CITY OF STANWOOD
2013 BUDGET
SUMMARY

Model T's visit Stanwood's historic Floyd Norgaard Cultural Center.

City of Stanwood

Washington

2013 ADOPTED ANNUAL BUDGET

Prepared by:
Administration & Finance Departments

Elected Officials

Dianne White	Mayor
Leonard Kelley	Mayor Pro Tem
Tim Pearce	Councilmember
Elizabeth Callaghan	Councilmember
Matt McCune	Councilmember
Conrad Ryer	Councilmember
Larry Sather	Councilmember
Rick Randall	Councilmember

Administration

Deborah Knight	City Administrator
Greg Thramer	Finance Director
Kevin Hushagen	Interim Public Works Director
Rebecca Lind	Community Development Director
Rick Hawkins	Contract Police Chief
Dale Fulfs	Contract Fire Chief
Grant Weed	Contract City Attorney

CITY OF STANWOOD
Stanwood, Washington

ORDINANCE No. 1327

AN ORDINANCE ADOPTING A BUDGET FOR THE CITY OF STANWOOD, WASHINGTON, FOR THE YEAR 2013, AND SETTING FORTH IN SUMMARY FORM THE TOTALS OF ESTIMATED REVENUES AND APPROPRIATIONS FOR EACH SEPARATE FUND AND THE AGGREGATE TOTALS FOR ALL SUCH FUNDS COMBINED.

WHEREAS, State law requires that the City adopt an annual budget before the end of each calendar year; and

WHEREAS, the Mayor has recommended a budget as provided by law;

WHEREAS, the City Council has held public workshops in preparation of the year 2013 budget; and

WHEREAS, the City Council has held a public hearing and heard public testimony on the 2013 budget on November 8, 2012; and

NOW THEREFORE, the City Council of the City of Stanwood, Washington do ordain as follows:

Section 1. In accordance with the provisions of RCW 35A.33.075 the budget of the City of Stanwood for the year 2013 in the aggregate amount of $12,647,387 is hereby adopted.

Section 2. The totals of budgeted revenues and appropriations for each separate fund are set forth in summary form as follows:

Fund	Title	2013 Est Beginning Fund Balance	2013 Estimated Revenues	2013 Proposed Expenditures	2013 Est Ending Fund Balance
001	General Fund	$1,400,000	$5,168,291	$5,205,406	$1,362,885
101	Street Fund	250,000	304,750	304,750	$250,000
102	Street Impact	340,000	68,000	0	$408,000
103	Street Const	258,000	197,300	279,500	$175,800
104	Park Imprvmnt	82,000	189,550	207,909	$63,641
105	Fire Impact	6,300	6,010	0	$12,310
107	Equip Reserve	117,000	35,600	40,000	$112,600
109	Contingency	376,000	1,100	137,300	$239,800
110	Bldg Imprvmnt	1,100,000	3,300	100,000	$1,003,300
120	REET Capital	710,000	82,000	145,171	$646,829
121	REET Growth	425,000	183,800	271,582	$337,218
203	LID Guarantee	5,000	50	0	$5,050
205	Debt Service	55,000	298,700	263,250	$90,450
207	LID 92-1 DSF	30,000	0	0	$30,000

Fund	Title	2013 Est Beginning Fund Balance	2013 Estimated Revenues	2013 Proposed Expenditures	2013 Est Ending Fund Balance
401	Sewer Fund	$1,100,000	1,604,000	1,618,312	$1,085,688
403	Sewer Const	1,800,000	215,580	206,000	$1,809,580
405	Sewer PIF	370,000	196,100	194,280	$371,820
410	Drainage Fund	590,000	426,300	404,360	$611,940
411	Drainage Const	300,000	126,850	410,000	$16,850
412	Drainage PIF	60,000	20,200	19,950	$60,250
421	Water Fund	580,000	1,503,737	1,497,937	$585,800
422	Water Const	1,900,000	178,400	956,000	$1,122,400
423	CH PIF	50,000	77,400	0	$127,400
424	Water PIF	100,000	158,900	158,400	$100,500
451	W/S Reserve	681,000	213,450	211,450	$683,000
457	Util Replacmt	367,000	61,000	15,830	$412,170
	TOTALS	$13,052,300	$11,320,368	$12,647,387	$11,725,281

Section 3. The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the Office of the Auditor of the State of Washington, Division of Municipal Corporations, and to the Municipal Research Services Center.

Section 4. Effective Date. This ordinance shall take effect and be in force January 1, 2013.

ADOPTED by the City Council and **APPROVED** by the Mayor this 8th day of November, 2012.

CITY OF STANWOOD

By: Dianne White
Dianne White, Mayor

ATTEST:

By: Patricia Myrdal
Patricia Myrdal, Interim City Clerk

APPROVED AS TO FORM:

By: Grant K. Weed
Grant K. Weed, City Attorney

CITY OF STANWOOD
2013 BUDGET

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CITY OF STANWOOD
2013 BUDGET

Budget Message

CITY OF STANWOOD
2013 BUDGET

A Message from the Mayor

Dear Citizens, City Council and Staff of Stanwood:

This document presents the overall plan for allocating city resources to the variety of programs necessary to protect the community's physical security, enhance the quality of life and to maintain and develop the city's facilities and infrastructure. The 2013 Budget provides for the continuation of the current levels and mix of municipal services.

The 2013 Budget anticipates revenues and expenditures to provide for preexisting programs at current or slightly enhanced levels. We are continuing to gain efficiencies where financial savings can be attained. The city seems to be realizing increased building starts and home sales, but we are still laboring under reduced sales tax, property tax and interest earned holding back growth of our revenues.

2013 will be the first full year under our contract with North County Regional Fire Authority for fire and EMS services. The contract with the Snohomish County Sheriff's office for police coverage will be renegotiated this year.

The city will be hiring several positions to replace vacancies. This will occur in the finance and public works department.

The City of Stanwood is positioned to respond to various financial and service challenges. We are also positioned to access grant funded opportunities for vital infrastructure enhancement. We have the staff and volunteer expertise now to pursue grants that were not possible in the past. I see the city becoming an active player in local events focused on economic development. I see projects getting designed and built.

I cannot conclude this Budget Message without thanking the dedicated employees involved in the preparation of this document. Without their expertise, professionalism and cooperation of the staff, this detailed budget document would not be possible. I would also like to thank the Stanwood City Council for their leadership as well as the citizens of Stanwood for their input throughout the year and during this process.

Sincerely,

Dianne White

Dianne White, Mayor

Vision

Vision Statement

The City of Stanwood is the commercial and cultural center of the greater Stanwood/Camano region and is self sufficient - providing employment, access to locally grown food, community activities, and a full range of goods and services for its residents and surrounding rural communities.

Surveys indicate that residents and members of the business community both support preservation of existing structures and seek new development that enhances the existing small town character which gives the community its distinctive identity. Simply put, Stanwood is a nice place to live, work, shop and visit and citizens of Stanwood would like to see it remain that way.

Over 200 community members participated in the 2012 community Sustainable Design Assistance Team. The strong consensus was to continue building on the assets currently in Stanwood, engage in more economic development to diversify the city's employment base, and support the existing business community.

The assets needed to achieve the city's long-range vision include:

Sense of Community

The City's sense of community is highly valued and residents would like to retain this character at all costs.

Livability and Convenience

Stanwood is considered to be very livable. The scale and design quality of historic downtown, new commercial areas and residential neighborhoods combine to create an aesthetically pleasing community character. Many residents are within a safe and convenient walking distance or a short drive to stores, restaurants or services that they utilize. There are many goods and services that can be obtained within this city.

Transportation and Mobility

Residents like to be able to move about freely and safely. Continual improvements to City sidewalks and trails are desired. A system of walkways, trails and bike paths between schools, parks and natural open spaces would ease the conflict between pedestrians, bicyclists and the automobile. Stanwood should be a hub for all forms of transportation to and from surrounding areas. The importance of trails both within the existing City and as connectors to the region are emphasized

Growth Patterns

The City envisions continued growth at low to moderate rates (2-5 percent per year). People would like to avoid suburban sprawl. This threatens Stanwood's city center and sense of community. Sprawl would also create a greater dependence on the automobile.

Economic Development

The city will focus on retaining its role as the center of the Greater Stanwood area by pursuing new endeavors that support the downtown and employment diversification and leverage Stanwood's location as an urban center surrounded by world class agricultural land. These efforts include the following initiatives.

- A successful year-round farmers market and support of local food distribution.
- Special events, festivals, and sports tournaments to attract additional foot traffic into the downtown.
- Pursuing more effective means to address the flooding issues inherent in its location along the Stillaguamish River.
- Promoting businesses that fit into the downtown plan.

Value of the Environment

There is overwhelming support from the community to protect the local environment, and to promote access and tourism to local natural features. The updated policy framework for the shorelines emphasizes shoreline access, and future trail development within the Stillaguamish River shoreline area. In addition, the lower reaches of Church Creek are recognized for their high quality natural habitat which will be retained.

Surrounding Land Use Valued

Residents generally value the agricultural land use surrounding Stanwood. Stanwood's identity associated with the agricultural and rural environment is very important.

Parks Recreation and Open Space

The vision for the Stanwood parks system includes developing a new park that connects the downtown to the Stillaguamish River, developing neighborhood parks in the downtown and the north portion of the residential area, and expanding trails to provide a loop route within the City while providing trail and bicycle access to the region. The parks system also continues to be envisioned as providing regional facilities at Heritage Park to serve the needs of the greater Stanwood area.

Budget Themes & Initiatives

Budget Themes and Initiatives

The city council adopted five budget themes to guide the City's financial and staff resource investments for the next three years – Public Safety; Economic Development; Park and Recreation assets; Municipal Facilities and Financial Sustainability.

Budget themes are the concepts used to prioritize the Council's investment in personnel and infrastructure to solve the key issues.

1. Public Safety – Evaluating contracts for police and fire services. Investing in emergency preparedness. Using technology to increase public safety by leveraging limited tax dollars.

2. Economic Development – Investing in public infrastructure to spur private development. Implementing incentives to attract specific types of development to the city. Evaluating the city's fee structure to ensure fees for services align with Council policies.

3. Park and Recreation Assets – Ensuring public and private investment in park and recreation facilities, including the YMCA, to improve the quality of Stanwood residents. Implementing policies and procedures to capture potential revenues from city and county residents who use the city's recreation facilities for organized sports and/or events. Using the City's recreation facilities to support economic development.

4. Municipal Facilities – Maintaining taxpayer owned assets. Seeking opportunities for remodeling and/or reusing existing facilities efficiently to serve customers. Reevaluating the need and desire for a future municipal campus.

5. Financial Sustainability – Looking for opportunities to match one-time revenues with one-time expenses and ongoing revenues with ongoing expenses. Exploring the need to establish a Transportation Benefit District. Evaluating rates for services and impact fees. Ensure the people who use the service pay for it. Explore the pros, cons and timing of annexing into the library district.

2013 Key Initiatives

Key initiatives are the action themes that implement the budget themes on an annual basis. The 2013 Budget includes the following key initiatives.

Administrative/Finance (Financial Sustainability)

- Police contract negotiations
- Webpage redesign
- Phone tree update and direct in dial function
- Purchasing and investment policies
- Transportation Benefit District implementation
- Library annexation
- Bank fee evaluation – RFP for banking services
- Fee schedule analysis
- Copy machine lease and City Hall janitorial contract

Community Development/Building (Economic Development)

- Installing way finding signs
- On-line permitting (mybuildingpermit.com)
- Economic development
    - Coordinating promotion of special events
    - Small business outreach
    - Floodplain development – FEMA response
- Community rating system – explore work to join CRS program for flood insurance premiums
- Rezone Vine Street
- Comprehensive plan update – define scope of work
    - Capital facilities plan update
- YMCA support

<u>Public Works</u> (Park & Recreation Assets / Municipal Facilities)

- Stormwater management plan and rate study
    - Detention pond maintenance
- Park use agreements and fee schedule
    - Ball field advertisement
- Capital Improvements
    - Downtown park master plan adoption
    - Kayak Park (River Access) plan adoption and funding source
    - Skate park redevelopment
    - SR532 bike and pedestrian trail/flood control
    - City Hall space study
    - Biosolids handling and disposal
    - Water bonds projects
    - Sidewalk improvements – 68th Street and 80th Street

<u>Police & Fire</u> (Public Safety)

- Neighborhood watch program
- Flood preparedness and prevention
- SRO funding
- Fire contract – joint working committee

Background

BACKGROUND

The City of Stanwood has made significant changes to its operations over the last five years in order to balance the budget and maintain fiscal health. The City is well positioned to take advantage of what appears to be a slow but steady economic recovery. The Mayor, City Council and staff have exercised fiscal discipline and used creativity, innovation, and a strong commitment to efficiency to maintain service-levels in the face of significant revenue shortfalls.

The City's 2013 budget presents the overall plan for allocating resources to a variety of programs. These resources are necessary to protect the community's physical security, enhance the quality of life, and also provide significant capital investments to preserve taxpayer owned assets for the next generation to enjoy.

The City's 2013 preliminary budget is divided into five categories.

1. General Fund. For the operation of government services including police, fire, building maintenance, parks, permitting and finance.
2. Street Fund (Special Revenue Fund). For the repair, maintenance, preservation and improvement of streets, sidewalks and trails. Special revenue funds are required to account for the use of revenue earmarked by law for a particular purpose. State and federal fuel tax revenues require special revenue funds, because federal and state laws restrict these taxes to transportation uses.
3. Enterprise Funds Collect user fees to support operations and capital improvements to water, sewer, and drainage facilities.
4. Capital Improvements and Revenue Funds. Separate sources of revenue to improve, maintain and repair tax payer owned assets including public buildings, streets, sidewalks, trails, parks, water, sewer and drainage facilities.
5. Miscellaneous Funds. Includes debt guarantee funds, equipment reserve and contingency funds.

2013 Budget Process Calendar

June 28
- Provide Council with 2013 budget calendar draft
    - Discuss budget retreate dates for July and October

July 15
- Department heads and Mayor meet to discuss policy issues
    - Set agenda for budget retreat

July 21
- Council budget retreat

July 23 to August 3
- One-on-one meetings with Finance Director

August 17
- Department 2012 Accomplishments and 2013 Goals returned to Finance Director

August 29
- Computer printout returned to departments for final review

September 10 to September 21
- Department budget review with Finance Director and City Administrator

September 17
- Preliminary budget review with Mayor

September 24
- Revenue and expense estimates filed with Finance Director

October 1
- Preliminary Budget provided to Council for review

October 4
- Preliminary Budget review with Finance Committee

October 13
- Council Budget Retreat – present Mayor's draft budget

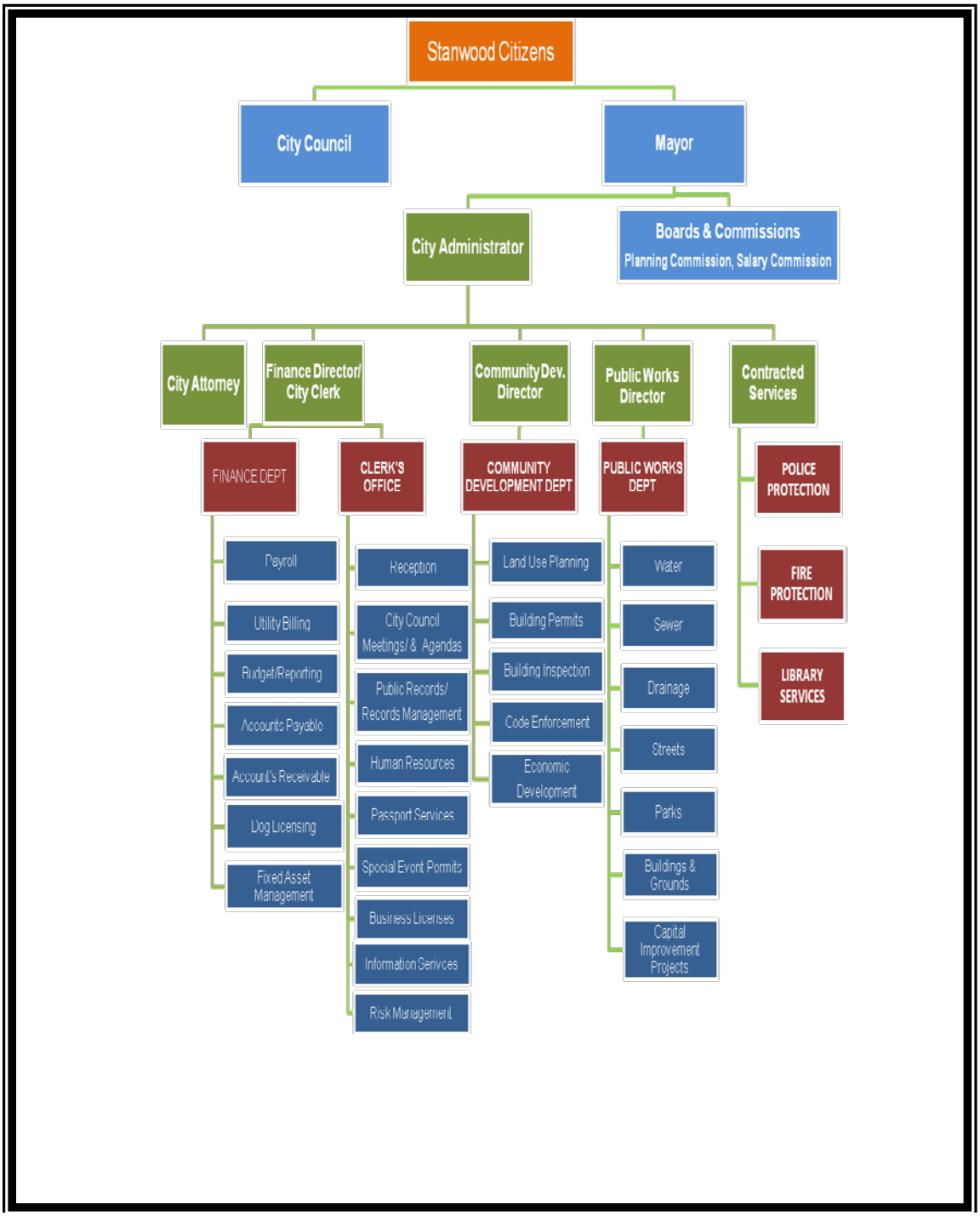
October 25 and November 8
- Budget Workshops

October 23 and October 30
- Publish notice of public hearing once a week for two consecutive weeks
- Copies of proposed budget available to public

November 8
- Property tax hearing and ordinance adoption
- Budget public hearing and first reading

November 19
- Budget public hearing
- Adoption of 2013 salary schedule
- Adoption of 2013 budget

Organizational Chart



Budget Summary

Budget At A Glance

Our Commitment

The City of Stanwood is responsible for furnishing cost-effective services and well-maintained facilities, safeguarding the public and property, enhancing the community's favorable quality of life, protecting Stanwood's natural environment and sustaining a healthy, growing economy.

Facts about Stanwood

- Incorporated in 1903
- Population of 6,300
- Northernmost city in Snohomish County
- Mayor-Council form of government
- Thirty (30) full-time equivalent employees
- Contracted with Snohomish County Sheriff for police protection
- Contracted with North County Fire District for fire and emergency services
- Contracted with Sno-Isle for library services
- Owns and operates its own water, sewer, and storm drainage utilities
- Primarily residential, with the majority of residents commuting to the City of Everett for employment opportunities (Boeing is the largest regional employer)

Budget Summary – All Funds

2013 Adopted Budget	
Begiinning Net Cash	$ 13,052,300
Revenues	$ 11,320,368
Expenditures	$ 12,647,387
Ending Net Cash	$ 11,728,281

2013 Budget Summary

Fund	Est. Beginning Fund Balance	Revenues	Expenditures	Est. Ending Fund Balance
General	$ 1,445,000	$ 5,144,291	$ 5,210,506	$ 1,378,785
Street	250,000	304,750	304,750	250,000
Street Impact Fee	340,000	68,000	-	408,000
Street Construction	258,000	197,300	279,500	175,800
Park Improvement	82,000	189,550	207,909	63,641
Fire Impact Fee	6,300	6,010	-	12,310
Equipment Reserve	117,000	35,600	40,000	112,600
Contingency	376,000	1,100	137,300	239,800
Building Improvement	1,100,000	3,300	145,000	958,300
REET 1 - Capital Improvements	710,000	82,000	145,171	646,829
REET 2 - Growth Management	425,000	183,800	271,582	337,218
LID Guarantee	5,000	50	-	5,050
Debt Service	55,000	298,700	263,250	90,450
LID 92-1 Debt Service	30,000	-	-	30,000
Sewer	1,100,000	1,604,000	1,618,312	1,085,688
Sewer Construction	1,800,000	215,580	206,000	1,809,580
Sewer Plant Investment	370,000	196,100	194,280	371,820
Drainage	590,000	426,300	404,360	611,940
Drainage Construction	300,000	126,850	410,000	16,850
Drainage Plant Investment	60,000	20,200	19,950	60,250
Water	580,000	1,503,737	1,497,937	585,800
Water Construction	1,900,000	178,400	956,000	1,122,400
Cedar Home Plant Investment	50,000	77,400	-	127,400
Water Plant Investment	100,000	158,900	158,400	100,500
Water/Sewer Bond Reserve	681,000	213,450	211,450	683,000
Utility Equipment Reserve	367,000	61,000	183,000	245,000
	$ 13,097,300	$ 11,296,368	$ 12,864,657	$ 11,529,011
Cash Utilized from Fund Balances		1,568,289	-	
Total Revenues & Expenditures		$ 12,864,657	$ 12,864,657	

CITY OF STANWOOD
2013 BUDGET

Revenue and Other Sources Summary

	2010 Actual	2011 Actual	2012 Adopted	2012 Actual	2013 Adopted
TAXES					
Property Tax	$ 1,635,323	$ 2,173,490	$ 2,167,200	$ 2,174,169	$ 2,229,000
Property Tax - EMS	278,905	364,919	321,000	321,692	300,000
Sales Tax	1,064,400	1,046,144	1,010,740	938,785	992,000
Natural Gas Tax	4,021	3,542	3,980	2,689	4,000
Criminal Justice Sales Tax	72,429	78,816	74,500	83,462	81,000
Utility Taxes	856,956	877,507	894,660	880,980	933,000
Leasehold Tax	259	259	260	700	500
Gambling Tax	2,841	3,803	3,125	3,338	3,200
Real Estate Excise Taxes	144,480	113,350	100,000	201,327	160,000
TOTAL TAXES	4,059,614	4,661,830	4,575,465	4,607,142	4,702,700
UTILITY COLLECTIONS					
Sewer	1,687,761	1,643,014	1,633,748	1,866,112	1,821,400
Storm Drainage	452,228	443,515	438,397	483,096	453,400
Water	1,525,566	1,363,484	1,406,632	1,818,713	1,697,700
TOTAL UTILITY COLLECTIONS	3,665,555	3,450,013	3,478,777	4,167,921	3,972,500
LICENSES & PERMITS	167,522	154,733	142,180	253,148	217,100
INTERGOVERNMENTAL REVENUE	597,815	765,820	603,757	630,111	507,548
CHARGES FOR SERVICES	980,800	550,462	515,579	658,497	573,793
FINES, FOFEITURES & PENALTIES	47,600	45,560	40,000	36,004	44,500
INTEREST & MISC REVENUE	144,651	32,714	26,580	48,108	17,960
OTHER REVENUE SOURCES (Bond Proceeds, Refunds, Misc)	221,217	3,066,641	-	-	-
INTERFUND TRANSFERS	1,620,542	1,576,493	832,442	607,526	1,260,267
BEGINNING FUND BALANCE					
General Fund	1,375,421	1,364,563	1,630,202	1,685,980	1,445,000
Street Fund	93,472	130,871	69,062	154,998	250,000
Street Impact Fee Fund	761,336	756,362	880,447	433,775	340,000
Street Construction Fund (Note 1)	481,705	256,945	258,145	257,623	258,000
Park Improvement Fund	132,086	100,185	89,728	89,488	82,000
Fire Impact Fee Fund	14,611	6,847	2,901	2,886	6,300
Equipment Reserve Fund	125,956	161,666	182,666	178,774	117,000
Contingency Fund	377,553	354,235	375,735	375,198	376,000
Building Improvement Fund	1,528,633	1,168,810	1,174,310	1,171,898	1,100,000
REET - Capital Improvements	313,402	569,093	619,454	624,051	710,000
REET - Growth Management	553,657	772,677	623,238	609,124	425,000
LID Guarantee Fund	99,290	179,614	55,064	29,883	5,000
Debt Service Fund	10,236	25,553	17,155	31,663	55,000
LID 92-1 Debt Service Fund	46,919	-	-	-	30,000
Sewer Funds	4,225,087	4,014,619	3,365,022	3,641,483	3,270,000
Drainage Funds	527,559	547,860	693,672	750,837	950,000
Water Funds	1,556,736	986,441	3,156,417	3,380,032	2,630,000
Utility Deposits	13,166	13,166	-	74	-
Water /Sewer Bond Reserve	-	-	716,129	679,380	681,000
Utility Equipment Reserve	249,172	282,506	319,006	318,633	367,000
Clearing/Other	74,297	4,911	-	27,191	-
TOTAL FUND BALANCES	12,560,296	11,696,924	14,228,353	14,442,973	13,097,300
REVENUE FROM ALL SOURCES	**$ 24,065,612**	**$ 26,001,190**	**$ 24,443,133**	**$ 25,451,430**	**$ 24,393,668**

Note 1: Beginning in 2013, the City began coding street construction projects in the Street Construction Fund, instead of the Street Impact Fee Fund as had been done in prior years.

