frontier Village Entrance (4th)	\$ -	\$ -	\$ 87,224	\$ 116,526	\$ -
REET II	\$ 1,042,152	\$ 75,211	\$ 376,481	\$ 5,393,754	\$ 1,379,553

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.

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Sidewalk Construction	\$ 573,251	\$ -	\$ -	\$ 200,000	\$ 200,000
91st Ave. SE & 4th St. SE (safer route)	\$ -	\$ -	\$ 295,946	\$ 326,055	
117th Ave NE	\$ -	\$ -	\$ -	\$ -	\$ 175,000
Sidewalk Capital	\$ 573,251	\$ -	\$ 295,946	\$ 526,055	\$ 375,000

Downtown Redevelopment Fund

The purpose of this fund is to collected resources and pay for the downtown project. This project included a Pavilion, North Cove Park, and Main Street. Funding for this project comes from many sources including grants, park mitigation, REET, and traffic mitigation.

City of Lake Stevens, Washington
Capital Funds Continued

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Interfund Loan Repayment	\$ -	\$ -	\$ -	\$ 3,050,000	\$ -
Transfer out	\$ -	\$ -	\$ -	\$ -	\$ -
Park Design	\$ -	\$ -	\$ -	\$ -	\$ -
North Cove Park Cap-Local	\$ -	\$ -	\$ 67,383	\$ 2,035,802	\$ 1,000,000
Butler Property Purchase-Grant	\$ -	\$ -	\$ -	\$ 530,000	\$ -
Pavillion - Grant Exp	\$ -	\$ -	\$ -	\$ 2,520,001	\$ -
Main Street Project - Local	\$ -	\$ -	\$ 206,130	\$ 529,268	\$ -
Downtown Redevelopment Fund	\$ -	\$ -	\$ 273,513	\$ 8,665,071	\$ 1,000,000

Facility Capital Project Fund

The purpose of this fund is to collected resources and pay for the purchase and remodel of an existing building for a police station.

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Interfund Loan Repayment	\$ -	\$ -	\$ -	\$ -	\$ -
2019A LTGO Bond Issuance Fees	\$ -	\$ -	\$ -	\$ 102,531	\$ -
Police Dept Project Account	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 3,800,000
Police Dept Retrofit - Old facility	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Transfer out	\$ -	\$ -	\$ -	\$ -	\$ -
Facility Capital Project Fund	\$ -	\$ -	\$ -	\$ 5,102,531	\$ 4,000,000

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.

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Salaries	\$ 46,142	\$ 16,961	\$ 7,949	\$ -	\$ -
Benefits	\$ 16,802	\$ 7,189	\$ 5,317	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Service	\$ 10,410	\$ 8,916	\$ 27,260	\$ 87,802	\$ 33,696
Debt	\$ 1,305,694	\$ 915,309	\$ 910,271	\$ 905,235	\$ 900,200
Transfers	\$ -	\$ 134,025	\$ 139,400	\$ 135,100	\$ 135,500
Total Sewer	\$ 1,379,048	\$ 1,082,400	\$ 1,090,197	\$ 1,128,137	\$ 1,069,396

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

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Salaries	\$ 585,989.21	\$ 595,248	\$ 802,262	\$ 1,036,849	\$ 1,037,204
Benefits	\$ 234,395.16	\$ 234,865	\$ 356,916	\$ 474,698	\$ 490,836
Supplies	\$ 73,539.40	\$ 194,010	\$ 142,793	\$ 206,166	\$ 218,166
Professional Service	\$ 298,421.47	\$ 272,028	\$ 656,788	\$ 736,813	\$ 587,707
Intergovernmental	\$ 83,103.89	\$ 69,103	\$ -	\$ -	\$ -
Grant	\$ 14,196.46	\$ 15,113	\$ 13,354	\$ 36,646	\$ 25,000
Capital	\$ 55,271.82	\$ 127,668	\$ 1,805	\$ 1,520,922	\$ 1,631,486
Debt		\$ 10,763	\$ 10,700	\$ 81,365	\$ 136,104
Transfers	\$ 167,487.82	\$ 359,239	\$ -	\$ 309,865	\$ 1,756,890
Total Storm & Surface Water	\$ 1,512,405.23	\$ 1,878,037	\$ 1,984,618	\$ 4,403,324	\$ 5,883,393

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.