CITY OF STANWOOD
2013 BUDGET

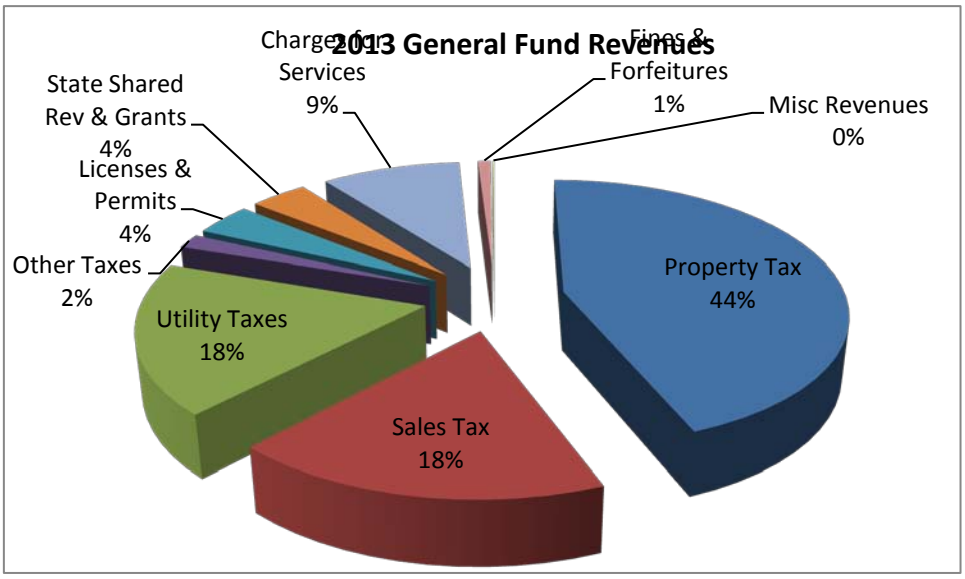
Expenditure and Other Uses Summary

	2010 Actual	2011 Actual	2012 Adopted	2012 Actual	2013 Adopted
OPERATIONS EXPENDITURES					
Clerk & City Council	$ 256,732	$ 254,870	$ 279,824	$ 258,934	$ 195,285
Judicial	123,820	81,361	59,000	20,628	45,000
Mayor	17,833	18,345	19,563	18,604	21,900
Administration	595,148	430,300	504,124	489,258	508,300
Legal Services	98,769	80,025	106,000	83,456	102,000
Building & Grounds	110,741	94,506	102,415	89,697	139,700
General Government Services	76,610	69,537	67,346	68,263	63,640
Law Enforcement/Jail	1,619,938	1,603,854	1,741,704	1,703,127	1,801,644
Fire Control/Emergency Svcs	1,501,616	1,389,795	1,301,347	1,292,687	1,286,126
Community Development	408,712	391,388	483,513	469,541	487,845
Substance Abuse	1,393	1,478	1,000	1,621	1,000
Libraries	235,805	237,994	243,974	243,286	266,430
Park Facilities	122,165	124,434	113,901	103,067	153,550
Public Works - Streets	291,143	256,098	305,803	266,840	304,750
Debt Service - Gen Obligation	308,532	258,004	266,250	265,605	263,250
Total Operating Expense	5,768,957	5,291,989	5,595,764	5,374,614	5,640,420
PROPRIETARY EXPENDITURES					
Sewer	1,591,603	1,405,898	1,519,296	1,461,939	1,578,312
Storm Drainage	323,204	227,244	264,612	264,598	294,360
Water	1,488,281	1,280,706	1,564,535	1,470,284	1,487,937
Total Proprietary Exp	3,403,088	2,913,848	3,348,443	3,196,821	3,360,609
Total Operating Exp	9,172,045	8,205,837	8,944,207	8,571,435	9,001,029
OTHER FINANCING USES					
Capital Outlay	1,433,251	1,626,347	2,663,579	1,679,837	2,409,500
Debt Service - Sno Co	18,739	18,729	18,729	18,729	168,561
Interfund Transfers	1,620,542	1,576,473	822,442	607,526	1,260,267
Non-Expenditures	124,110	372,379	-	78,088	25,300
Total Other Fin Uses	3,196,642	3,594,047	3,504,750	2,384,180	3,863,628
TOTAL EXP & OTHER USES	12,368,687	11,799,884	12,448,957	10,955,615	12,864,657
ENDING FUND BALANCES	11,696,925	14,201,305	11,994,176	14,495,815	11,529,011
TOTAL EXPENDITURES, OTHER USES, AND FUND BALANCES	$ 24,065,612	$ 26,001,190	$ 24,443,133	$ 25,451,430	$ 24,393,668

CITY OF STANWOOD
2013 BUDGET

Revenue and Other Sources
General Fund

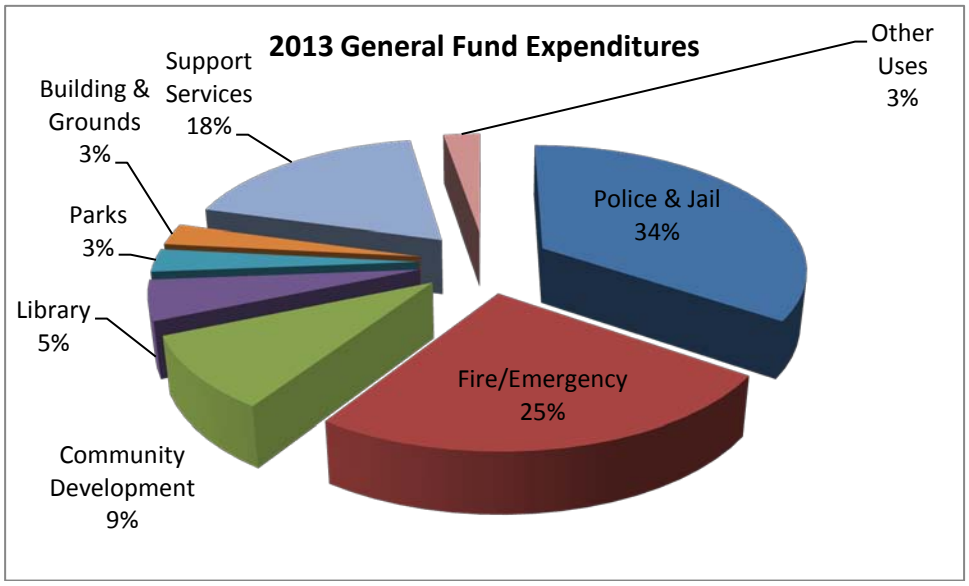
	2010 Actual	2011 Actual	2012 Adopted	2012 Actual	2013 Adopted
TAXES					
Property Tax	$ 1,412,475	$ 1,955,815	$ 1,940,000	$ 1,946,701	$ 1,967,000
Property Tax - EMS	278,905	364,920	321,000	321,692	300,000
Sales Tax	1,064,401	1,046,144	1,010,740	938,785	925,000
Natural Gas Tax	4,021	3,542	3,980	2,689	4,000
Criminal Justice Sales Tax	72,429	78,816	74,500	83,462	81,000
Utility Taxes	856,956	877,507	894,660	880,980	933,000
Leasehold Tax	259	259	260	700	500
Gambling Tax	2,841	3,803	3,125	3,338	3,200
TOTAL TAXES	3,692,287	4,330,806	4,248,265	4,178,348	4,213,700
LICENSES & PERMITS	167,522	154,733	142,180	253,148	200,100
INTERGOVERNMENTAL REVENUE	257,184	211,886	230,621	246,650	198,048
CHARGES FOR SERVICES	910,859	478,426	502,034	519,917	481,993
FINES, FOFEITURES & PENALTIES	47,600	45,560	40,000	36,004	44,500
INTEREST & MISC REVENUE	39,533	19,480	5,850	6,040	5,950
OTHER REVENUE SOURCES (Bond Procceds, Refunds, Misc)	42,400	1,535	-	2,889	-
INTERFUND TRANSFERS	78,637	-	-	-	-
BEG FUND BALANCE	1,375,421	1,364,563	1,630,202	1,685,980	1,445,000
TOTAL - ALL SOURCES	$ 6,611,443	$ 6,606,989	$ 6,799,152	$ 6,928,977	$ 6,589,291

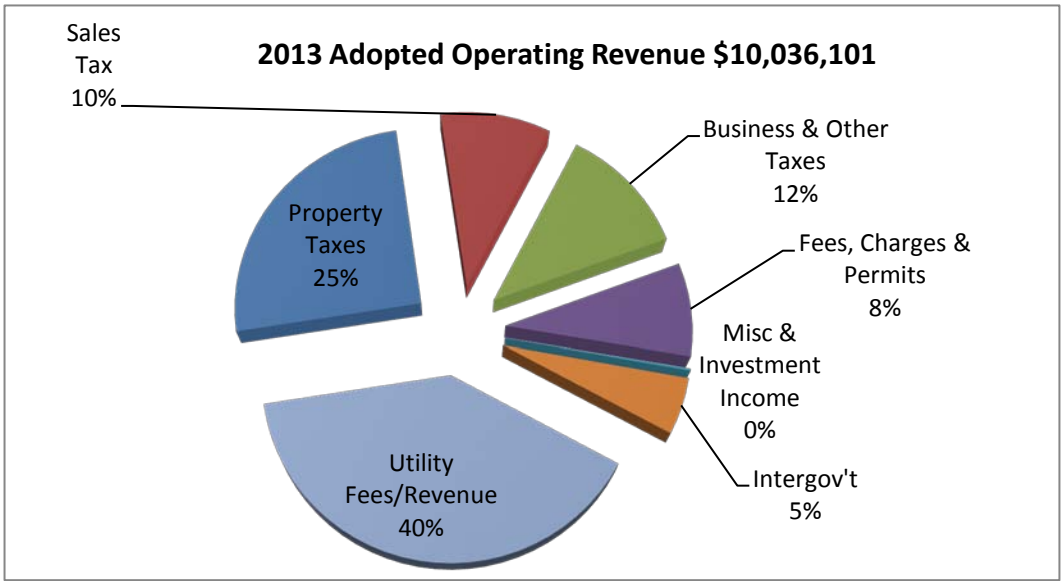


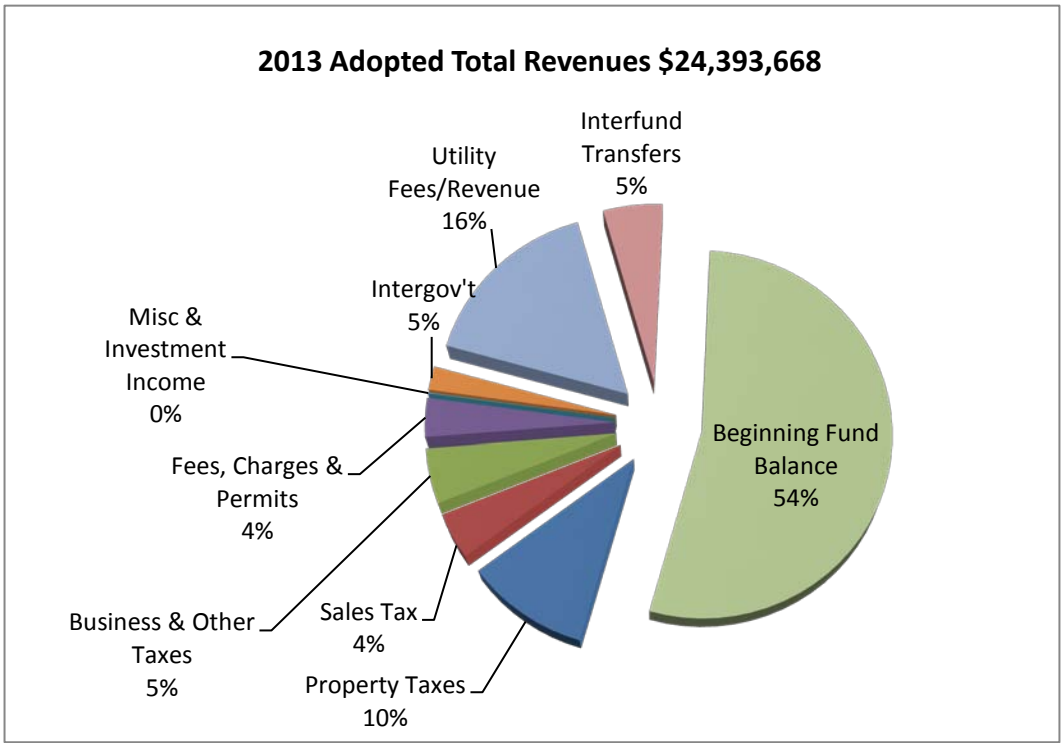
CITY OF STANWOOD
2013 BUDGET

Expenditures & Other Uses
General Fund

	2010 Actual	2011 Actual	2012 Adopted	2012 Actual	2013 Adopted
OPERATIONS EXPENDITURES					
Clerk & City Council	$ 256,732	$ 254,870	$ 279,824	$ 258,934	$ 195,285
Judicial	123,820	81,361	59,000	20,628	45,000
Mayor	17,833	18,345	19,563	18,604	21,900
Administration/General	671,758	499,837	571,470	557,521	571,940
Legal	98,769	80,025	106,000	83,456	102,000
Building & Grounds	110,741	94,506	102,415	89,697	139,700
Law Enforcement/Jail	1,619,938	1,603,854	1,741,704	1,703,127	1,801,644
Fire/Emergency Services	1,501,616	1,389,795	1,301,347	1,292,687	1,286,126
Community Development	408,712	391,388	483,513	469,541	487,845
Substance Abuse	1,393	1,478	1,000	1,621	1,000
Libraries	235,805	237,994	243,974	243,286	266,430
Park Facilities	122,165	124,434	113,901	103,067	153,550
Total Operating Expenditures	5,169,282	4,777,887	5,023,711	4,842,169	5,072,420
OTHER FINANCING USES					
Capital Outlay	12,968	14,616	-	947	-
Interfund Transfers	64,629	128,407	121,487	110,154	112,786
Pass-Through Grants	-	-	45,500	23,856	25,300
Total Other Financing Uses	77,597	143,023	166,987	134,957	138,086
TOTAL EXP & OTHER USES	$ 5,246,879	$ 4,920,910	$ 5,190,698	$ 4,977,126	$ 5,210,506




2013 Adopted Operating Revenue $10,036,101
Sales Tax 10%
Business & Other Taxes 12%
Fees, Charges & Permits 8%
Misc & Investment Income 0%
Intergov't 5%
Utility Fees/Revenue 40%
Property Taxes 25%


2013 Adopted Total Revenues $24,393,668
Interfund Transfers 5%
Utility Fees/Revenue 16%
Intergov't 5%
Misc & Investment Income 0%
Fees, Charges & Permits 4%
Business & Other Taxes 5%
Sales Tax 4%
Property Taxes 10%
Beginning Fund Balance 54%

2013 Revenues by Fund

General Fund	
Property Tax	$ 2,267,000
Sales Tax	925,000
Utility Taxes	933,000
Other Taxes	88,700
Licenses & Permits	200,100
State Shared/Intergov. Revenues & Grants	198,048
Fees & Charges	481,993
Fines & Forfeitures	44,500
Investment Interest	5,950
Total General Fund	$ 5,144,291
Other Funds	
Street Fund	304,750
Street Impact Fee Fund	68,000
Street Construction Fund	197,300
Park Improvement Fund	189,550
Fire Impact Fee Fund	6,010
Equipment Reserve Fund	35,600
Contingency Fund	1,100
Building Improvement Fund	3,300
Real Estate Excise Tax Capital Funds	265,800
Local Improvement District Guarantee Fund	50
Debt Service Fund	298,700
Sewer Operaing & Capital Funds	2,015,680
Storm Drainage Operating & Capital Funds	573,350
Water Operating & Capital Funds	1,918,437
Water & Sewer Reserve Fund	213,450
Utility Equipment Replacement Fund	61,000
Total Other Funds	6,152,077
Total All Funds	$ 11,296,368

CITY OF STANWOOD
2013 BUDGET

		2011	2012 Revised	2012	2013
General Fund Revenues		**Actual**	**Budget**	**Actual**	**Adopted**
Property Tax					
	General Property Tax	$ 1,955,815	$ 1,940,000	$ 1,946,701	$ 1,967,000
	EMS Levy	364,919	321,000	321,692	300,000
		2,320,734	2,261,000	2,268,394	2,267,000
Sales Taxes					
	Retail Sales Tax	1,046,144	1,010,740	938,785	925,000
	Sales Tax - Natural Gas	3,542	3,980	2,689	4,000
	Sales Tax - Criminal Justice	78,816	74,500	83,462	81,000
		1,128,502	1,089,220	1,024,937	1,010,000
Business Taxes					
	Gas Utility Tax	131,595	139,105	97,717	128,000
	Garbage Utility Tax	62,284	61,004	66,069	66,000
	Cable TV Utility Tax	32,412	32,823	35,464	36,000
	Telephone Utility Tax	165,648	168,973	183,098	191,000
	Electric Utility Tax	276,548	278,460	272,716	287,000
	Water/Sewer/Drainage Utility Tax	209,021	214,295	225,916	225,000
		877,508	894,660	880,980	933,000
Excise Taxes					
	Leasehold Tax	259	260	700	500
	Gambling Tax	3,803	3,125	3,338	3,200
		4,062	3,385	4,038	3,700
Licenses & Permits					
	Business Licenses	35,189	35,308	34,708	36,000
	Franchise Fees	53,282	55,288	66,351	54,000
	Building Permits	46,784	35,804	111,665	86,500
	Other Licenses & Permits	19,478	15,780	40,423	23,600
		$ 154,733	$ 142,180	$ 253,148	$ 200,100

CITY OF STANWOOD
2013 BUDGET

		2011	2012 Revised	2012	2013
General Fund Revenues (Continued)		**Actual**	**Budget**	**Actual**	**Adopted**
State Shared Revenues					
	USDA Farmers' Market Grant	$ -	$ 45,500	$ 23,856	$ 25,300
	Department of Transportation Grant	-	-	947	-
	FEMA Grant	2,875	-	16,050	-
	Other State Grants	10,737	6,700	12,531	1,000
	PUD Privilege Tax	34,126	34,500	34,044	34,500
	Police Grants	23,102	16,571	17,043	17,445
	Liquor Excise Tax	29,929	31,162	22,909	5,292
	Liquor Board Profits	43,431	38,502	62,045	56,511
	School Resource Officer Reimb	67,686	57,686	57,225	58,000
		211,886	230,621	246,650	198,048
Charges for Services					
	Services	3,906	2,000	3,637	3,000
	School Impact Admin Fees	1,142	-	3,999	
	Credit Card Processing Fees	-	-	14	
	Passport/Naturalization Fees	16,855	13,941	17,450	20,000
	Zoning Inspection Fees	56,029	75,600	26,909	13,800
	Plan Checking Fees	24,443	22,100	80,066	49,800
	Environmental Fees	1,925	1,000	450	500
	Park Activity Fees	-	-	-	7,500
		104,300	114,641	132,524	94,600
Reimbursable Services		374,126	387,393	387,393	387,393
Fines & Forfeitures		45,560	40,000	36,004	44,500
Miscellaneous					
	Interest Income	4,043	5,600	5,737	5,700
	Contributions & Donations	14,393	-	-	-
	Miscellaneous Revenue	1,045	250	304	250
		19,481	5,850	6,040	5,950
Non-Revenues/Refunds		1,535	-	2,889	-
	Total General Fund Revenues	$ 5,242,427	$ 5,168,950	$ 5,242,999	$ 5,144,291

CITY OF STANWOOD
2013 BUDGET

		2011	2012 Revised	2012	2013
Other Fund Revenues		**Actual**	**Budget**	**Actual**	**Adopted**
101 Street Fund					
	Waste Mgmt Street Maint Fee	$ -	$ -	$ -	$ 17,000
	Motor Vehicle Fuel Tax	128,926	131,553	127,085	130,000
	Investment Interest	392	450	651	600
	Misc Revenues	907	-	157	-
	Transfer from General Fund	-	-	-	35,000
	Transfer from LID Guarantee Fund	150,000	-	-	-
	Transfer from REET 1 Fund	-	-	-	22,150
	Transfer from REET 2 Fund	-	187,500	187,500	100,000
		280,225	319,503	315,393	304,750
102 Street Impact Fee Fund					
	FHWA and WSDOT Grant	402,191	-	168,252	-
	WSDOT ARRA Grant	22,817	4,500	-	-
	Puget Sound Regional Council Grant	-	131,608	-	-
	Transportation Improvement Board	-	-	88,123	-
	Street Impact Fees	60,682	9,550	101,740	66,500
	Investment Interest	2,509	4,000	1,445	1,500
	Misc Revenues	165	-	-	-
	Transfer from REET 2	200,000	-	-	-
		688,364	149,658	359,560	68,000
103 Street Construction Fund					
	Transportation Ben Dist Sales Tax	-	-	-	67,000
	WSDOT ARRA Grant	-	-	-	4,500
	Transportation Improvement Board	-	-	-	125,000
	Investment Interest	679	1,200	745	800
	Transfer from General Fund	-	11,333	-	800
		679	12,533	745	198,100
104 Park Improvement Fund					
	Hamilton Conservation Futures	-	-	-	50,000
	Park Impact Fees	8,330	3,045	27,554	19,300
	Investment Interest	259	500	242	250
	Transfer from REET 1	-	-	-	120,000
		$ 8,589	$ 3,545	$ 27,797	$ 189,550

CITY OF STANWOOD
2013 BUDGET

		2011	2012 Revised	2012	2013
Other Fund Revenues		**Actual**	**Budget**	**Actual**	**Adopted**
105 Park Impact Fee Fund					
	Fire Impact Fees	3,023	950	9,286	6,000
	Investment Interest	16	30	12	10
		3,039	980	9,298	6,010
107 Equipment Reserve Fund					
	State Equipment Grant	-	105,475	-	-
	Investment Interest	458	1,000	527	600
	Proceeds from Sale of Assets	10,000	-	652	-
	General Govt Equipment Replaceme	35,000	35,000	35,000	-
	Transfer from Contingency Fund	-	-	-	35,000
		45,458	141,475	36,179	35,600
109 Contingency Fund					
	Investment Interest	963	1,500	1,085	1,100
	Transfer from General Fund	20,000	-	-	-
		20,963	1,500	1,085	1,100
110 Building Improvement Fund					
	Investment Interest	3,088	5,500	3,257	3,300
		3,088	5,500	3,257	3,300
120 REET 1 Capital Fund					
	Real Estate Excise Tax (1st 0.25%)	56,675	50,000	100,663	80,000
	Investment Interest	1,537	2,700	1,901	2,000
		58,212	52,700	102,565	82,000
121 REET 2 Growth Fund					
	Real Estate Excise Tax (2nd 0.25%)	56,675	50,000	100,663	80,000
	Investment Interest	1,755	3,000	1,431	1,500
	Transfer from Contingency Fund	-	-	-	102,300
		$ 58,430	$ 53,000	$ 102,094	$ 183,800

CITY OF STANWOOD
2013 BUDGET

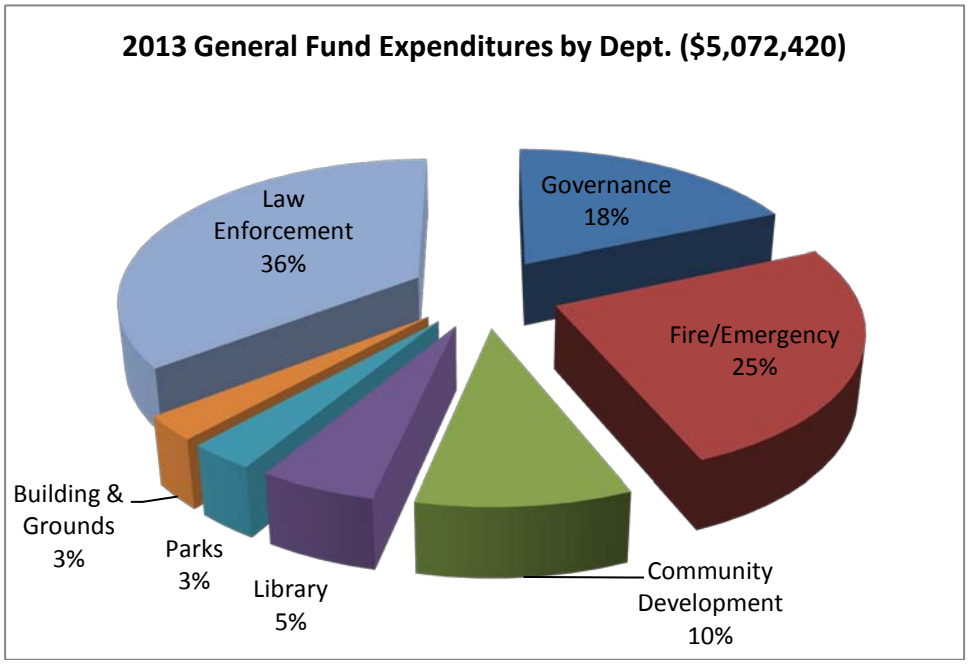
		2011	2012 Revised	2012	2013
Other Fund Revenues		**Actual**	**Budget**	**Actual**	**Adopted**
203 LID Guarantee Fund					
	Investment Interest	269	450	23	50
		269	450	23	50
205 Debt Service Fund					
	Gen Obligation Bond 2000 - Fire Station	148,130	199,200	198,545	225,600
	Gen Obligation Bond 2007 - Refunding	69,544	28,000	28,923	36,400
	Investment Interest	237	400	401	300
	Transfer from Park Improvement Fund	19,287	18,598	18,598	17,909
	Transfer from Fire Impact Fee Fund	7,000	-	-	-
	Transfer from REET 1 Fund	3,254	3,137	3,137	3,021
	Transfer from REET 2 Fund	3,254	3,137	3,137	3,021
	Transfer from LID Guarantee Fund	-	25,000	25,000	-
	Transfer from General Fund	13,407	12,928	12,928	12,449
		264,113	290,400	290,669	298,700
401 Sewer Fund					
	Sewer Service Charges	1,534,882	1,581,868	1,551,702	1,600,000
	Investment Interest	2,851	4,000	2,957	3,000
	Misc Revenues	652	1,000	-	1,000
		1,538,385	1,586,868	1,554,659	1,604,000
403 Sewer Construction Fund					
	Sewer Connection Fees	7,000	2,500	25,987	15,000
	Investment Interest	5,359	9,000	5,941	6,300
	Transfer from Sewer Plant Inv Fund	240,000	200,000	200,000	194,280
		$ 252,359	$ 211,500	$ 231,928	$ 215,580

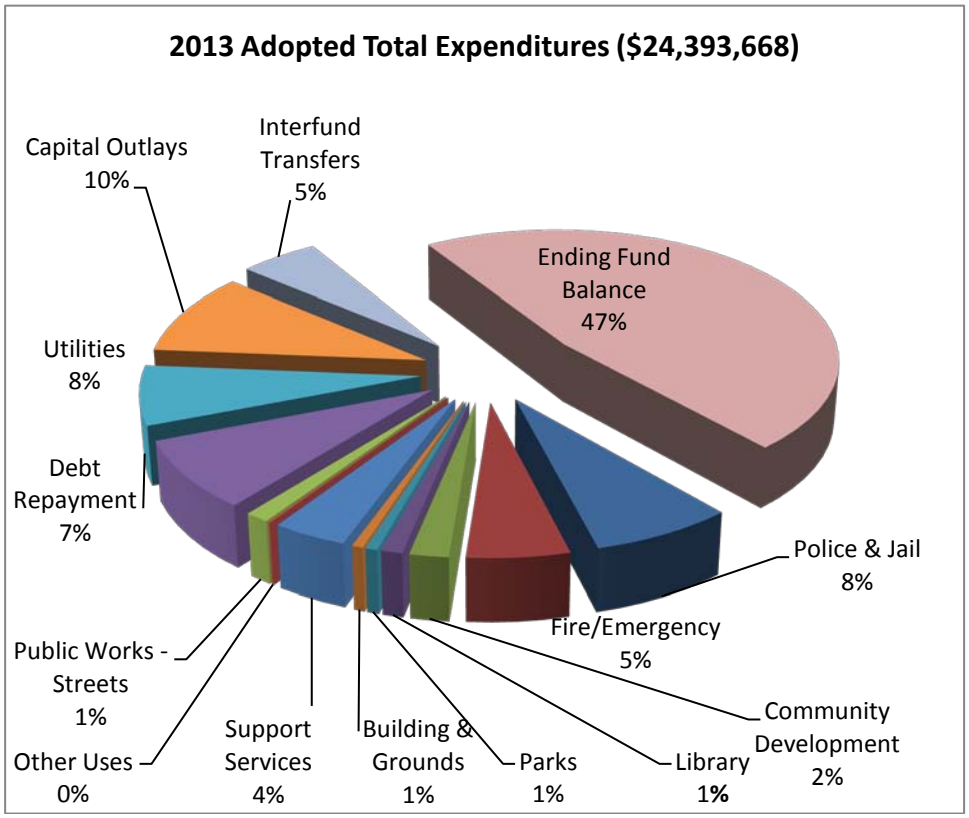
CITY OF STANWOOD
2013 BUDGET

		2011	2012 Revised	2012	2013
Other Fund Revenues		**Actual**	**Budget**	**Actual**	**Adopted**
405 Sewer Plant Investment Fund					
	Investment Interest	$ 1,493	$ 3,000	$ 1,169	$ 1,100
	Plant Investment Fees	90,776	32,380	278,356	195,000
		92,269	35,380	279,525	196,100
410 Drainage Fund					
	Drainage Service Charges	421,215	431,472	441,596	425,000
	Investment Interest	668	1,100	1,408	1,300
		421,883	432,572	443,004	426,300
411 Drainage Construction Fund					
	FEMA Grant Revenue	2,026	-	1,673	-
	State FEMA Grant Revenue	336	-	-	-
	Drainage Connection Fees	7,600	1,000	8,600	6,000
	Investment Interest	792	1,300	872	900
	Transfer from Drainage Fund	-	-	-	100,000
	Transfer from Drainage PIF Fund	-	-	-	19,950
		10,754	2,300	11,145	126,850
412 Drainage Plant Investment Fee Fund					
	Investment Interest	122	200	153	200
	Plant Investment Fees	10,755	3,325	28,795	20,000
		10,877	3,525	28,948	20,200
421 Water Fund					
	Water - Other Fees	-	-	13,693	12,600
	Water Service Charges	1,210,748	1,319,262	1,269,373	1,385,000
	Investment Interest	1,894	3,400	2,227	2,600
	Late Penalties	38,251	36,000	36,295	38,000
	Misc Revenues	1,707	200	861	200
	Transfer from General Fund	60,000	62,226	62,226	65,337
	Trans from Cedar Home	45,208	-	-	-
		$ 1,357,808	$ 1,421,088	$ 1,384,676	$ 1,503,737

CITY OF STANWOOD
2013 BUDGET

Other Fund Revenues		Actual	Budget	Actual	Adopted
422 Water Construction Fund					
	Water Connection Fees	9,600	3,000	27,577	18,000
	Investment Interest	(1,035)	2,000	7,395	2,000
	Water Revenue Bond Proceeds	2,734,682	-	-	-
	Transfer from Water Fund	55,054	-	-	-
	Transfer from Water Plant Invest Fund	200,000	-	-	158,400
		2,998,301	5,000	34,972	178,400
423 Cedar Home Plant Investment Fee Fund					
	Investment Interest	7	20	49	300
	Plant Investment Fees	30,840	12,850	110,510	77,100
		30,847	12,870	110,559	77,400
424 Water Plant Investment Fee Fund					
	Investment Interest	232	400	153	500
	Plant Investment Fees	69,562	26,400	226,198	158,400
		69,794	26,800	226,351	158,900
451 Water/Sewer Reserve Fund					
	Investment Interest	551	1,600	1,952	2,000
	Water Revenue Bond Proceeds	213,800	-	-	-
	Transfer from Sewer Fund	465,029	-	-	-
	Transfer from Water Fund	-	213,583	-	211,450
		679,380	215,183	1,952	213,450
457 Utility Equipment Replacement Fund					
	Investment Interest	827	1,500	1,009	1,000
	Misc Revenues	300	-	-	-
	Transfer from Drainage Fund	10,000	10,000	10,000	10,000
	Transfer from Water Fund	10,000	10,000	10,000	10,000
	Transfer from Sewer Fund	40,000	40,000	40,000	40,000
		61,127	61,500	61,009	61,000
	Total All Other Funds	8,955,213	5,045,830	5,617,393	6,152,877
	Total Revenues	$ 14,197,640	$ 10,214,780	$ 10,860,392	$ 11,297,168


2013 General Fund Expenditures by Dept. ($5,072,420)
Law Enforcement 36%
Governance 18%
Fire/Emergency 25%
Building & Grounds 3%
Parks 3%
Library 5%
Community Development 10%

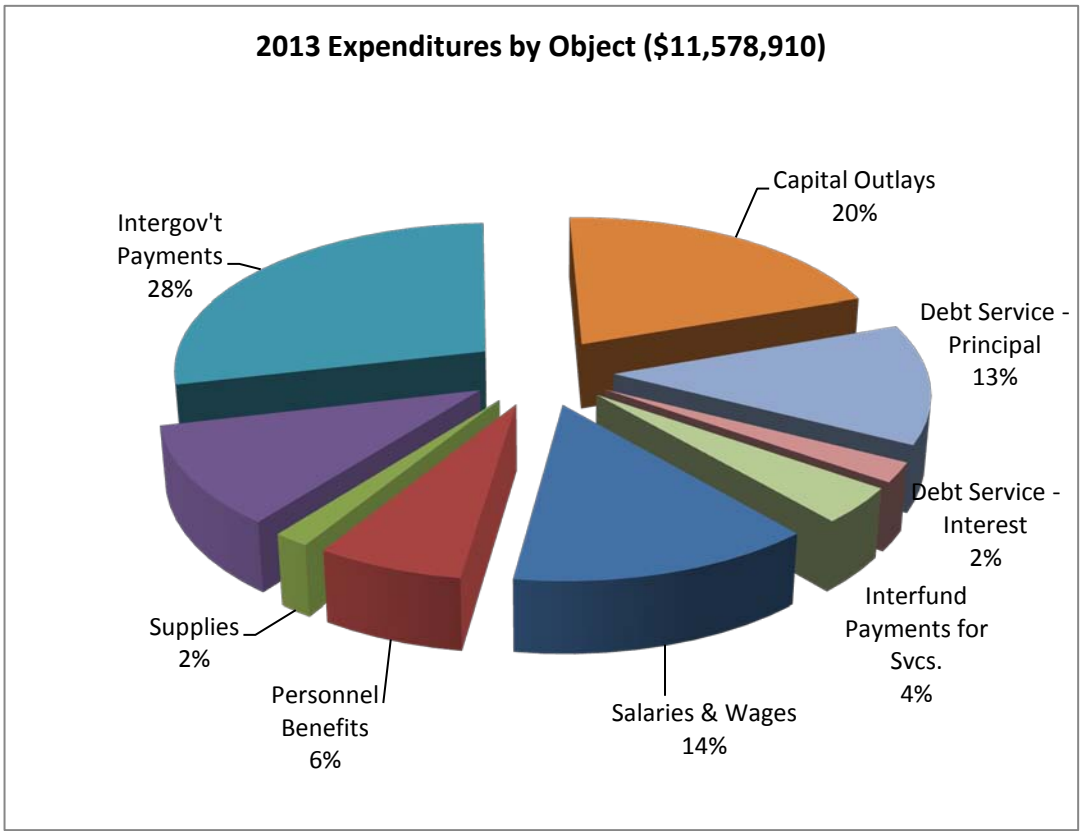

2013 Adopted Total Expenditures ($24,393,668)
Capital Outlays 10%
Interfund Transfers 5%
Ending Fund Balance 47%
Utilities 8%
Debt Repayment 7%
Police & Jail 8%
Fire/Emergency 5%
Public Works - Streets 1%
Community Development 2%
Other Uses 0%
Support Services 4%
Building & Grounds 1%
Parks 1%
Library 1%

2013 Expenditures by Department

General Fund			
	Governance		
		Clerk & City Council	$ 195,285
		Judicial	45,000
		Mayor	21,900
		Administration	508,300
		Legal Services	102,000
	Building & Grounds		139,700
	Law Enforcement		
		Police Department	1,735,644
		Jail	66,000
		Substance Abuse	1,000
	Fire & Emergency Services		
		Fire Department	1,279,400
		Emergency Services	6,726
	Community Development		487,845
	Libraries		266,430
	Park Facilities		153,550
	General Government		
		Non-Departmental	63,640
		Total General Fund	5,072,420
Other Funds			
	Street Funds		584,070
	Park Improvement Fund		190,000
	Equipment Reserve Fund		40,000
	Building Improvement Fund		145,000
	REET Funds		168,561
	Debt Service Fund		263,250
	Sewer Utility Funds		1,784,312
	Storm Drainage Utility Funds		704,360
	Water Utiity Funds		2,443,937
	Utility Equipment Reserve		183,000
		Total Other Funds	6,506,490
		Total All Funds	**$ 11,578,910**

EXPENDITURES BY OBJECT CATEGORY

		2010 Actual	2011 Actual	2012 Budget	2012 Actual	2013 Adopted
EXPENDITURES BY OBJECT CATEGORY						
10	Salaries & Wages	$ 2,115,226	$ 1,942,841	$ 1,527,616	$ 1,602,103	$ 1,584,200
20	Personnel Benefits	794,450	824,141	744,143	730,283	764,900
30	Supplies	205,274	175,456	192,550	180,569	188,470
40	Services	1,334,431	1,145,835	1,267,522	1,234,551	1,251,453
50	Intergovernmental Services & Payments	2,533,059	2,365,269	3,275,991	3,003,435	3,265,755
60	Capital Outlays	1,021,111	1,392,813	2,750,947	1,585,603	2,320,000
70	Debt Service - Principal	1,298,262	1,258,804	1,369,377	1,371,838	1,503,620
80	Debt Service - Interest & Related Costs	153,595	171,710	243,844	243,845	249,099
90	Interfund Payment for Services	760,000	374,126	387,393	395,609	451,413
	Total Expenditures	$ 10,215,408	$ 9,650,995	$ 11,759,383	$ 10,347,835	$ 11,578,910



COMBINED ENDING FUND BALANCES

	Ending Fund Balance				
	2010	2011	2012	2012	2013
Fund	Actual	Actual	Budget	Actual	Adopted
General	$ 3,049,564	$ 3,412,240	$ 3,255,170	$ 3,500,566	$ 2,689,485
Street	130,871	154,998	37,762	203,550	250,000
Street Impact Fee	1,013,307	691,399	868,306	872,074	583,800
Park Improvement	100,185	89,488	74,675	98,687	63,641
Fire Impact Fee	6,847	2,886	3,881	12,184	12,310
Real Estate Excise Tax - 1	569,093	624,051	669,017	723,479	646,829
Real Estate Excise Tax - 2	772,677	609,124	466,872	501,852	337,218
LID Guarantee	179,615	29,884	30,514	4,907	5,050
Debt Service	25,553	31,663	41,305	86,915	120,450
Sewer	4,123,049	4,245,927	2,767,974	3,357,399	3,267,088
Drainage	617,668	825,925	629,457	924,542	689,040
Water	1,103,875	3,698,591	2,955,875	4,143,152	2,864,100
Suspense	4,621	23,260	-	66,508	
Total	$ 11,696,925	$ 14,439,436	$ 11,800,808	$ 14,495,815	$ 11,529,011

Budget Guide

BUDGET DOCUMENT

The City of Stanwood budget includes the financial planning and legal authority to obligate public funds. Additionally, the budget provides significant policy direction by the City Council to the staff and community. As a result, the City Council, staff and public are involved in establishing the budget. The budget document provides four functions:

1. Policy Document – The budget functions as a policy document in that the decisions made within the budget will reflect the general principles or plans that guide the actions taken in the future. As a policy document, the budget makes specific attempts to link desired goals and policy direction to the actual day-to-day activities of the City staff.

2. Operational Guide – The budget of the City reflects its operations. Activities of each City function and organization have been planned, discussed, formalized, and described in the following sections. The 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 policy issues and goals of the City Council.

3. 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.

4. Legally Required Financial Planning Tool – The budget as a financial planning tool has been its most traditional use. Preparing and adopting a budget is a State law requirement of all cities as stated in Title 35A of the Revised Code of Washington (RCW). The budget must be adopted as a balanced budget and must be in place prior to the beginning of the City's fiscal year. The budget is the legal authority to expend public moneys and control 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.

BUDGET PROCESS

The City of Stanwood operates on a calendar basis. It utilizes an incremental budgeting approach that assumes, for most functions of government, that the current year's budget is indicative of the base required for the following year. Any increases are incremental and are either based on need, emerging issues, Council goals, and available resources.

The budget process begins in late spring with departments preparing requests for new staff, programs, or significant increases to their current year budget that will address emerging issues and other operational needs. The city administrator and finance director conduct an analysis of the departmental base budgets and the revenue outlook for the coming year to determine the availability of funds for any new initiatives. During the summer the departments also prepare their base budgets. These budget requests are submitted to the finance director for review. By

late summer the Mayor reviews each department's budget request and develops a preliminary budget recommendation.

As mandated by RCW 35A.33.135, the first requirement is that the Mayor submit estimated revenues and expenditures to the City Council on or before the first Monday in October. The preliminary budget is presented to the City Council in early October. Public hearings are held to obtain taxpayers' comments, and Council budget workshops are held throughout the fall. The Council makes its adjustments to the preliminary budget and adopts by ordinance a final balanced budget no later than December 31st. The final operating budget as adopted is published, distributed, and made available to the public during the first quarter of the following year.

After the budget is adopted, the City enters a budget implementation and monitoring stage. Throughout the year, expenditures are monitored by the finance director and department directors to ensure that funds are within the approved budget. The finance director provides financial updates to the City Council to keep them current with the City's financial condition. Any budget amendments made during the year are adopted by City Council ordinance. These amendments allow for necessary adjustments to the budget that could not have been planned for during the normal budgeting process. Typical amendments include administrative adjustments, carry forward appropriations resulting from projects that were not completed at year end, and new grant revenues awarded after the budget adoption.

The Mayor is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, or other conditions of employment must be approved by the City Council.

BASIS OF ACCOUNTING AND BUDGETING

Basis of Presentation – Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The City uses twenty-six (26) separate funds. Each fund has a specific role and responsibility. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. Revenues and expenditures within each fund are closely monitored to ensure accuracy, accountability, and efficiency. The City's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the City of Stanwood:

Governmental Fund Types

Governmental funds are used to account for activities typically associated with state and local government operations. There are four governmental fund types used by the City of Stanwood:

General Fund

This fund is the primary fund of the City of Stanwood. It accounts for all financial resources except those required or elected to be accounted for in another fund. It is used to meet the basic services that your local government provides. The general fund covers police, fire, EMS, parks, administration, engineering, planning, community development, finance, legal, and legislative services. Major revenue sources include taxes, fees, licenses and permits, and intergovernmental revenues (federal, state and county).

Special Revenues Funds

These funds account for revenues that are legally restricted or designated to finance particular activities. The street fund is a special revenue fund. Gas taxes are collected into the street fund and must be used for the maintenance of our arterial streets, sidewalks, and trails.

Debt Service Funds

These funds account for financial resources which are designated for the retirement of debt. The general obligation fund is a debt service fund. The general obligation bonds were voter approved bonds used to refund pre-existing general obligation debt for previous parks, police and fire capital projects. The general obligation bonds will be paid off in 2020.

Capital Project Fund

This fund accounts for financial resources that are designated for the acquisition or construction of general government capital projects. A portion of the revenues received into these funds (such as real estate excise taxes or REET) are restricted by law generally to be used for capital improvements. Similarly, impact fees received for streets, fire and parks are maintained in separate capital projects funds and are used for capital improvements as restricted by law.

Proprietary Fund Types

Proprietary funds are used for services to the general public where all or most of the costs, including depreciation, are to be financed or recovered from users of such services. There are two generic fund types in this category:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily by user charges. The water utility fund, the sewer utility fund, and the storm drainage fund are enterprise funds.

Internal Service Fund
This fund accounts for operations that provide goods or services to other departments or funds of the City on a cost-reimbursement basis. The utility equipment replacement fund is an internal service fund. The utility equipment reserve fund collects annual user fees from the individual utility operations with vehicles and major equipment. These fees are used to replace the vehicles or equipment based on a predetermined schedule.

With the exception of the general fund, money within each fund cannot be used in other funds. Many of these revenues received in each fund are restricted in use by law and/or legislative action. Funds may make interfund loans to other funds. However, any interfund loan must be paid back based on a predetermined schedule and must pay prevailing interest rates (usually the interest rate earned through the Local Government Investment Pool). The general fund can make transfers to other funds if money is available.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The City of Stanwood uses a cash basis of accounting. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year budget appropriations as required by state law.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for all funds. These funds are budgeted on the cash basis of accounting. The financial statements include budgetary comparisons for all funds.

Budgets are adopted at the fund level that constitutes the legal authority for expenditures. Annual appropriations for all funds lapse at the fiscal period end.

With the exception Fund No. 630, Suspense Fund, all funds that are included in the City's audited financial reports are also included in this budget document.

FINANCIAL POLICIES

Background

The City's financial policies address revenue, expenditures, operating budget, capital management, accounting, debt, cash management, investments, and reserves. Written, adopted financial policies have many benefits, such as assisting the elected officials and staff in the financial management of the City, saving time and energy when discussing financial matters, engendering public confidence, and providing continuity over time as elected officials and staff members change. While these policies will be amended periodically, they will provide the basic framework for many of the issues and decisions facing the City. They will promote sound financial management and assist in the City's stability, efficiency, and effectiveness.

The City's financial goals seek to ensure the financial integrity of the City; manage the financial assets in a sound and prudent manner; improve financial information for decision makers at all levels; maintain and further develop programs to ensure the long-term ability to pay all costs necessary to provide the level of service required by the citizens; and maintain a spirit of openness and transparency while being fully accountable to the public for the City's fiscal activities.

Reserve Policy

The City recognizes the importance of maintaining a reserve account to meet unanticipated needs and to fund emergency expenditures. If a reserve account is nonexistent or low, there is concern by bond rating agencies about the entity's ability to make payments in times of economic downturn. On the other hand, if a reserve level is too high, there is concern that the entity is not using its resources adequately. Maintaining an adequate reserve is an essential component of cash management and good fiscal practice.

The City's established reserve policy for the general fund strives to maintain an ending fund balance of at least two months of budgeted general fund operating revenues, or about 17% (2/12 = 17%). While the City has reestablished reserve balances in the past when revenues were solid, the City's reserves have again declined, due to declining development related revenues and a downturn in the economy, combined with escalating costs of providing public safety services to a growing community. The total 2013 budgeted reserves decreased from 2012, but the general fund ending fund remained above the 17% target.

The reserve balance is to be held for possible use as Council may deem appropriate. Possible uses include meeting revenue shortfalls during times of economic downturn, meeting unanticipated expenditure needs, and financing possible emergency situations.

Investment Policy

The City maximizes its investment returns while maintaining the safety of its principal by investing its revenues in the Local Government Investment Pool (LGIP). The LGIP is an investment vehicle maintained by the State Treasurer's Office to help local governmental entities achieve higher rates of return by pooling local funds for economy of scale.

Although the LGIP's rate of return is lower than more aggressive investment vehicles, (such as stocks and bonds), the City's investments in the LGIP are easily accessed and highly stable. In other words, we can divest within 24 hours to meet any unexpected cash flow needs and there is no risk to the City's principal. The monthly rate of return on investments is reported to the Council through the quarterly treasurer's report and is available to the general public on the City's website or upon request.

In order to achieve a higher return than the LGIP, the City may also invest a portion of its funds in federal, state or local government bonds, and agency bonds such as Federal National Mortgage Association (FNMA or "Fannie Mae"), Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac"), and other similar investment vehicles as allowed by the City's investment policy. Such investments are required to meet high rating standards and have maturities of five years or less to maximize safety, while providing adequate liquidity and yield on these types of investments.

The finance director is responsible for making investment purchases and withdrawals while considering the City's cash flow requirements. The cash flow objective is to maintain the City's bank account cash balance at such a level so that the balance should be no more than what is sufficient to cover the City's immediate financial obligations. Any money above this threshold should be invested in the LGIP or other investments as described above.

Purchasing Policy

Purchasing authority is based on the appropriated budget as passed by City Council. Council must approve any purchases beyond original appropriations through the budget amendment process. If the budget requires an amendment, revenues are first readdressed to verify that adequate resources are available to fund the amendment. If adequate resources are available, proposed amendments are presented to Council for consideration. Public comment is taken on the amendment at the first reading. After receiving public comment, Council considers the proposed amendment prior to passage. Once passed, any affected purchases may be made in accordance with the appropriate purchase order, small works roster, or bidding requirements.

Balanced Budget

The City shall prepare an itemized budget for each fund and for each program within the fund. The budget should be balanced with current revenues plus beginning net cash and investments equal to current expenditures plus ending net cash and investments. Ending net cash and investments should comply with the City's reserve policy (above).

Revenue Policy

The City's administration strives to maximize revenue by recommending stable and dependable tax measures and alternative revenue sources such as intergovernmental grants and loans. For established revenues, the finance director continues to pursue all collection efforts available to the City. User charges for services will also be proposed so that the charges are proportional to the actual costs of providing the related services.

Debt Policy

The City is currently developing debt policies which are expected to be adopted in 2013.

Financial Communication

The City will continue to provide reports on the budget status to the Council, City departments, and Stanwood's citizens. Spending figures are projected and compared to budgeted appropriations on a monthly basis. These reports are reviewed on a monthly basis by the affected departments, the finance director, and the city administrator. Quarterly summary reports will be provided to the City Council for review. If fund projections exceed appropriations, an explanation must be provided by the appropriate department along with a course of action to correct the situation. Every effort is made to stay within budget. Any potential overruns in the bottom line will be documented for Council review for budget amendment consideration.

CITY REVENUES

Each of the twenty-six (26) funds detailed within the 2013 budget have a specific purpose and responsibility. The funds act much like the separate checking accounts maintained by family members. Each fund accounts for all revenues and all expenditures/expense transactions that occur throughout the year. This allows the City to accurately record revenues and authorize and monitor expenditures as to source and purpose for greater accountability and improved efficiency.

Most traditional local government functions, including police, fire, parks, finance, administration, planning, community development, engineering, legal, building inspection, and legislative services are budgeted within the general fund. Following is a listing of many of the funding sources for the City. This list is not meant to be all-inclusive, but rather to assist in understanding how and where much of the money comes from in the support of general services of the City.

TAX REVENUES

General Fund tax revenues in 2013 ($4,213,700) are projected to decrease by $34,565 or 0.8% less than the 2012 budgeted amount ($4,248,265). Council approved a 1% increase in property taxes, and water utility taxes increased 5% due to a corresponding 5% increase in water utility rates. This was more than offset by an $85,000 decrease in projected 2013 sales tax revenues ($925,000) due to a continuing slow economy. This forecast will be reviewed throughout the year and will be adjusted accordingly.

Property Tax

Property taxes are the largest source of revenue in the general fund. All real and personal property (except where exempt by law) is assessed by the Snohomish County Assessor at 100 percent of the property's fair market value. Assessed values are adjusted each year based on market value changes.

Although property taxes represent a major source of funding for City services, the portion of each property owner's total tax bill allocated to the City is relatively small. In 2012, the total property tax rate for Stanwood was $14.06 per $1,000 of assessed valuation. Of that total, about 25.2 percent, or $3.54 per $1,000 assessed value went to the City. This included the general levy and the EMS levy.