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Unemployment					
Payments to Claimants	\$ 5,994	\$ 507	\$ 31,666	\$ 40,000	\$ 40,000
Capital Equip - Computer					
Equipment/Software	\$ 92,996	\$ 276,150	\$ 257,093	\$ 364,063	\$ 311,976
Capital Vehicles					
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Equip - Police					
Equipment/Vehicles	\$ 216,894	\$ 265,484	\$ 155,515	\$ 197,725	\$ 210,000
Capital Equip - PW					
Equipment	\$ 271,534	\$ 668,919	\$ 92,766	\$ 290,110	\$ 396,432
Aerator Equip Replacment					
Equipment/Lake Maintenance	\$ -	\$ -		\$ 38,000	\$ 38,000
Aerator Removal	\$ -	\$ 51,314	\$ -	\$ -	\$ -
Total Internal Service	\$ 587,418	\$ 1,262,374	\$ 537,040	\$ 929,898	\$ 996,409

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.

City of Lake Stevens, Washington
Fiduciary Funds - Continued

	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Budgeted	Budgeted
Refundable Deposit					
Retainage Release - Other PW	\$ 4,116	\$ 32,443	\$ 64,481	\$ 50,000	\$ 50,000
Street Project Retainage Reimb	\$ 17,927	\$ 18,760	\$ -	\$ 50,000	\$ 50,000
Retainage -Public Bldg Maint	\$ 434	\$ 1,356	\$ 3,464	\$ 1,000	\$ 1,000
Subtotal Refundable Deposit	\$ 22,477	\$ 52,559	\$ 67,945	\$ 101,000	\$ 101,000
Treasurers Trust					
Distracted Driver Prevention	\$ -	\$ 4	\$ -	\$ -	\$ -
State Court Remit (*consolidated in 2019)	\$ -	\$ -	\$ 275,315	\$ 400,100	\$ 398,655
Seizure & Forfeit State REMIT	\$ -	\$ 55	\$ -	\$ 10,000	\$ 10,000
Building - State BI	\$ 2,574	\$ 2,783	\$ 4,938	\$ 4,000	\$ 4,000
Vehicle License Fraud Account	\$ -	\$ 16	\$ -	\$ -	\$ -
Gun Permit - State Remittance	\$ 13,076	\$ 10,589	\$ 10,548	\$ 13,000	\$ 10,000
Crime Victims Compensation *	\$ 2,218	\$ 3,071	\$ 3,768	\$ -	\$ 3,642
Public Safety And Ed. 1986 *	\$ 59,562	\$ 78,707	\$ -	\$ -	\$ -
Public Safety And Education *	\$ 35,403	\$ 46,868	\$ -	\$ -	\$ -
Judicial Information System-City *	\$ 15,413	\$ 26,883	\$ -	\$ -	\$ -
Gun Permit - FBI Remittance	\$ 6,980	\$ 4,934	\$ 4,688	\$ 4,000	\$ 4,000
Crime Laboratory Analysis Fee *	\$ -	\$ -	\$ -	\$ -	\$ -
Trauma Care *	\$ 4,917	\$ 8,051	\$ -	\$ -	\$ -
School Zone Safety *	\$ 783	\$ 938	\$ -	\$ -	\$ -
Public Safety Ed #3 *	\$ 1,401	\$ 1,533	\$ -	\$ -	\$ -
Auto Theft Prevention *	\$ 7,016	\$ 11,536	\$ -	\$ -	\$ -
HWY Safety Act *	\$ 387	\$ 429	\$ -	\$ -	\$ -
Death Inv Acct *	\$ 273	\$ 258	\$ -	\$ -	\$ -
WSP Highway Acct *	\$ 1,547	\$ 1,462	\$ -	\$ -	\$ -
Leasehold Excise Tax Remit	\$ 4,757	\$ 6,207	\$ 4,247	\$ 3,000	\$ 3,000
Fire Dept Fee Remittance	\$ 13,973	\$ 33,067	\$ 17,600	\$ 20,000	\$ 20,000
Subtotal Treasurer Trust	\$ 170,279	\$ 237,390	\$ 321,104	\$ 454,100	\$ 453,297
Total Fiduciary Funds	\$ 192,756	\$ 289,949	\$ 389,049	\$ 555,100	\$ 554,297

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 with the exception of certain types of funds that are not required to be budgeted.

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 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 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 late October. 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 mid-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 Finance Director approval.

However, if the amendment changes the grand total for that fund or creates or deletes a fund, or creates or eliminates a staffing position, the amendment must be approved by the City council in the form a budget amendment ordinance.

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