Initiative 747, which passed in November 2001, limits the annual increase in the regular property tax levy to the lesser of one percent of the implicit price deflator. Previously, the cap was six percent. The City can only exceed the limitation with the approval of the voters. I-747 does not affect special levies that are approved by voters. The initiative does not affect property values and has no impact on the annual valuation of property that is done by the County Assessor. It does not cap the value of your property or your total property tax bill.

In 2007 the Washington State Supreme Court ruled Initiative 747 unconstitutional. The Governor convened a special session of the legislature to address the issue and a bill was passed to reinstate the one percent cap on annual property tax increases by taxing districts. The legislature also approved a measure that allows home owners earning less than the median state income (currently $55,000 per year) to defer up to half of their property taxes. Although they will have to pay the taxes with interest upon the sale of the house, this will have an immediate impact on local taxing districts.

The City is also provided an allowance for new construction, which entitles the City to the property tax revenue generated by newly constructed businesses and homes. The new construction levy does not increase the overall tax rate paid by property owners. The City's total rate cannot be more than $3.375 per $1,000 of assessed valuation.

The annual tax impact on a property owner is usually different than the percent increase of the levy, since it depends on several factors such as changes in the assessed valuation of the property, growth in the City's overall assessed valuation, and the levy increases by other taxing districts. The property tax rate is determined by dividing the levy amount by the assessed valuation per $1,000.

Stanwood voters approved a six-year EMS levy renewal during 2010 which went into effect 2011. These funds must be used for EMS purposes. Based on the limit of $0.50 per $1,000 assessed valuation, the City expects to receive about $300,000 in 2013 from the EMS levy to help fund EMS services.

Retail Sales and Use Tax

Sales tax is levied on the sale of consumer goods (except most food products and services) and construction. The amount of revenue generated by sales tax fluctuates from year to year due to changes in the economy, buying habits of consumers, and the level of construction taking place in the City.

The general sales tax rate within the City of Stanwood is 8.6 percent. Of the 8.6 percent, one percent (less 0.15 percent that goes to Snohomish County and 0.01 percent that goes to the State) is returned to the City of Stanwood, and the remainder is distributed to the State and other public agencies. The City's effective rate is 0.84 percent.

Criminal Justice Sales Tax

Under the authority granted by the State and approved by the voters, Snohomish County levies an additional 0.1 percent sales tax to support criminal justice programs. The State collects this optional tax and retains 1.5 percent for administration. Of the amount remaining, 10 percent is distributed to the county and 90 percent is distributed to the cities based on population. This revenue must be used exclusively for criminal justice purposes and cannot replace existing funds designated for these purposes.

Utility Taxes

Utility taxes are levied on the gross operating revenues that public and private utilities earn from operations within the boundaries of the City. This applies to electric, natural gas, water, sewer, surface water, solid waste, and telephone. Legislation passed in 1982 limits the tax rates on electric, gas, steam, and telephone utilities to six percent. There are no restrictions on the tax rates for water, sewer, surface water, and solid waste utilities. Currently the utility tax rate applies to both residential and commercial customers of the utilities which the City imposes a utility tax on. Three percent is charged on telephone utilities. Six percent is charged on electric, gas, and sewer utilities. 10.7 percent is charged on water utilities.

Leasehold Excise Tax

Leasehold excise taxes are collected on property owned by state or local governments and leased to private parties (City's share). Leasehold taxes are paid in lieu of property taxes. The state rate is 12.4 percent, of which the City is given 4 percent.

Real Estate Excise Tax (REET)

The Real Estate Excise Tax is levied on all sales of real estate, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The State levies this tax at the rate of 1.28 percent. Cities are also authorized to impose a local tax of 0.50 percent. The first 0.25 percent tax must be used primarily for local capital improvements identified under the capital facilities plan element of the City's Comprehensive Plan. The second 0.25 percent, which is optional, must also be used solely on capital projects. Capital projects are defined as those public works projects of the local government for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and parks. The acquisition of land for parks is not a permitted use of the second quarter percent funds.

Recently the legislature has loosened the restrictions on REET to allow these funds to be used for street maintenance and repairs on a limited basis.

LICENSES AND PERMITS

Building Related Permits

This category consists primarily of revenue collected by the Community Development Department. Included In this category is building permits, plumbing permits, grading permits, and mechanical permits. Fees imposed for permits are subject to a base charge determined by the type of permit, plus additional fees determined by either the dollar value or size (square foot or number of units) of the project.

Business Licenses and Permits

This category includes the issuance of business licenses, and permits for fire alarms, fire sprinkler systems, animal licenses, and other miscellaneous items. The fee structure for business permits is typically an annual fee or one-time charge depending on the particular type of license or permit. The City of Stanwood also requires businesses with no physical presence in Stanwood that are doing business in the City (e.g. contractors) to obtain a business license.

Franchise Fees

Franchise fees are charges levied on private utilities for the right to use city streets, alleys and other public properties. Cable TV franchise fees are governed by federal rather than state law and may be levied at a rate of five percent of gross revenues, regardless of the cost of managing the franchise process. The Federal Communications Commission ruled in 2002 that cable companies do not have to pay franchise fees on cable modem services.

INTERGOVERNMENTAL

State Shared Revenues

State shared revenues are received for liquor sales. This tax is collected by the State of Washington and shared with local governments based on population. State shared revenues are distributed on either a monthly or quarterly basis, although not all quarterly revenues are distributed in the same month of the quarter.

The April 1, 2012 population figure used in the 2013 budget is 6,300 as determined by the Office of Financial Management for Washington State. This figure is important when determining distribution of state shared revenues on a per capita basis.

Liquor Revenues

Much has changed on the liquor revenue scene since Initiative 1183 passed in November 2011. It privatized the distribution and retail sale of liquor, effective June 1, 2012. The markups on liquor have been replaced as a state revenue source by license fees that are paid to the state by retailers and distributors. In addition, the legislature passed ESHB 2823, which diverts some liquor excise tax funds from cities and counties to the State General Fund.

Liquor Taxes

With the passage of ESHB 2823, the legislature has, beginning in October 2012, diverted all the liquor excise tax revenue that would normally have been distributed to cities, counties, and border cities and counties to the State General Fund for one year. Cities and counties and border areas will not receive distributions in October 2012, January 2013, April 2013, and July 2013. In addition to this one-time loss, beginning with the October 2013 distribution, the state treasurer will transfer $10 million each year ($2.5 million a quarter) from the Liquor Excise Tax Fund to the State General Fund. This $10 million will be transferred before the distribution is made to cities, counties, and border cities and counties. The portion of the tax that goes to the border areas is 0.3 percent. The City will continue to receive a share of “liquor profits” which has been projected to be $56,511 in the 2013 budget.

Motor Vehicle Fuel Tax

In Washington State, cities receive a portion of the state-collected gasoline tax. Beginning July 1, 2003, the state fuel tax increased to 28 cents per gallon from 23 cents per gallon as part of the “Nickel Funding Transportation Package” enacted by the state legislature. Based on estimates provided by MRSC, the City expects to receive $130,000, or $20.64 per capita in 2013, which is just slightly more than the $20.44 per capita received in 2012.

Criminal Justice Revenues

The Washington State Legislature approved the Criminal Justice Funding Act in a special session of the Legislature in July 1990. The principal focus of the Act is to provide funding for county and city criminal justice systems, including police protection, mitigation of congested court systems, and relief of overcrowded jails.

Effective January 2004 the law changed on how the funds are distributed. Quarterly distributions of state general fund monies are based upon a purely per capita basis, with each city receiving a minimum of $1,000, regardless of population. The distribution is now divided into five separate distributions:

1. High Crime – For cities that have (1) a crime rate in excess of 125 percent of the statewide average; (2) levied additional sales and use tax at the maximum rate per RCW 82.14.030, and (3) have less than 150 percent of the statewide average per capita yield for all cities from such local sales and use tax. 30 percent of the money available for this distribution is distributed to cities and towns with crime rates in excess of 175 percent of the statewide average. The monies are allocated based on population with no city receiving more than 50 percent (of the 30 percent). The remaining 70 percent of the money is distributed to cities and towns with crime rates in excess of 125 percent of the statewide average. These monies are also allocated based on population. No city may receive more than 30 percent of the total high crime monies available.

The other 50 percent of the municipal criminal justice assistance money is divided as follows:

2. Criminal Justice – Special Programs: Innovative Law Enforcement, At-Risk Children, and Domestic Violence – 54 percent is distributed to cities and towns on a per capita basis.

3. Criminal justice – Contracted Services: 10 percent is distributed to cities and towns that contract with another governmental agency for a majority of the city's law enforcement services. These monies are allocated on a per capita basis.

4. Population – 16 percent is distributed to cities and towns based on population with no city receiving less than $1,000 (per calendar year).

5. Violent Crime – 20 percent is distributed to cities and towns with a three-year average violent rate for each 1,000 in population in excess of 150 percent of the statewide three-year violent crime rate. Monies shall be distributed based on population with no city receiving more than one dollar per capita per calendar year.

The City of Stanwood currently qualifies in three of the five funding areas: population, contracted services, and special programs. The City does not qualify to receive funds for high crime or violent crime.

The City also receives funding to help reduce impaired driving and to provide funding for the costs associated with enforcing laws related to driving while under the influence of intoxicating liquor or any other drug and for other criminal justice purposes. This program is administered by the Department of Licensing and its revenue comes from licenses, permits, and fees.

CHARGES FOR SERVICES

Planning and Development Fees

These fees are collected for services related to the issuance of permits and the review of plans for compliance with City codes. Fees are generally collected at a level estimated to recover the cost of service provided.

Utility Rates

Water, sewer and stormwater rates fund most of the costs associated with providing these services in our community. Other revenue sources include hookup fees and interest earnings. In 2010 the City conducted a utility rate study that determined that rate increases were needed to cover the increasing costs for ongoing maintenance and operations as well as capital depreciation reserves for future repair and maintenance of infrastructure. Effective 2011, 2012 and 2013, water rates were increased by 5% as recommended by the study to address long term financial needs. Staff reviews the financial condition of all utilities (water, sewer and stormwater) on a regular, ongoing basis to ensure that they remain financially viable in the short and long term.

Miscellaneous Fees

Fees collected include sale of maps, documents and records, processing of invoices, fingerprinting fees, false alarm fees and notary fees.

MISCELLANOUS REVENUE

Investment Income

In the City of Stanwood, available cash is invested with Local Government Investment Pool, and government and agency bonds as allowed by the City's investment policy. The amount of interest received will vary with interest rates and the amount of cash available for investment during any particular budget year. Interest income is allocated to City funds according to average cash balance.

Rentals and Leases

Sources of rental and lease income include the rental of City owned facilities for events.

Other Financing Sources

Other financing sources represent those funding sources that are one-time or non-recurring in nature. Examples include general long-term debt such as General Obligation Bonds, Local Improvement District (LID) financing, interfund transfers, insurance proceeds, restitution, and grants.

Interfund Transfers

Some funds receive revenues from other funds in the form of an interfund transfer. These revenues may represent payments for service, an operating transfer, or a concentration of revenues for a specific project.

- The Street Fund is budgeted to receive $35,000 from the General Fund to transfer a portion of the electric utility tax.
- The Street Fund is budgeted to receive a combined $122,150 from the Real Estate Excise Tax Funds (REET 1 and REET 2) to pay for street repairs and maintenance.
- The Park Improvement Fund is budgeted to receive $120,000 from the REET 1 Fund for park capital projects.
- The Equipment Reserve Fund is budgeted to receive $35,000 from the Contingency Fund to fund equipment purchases and to draw down the Contingency Fund to a level that is within the limits as allowed by state law (RCW 35.33.145).
- The Real Estate Excise Tax (REET 1) Fund is budgeted to receive $102,300 in order to completely pay off a loan from Snohomish County for emergency communications equipment.
- The Debt Service Fund is budgeted to receive $17,909 from the Park Improvement Fund to pay its share of the 2007 LTGO Bond annual debt service payments.
- The Debt Service Fund is budgeted to receive $$6,042 from the Real Estate Excise Tax Funds (REET 1 and REET 2) to pay their share of the 2007 LTGO Bond annual debt service payments.
- The Debt Service Fund is budgeted to receive $12,449 from the General Fund to pay its share of the 2007 LTGO Bond annual debt service payments.
- The Sewer Construction Fund is budgeted to receive $194,280 from the Sewer Plant Investment Fund to transfer plant investment fees for sewer capital projects.
- The Drainage Construction Fund is budgeted to receive $$100,000 from the Drainage Fund for drainage capital projects.
- The Drainage Construction Fund is budgeted to receive $19,950 from the Drainage Plant Investment Fund for drainage capital projects.
- The Water Fund is budgeted to receive $65,337 from the General Fund to transfer a portion of the water utility tax.
- The Water Construction Fund is budgeted to receive $158,400 from the Water Plant Investment Fund for water capital projects.
- The Water/Sewer Bond Fund Reserve Fund is budgeted to receive $211,450 from the Water Fund to pay annual debt service on the water revenue bonds issued in 2011.

- The Utility Equipment Reserve is budgeted to receive a combined $60,000 from the Sewer Fund ($40,000), the Drainage Fund ($10,000), and the Water Fund ($10,000) to purchase equipment used by City utilities.

MAJOR BUDGET ASSUMPTIONS

- The 2012 population figure used in the 2013 adopted budget is 6,300 as determined by the Office of Financial Management for the State of Washington. This figure is important when determining distribution of state shared revenues on a per capita basis.

- The 2013 assessed valuation (AV) is about $600 million. The City's assessed valuation is determined by the Snohomish County Assessor.

- Property taxes are levied based on assessed value and the City's authorized levy rate of $3.28 per thousand dollars of assessed value. The City also collects fifty cents per thousand dollars of assessed value for EMS services.

- Gas taxes, liquor excise taxes and liquor board profits are based upon estimates from the Municipal Research and Services Center (MRSC).

- Building permit and land use fees are estimated by the Community Development Department based on an estimate that thirty new residential housing permits will be issued in 2013.

- Revenue forecasts are largely influenced by historical trends of revenue received, rates for services provided, inflation, and population growth, as well as other known factors specific to each revenue source.

- Service levels in most areas are about the same as provided in 2012. Several departments are already operating at a reduced service level.

- The 2013 budget includes position vacancies which will not be filled and reduced hours for some personnel.

- The City has a contract with the Snohomish County Sheriff to provide police protection and law enforcement services.

- The City has a contract with North County Regional Fire Authority to provide fire protection and emergency services.

- The City has a contract with Sno-Isle Libraries to provide library services.

- Positions and salary ranges are based on the City's compensation and classification plan, incorporating increases in accordance with the approved collective bargaining agreements.

- Benefit amounts are based on employee benefit plans now in force, with the incorporation of a new provision for employee sharing of the medical premium in accordance with the collective bargaining agreements. The employee medical premium contribution has also been applied to non-represented classifications.

RISK MANAGEMENT

The City of Stanwood is a member of the Washington Cities Insurance Association (WCIA). This agency is a pool of Washington cities that uses its collective buying power to purchase general liability, public officials, property and automobile insurance. The City's industrial (worker's compensation) insurance is provided by Washington State Department of Labor and Industries, and unemployment insurance is paid through the State of Washington Employment Security Department. The City is also a member of the Association of Washington Cities Retrospective Rating Pool for workers' compensation claims. It is anticipated that membership in this pool will improve the City's management of claims as well as reduce future costs.

SALARIES AND BENEFITS

Employee compensation continues to be the largest expense for the City. Total salaries benefits are budgeted at $2,349,100. The City currently has two bargaining units: Teamsters Local Union No. 231 (Representing the Administrative Employees), and Teamsters Local Union No. 231 (Representing the Public Works Employees).

The current bargaining agreements for both groups are in effect for three years, January 1, 2012 through December 31, 2014. The 2013 budget included a two percent (2%) increase for all bargaining group employees, and for the first time required employees to pay a portion of their medical insurance premiums for dependents (4.5%).

Exempt employees' (i.e. exempt from the provisions of the Fair Labor Standards Act) salaries are set by the Mayor each year subject to a salary schedule that is authorized by the City Council. Exempt employees received up to a 3% pay increase in 2013 subject to meeting certain performance standards as established by the Mayor and City Administrator. Benefits for exempt employees are comparable to bargaining unit employees, and are also authorized annually by resolution of the City Council.

MAJOR FUNDS

Table 1 – 2013 Budget

	Beginning Balance	2013 Revenues	2013 Expenditures	Ending Fund Balance
General Fund	$1,445,000	$5,144,291	$5,210,506	$1,378,785
Street Funds	848,000	570,050	584,250	833,800
Special Revenue Funds	2,816,300	501,360	946,962	2,370,698
Debt Service Funds	90,000	298,750	263,250	125,500
Enterprise Funds	7,898,000	4,781,917	5,859,689	6,820,228
Total 2013 Budget	**$13,097,300**	**$11,296,368**	**$12,864,657**	**$11,529,011**

The City Council held a budget retreat on July 11, 2012 to discuss recommended financial policies and programs. Priority projects and programs such as funding transportation projects, annexation into the Sno-Isle Library District, support for the business community through economic development and capital investments were translated into key initiatives and proposed expenditures.

At the City Council retreat on October 13, 2012, the Mayor's recommended general fund budget had a negative ending fund balance of $96,761. The street fund had an ending fund balance of approximately $25,000. After the retreat, Mayor White and City staff met to balance the budget based on Council input.

City staff presented proposed changes to the Finance Committee on October 25, 2012.

The City held a public hearing to consider testimony regarding the preliminary 2013 budget on November 8, 2012 and approved first reading. The City then held another public hearing to consider testimony regarding the final 2013 budget on November 19, 2012, after which Ordinance No. 1327 was passed by City Council adopting the 2013 budget as presented.

GENERAL FUND

The general fund is the City's primary operating fund and accounts for all activities of the City except those required to be accounted for in another fund. The general fund is half of the overall budget of the City of Stanwood – approximately $6.6 million (including $1.4 million in operating reserves) in the 2013 budget out of a total budget of approximately $11.7 million.

Key changes to the general fund budget include:

- Budget $45,000 from the 2012 ending fund balance from building permit revenue to support permit processing in the community development department in 2013.
- Establish a transfer from the electric utility tax to the street fund in the amount of $35,000.
- Increase the indirect cost allocation from the enterprise funds to the general fund from $374,126 to $387,393. The state auditor recommends using 2011 actual expenditures plus a 2011 adjustment as the indirect cost allocation for 2013. The city council is considering Resolution 2012-11 on October 25 to adopt this policy.
- Reallocate personnel expenses from the enterprise funds to the general fund (buildings and grounds and parks) to reflect the actual allocation of job duties. In previous budgets public works employees in streets, parks and drainage were allocated to sewer and water even though they did not work in those departments. See Attachment B for staff allocations. This increased expenditures in the general fund specifically in buildings and grounds and parks
- Eliminate the proposed field supervisor position and .50 FTE parks seasonal worker. This decreased expenditures in the general fund.
- Convert the contract planner position ($60,000) to a .50 FTE regular employee ($49,000). The work proposed by the community development department does not meet the IRS "test" for a contract employee.
- Allocate 25% ($2,500) of the webpage redesign to the general fund and 75% to the enterprise funds.
- Move the way-finding signs and downtown improvements from the community development professional services budget to the street construction budget (Fund 103).
- Eliminated the $35,000 transfer from the general fund to the equipment replacement fund. The city council can adopt a policy to make this transfer from the contingency fund which exceeds its legal limit of $.375/$1,000 assessed value.

General Fund Revenues

- Property tax revenues remain flat. There is an anticipated $22,401 increase which includes the allowed 1% increase; new construction and estimated refunds. Any new construction added to the tax rolls in 2013 will be credited to the city in 2014. Although property sales will increase the city's Real Estate Excise Tax (REET) collection REET is used to support capital projects and street operations.
- The EMS levy will fall by $21,000 (7%) as a result of a decline in property assessed values. At the same time the contract for services with No. County Fire will increase by $50,000.
- Sales tax is anticipated to decrease by $85,000 (8%).

- City staff propose a 2% increase in the cable TV utility tax ($27,000) to off-set the $35,000 transfer from the electric utility tax to the street fund to pay for street lights.

Table 2 – Revenue Summary

	Actual 2011	Budget 2012	Proposed 2013	Comment
Operating Reserve	$1,364,563	$1,630,202	$1,445,000	
Taxes	4,330,805	4,248,265	4,213,700	Reduced new construction
License and Permits	154,733	142,180	200,100	Est. 30 SFR bld. Permits
State Revenues	211,885	185,121	198,048	Changes in liquor tax, SRO costs & farmers mrkt. Grant
Charges for Service	478,426	530,544	481,993	Zoning fees and indirect cost allocation over estimated in 2012.
Fines and Forfeitures	45,560	40,000	44,500	
Misc. Revenues	21,017	5,850	5,950	
Total	**$6,606,989**	**$6,782,162**	**$6,589,291**	

Building permit revenue is the big unknown factor in next year's budget. The City has issued 29 single-family residential building permits year-to-date exceeding revenue projections and expects to issue another 10 single-family residential building permits by the end of 2012. The City plans to receive 30 single-family permits in 2013 as Copper Station continues to be built out. The City needs to carefully match building permit revenues and expenditures in 2013.

Implementing on-line building permits through the eCitygov Alliance could improve customer service and lower costs. The City Council will be asked to consider joining the Alliance in 2013.

General Fund Expenditures

Salaries and benefits.

- The City Council approved a 2% cost of living adjustment (COLA) for represented employees.
- The City Council approved a maximum 3% COLA for non-represented employees based on specific performance measures tied to the 2013 council work plan.
- AWC has announced a 6% increase in 2013 for Regence medical premiums, and no increase in the City's dental and vision plans. The City received the 2012 WellCity award and will receive a 2% discount on its medical insurance premiums, resulting in annual savings of about $10,000.
- Public Works staff reallocation. City staff recommend reallocating the salary and benefit costs for the public works staff to the general fund, street fund and enterprise funds. The

proposed change lowers salary and benefit costs to the enterprise funds and increases costs to the general fund for parks and the street fund.

Table 3 – Public Works General Fund Staff Allocation

	Buildings	Parks	Streets	Sewer	Drainage	Water
City Admin.	0	0	.15	.20	.15	.25
PW Director	.10	.15	.15	.20	.15	.25
Lead	.25	.25	.25	0	.25	0
PW Tech	.60	.20	.20	0	0	0
PW Tech	0	.33	.33	0	.34	0
PW Tech	0	.33	.34	0	.33	0
Seasonal	0	0	0	0	.5	.5

- The 2013 budget combines the finance director and clerk functions with administrative support. A combined finance/clerk position is very common in small cities. The proposed change will save the city over $100,000 in salary and benefits. This change helps balance the City's general fund budget.
- Part-time Planner. The 2012 budget included funding for a part-time contract planner to assist with economic development efforts. The 2013 budget includes a $49,000 place-holder for a 0.50 FTE planner to provider counter service if building permit activity continues to increase. The goal is to ensure the City provides outstanding customer service as the economy continues to recover.

Contracts for Service. The City contracts for library, police and fire/EMS services. While revenues have declined over the past several years and property assessed values have fallen, the City is locked in by contract to pay higher rates for contract services.

- Library contract. Sno-Isle library has notified the City of its intent to charge City residents the same levy rate as unincorporated residents. The proposed contract phases in the rate increase over a 2-year period. Next year the City will pay an additional $22,456 in contract fees. The proposed contract provides library service until an annexation measure is passed by the voters
- Library annexation. The City Council discussed a ballot proposition to annex into the Sno-Isle Library District at the budget retreats in July and October. The City Council has postponed putting an annexation measure on the ballot in 2013. The Council may consider the measure in 2014.

- Police contract. The police contract will expire in December 2013. Next year, the contract will increase by 2% ($47,450). Other police services including dispatch and emergency radio system will drive the budget up 4% from $1,665,204 to $1,729,244. At the same time, the City has seen a $60,000 decline in jail, court and prosecutor costs.
- Fire contract. The City agreed to pay $2.00 per $1,000 assessed value regardless of property tax collections. The fire contract will increase $50,348. Emergency management will decline by $35,000 as a result of shifting emergency management responsibilities from Mike Simmons to North County Fire.
- Economic Development. The City Council will consider a contract to develop and implement a cohesive holiday promotion campaign. If the campaign is successful, the City Council may want to extend the contract to assist small business owners. The City should also align its capital improvement plan with its economic development priorities to leverage its limited tax dollars and utility revenues. There is a modest $15,000 in the 2013 budget for economic incentives to attract new businesses and retain existing businesses.

Table 4 –General Fund Expenditure Summary

	Actual 2011	Budget 2012	Proposed 2013	Comment
Clerk and City Council	$254,870	$279,824	$195,285	Eliminates clerk's position; includes webpage redesign and election costs
Judicial	81,361	59,000	45,000	Prosecuting atty and jail costs moved to jail in 2012
Mayor	18,345	19,563	21,900	maintains medical benefits; increased training budget
Administration	430,299	504,124	508,300	Includes city admin; no audit
Legal	80,025	106,000	102,000	Includes $10k for litigation
Bldgdings and Grounds	94,505	102,415	139,700	Includes .10 FTE for PW Dir.
General Govt. Services	69,537	67,346	63,640	9% decrease in insurance costs
Law Enforcement	1,603,854	1,665,204	1,735,644	3% police contract; $4.2k
Fire Control	1,021,975	1,229,052	1,279,400	4% contract increase
Jail	0	76,500	66,000	
Community Dev/Bld	391,388	483,513	487,845	w/ .5FTE Sr. Planner
Substance Abuse	1,478	1,000	1,000	
Library	237,994	243,974	266,430	Contract amendment .48/1,000
Parks	124,433	113,901	153,550	.15 PW Dir. + 1,120 hrs temp
Transfers/Misc	510,945	151,501	119,512	$35k trans electric utility tax to street fund
Intergovernmental	0	0	25,300	Farmer's Mkt Pass-through grant
Total	**$4,921,009**	**$5,102,917**	**$5,210,506**	

STREET FUND

The general fund and street fund typically share revenue sources including property taxes, sales taxes and utility taxes. The only exception is the gas tax. In accordance with RCW47.24.040, all funds distributed to cities from the state motor vehicle fund ('gas tax") must be placed in a fund designated as the "city street fund."

The moneys from this fund are to be used for: salaries and wages, materials, supplies, equipment, purchase or condemnation of right of way, engineering or any other proper highway or street purpose in connection with the construction, alteration, repair, improvement or maintenance of any city street or bridge, or viaduct or under passage along, upon or across such streets.

The street fund supports snow removal, pothole patching, as well as bike path and trail repairs as needed. There are 4 members of the public works crew (1.44 FTE) who are responsible for the maintenance of Stanwood streets and public rights of way. Each year the City contracts with Snohomish County to re-stripe pavement markings along city streets using street fund revenues. This funding also provides for concrete curb and gutter work, asphalt patching and localized repair and engineering studies.

Key changes to the street fund since the council retreat on October 13, 2012 include;

- Establish transfer of electric utility tax from the general fund to the street fund in the amount of $35,000.
- Increase the transfer from REET I reserve from $0 to $22,000
- Increase the transfer from REET II reserves from $50,000 to $100,000
- Reduce revenues from the Transportation Benefit District (TBD) from $100,000 to $0. Allocate TBD revenues ($67,000) from a voter approved $.002 sales tax increase to the street capital budget (Fund 103).
- Eliminate the public works field supervisor allocation and .50 FTE seasonal worker from the street budget.
- Transfer $45,000 in street capital expenditures to the street construction fund (Fund 103).

Street Fund Revenues

The 2012 street fund anticipates receiving approximately $130,000 in gas tax revenues and expending approximately $351,000 for street operations, maintenance and repairs. In 2012, salaries and benefits comprise approximately one-third ($96,200) of the street fund budget. In 2013, gas tax revenues are supplemented by a $22,150 transfer from REET I reserves and a $100,000 transfer from REET II reserves.

Street Fund Expenditures

The largest expense in the 2012 street fund is personnel costs – approximately $96,000 with the addition of the public works director and city administrator.

The street fund supports 1.57 full-time equivalent employees (FTEs) including 15% of the city administrator's position and 15% of the public works director's position.

All other costs have remained relatively stable over the last five years. The proposed 2013 budget shows street striping and RH2 general engineering expenses moving from the street operating fund to the street construction fund.

Table 5 – Salary Allocations

	2013 Allocation
City Admin	.15
PW Director	.15
Lead	.25
PW Tech	.87
Admin Asst	.15
Total FTE	1.57

Table 6 – Street Operating Fund

	2010 Actual	2011 Actual	2012 Budget	2013 Proposed
Beginning Fund Balance (Operating Reserve)	$93,471	$130,871	$69,062	$250,000
Revenues				
MVFT (Gas Tax)	121,078	128,925	31,553	130,000
Interest	4,803	1,300	450	600
Transfer	226,300	150,000		
Electric Utility Tax				35,000
REET1 and REET 2			250,000	122,150
Transportation Benefit				$0
Garbage Franchise Fees				17,000
Total Revenues	**352,181**	**280,225**	**382,003**	**304,750**
Expenditures				
Salaries	68,099	60,845	71,535	96,600
Benefits	29,062	31,244	35,137	46,100
Supplies	29,333	21,809	30,600	26,400
Charges for Services	164,637	142,200	168,531	135,650
Capital Projects <$35k	23,650	0	45,000	0
Total Expenditures	**314,781**	**256,098**	**350,803**	**304,750**
Ending Balance	$130,871	$154,998	$100,262	$250,000

ENTERPRISE FUNDS

Enterprise funds are used for services provided to the public on a user charge basis, similar to the operation of a commercial enterprise. Water and sewage utilities are common examples of government enterprises. The Stanwood Public Works Department manages three (3) enterprise funds.

401 Sewer Fund
410 Drainage Fund
421 Water Fund

SEWER FUND SUMMARY

The City of Stanwood owns, operates and maintains the wastewater collection system as well as a 1.5 MGD wastewater treatment plant. The collection system consists of approximately 27 miles of sewer mains, 674 manholes and 7 sewer lift stations. The overall operations budget shows an increase of 7.65% due to removal of bio-solids from the sludge stabilization pond. There is a bio-solids plan in place that calls for removal every third year. The City WWTP also houses a State accredited lab in which staff perform tests consistent with requirements in the city's National Pollution Discharge Eliminating System (NPDES) permit.

2013 Sewer Operating Revenues:

The City completed a sewer rate study in 2010. The rate study recommended no rate increase until 2016. The rate study anticipated the City would receive $1,680,000 in service charges in 2013 however, anticipated actual rates may be smaller. The City Council will keep a close watch on rates to ensure long term fund sustainability.

Table 7 – Sewer Operating Revenues

	2011 Actual	2012 Budget	2013 Proposed
Beginning Balance	$1,475,188	$1,109,816	$1,100,000
Revenues			
Charges for Service	1,534,881	1,581,868	1,600,000
Misc. Revenue	3,504	5,000	4,000
Interfund Transfers	0	0	0
Total Revenues	**$1,538,385**	**$1,586,868**	**$1,604,000**

Sewer Operating Expenditures

Staffing is an issue in the sewer department.

- There are currently only 2 employees dedicated to this department and staffing levels are below standards. Staffing level allocations have been adjusted to reflect actual allocations of staff time to this department.
- If any conflicts with vacations or sick leave arise the Interim Public Works Director becomes the backfill person to respond to plant and collection system issues as well as complete lab work and sampling.
- With reductions in staffing level from 2009-2011, the sewer department lost I.5 FTE's which have not been refilled.
- The 2013 budget includes hiring a public works technician to help fill this void.
- Add $100,000 in professional services to remove bio-solids from the stabilization pond and continue video and cleaning on collection system

Table 8 – Sewer Operating Expenditures

	2011 Actual	2012 Budget	2013 Proposed
Salaries & Wages	$183,772	$204,601	$214,700
Benefits	84,572	99,612	98,100
Total Supplies	27,960	39,250	39,000
Professional Services	58,254	117,000	72,500
Bio-solid Removal	-	-	100,000
Communications	13,712	15,000	15,000
Advertising	-	500	500
Rentals	-	500	500
Insurance	36,805	33,566	30,600
Utilities	86,597	95,000	95,000
Repair/maintenance	18,674	20,000	20,000
B & O Tax	32,962	30,000	30,000
Travel and Training	623	1,896	1,500
Dues	180	500	500
Permits	8,677	8,500	9,000
Interfund Payments	164,414	179,163	166,634
Total Services	**717,202**	**845,088**	**893,534**
Total Principal Payments	**670,858**	**670,858**	**670,858**
Total Interest Payments	**17,838**	**15,879**	**13,920**
Transfer To Bond Reserve	465,029	-	-
Transfer To Equip Replacement	40,000	40,000	40,000
Total Expenditures	**1,910,927**	**1,571,825**	**1,618,312**
Ending Fund Balance	**$1,102,647**	**$1,124,859**	**$1,085,688**

WATER FUND SUMMARY:

The City owns, operates and maintains the entire water system to include source, treatment and distribution. The system consists of approximately 65 miles of water main, 5 reservoirs, 7 pressure zones, 11 pressure reducing stations, 3 booster pump stations, 3 well sites, spring source and WTP. The City currently has 3 employees assigned to full time duties within the department.

Staff has been reduced in the water department by 1.5 FTE's since 2010. The 2013 budget includes a seasonal employee for 1040 hours. City staff will monitor workload and may request the refilling of the vacant FTE position in the 2014 budget. Staffing level allocations have been adjusted to reflect actual allocations of staff time to this department.

2013 Water Operating Revenue:

The City completed a rate study in 2010. Revenues within the department are generally on track with the projections in that study. The 2013 budget includes a 5% rate increase on water bills. This will increase the minimum bi-monthly bill from $44.38 to $46.58. The new rate will go into effect January 1, 2013.

Table 9 - Water Department 2013 Revenues

	2011 Actual	2012 Budget	2013 Proposed
Beginning Balance	$747,241	$820,949	$580,000
Revenues			
Charges for Service	1,210,748	1,319,262	1,397,600
Misc. Revenue	41,852	39,600	40,800
Interfund Transfers	105,207	62,226	65,337
Total Revenues	**$1,357,807**	**$1,421,088**	**$1,503,737**

2013 Water Operating Budget:

The water operating budget is part of the City's enterprise fund budget. Revenues collected for this utility fund the maintenance and operation as well as the personnel to perform these duties. There is an increase in the small equipment budget to allow for the purchase of a pipe locating device. The main focus for the water expenditures will be on the timely completion of capital projects associated with the revenue bonds issued in 2011.

Table 10 - Water Department 2013 Budget Request

	2011 Actual	2012 Budgeted	2013 Proposed
Total Salaries & Wages	$256,430	$279,592	$237,100
Total Payroll Taxes & Benefits	113,636	143,961	112,300
Total Supplies	68,776	64,950	73,500
Professional Services	76,956	80,000	77,500
Communications	7,746	8,500	8,500
Advertising	-	500	500
Rentals	169	300	300
Insurance	**36,805**	**33,566**	**30,600**
Utilities	50,841	48,000	48,000
Repair/maintenance	16,451	15,000	15,000
B & O Tax	58,832	67,000	67,000
Dues	418	1,000	1,000
Training & Travel	1,598	2,654	2,500
Testing	170	500	500
Operating Permit	5,501	6,000	6,000
Interfund Payments	153,963	181,990	170,257
Total Services	**848,292**	**933,513**	**850,557**
Total Principal Payments	**392,553**	**472,554**	**392,554**
Total Interest Payments	**39,861**	**178,951**	**33,376**
Trfr For System Rplcmnt (422)	55,054	-	-
Transfer To Equip Replacement	10,000	10,000	10,000
Transfer To WS Bond Res (451)	-	-	211,450
Total Expenditures	**1,345,760**	**1,595,018**	**1,497,937**
Ending Fund Balance	**$759,288**	**$647,019**	**$585,800**

DRAINAGE SUMMARY:

The City owns, operates and maintains the entire storm drainage system to include piping, approximately 1554 catch basins, detention ponds, ditches, Irvine Slough and the Irvine Slough pump station.

There is 1.00 FTE employee assigned to this department, and seasonal employees may be brought in as the budget allows. The City's practice of maintaining all detention ponds was called into question when an ownership search revealed 7 ponds were actually privately owned through HOA's or plat assessment. A subsequent meeting was set up with the people affected by this discovery and a plan is in the works to determine how and by whom maintenance will now be accomplished on these privately owned facilities.

Purpose of Drainage Utility

The purpose of the drainage utility operating fund is to promote the quality of storm water in the City. The fund is used to maintain the city's storm water conveyance and treatment facilities and construct storm water capital projects.

A drainage utility is essentially a special assessment district set up to generate funding specifically for surface water management. Users within the district pay a drainage utility fee, and the revenue generated directly supports maintenance and upgrade of existing storm drainage systems; development of drainage plans, flood control measures, and the water-quality programs; administrative costs; and sometimes construction of major capital improvements. Unlike a drainage program that draws on the general tax fund or uses property taxes for revenue, the people who benefit are the ones who pay.

Surface water management within the City is governed by federal, state, regional, county and city laws including the Clean Water Act, Endangered Species Act, the Growth Management Act, Shoreline Management Act, State Environmental Policy Act, Stormwater Management Performance Standards and Puget Sound Water Quality Action Plan.

There are a number of state statutes that pertain either directly or indirectly to the City's authority to form a drainage utility. One of the more broad based statutes pertains to municipal utilities in general and states that a code city may provide utility service within and outside its city limits and this includes the exercise of all the powers to the extent authorized by law (RCW 35A.80.010).

2013 Drainage Goals:

- Establish detention pond ownership and maintenance schedule
- Update the Stormwater Plan and rate study
- Vactor out catch basins

2013 Drainage Operating Revenues:

The drainage utility fee is based on the relative contribution of increased surface and storm water runoff from a given parcel to the storm water system.

The percentage of impervious surfaces on the parcel and the total parcel acreage is used to indicate the relative contribution of increased surface and storm water runoff from the parcel to the storm water system.

The relative contribution of increased storm water runoff from each parcel will determine that parcel's share of the drainage utility fee revenue needs.

The drainage utility fee revenue needs of the utility are based upon all or any part, as determined by the Council, of the cost of storm water services or to pay or secure the payment of all or any portion of any issue of general obligation or revenue bonds issued for such purpose.

Table 11 - Drainage Department 2013 Revenues

	2011 Actual	2012 Budget	2013 Proposed
Beginning Balance	$215,899	$371,900	$590,000
Revenues			
Charges for Service	421,215	431,472	425,000
Misc. Revenue	668	1,100	1,300
Interfund Transfers			
Total Revenues	**$421,883**	**$432,572**	**$426,300**

2013 Drainage Operating Budget:

Detention pond maintenance has been difficult to accomplish. The city has a combination of regular and seasonal employees to maintain the ponds during the summer months. The workload exceeds staffing levels. The 2013 budget includes funding for a seasonal employee to work 1,040 hours.

There is a $611,940 ending fund balance that could be used to hire a contractor to bring both City and privately owned ponds up to standards. The City will need to have a written agreement in place with owners of privately owned ponds once a plan is in place. The issue will come back to Council in 2013 for discussion and authorization for expenditure.

Table 12 - Drainage Department 2013 Budget Request

	2011 Actual	2012 Budget	2013 Proposed
Total Salaries & Wages	$69,604	$73,613	$96,800
Total Payroll Taxes & Benefits	29,447	35,673	42,800
Supplies	1,056	5,000	2,500
Uniforms	700	1,200	1,200
Fuel	1,229	1,100	1,500
Small Equipment	0	400	400
Professional Services	14,927	40,000	42,500
Communications	2,449	3,000	3,000
Rentals	0	500	500
Insurance	36,805	33,566	30,600
Utilities	6,452	7,000	10,000
Repair/maintenance	1,631	5,500	4,500
Miscellaneous	0	0	0
B & O Tax	7,195	6,200	6,200
Meetings, Training & Travel	0	758	758
State Operating Permits	0	600	600
Interfund Payment For Service	55,749	54,750	50,502
Total Services	**227,244**	**268,860**	**294,360**
Transfer To DCF (411)	-	-	100,000
Transfer To Equip Replacement	10,000	10,000	10,000
Total Transfers	**10,000**	**10,000**	**110,000**
Total Drainage	**237,244**	**278,860**	**404,360**
Ending Fund Balance	**$400,539**	**$525,612**	**$611,940**

CAPITAL IMPROVEMENTS

The City capitalizes (i.e. considers as a capital asset) those purchases which have a cost of at least $5,000 and a useful live of four (4) years or more. The capital budget outlines the proposed project expenditures and funding sources for the capital projects the City will be working on in the coming year. Capital project expenditures for 2013 must be included in the City's adopted 2013 budget.

The policy question for the City Council is whether the capital projects, proposed expenditures, and revenue sources address the City's short- and long-range capital investment priorities. In other words, are these the projects Council wants to focus on in the coming year, are the expenditures adequate for the level of work, and are the funding sources appropriate?

City staff has reviewed the proposed capital project expenditures against available revenues. The proposed expenditures are from existing and available resources. The ending fund balances are sufficient to start the 2014-2019 6-Year Capital Improvement Plan (CIP).

Capital Improvement Expenditures

Table 13 - Street Construction Fund (102)

Project	Phase	2013 Expenditure	Project Completed	Notes
68th Street Wetland Mitigation	Post-const. mitigation	$4,500	2014	Required for Pioneer Slide repair project.
New Sidewalk/Trail Installation	Design	50,000	2015	SR532 bike/ped path. Combined with flood berm
Sidewalk Repair	Design/Construction	15,000	2013	Replace sidewalk panels.
68th Street Sidewalk	Design	125,000	2015	Safe walks to schools grant. Waiting for award
Downtown Street and Sidewalk Improvements	Design/Construction	20,000	2014	SAMA request
Way Finding Signs	Design/Construction and Installation	20,000	2013	Moved from Street Operating budget
Misc Street Construction and Repair	Design/Construction	45,000	2013	Contract with Snohomish Co.
Total		**$279,500**		

Table 14 - Park Improvement Fund (104)

Project	Phase	2013 Expenditure	Project Completed	Notes
River Access Boat Launch	Acquisition/Design	$50,000	2017	Applying for grants
City Hall Park	Design	20,000	2017	Can be combined with river access boat launch
Downtown Park (Depot Park)	Acquisition/Design	50,000	2017	
Neighborhood Park	Property search	10,000	2020	Priority identified in PROS Plan
Skate Park Renovation	Design/Installation	60,000	2013	Replace worn skate ramps
Debt Service	Heritage Park	17,909		
Total		**$207,909**		

Table 15 – Building Improvement Fund (110)

Project	Phase	2013 Expenditure	Project Completed	Notes
Building Improvements	Design/Construction	$100,000	2013	Library roof; city hall space study and design
Total		**$100,000**		

Table 16 – Sewer Construction Fund (403)

Project	Phase	2013 Expenditure	Project Completed	Notes
Professional Services	Design	$35,000	2013	
Improvements	Design	110,000	2013	Projects identified in the Sewer System Plan
Wash Water System	Construction	30,000	2013	
Infrastructure Access CCTV	Repair/Replacement	21,000	2013	
Telemetry Equipment	Repair/Replacement	10,000	2013	
Total		**$206,000**		

Table 17 – Drainage Construction Fund (403)

Project	Phase	2013 Expenditure	Project Completed	Notes
Irvine Slough Pump Station Upgrade	Design	$25,000	2014	
SR532 Drainage	Study/Design	50,000	2017	Combined with Street bike/ped path
Florence Rd Drainage Imp.	Design/Construction	10,000	2013	
Seven Tube Tide Gate Repair	Design/Construction	250,000	2013	
Retention Pond Improvements	Repair/Replacement	25,000	2013	
Flood by-pass WWTP Lagoon	Design	50,000	2020	
Total		**$410,000**		

Table 18 – Water Construction Fund (422)

Project	Phase	2013 Expenditure	Project Completed	Notes
Water Use Efficiency	Repair/Replacement	$50,000	2013	Required by state law
Improvements	Repair/Replacement	50,000	2013	Per water system plan
Bryant Well #3	Design/Construct	183,000	2013	2011 Bond
Hatt Slough Well	Alternatives Study	100,000	2017	
Cross Connection Program	Implementation	6,000	2013	
Pioneer Hwy Water Main	Design	200,000	2016	Per water system plan
Cedar Home Well (Pipe/bldg.)	Construction	152,000	2013	Per water system plan
Knittle Reservoir Sensors	Installation	15,000	2013	Per water system plan
Pressure Zone (PZ) 1 – 125 and 242 zone to 245 zone	Design	100,000	2013	2011 Bond
Wellhead Protection	Installation	50,000	2013	2011 Bond
Meters	Purchase/Installation	50,000		2011 Bond
Total		**$956,000**		

Capital Budget Revenues and Expenditures

Table 19 - 2013 Revenue Sources and Expenditures

2013 Funding Source	2013 Beginning Balance	Anticipated 2013 Revenues	Anticipated Expenditures	Ending Fund Balance
Street Impact Fee (102)	$340,000	$68,000	$0	$408,000
Park Impact Fees (104)	82,000	189,550	207,909	63,641
Building Improvement (110)	1,100,000	3,300	100,000	1,003,300
Real Estate Excise Tax 1 (120)	710,000	82,000	145,171	646,829
Real Estate Excise Tax 2 (121)	425,000	183,800	271,582	337,218
Sewer Construction Fund(403)	1,800,000	215,580	206,000	1,809,580
Sewer Plant Investment (405)	370,000	196,100	194,280	371,820
Drainage Construction (411)	300,000	126,850	410,000	16,850
Drainage Plant (412)	60,000	20,200	19,950	60,250
Water Construction (422)	1,900,000	178,400	956,000	1,122,400
Cedar Home Plant Invest. (423)	50,000	77,400	0	127,400
Water Plant Investment (424)	100,000	158,900	158,400	100,500
Water Sewer Bonds (451)	681,000	213,450	211,450	683,000
Total Revenues	**$7,918,000**	**$1,713,530**	**$2,880,742**	**$6,750,788**

Street Impact Fees

The street impact fee fund collects fees from developers for transportation construction and engineering costs for new construction only. Impact fees may not be used to remedy existing deficiencies.

The fee is based on the number of car trips a development will generate and how those trips will impact areas of the City. Impact fee revenue is dependent on the types and level of development within the City.

The transportation impact fee fund will begin 2013 with $304,000 and collect $68,000 based on 30 new single-family residential homes in the Copper Station development.

Park Impact Fees

The park impact fee was established to set aside money for park facility planning, land acquisition, site improvements, construction, and engineering costs for new parks to maintain existing levels of service as new development occurs in the City.

The park impact fee fund will begin 2013 with with $82,000 and collect $19,300 based on the assumption the city will issue 30 single-family residential building permits for new construction in 2013. The City plans to spend $60,000 on park acquisition and development costs in 2013 for a new neighborhood park in the north east part of the city, where new development has occurred and is planned for the future, and in the downtown core.

Table 20 – Transportation and Park Impact Fees (102 and 104)

2013 Revenues	Transportation Impact Fee	Park Impact Fee
2013 Beginning Balance	$340,000	$82,000
2013 Revenues	68,000	19,300
Total Revenues	**408,000**	**101,300**
2013 Expenditures		
Neighborhood Park Acquisition	0	10,000
Downtown Pk Acquisition/Design		50,000
Ending Balance	**$408,000**	**$41,300**

Building Maintenance and Repair

The City has set aside funds for major building maintenance and repair. Building improvements are included in this fund and are not included in the operating fund.

Table 21 – Building Improvement Fund (110)

2013 Revenues	Building Improvement fund
2013 Beginning Balance	$1,100,000
2013 Revenues - Interest	3,300
Total Revenues	**1,103,300**
2013 Expenditures	
Building Improvements Library roof; city hall space study	100,000
Ending Balance	**$1,003,300**

Real Estate Excise Tax (120 and 121)

Real Estate Excise Tax or REET 1 is the first ¼% real estate excise tax revenue. The Revised Code of Washington 82.46 authorizes a real estate excise tax levy of 1/4% (REET 1). REET 1 funds may be used "for any capital purpose identified in a capital improvements plan and local capital improvements, including those listed in RCW 35.43.040."

> RCW 35.43.040 lists local improvements that can be funded through a local improvement district (LID), including streets, parks, sewers, water mains, swimming pools and gymnasiums, etc. The legislature clarified its original intent that "local capital improvements" was intended to include the acquisition of real and personal property associated with such local capital improvements. This means that land acquisition for parks is a permitted expenditure.

REET 2 (second 1/4% real estate excise tax revenue). The Growth Management Act authorizes another 1/4% real estate excise tax to be used primarily for financing capital facilities specified in the City's capital facilities plan. REET 2 funds are restricted and may only be used for the following:

> 1) The planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation or improvement of: streets, roads, sidewalks, street and road lighting systems, and storm and sanitary sewer systems, and
>
> 2) The planning, construction, reconstruction, repair, rehabilitation, or improvement of parks and recreation facilities.

Stanwood has levied two 1/4% real estate excise taxes. Each 1/4% should yield approximately $16,000 in revenue annually. REET 1 revenue is allocated to the capital projects fund and REET 2 revenue is allocated to the special capital projects fund (created for REET 2 in 2007).

Table 22 – Real Estate Excise Tax

2013 Revenues	**REET 1**	**REET 2**
2013 Beginning Balance	$710,000	$425,000
2013 Revenues	82,000	183,800
Total Revenues	**792,000**	**608,800**

2013 Expenditures		
Street Operating (101)	22,150	100,000
Park Improvement	120,000	0
1995 GO bonds	3,021	3,021
800 Mhz Debt		168,561
Ending Balance	**$646,829**	**$337,218**

Sewer Construction Fund (403)

The sewer construction fund was established to fund construction, reconstruction, and expansion of sewer lines, treatment plants, and other related facilities and to reduce infiltration and inflow into the sewer treatment plant.

The sewer construction fund receives revenues from connection fees and transfers from the sewer plant investment fund (405). The sewer construction fund will begin 2013 with $1,800,000 and collected $15,000 in connection fees and receive a $194,000 transfer from the sewer plant investment fund.

Water Construction Fund (423)

The water construction fund is used for the construction, extension, repair and betterment of the municipal water system, and head-works and reservoir, or for the purchase of rights-of-way, and/or necessary land.

The fund will start 2013 with $1,900,000. The City anticipates receiving $178,400 in revenues from water connection fees ($18,000) and a transfer of $158,400 from the water plant investment fund (424).

Table 23 – Water and Sewer Construction Funds (403 and 422)

2013 Revenues	**Sewer Construction**	**Water Construction**
2013 Beginning Balance	$1,800,000	$1,900,000
2013 Revenues	215,580	178,400
Total Revenues	**2,015,580**	**2,078,400**

2013 Expenditures	**Sewer Construction**	**Water Construction**
Capital Projects	206,000	956,000
Ending Balance	**$1,809,580**	$1,122,400

Drainage Construction (411)

The drainage construction fund receives transfers from the Storm Water Utility (operating) Fund for the planning, acquisition, construction, reconstruction, repair, rehabilitation, or improvement of surface water or storm water facilities.

The storm water capital reserve fund will begin 2013 with $300,000 and received a $1000,000 transfer from the operating fund (410); $6,000 in drainage connection fees; and $19,950 transfer from drainage plant investment fees (412).

Table 24 - Drainage Construction (411)

2013 Revenues	**Drainage Construction**
2013 Beginning Balance	$300,000
2013 Revenues	126,850
Total Revenues	**426,850**
2013 Expenditures	
Irvine Slough Pump Station Upgrade	25,000
SR532 Drainage	50,000
Florence Rd Drainage Imp.	10,000
Seven Tube Tide Gate Repair	250,000
Retention Pond Improvements	25,000
Flood by-pass WWTP Lagoon	50,000
Ending Balance	**$16,850**

Grants

Although the City may receive grant funding in a particular year, it typically takes two years to complete the grant paperwork and begin the design process. Construction usually follows in the second or third year following the grant award.

The City will continue to seek grant funding. Table 23 lists three grant funded projects included in the 2013 budget.

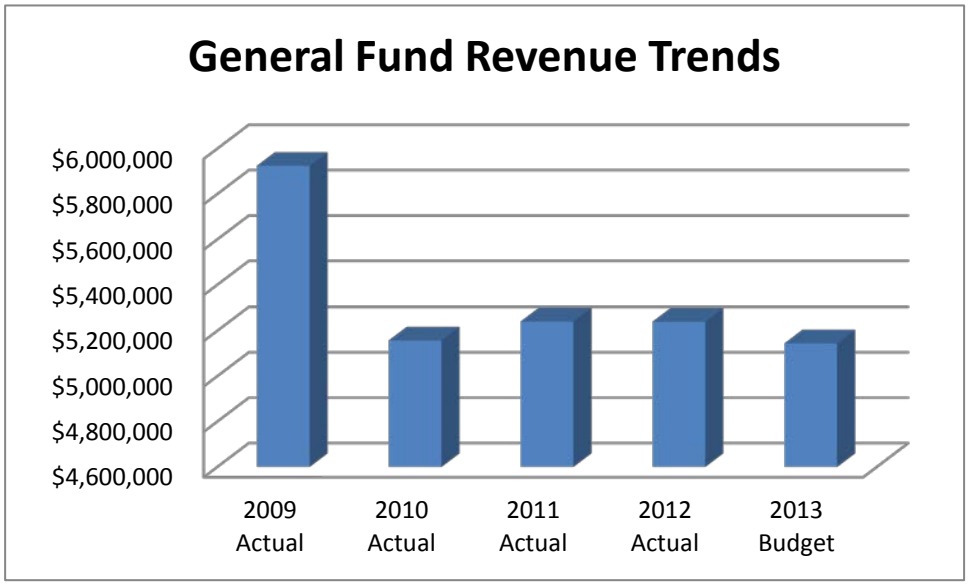
Table 25 – Grant Funded Projects

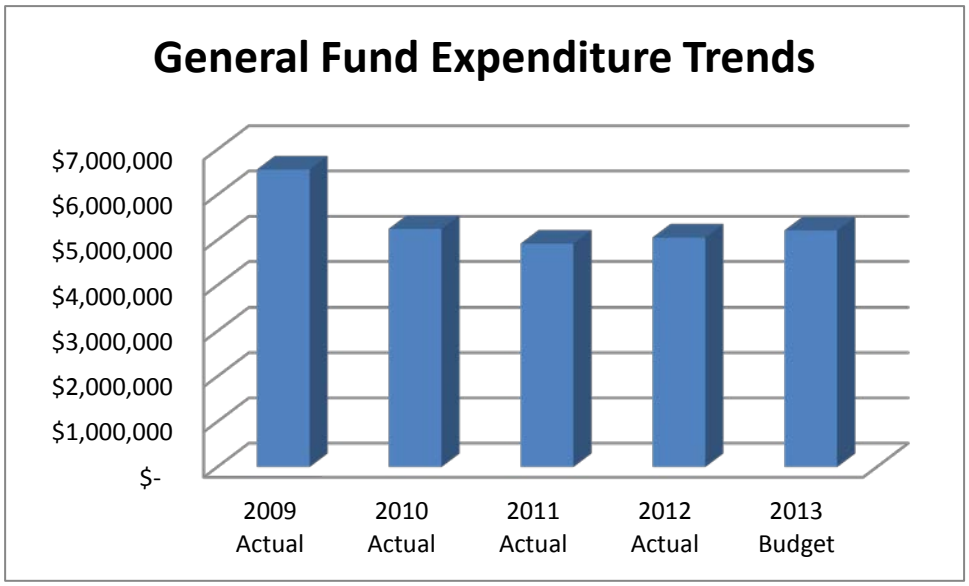
Project	**Anticipated Revenue**	**City Match**	**Anticipated Expenditure**	**Note**
Farmer's Market Pass Through Grant	$25,000	$0	$25,000	Received
68th Street Sidewalks	$106,250	$18,750	$125,000	Pending
Park Acquisition	$50,000	$50,000	$100,000	Application in 2013

Operating Budget

GENERAL FUND

The purpose of the General Fund is to provide for traditional government programs such as: Police, Fire, Planning, Community Development, Administration, Parks, and Facility Maintenance. It also transfers resources to other funds for support of streets and other projects as needed.

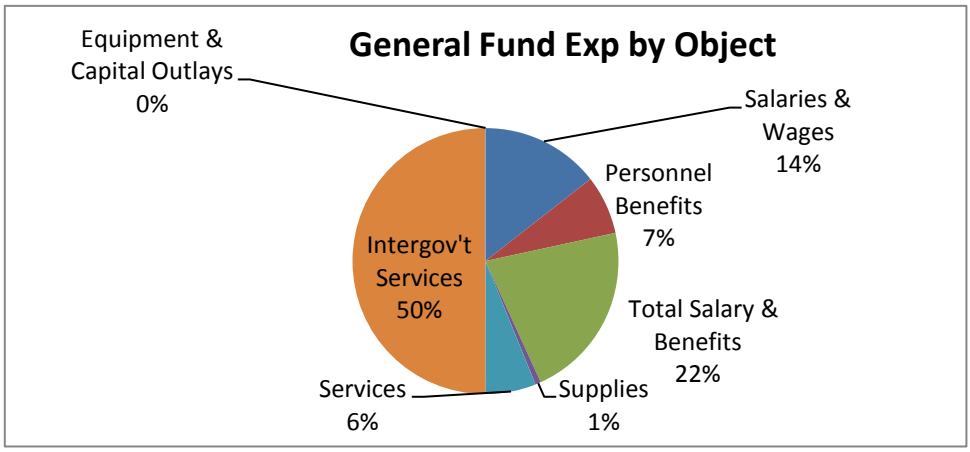


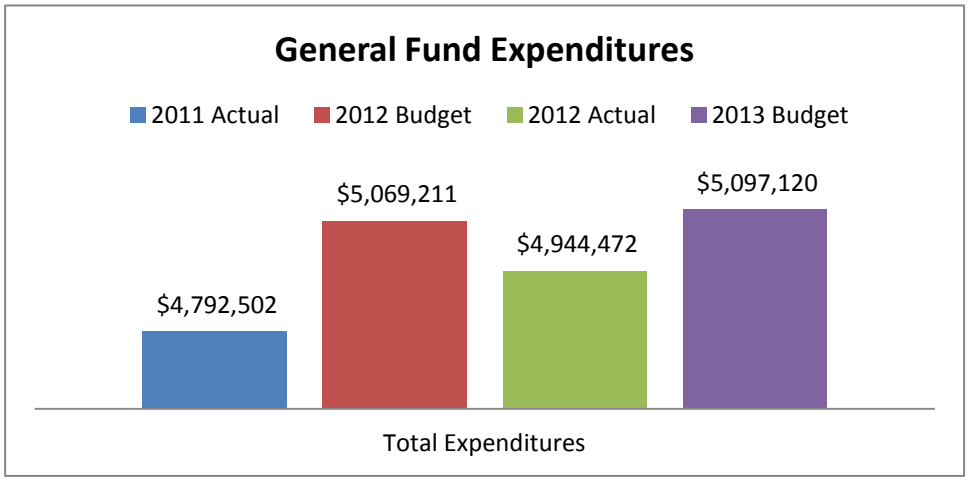


2013 Program Expenditure Budget

General Fund

OBJECT	EXPENDITURES	2011 Actual	2012 Budget	2012 Actual	2013 Budget
1X	Salaries & Wages	$ 1,372,191	$ 898,275	$ 987,695	$ 939,000
2X	Personnel Benefits	$ 565,242	$ 429,760	$ 441,473	$ 465,000
	Total Salary & Benefits	$ 1,937,433	$ 1,328,035	$ 1,429,168	$ 1,404,000
3X	Supplies	$ 53,926	$ 50,050	$ 41,605	$ 43,970
4X	Services	$ 435,606	$ 430,735	$ 473,942	$ 399,495
5X	Inrtgovernmental Services	$ 2,350,922	$ 3,260,391	$ 2,992,528	$ 3,249,655
6X	Equipment & Capital Outlays	$ 14,616	$ -	$ 7,229	$ -
	Total Other Expenditures	$ 2,855,069	$ 3,741,176	$ 3,515,304	$ 3,693,120
	TOTAL EXPENDITURES	$ 4,792,502	$ 5,069,211	$ 4,944,472	$ 5,097,120





THE CITY OF STANWOOD
GOVERNANCE

MISSION

To provide excellent representative government, opportunity for citizen participation and service, and superior professional management of operations.

VISION

The City of Stanwood will provide superior customer service with a professional, cost effective organization and respond to the needs of the communities.

DESCRIPTION:

The Governance Department is organized into six sections. The staffing is seven permanent employees: the City Administrator, Finance Director/Clerk, Senior Accountant, two (2) Accounting Clerks, Deputy Clerk and Administrative Assistant. The sections are:

- Clerk & City Council
- Mayor
- Administration
- Legal Services
- Judicial
- General Government Services

The **Mayor and City Council** are the elected officials providing oversight for the City organization. The City of Stanwood is a code city operating under the Council-Mayor form of government.

The **Mayor** is the Chief Executive Officer of the City and is responsible for supervising municipal operations. The Mayor may appoint a professional City Administrator. The Mayor prepares a recommended annual budget, has oversight of City employees, chairs all regular City Council meetings, and ensures the timely enforcement of all ordinances, contracts and franchises. The Mayor makes regular reports on operational performance and issues to the City Council.

The **City Council** is the legislative body of the City and as such is responsible for long-term policy (over one year). The City Council adopts the final City budget and any amendments to the budget. The laws of the City can only be adopted or amended by action of the City Council. The City Council adopts personnel policies, a classification and compensation plan, and may direct comments to the Mayor on operational performance. The City Council engages citizen input and participation on City business.

The **City Administrator** functions under the authority of the Mayor and provides professional management for the municipal organization. The City Administrator is the Chief Administrative Officer and directs the administration of city government, providing operational leadership, customer service and response, media liaison, and oversight of staff support to the Mayor and

City Council. The City Administrator also oversees the finance, clerk, community development, human resource and risk management functions.

The **Legal Services** function is a contract service. Weed, Graafstra & Benson, an experienced law firm, well-versed in municipal law, provides support in specialized areas such as land use, planning, personnel and labor relations, legislative analysis, and legal opinions.

The **Judicia**l function is a contract service provided by Cascade Court.

General Government Services accounts for those City expenditures that benefit all City functions and departments, such as communications and property/liability insurance.

2012 ACCOMPLISHMENTS:

- Transition to new City Administrator.
- Provided leadership for transition of management team – hired new Finance Director.
- Successfully transitioned from an in-house fire department to a contract with North County Regional Fire Authority.
- Renewed contract for library services with Sno-Isle.
- Formed the Stanwood Transportation Benefit District for the purpose of providing a long-term, stable funding mechanism to fund City street repair and maintenance.
- Received the AWC Well City award in recognition to the City's commitment to its employees' health and wellbeing. In addition, the City receives a 2% savings in medical insurance premiums.

2013 MAJOR GOALS:

- Update and adopt purchasing policies
- Submit budget for WFOA Distinguished Budget Award
- Develop new, improved customer service standards
- Develop new, improved performance evaluation and work plans for management and supervisory staff
- Evaluate and update City fees and evaluate cost of service

- Update and improve the City's website to make it more efficient and user friendly
- Issue Request for Proposal for banking services
- Implement on-line permitting process
- Adopt financial policies
- Review sewer operations and rates, and make recommendations to Council

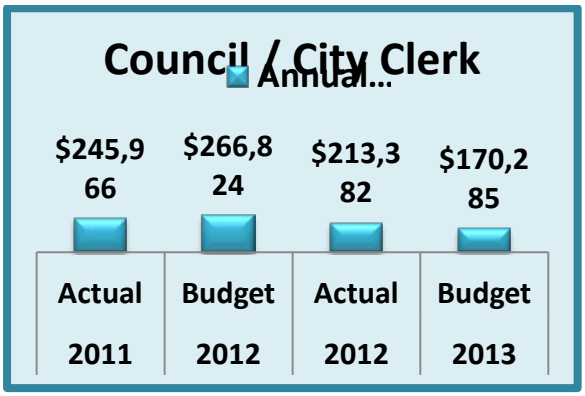
KEY PERFORMANCE MEASURMENTS:

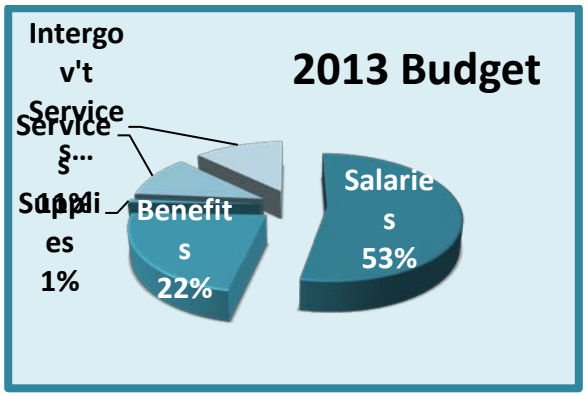
- Maintain current high bond rating (Standard & Poor's AA-)
- Compliance with City's adopted financial policies to ensure financial strength and stability
- Clean audit opinion by the Washington State Auditor's Office
- Positive customer feedback regarding staff customer service and City website
- Continuing improvement of staff performance as measured against the 2013 City work plan

DEPARTMENT ORGANIZATIONAL CHART: GOVERNANCE

2013 Program Expenditure Budget
Clerk & City Council

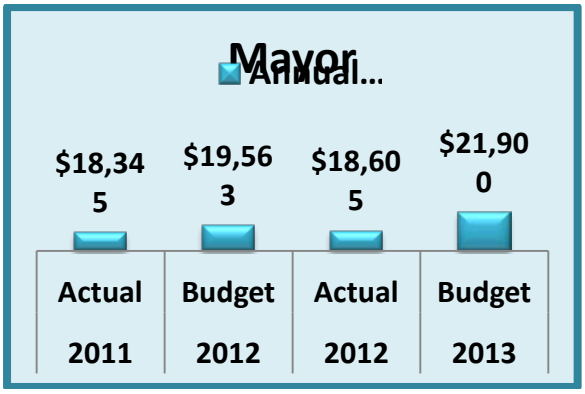
Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Salaries & Wages	$ 165,315	$ 168,713	$ 135,918	$ 104,300
Personnel Benefits	$ 70,735	$ 76,036	$ 54,764	$ 43,300
Total Salary & Benefits	$ 236,050	$ 244,749	$ 190,682	$ 147,600
Supplies	$ 386	$ 1,200	$ 486	$ 1,200
Fuel	$ 163	$ 250	$ 30	$ 250
Small Equipment	$ -	$ -	$ 4,379	$ -
Professional Services	$ 653	$ 8,000	$ 6,146	$ 10,500
Communications	$ 110	$ 1,200	$ 554	$ 1,200
Advertising	$ 3,621	$ 5,000	$ 4,915	$ 5,000
Operating Rentals	$ -	$ 350	$ -	$ 350
Repair & Maintenance	$ 425	$ 500	$ -	$ 500
Miscellaneous	$ 412	$ 385	$ 424	$ 385
Meetings, Training & Travel	$ 2,495	$ 4,000	$ 4,849	$ 2,500
Credit Card Bank Fees	$ -	$ -	$ 5	$ -
Dues	$ 615	$ 690	$ 912	$ 300
Wellness Program	$ 1,035	$ 500	$ -	$ 500
Election Services	$ -	$ 4,000	$ 1,380	$ 16,000
Voter Registration	$ 8,904	$ 9,000	$ 8,521	$ 9,000
Total Other Expenditures	$ 18,820	$ 35,075	$ 32,601	$ 47,685
TOTAL EXPENDITURES	**$ 254,870**	**$ 279,824**	**$ 223,283**	**$ 195,285**

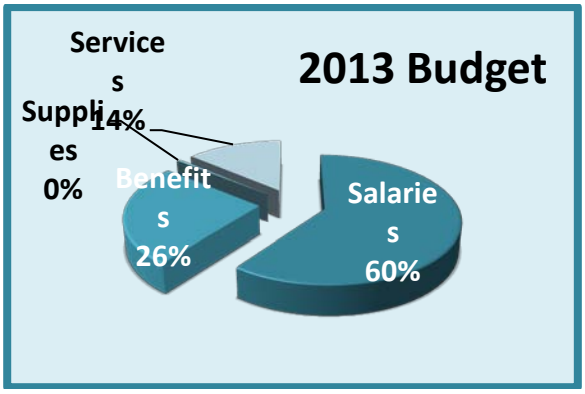




2013 Program Expenditure Budget
Mayor

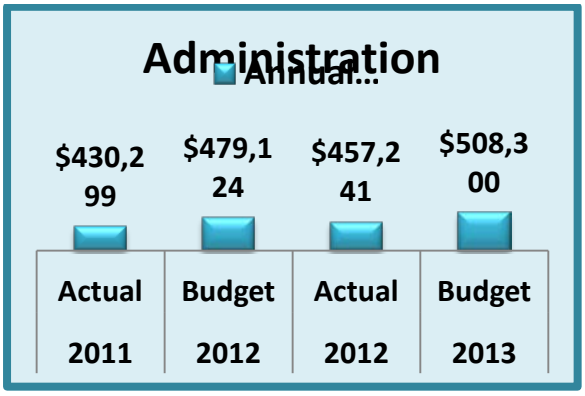
Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Salaries & Wages	$ 13,200	$ 13,200	$ 13,200	$ 13,200
Personnel Benefits	$ 4,955	$ 5,263	$ 5,204	$ 5,600
Total Salary & Benefits	$ 18,155	$ 18,463	$ 18,404	$ 18,800
Supplies	$ 25	$ 100	$ -	$ 100
Professional Services	$ -	$ 1,000	$ -	$ 500
Meetings, Training & Travel	$ 165	$ -	$ 201	$ 2,500
Total Other Expenditures	$ 190	$ 1,100	$ 201	$ 3,100
TOTAL EXPENDITURES	**$ 18,345**	**$ 19,563**	**$ 18,604**	**$ 21,900**

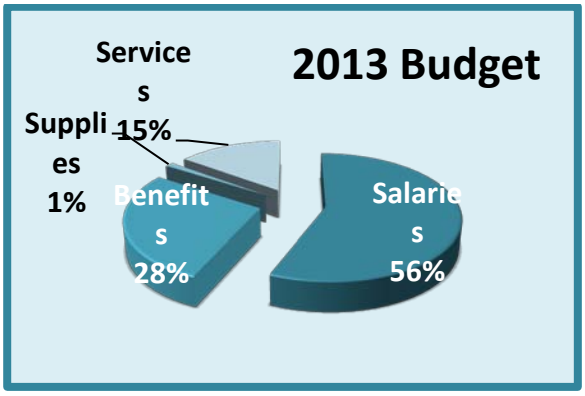




2013 Program Expenditure Budget
Administration

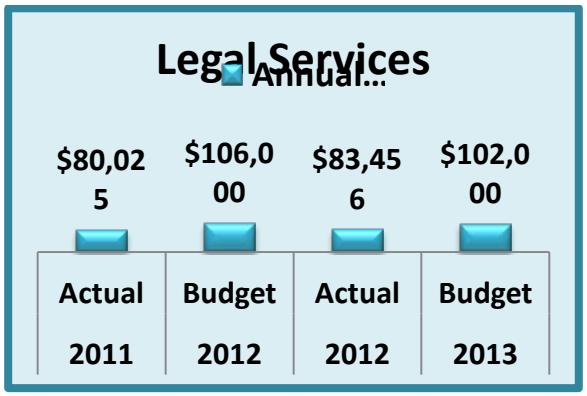
Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Salaries & Wages	$ 242,382	$ 251,529	$ 241,683	$ 286,600
Overtime	$ -	$ -	$ -	$ -
Personnel Benefits	$ 105,141	$ 131,375	$ 110,563	$ 140,900
Total Salary & Benefits	$ 347,524	$ 382,904	$ 352,245	$ 427,500
Supplies	$ 5,206	$ 5,000	$ 3,289	$ 5,000
Small Tools & Equipment	$ 770	$ 500	$ 1,667	$ 500
Professional Services	$ 60,650	$ 70,920	$ 79,428	$ 55,000
Unanticipated Grants	$ 2,186	$ -	$ -	$ -
Communications	$ 437	$ 1,500	$ 1,150	$ 1,500
Advertising	$ -	$ -	$ 414	$ -
Operating Rentals	$ 7,498	$ 8,000	$ 8,695	$ 8,000
Repair & Maintenance	$ 3,025	$ 4,200	$ 4,536	$ 4,200
Miscellaneous	$ -	$ -	$ 1,024	$ -
Meetings, Training & Travel	$ 1,864	$ 2,500	$ 3,114	$ 5,500
Credit Card Bank Fees	$ -	$ -	$ 563	$ -
Dues	$ 1,140	$ 3,600	$ 1,115	$ 1,100
State Audit	$ -	$ 25,000	$ 32,018	$ -
Total Other Expenditures	$ 82,776	$ 121,220	$ 137,013	$ 80,800
TOTAL EXPENDITURES	**$ 430,300**	**$ 504,124**	**$ 489,258**	**$ 508,300**

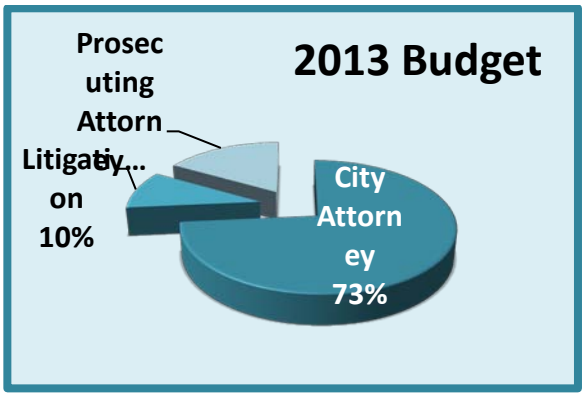




2013 Program Expenditure Budget
Legal Services

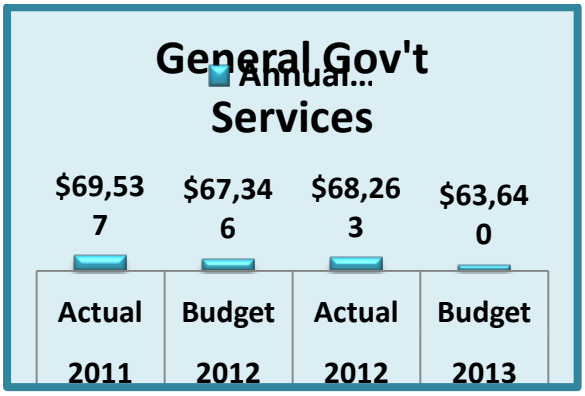
Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Professional Services	$ -	$ 2,000	$ -	$ -
City Attorney	$ 79,395	$ 75,000	$ 64,581	$ 75,000
Litigation	$ 631	$ -	$ 11,530	$ 10,000
Prosecuting Attorney	$ -	$ 29,000	$ 7,345	$ 17,000
Total Other Expenditures	$ 80,025	$ 106,000	$ 83,456	$ 102,000
TOTAL EXPENDITURES	**$ 80,025**	**$ 106,000**	**$ 83,456**	**$ 102,000**

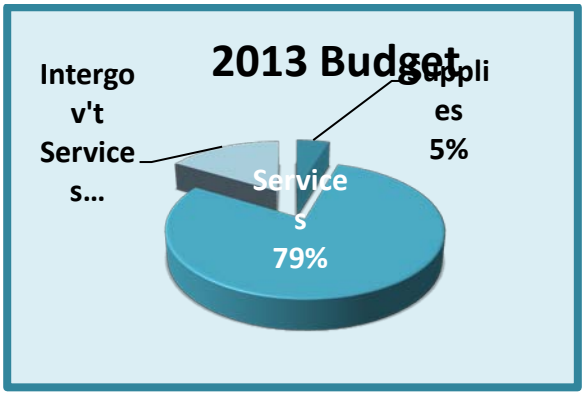




2013 Program Expenditure Budget
General Government Services

Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Supplies	$ 2,780	$ 3,000	$ 3,552	$ 3,000
Small Tools & Equipment	$ -	$ -	$ 26	$ -
Communications	$ 10,933	$ 12,000	$ 13,282	$ 12,000
Insurance	$ 46,005	$ 41,957	$ 41,123	$ 38,250
AWC Dues	$ 3,510	$ 3,827	$ 3,827	$ 3,876
Puget Sound Regional Council	$ 2,055	$ 2,055	$ 2,007	$ 2,007
Snohomish County Tomorrow	$ 941	$ 1,118	$ 1,118	$ 1,118
Puget Sound Clean Air Agency	$ 3,004	$ 3,009	$ 3,009	$ 3,009
B&O Tax	$ 310	$ 380	$ 320	$ 380
Total Other Expenditures	$ 69,537	$ 67,346	$ 68,263	$ 63,640
TOTAL EXPENDITURES	$ 69,537	$ 67,346	$ 68,263	$ 63,640





THE CITY OF STANWOOD
LAW ENFORCEMENT & JUDICIARY

MISSION:

We; the members of the Stanwood Police Department are committed to being responsive to our community's needs and to deliver quality law enforcement and support services. We will enhance our partnerships with the community; so together we can resolve concerns, improve safety, maintain the trust and confidence of our citizens while working to improve the quality of life and making our city a great place to live, work and play.

VALUES:

Integrity, Dignity, Commitment and Pride

STRATEGIC PLAN GUIDELINES:

1) Promote Safe and Secure Communities
2) Improve Customer Services to our Communities
3) Manage Our Resources Effectively and Efficiently

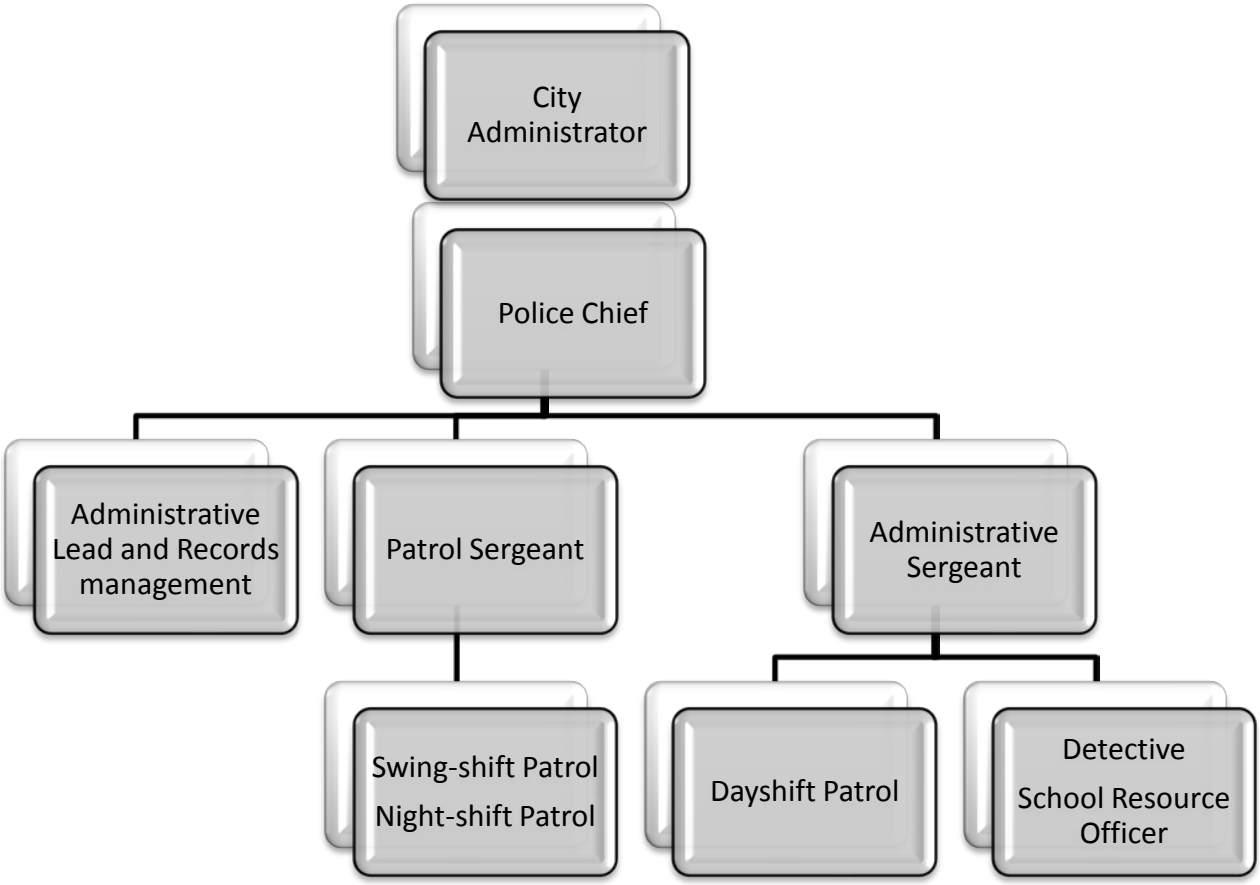
DEPARTMENT DESCRIPTION:

The City of Stanwood contracts for law enforcement services through the Snohomish County Sheriff's Office. The contract is identified as a "stand alone" contract which allows the City of Stanwood to maintain its own police identity to include policies and procedures that meet unique small city needs. All uniforms and vehicles are identified as Stanwood Police providing services to the community consisting of a population of approximately 6300.

Staffing includes:

- One Police Chief with the rank of Lieutenant with the Sheriff's Office
- Two Sergeants providing supervision for day and night operations
- Six Patrol Deputies to cover 7 days a week 24 hours a day. Mandatory staffing requires a minimum of one Deputy on duty at all times
- One Detective
- One School Resource Officer. The costs are shared between the city and the school district
- One Administrative Lead and one Records Specialist

STANWOOD POLICE DEPARTMENT ORGANIZATION CHART:



Calls for service from January 1, 2012 through December 31, 2012:
A total of 8,741 calls for service were received by the Police Department during 2012. Calls for service were down compared to the year before by 1,166. This equates to a 12% reduction in calls for service. There has been a decrease in burglary, theft, assault and juvenile arrests.

Support Services:
Support services has experienced an increase in public disclosure requests and concealed pistol license permits this year. Support staff processed over 318 concealed pistol licenses compared to 217 licenses processed the year before in 2011 amounting to a 32% increase. There were 522 public disclosure requests in 2012 compared to 461 the year before amounting to a 11% increase.

2013 Budget Request:
The law enforcement budget increased 3% from last year primarily due to the costs associated with the Snohomish County Sheriff's Office contract. Other contract costs also increased to include SnoPac (Dispatch) by 3%, SERS by about 37%, Drug Task Force by 10% and salary increases for support staff by 8%. To compensate we made several changes (cuts) to include reducing the jail budget by $10,500, prosecution services by $12,000 and court services by $14,000. These reductions were based on 2012 actual expenditures. The Police Department continues not to book subjects into jail on misdemeanor charges unless either required by law or if the situation justifies the cost. The following is a line item budget proposal for Law Enforcement:

2012 COMMITMENT REVIEW:

Early in 2012 after several meetings with the City Council Public Safety Committee the following commitments were made by the Chief of Police:

1) Identify and target known crimes and criminals by developing a Most Harmful Criminal prevention program
2) Develop and build on community partnerships
3) Be accessible to the community

2012 Accomplishments:

- Assisted with the grant application through the Department of Transportation (Safe Routes to School) Grant. This grant is expected to fund a new sidewalk near Cedarhome Elementary School.
- Served five drug related search warrants. Three of the warrants were served on three separate residences.
- Developed Most Harmful Criminal (MHC) program. This program identifies Stanwood's most harmful criminals, crimes and conditions.

- Developed and implemented a Robbery Prevention and Apprehension program designed for banks and pharmacies.
- Negotiated a two year School Resource Officer (SRO) Interlocal Agreement (ILA) with the Stanwood School District. This ILA is designed to continue SRO services within the schools for the next two years with the school district returning to a 60% share of the cost by 2013 – 2014.
- Two volunteers were added to the Stanwood Police Department.
- Established and maintained a Facebook page for the Police Department to help keep the public informed.
- Continue to provide regional services for fingerprinting and concealed pistol licenses
- Active participation in the Drug Free Stanwood coalition.
- Continue to monitor crime trends within the city and region.
- Processed over 522 Public Disclosure requests and over 318 Concealed Pistol licenses.
- Became a member of the local Rotary.

2013 STRATEGIC GOALS:

GOAL # 1: Develop and implement Neighborhood & Business Watch Programs:

Objective: To reduce crime and develop partnerships with neighborhoods and area businesses.

Strategies:
1) Work closely with the Stanwood Chamber of Commerce
2) Identify and develop Neighborhood Block Watch Captains
3) Develop better communication between Police and the community

GOAL # 2: Reduce Crimes That Impact our Community the Most:

Objective: Identify and target crimes that cause the most harm to the community.

Strategies:
1) Use monthly crime reports to identify crimes causing the most harm to our community
2) Work closely with businesses and neighborhoods to prevent crime
3) Assign resources in targeting most harmful crimes

GOAL # 3: Target Most Harmful Criminals (MHC):

Objective: Continue to identify and target MHC's to reduce crime.

Strategies:
1) Identify MHC's
2) Assign and develop action plans
3) Track cases involving MHC's
4) Assign resources to focus on MHC's
5) Work closely with the Prosecutors Office for best prosecution results

GOAL # 4: Develop a Security Camera Placement Plan:

Objective: Placement of security cameras within the city of Stanwood.

Strategies:
1) Map out potential camera locations
2) Work with private businesses and the city of Stanwood to acquire Security Cameras
3) Develop a private business camera zone coverage map

GOAL # 5: Develop a better system to report School Resource Officer (SRO) activity:

Objective: Revise and update the monthly SRO activity report.

Strategies:
1) Meet with school administration to identify and clarify expectations
2) Develop a working plan with goals and objectives
3) Design a monthly report that identifies activity and results

GOAL # 6: Develop an Electronically sent Emergency Notification System:

Objective: To notify local businesses and residents of local emergencies.

Strategies:
1) Identify a service program that will serve as a communication conduit
2) Test the program
3) Train staff
4) Establish and maintain community notification list

GOAL # 7: Repair and upgrade Public Entry area to the Police Department:

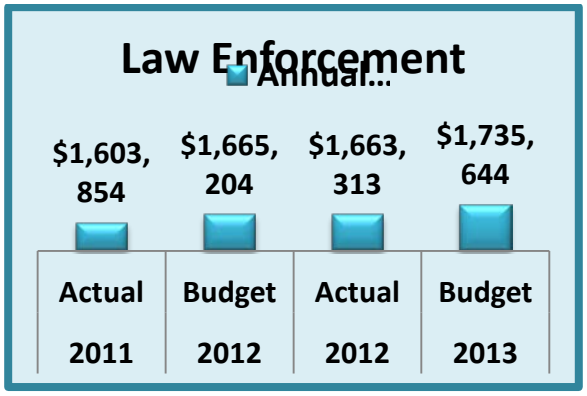
Objective: Provide a clean, safe public entry to the Police Department.

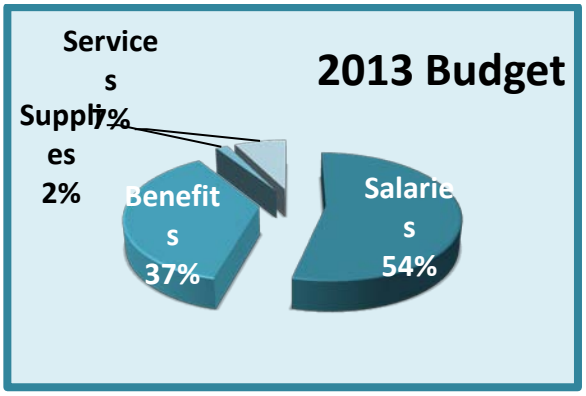
Strategies:
1) Seek funding from City to remove old floor tile and replace with new

CITY OF STANWOOD
2013 BUDGET

2013 Program Expenditure Budget
Law Enforcement

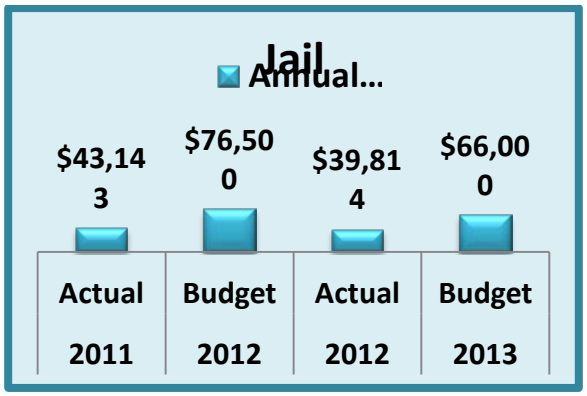
Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Salaries & Wages	$ 101,041	$ 102,536	$ 110,437	$ 116,900
Personnel Benefits	$ 68,062	$ 71,320	$ 74,163	$ 79,600
Total Salary & Benefits	$ 169,103	$ 173,856	$ 184,600	$ 196,500
Supplies	$ 1,941	$ 2,500	$ 1,823	$ 1,800
Training Supplies	$ -	$ 275	$ -	$ 275
Fuel	$ -	$ 175	$ -	$ 175
Small Equipment	$ 1,040	$ 950	$ 1,275	$ 950
Uniforms	$ 717	$ 450	$ 267	$ 450
Professional Services	$ -	$ -	$ 22	$ -
Advertising	$ -	$ 150	$ 35	$ 150
Operating Rentals	$ 257	$ 250	$ 221	$ 250
Utilities	$ 9,460	$ 12,500	$ 7,496	$ 12,500
Repair & Maintenance	$ -	$ 1,000	$ -	$ 1,000
Miscellaneous	$ 143	$ 500	$ 264	$ 500
Dues	$ 475	$ 685	$ 1,284	$ 685
Meetings, Training & Travel	$ 910	$ 4,232	$ 450	$ 1,000
Credit Card Fees	$ -	$ -	$ 10	$ -
Narcotics Task Force	$ 1,395	$ 1,450	$ 1,553	$ 1,600
Intergovernmental Agreements	$ 1,314,338	$ 1,359,923	$ 1,359,923	$ 1,407,373
Sno Pac Dispatch	$ 84,889	$ 86,808	$ 86,809	$ 85,400
Sers Maint & Operating	$ 14,453	$ 15,000	$ 15,757	$ 20,536
Animal Control	$ 4,733	$ 4,500	$ 1,525	$ 4,500
Total Other Expenditures	$ 1,434,751	$ 1,491,348	$ 1,478,713	$ 1,539,144
TOTAL EXPENDITURES	**$ 1,603,854**	**$ 1,665,204**	**$ 1,663,313**	**$ 1,735,644**

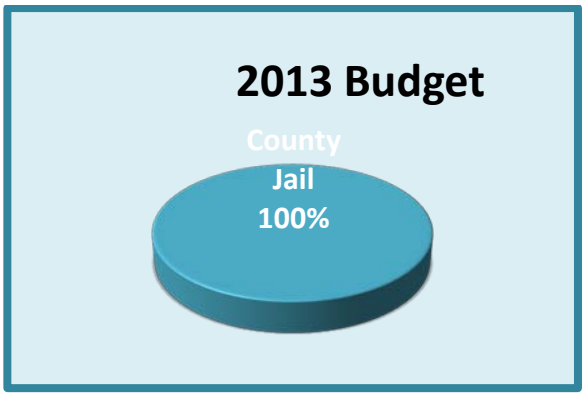




2013 Program Expenditure Budget
Jail Costs

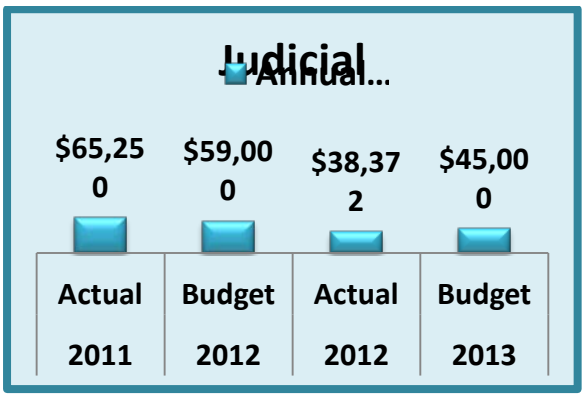
Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
County Jail	$ 43,143	$ 76,500	$ 39,814	$ 66,000
Total Other Expenditures	$ 43,143	$ 76,500	$ 39,814	$ 66,000
TOTAL EXPENDITURES	**$ 43,143**	**$ 76,500**	**$ 39,814**	**$ 66,000**

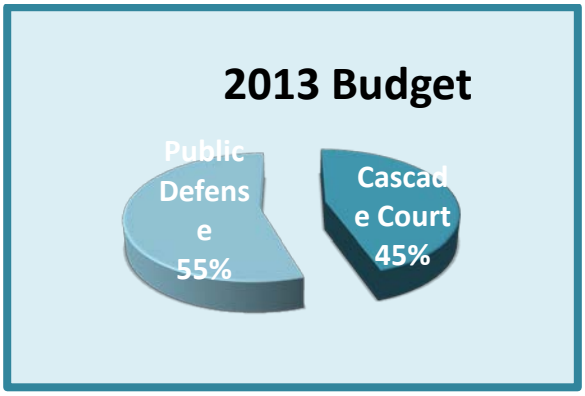




2013 Program Expenditure Budget
Judicial

Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Cascade Court	$ 29,250	$ 36,000	$ 25,708	$ 22,000
Public Defense	$ 36,000	$ 23,000	$ 12,664	$ 23,000
Total Other Expenditures	$ 65,250	$ 59,000	$ 38,372	$ 45,000
TOTAL EXPENDITURES	**$ 65,250**	**$ 59,000**	**$ 38,372**	**$ 45,000**





THE CITY OF STANWOOD
FIRE & EMERGENCY SERVICES

NORTH COUNTY REGIONAL FIRE AUTHORITY

MISSION

"To Provide Quality Emergency Medical Services and Fire Protection to our Community"

VISION

"North County Regional Fire Authority will provide superior customer service with a professional, cost effective organization and respond to the needs of the communities"

DESCRIPTION:

North County Regional Fire Authority is comprised of rural, urban and forestry communities. In 2008, Fire District 14 and Fire District 18 combined their services to help reduce duplication of services in neighboring geographical areas, provide a higher level of service by combining resources, and to be more cost effective. North County Regional Fire Authority has four fire stations proudly providing fire protection and emergency medical services to 15,000 residences in 106 square miles.

Chief Dale Fulfs manages the fire authority under the direction of six (6) elected Fire Commissioners.

The department is made up of 82 members focused on providing the “best service” possible. Of the 82 members of North County Regional Fire Authority, 25 are full-time, 45 are part-time, 10 are volunteers and 2 are administration secretaries. Members are managed by one part-time Assistant Chief, three Shift Battalion Chiefs and six Station Captains.

North County Regional Fire Authority, hereafter referred to as NCRFA, is able to provide 24/7 Advance Life Support (ALS) and Basic Life Support (BLS) with nine paramedics and requiring all other employees to be Washington State Certified Emergency Medical Technicians (EMTs).

Recently, NCRFA has signed an “Inter-local Agreement” with the City of Stanwood for fire and emergency service protection. What this has done is increase fire and medical protection to the City of Stanwood, and the communities of Warm Beach, Freeborn, Kackman, and Bryant. The City of Stanwood now receives two immediate back-up paramedic units, a 24hr Shift Supervisor and increased staffing at Station 99. Likewise, the unincorporated area receives a fully staffed fire engine crew and a fully functional fire station centrally located in NCRFA’s jurisdiction.

2012 ACCOMPLISHMENTS:

- Successfully contracted Fire and EMS services with City of Stanwood
- Participated in 26 community events
- Had great turn out for “Open House” at the fire station
- Maintained 100% staffing on three (3) medic units, City fire engine and one battalion unit
- Responded to 3,600 calls without causing bodily injuries to firefighters or department equipment
- Successfully promoted one Fire Captain and one Battalion Chief and established an acting list for both positions.
- Renegotiated and settled a 3 year contract with IAFF local 4118

2013 MAJOR GOALS:

- Complete all City and district wide fire inspection
- Complete the transition to an electronic records management system for our inspection program
- Continue to work with the Stanwood/Camano School District for the delivery of our prevention program
- Preventative Maintenance Program
- Vehicle Acquisition of a Ladder, Engine(s) and Medic Unit (s)
- Upgraded Network infrastructure/system
- Strategic Planning 5, 10 and 20 year plan
- Continue the celebration/working relationship with the labor group and Association

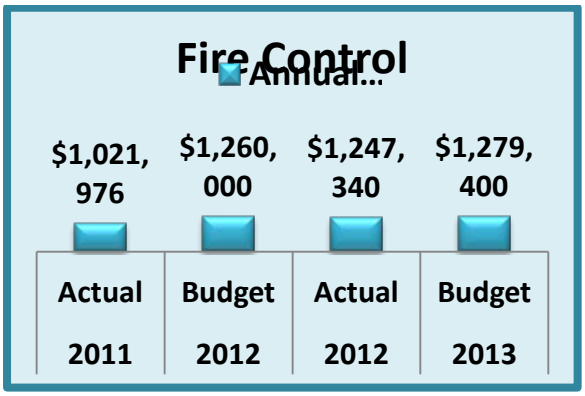
KEY PERFORMANCE MEASURMENTS:

WAC 52.33 “Standard of Coverage” Report
Response measure “Department Averages” City of Stanwood report

DEPARTMENT ORGANIZATIONAL CHART:

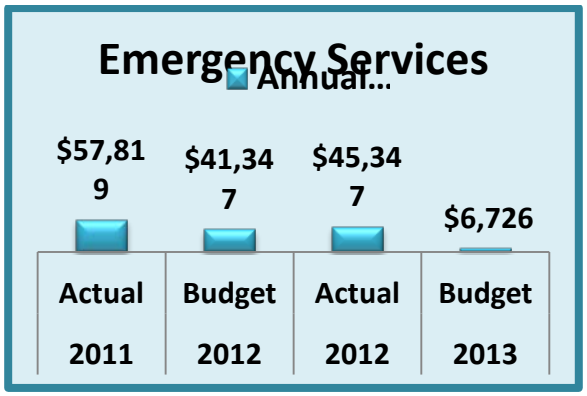
2013 Program Expenditure Budget
Fire Control

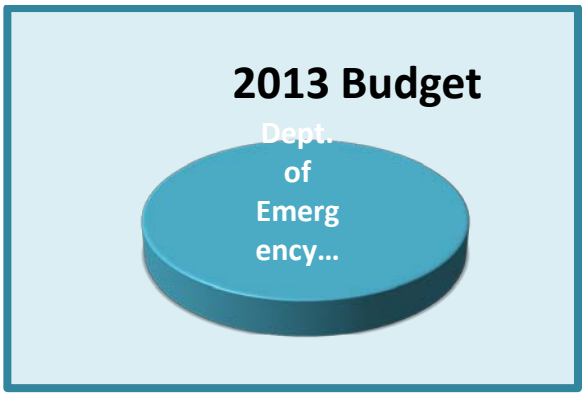
Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Salaries & Wages	$ 409,695	$ -	$ 106,294	$ -
Overtime	$ 106,997	$ -	$ 41,089	$ -
Personnel Benefits	$ 174,377	$ -	$ 40,323	$ -
Total Salary & Benefits	$ 691,070	$ -	$ 187,706	$ -
Supplies	$ 7,313	$ -	$ 1,463	$ -
Fuel	$ 8,006	$ -	$ 2,072	$ -
Small Equipment	$ 705	$ -	$ 264	$ -
Uniforms	$ -	$ -	$ 105	$ -
Professional Services	$ 114	$ -	$ 4,712	$ -
Communications	$ 5,284		$ 1,012	$ -
Operating Rentals	$ -	$ -	$ 22	$ -
Utilities	$ 14,572	$ -	$ 5,461	$ -
Repair & Maintenance	$ 9,953	$ -	$ 552	$ -
Vehicle Repair & Maintenance	$ 30,412	$ -	$ 10,770	$ -
Meetings, Training & Travel	$ 1,068	$ -	$ 407	$ -
Dues	$ 770	$ -	$ -	$ -
Sno Pac Dispatch	$ 73,474	$ -	$ 19,153	$ -
Sers Maint & Operating	$ 7,782	$ -	$ 11,261	$ -
Administrative Service Contract	$ 84,950	$ 1,260,000	$ 997,359	$ 1,279,400
Pt Firefighter Interlocal	$ 69,449	$ -	$ 5,022	$ -
Firefighter Officer Interlocal	$ 17,052	$ -	$ -	$ -
Total Other Expenditures	$ 330,906	$ 1,260,000	$ 1,059,634	$ 1,279,400
TOTAL EXPENDITURES	$ 1,021,976	$ 1,260,000	$ 1,247,340	$ 1,279,400



2013 Program Expenditure Budget
Emergency Services

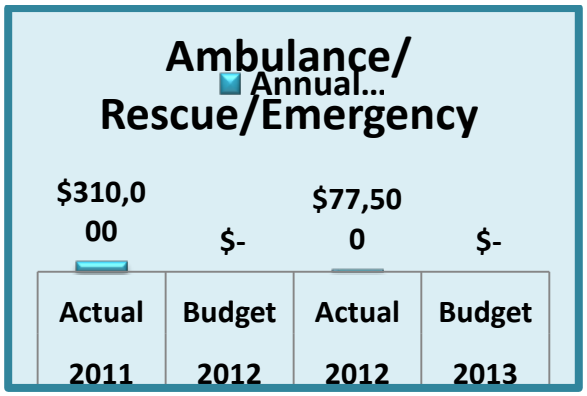
Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Supplies	$ -	$ -	$ 103	$ -
2010 Fllod Emergency	$ 17,835	$ -	$ -	$ -
Dept. of Emergency Management	$ 6,043	$ 6,726	$ 6,726	$ 6,726
Emergency Services Manager	$ 33,942	$ 34,621	$ 32,236	$ -
Emergency Services Machinery	$ -	$ -	$ 6,282	$ -
Total Other Expenditures	$ 57,819	$ 41,347	$ 45,347	$ 6,726
TOTAL EXPENDITURES	$ 57,819	$ 41,347	$ 45,347	$ 6,726





2013 Program Expenditure Budget
Ambulance/Rescue/Emergency Aid

Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Ambulance Services Contract	$ 310,000	$ -	$ 77,500	$ -
Total Other Expenditures	$ 310,000	$ -	$ 77,500	$ -
TOTAL EXPENDITURES	$ 310,000	$ -	$ 77,500	$ -



THE CITY OF STANWOOD
COMMUNITY DEVELOPMENT

MISSION:

The Community Development Department mission is to promote an excellent quality of life for the people of Stanwood by balancing the following needs:

- Promoting the safety and welfare of citizens
- Protecting the environment
- Helping citizens achieve their own plans while balancing the public good
- Providing professional customer service
- Helping citizens to understand and comply with our standards, codes, and regulations
- Administering codes accurately, fairly, and consistently
- Forging partnerships between government, citizens, and businesses
- Promoting economic development that meets the needs of the community

DESCRIPTION:

The Community Development Department is divided up into two divisions; Building and Planning. The Building Division administers building permits for new construction, remodels, additions, and tenant improvements within the city limits. The Planning Division is made up of long-range planning, development review and economic development.

2012 ACCOMPLISHMENTS:

Permitting
In 2012 the Department continued to process small project building permits and land use permits.

Commercial Activity

- The new Pacific Northwest Credit Union commercial building was completed.
- The new Community Resource Center building is under construction.
- Small remodel permits for both existing and new businesses and home occupation permits continued but at a somewhat lower rate than last year. Home business continues to be an important source of economic activity in the community.
- The Department began tracking new business openings. There were 32 new businesses and 8 businesses that re-located within the city. New business for this purpose is defined as a new occupancy in an existing building. 40 certificates of occupancy were issued**.** These permits indicate commercial projects as well as changes of use in commercial buildings for new businesses where no permits are required.

Table I Commercial Activity Summary

	Commercial Building Permits	Home Business	New Commercial Business Licenses	Signs
2012	22	30	32	103

Residential Activity
The City issued forty-three (43) single family permits for new homes and 14 permits for remodels.

Land Use Activity
The Department provided site development review for over sixty (60) small land use projects. The site development review is a zoning compliance evaluation required for residential and commercial projects that change a building footprint, and for new construction. Land use consultation was also provided at ten (10) pre-application meetings for potential new development in the City. Staff issued twenty-one (21) temporary uses permits to existing businesses wanting special outdoor sales and individuals.

Table II Land Use Permits Summary

	Site Dev	Pre-App	Temp Use	Conditional Use	House moving	Admin Interp.
2012	61	10	21	1	1	4

Revenue
The permitting activity processed by the Department totaled **$1,113,672** in 2012 compared with **$461,111** in 2011. This additional revenue is attributed to the increase in single family building permits from eight (8) permits in 2011 to forty-three (43) permits plus eight (8) plan checks in 2012. This revenue includes **$244,423** in the general fund, including building permits, right of way permits, plan check, land use/engineering, mechanical, plumbing, grading, demolition, sign and roofing; **$320,296** in impact fees, including traffic, parks, fire and school; **$644,613** in plant investment fees including sewer, water, drainage, and Cedar Home plant; and **$58,300** in utility hook- up fees including sewer, water and drainage.

Planning Commission

- The Planning Commission held 5 public hearings and worked on 23 ordinances. In 2012 the Commission addressed:
    - special events and temporary uses,
    - critical areas regulations within the shoreline master program,
    - interim uses in the MBI zone
    - the first 5 work items from the housekeeping amendment work program: appeal process, pre-application process, certified mail, and commission composition and authority
    - Grocery uses
    - MBII zoning
    - Shoreline Master Program

- Temporary and special event signage
- 2011 Comprehensive Plan docket including the downtown element, consistency of, policies with other elements, the park plan, and the capital facilities plan.
- Draft Urban Growth Boundary application to Snohomish County

Code Enforcement

The Department also continues to work on enforcement of the City's building and zoning laws and clean up the community.

- 106 new enforcement cases were handled compared to 110 enforcement cases in 2011, 76% were completed and resolved. 6% were dismissed or withdrawn. 18% are in review or are open without resolution.
- 52 of the cases involved sign violations.
- 22 involved public nuisances (garbage, noise, animals, rats)
- 17 addressed zoning use issues (uses, wetlands, temp business w/o permit)
- 4 involved vehicles for sale. The incidents requiring this type of enforcement decreased so that we are no longer tracking the cases in a separate summary sheet as was done in prior years.
- 3 involved building without a permit
- 3 involved address changes
- 1 involved encroachment on the city right of way
- 1 addressed traffic control during construction

Economic Development

- Working on sign code amendments to incorporate wayfinding signage system as part of the sign code work program before the planning commission.
- Working on construction, installation and landscaping of wayfinding signage.
- The City continues to work with the YMCA of Snohomish County toward bringing a YMCA facility to the City.
- The Sustainable Design Assistance Team (SDAT) planning charrette occurred this year. Follow-up from the SDAT recommendations resulted in
  - application for a grant to purchase the Hamilton property for park use and potential small water craft access,
  - study of potential low impact development improvements to the East Stanwood municipal parking lot.
- The City Council Planning and Economic Development Committee is working on Economic Development Incentive program and policies.
- City staff worked with the Port Susan Food and Farming Center toward the successful implementation of the Farmers Market in downtown Stanwood.
- Staff worked with downtown business to support a coordinated approach to holiday events and marketing.
- Staff completed a survey and analysis of the top business categories that contribute to the City's tax base.

- The City initiated regular meetings with business organizations and will be working with the Chamber and SAMA in 2013.

GIS (Geographic Information Systems)
This is a new activity for the department involving map making in support of land use planning, zoning review, public works, and community outreach. This function was previously done for the city by RH2 engineering. The Department can produce base maps of the city, and map "layers" of critical areas data, zoning and comprehensive plan data, topography, and identify parcels for review. Maps completed include: marijuana moratorium map, TIP map, base map, 5 base maps for SDAT, topography map, detention pond draft map, new zoning and comprehensive plan maps.

Interdepartmental Efforts
The Department provided inspection services and construction management services to the public works department to help implement two major public work projects, the PZ-1 Water Pressure Upgrade, and the Pioneer Highway Sewage Improvement project. The department also assisted the public works department with scope of work and cost estimate analysis for public facilities maintenance and repair projects and with the temporary erosion control project for the Irvine Slough.

- **2013 MAJOR GOALS:**
- Revise school impact fees
- Finalize public hearing on Lindberg Open Space
- Finalize parking and site plan for Main Street Business II (MBII) Zone Amendments
- Submit proposed UGA amendment to Snohomish County
- Evaluate proposed 2035 growth allocation (PSRC growth allocation)
- Adopt urban fowl regulations (chicken regulations)
- Submit Shoreline Master Plan to the Department of Ecology
- Mitigate for relocating Lenz wetland/Wetland mitigation bank
- Adopt regulations to address impacts on fish/FEMA Bi-Op Regulations
- Scoping for 2015 Comprehensive Plan Update
- 2011-2012 Annual Docket: Transportation Map, MBII to Light Industrial zone, re-zone Vine Street Property
- 2013 Prioritize investments for 2013 economic development program
- 2014 Prioritize investments for 2014 economic development program
- On-line permitting- implement mybuildingpermits.com
- Wayfinding/SR532 Beautification: revise scope, finalize locations, WSDOT approval, install signs
- Consider sale of the trolley ROW in East Stanwood
- Open space and tot-lot regulations: review and evaluate open space and tot-lot regulations
- Street Tree List: adopt standards for street trees
- Maintenance Bonding: review and revise landscape standards

- City Hall improvements: space study, guard rails, door replacement and tree removal
- Public Works Standards: review, revise and adopt public works standards
- Drainage Utility Maintenance Permit: submit HPA for drainage maintenance

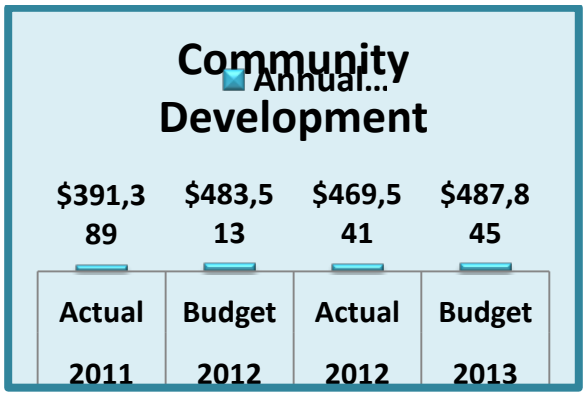
KEY PERFORMANCE MEASURMENTS:

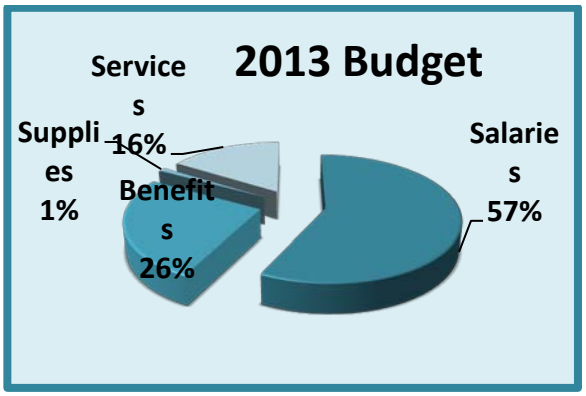
DESIRED PERFORMANCE	STANDARD	MEASURES
Prepare code text amendments as needed	Research and draft code text amendments for Planning Commission review and recommendation to City Council	Amendments adopted by City Council
Process applications and permits according to City and State regulations	Department complies with regulations and timelines	Issue letters and update BIAS permitting system and annual report statists log
Prepare economic development investment program for 2013	Staff prepares economic development investment options for work group review and discussion	Execute final investment work program list and corresponding allocated budget
Enhance department customer service	Measure staff follow up and turn-around time on customer service issues	Keep front counter log-in sheet to measure counter activity and follow up action, track phone calls and return call time.

DEPARTMENT ORGANIZATIONAL CHART:

2013 Program Expenditure Budget
Community Development

Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Salaries & Wages	$ 232,256	$ 283,767	$ 238,239	$ 279,900
Personnel Benefits	$ 98,797	$ 106,046	$ 108,514	$ 125,000
Total Salary & Benefits	$ 331,053	$ 389,813	$ 346,753	$ 404,900
Supplies	$ 587	$ 800	$ 841	$ 2,300
Fuel	$ 493	$ 650	$ 471	$ 650
Small Equipment	$ 243	$ 500	$ 324	$ 1,520
Professional Services	$ 54,534	$ 69,000	$ 107,893	$ 64,500
Economic Development	$ -	$ 15,000	$ 7,023	$ 7,500
Communications	$ 459	$ 850	$ 1,676	$ 850
Advertising	$ 1,368	$ 1,500	$ 1,398	$ 1,500
Rentals	$ 182	$ -	$ -	$ -
Repair & Maintenance	$ 163	$ 350	$ 70	$ 350
Meetings, Training & Travel	$ 1,078	$ 3,500	$ 1,332	$ 1,750
Dues	$ 1,138	$ 1,050	$ 943	$ 1,225
Printing	$ 91	$ 500	$ 800	$ 800
Credit Card Bank Fees	$ -	$ -	$ 17	$ -
Total Other Expenditures	$ 60,335	$ 93,700	$ 122,788	$ 82,945
TOTAL EXPENDITURES	**$ 391,388**	**$ 483,513**	**$ 469,541**	**$ 487,845**

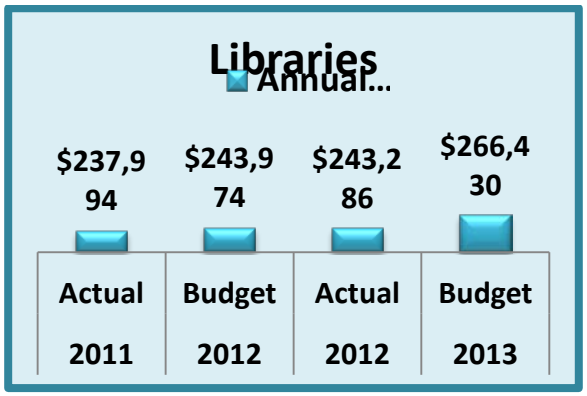


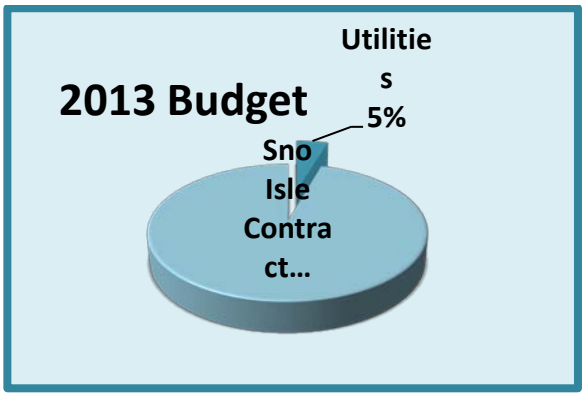


THE CITY OF STANWOOD
LIBRARIES

2013 Program Expenditure Budget
Libraries

Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Utilities	$ 11,135	$ 12,000	$ 11,046	$ 12,000
Sno Isle Contract	$ 226,859	$ 231,974	$ 232,240	$ 254,430
Total Other Expenditures	$ 237,994	$ 243,974	$ 243,286	$ 266,430
TOTAL EXPENDITURES	**$ 237,994**	**$ 243,974**	**$ 243,286**	**$ 266,430**





THE CITY OF STANWOOD
PUBLIC WORKS

MISSION:

The Mission of the City of Stanwood's Public Works Department is to provide high quality maintenance of the City's public works infrastructure in an economic and environmentally responsible manner while preserving and enhancing quality of life and public safety.

DESCRIPTION:

The Public Works Department is organized into multiple functional areas. The director oversees an operational staff of 12 FTE and 1 to 4 FT seasonal employees. The department manages the daily operations of the City's water, wastewater, stormwater and street infrastructures, City-owned parks and facilities.

Water System: The City operates and maintains 67 miles of water main, 1,100 isolation/hydrant valves, 400 fire hydrants, 11 pressure reducing stations, 3,046 service connections, 5 reservoirs with 2.15 MG capacity, 1 water treatment plant, and 5 sources.

Wastewater: The City of Stanwood provides service to approx 2092 customer connections. The City maintains 27 miles of gravity and force mains, 7 pump stations and a Group III WWTP with 1.5 MGD capabilities.

Stormwater: The City maintains 27 miles of stormwater collection lines, all storm ditches, approximately 1,000 catch basins and 15 Stormwater retention and detention ponds.

Street System: The City maintains 37 miles of road surface, 22.5 miles of sidewalks, 16 traffic signals and as of 2008 1,648 street signs.

Parks: The City has 4 parks totaling 62.5 acres. Within the 4 parks there are 3 playgrounds, 1 skateboard park, 1 basketball court, 4 baseball/softball fields and 4 soccer/lacrosse fields. The City also has 4 miles of bike/walking paths.

Facilities: There are currently seven City buildings and grounds that are maintained by Public Works; City Hall, PW Shop, Wastewater Treatment Plant, Library, Fire Station, Police Station and the Stanwood Community Conference Center building.

2012 ACCOMPLISHMENTS:

- Leak detection company came in and surveyed ½ the water system
- Located and repaired 19 leaks
- Completed flushing entire water system
- Installed an altitude valve to control the level in the Bailey Reservoir
- Produced Consumer Confidence Report in house vs. outsourcing, result saving money
- Started first phase of resident Cross Connection Control program
- Cleaned 2 Reservoirs
- Best Tasting Water Award for the Pacific NW Subsection of AWWA
- PZ1 project water main installation to boost pressure and increase fire flow
- CCTV of City sewer collection system and cleaning of 271st
- Gravity main replacement
- Replacement of approx 1850 lineal feet of existing gravity pipe with 15 inch diameter pipe to correct deficiencies
- Irvine Slough Water Quality Monitoring Study in cooperation with Snohomish County
- Outstanding Wastewater Treatment Plant Award for 6th consecutive year
- Cleaned ¾ of City's catch basins
- Irvine Slough maintenance project
- Maintenance on Cedarhome Farms detention pond; turned back over to homeowners' association
- 72nd overlay asphalt project
- Wrote park guidelines and user fees
- Constructed new office space at City Hall
- Re-roof, re-stucco and paint City Hall

2013 MAJOR GOALS:

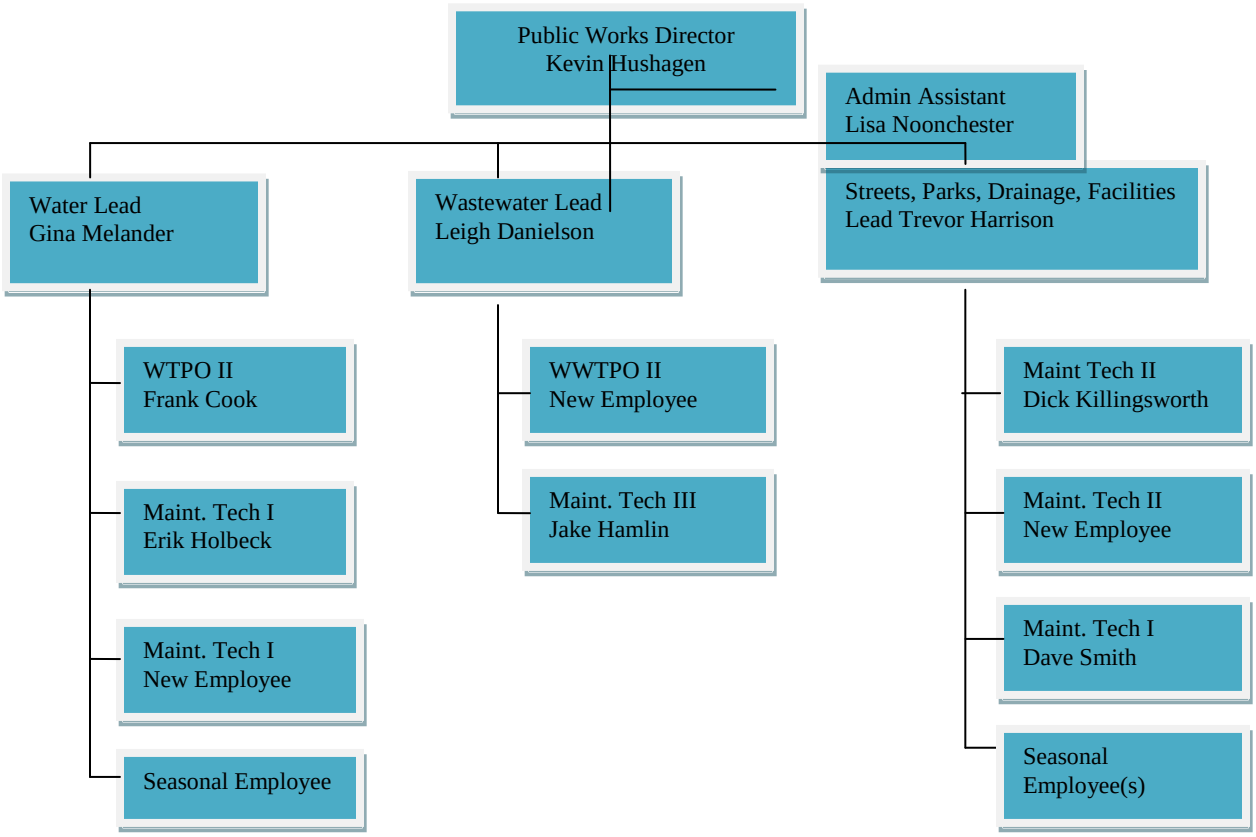
- Exercise valves and continue flushing program
- Gathering data points to GIS water system
- Install new level sensors at Knittle Reservoir
- Finish leak detention
- Replace old service lines throughout distribution system
- Hire an additional wastewater employee
- WWTP Flood Bypass Feasibility Study
- Continuation of CCTV Program and updating of City map of conveyance system
- WWTP Telemetry repair and upgrades
- WWTP Washwater system repair
- WWTP Operation and Maintenance Priorities Schedule for repair and replacement of capital equipment
- WWTP Biosolids Sampling to determine removal date. Evaluation of data for long term biosolids handling protocol
- Submit HPA for drainage maintenance for Kylie Park ponds and Lindstrom Pond
- Finish cleaning City's catch basins
- Identify street improvements, design and construct repairs
- Add ADA ramps sidewalks
- Organize City's Clean Sweep event
- Implement new park guidelines and user fees
- Adopt maintenance standards for parks
- Design, purchase and install skate park replacement ramps
- Identify potential park properties for acquisition and development
- Prepare scope of work for new roof for the library, police station and PW shop
- Identify improvements, design and repair for police station
- Space study, guard rails, door replacement and tree removal for City Hall

CITY OF STANWOOD
2013 BUDGET

KEY PERFORMANCE MEASUREMENTS:

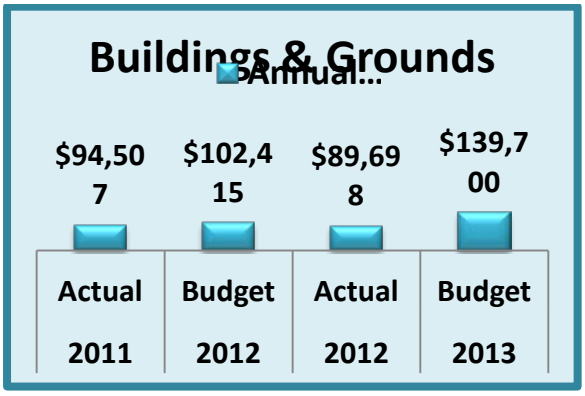
DESIRED PERFORMANCE	STANDARD	MEASURES
Water conservation.	Our standard is 10%	Based on DOH requirements the maximum water loss is to be 10%
Respond to emergencies and customer requests in a timely manner with good customer service and efficiency.	Respond within 40 minutes of call.	Resolve problems with customer satisfaction.
All WW samples will meet or exceed state and federal requirements.	NPDES requirements and limits.	100% of WW samples will meet or exceed state and federal requirements.
Response to all WW customers will be prompt, courteous, and resolved in a timely manner.	Immediate response to customer emergencies. Response to customer concerns will be handled expeditiously.	Response to emergencies within forty minutes. Initial contact over customer concerns and inquiries will be within the business day if possible and not exceed twenty-four hours.
To be responsible stewards of the environment.	Compliance with, Clean Water Act, RCRA/CERCLA, NPDES, Washington State, and Federal requirements.	Continue with outreach programs promoting stewardship and conservation. Use of best practices and procedures to minimize footprint on the environment.
Implementation of current industry, best practices and procedures and to provide a complete and comprehensive wastewater treatment.	AWWA, State, Federal and City of Stanwood Public Works.	Repair and upgrade of WWTP, processes, facilities, equipment and infrastructure.
Annual maintenance on retention/detention ponds.	State Standards	Using check off sheets to insure all maintenance has been performed to the State's Standard.
Roads and sidewalks will be maintained in good condition.	No potholes, severe trip hazards, or excessive wear areas left unaddressed or unrepaired.	Response to emergencies within forty minutes with repairs within 24 hours.
Traffic signs and signals will always be functional and maintained in good condition.	Immediate repair to reports on signs or signals that would create a hazardous condition.	Immediate response during normal work day hours and forty minute response time after hours.
Maintain parks so they are safe, usable and visually appealing.	Playground Safety NIPSA, weekly mowing and weeding.	Completing the Stanwood's daily park check list. Community using the parks.
Maintain city buildings so they are a safe and clean place for employees and citizens.	Stanwood daily facilities walk through.	Immediate response to emergencies and 24 hour response for other requests.

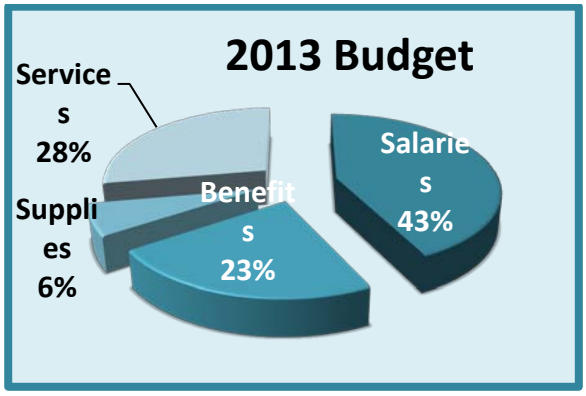
PUBLIC WORKS DEPARTMENT ORGANIZATIONAL CHART:



2013 Program Expenditure Budget
Buildings & Grounds

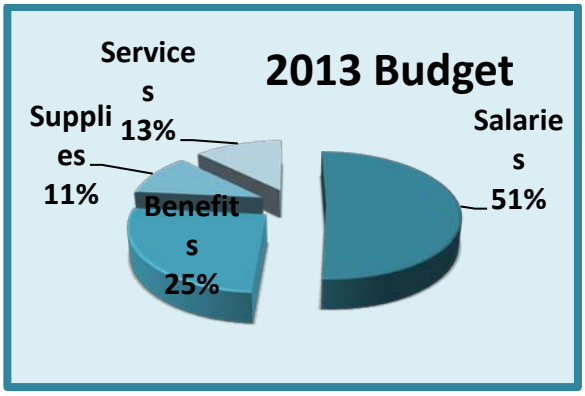
Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Salaries & Wages	$ 38,147	$ 30,349	$ 29,348	$ 59,600
Overtime	$ 175	$ 500	$ -	$ 200
Personnel Benefits	$ 16,531	$ 15,908	$ 14,777	$ 31,900
Total Salary & Benefits	$ 54,853	$ 46,757	$ 44,125	$ 91,700
Supplies	$ 3,749	$ 7,500	$ 2,866	$ 4,000
Uniforms	$ 861	$ 1,200	$ 773	$ 900
Fuel	$ 3,435	$ 3,600	$ 3,514	$ 4,000
Small Tools & Equipment	$ -	$ 300	$ 198	$ 300
Professional Services	$ 11,596	$ 18,000	$ 16,551	$ 15,000
Communications	$ 406	$ 500	$ 198	$ 300
Utilities	$ 10,260	$ 13,000	$ 18,995	$ 13,000
Operating Rentals	$ -	$ 300	$ 141	$ 300
Repair & Maintenance	$ 9,347	$ 10,500	$ 2,337	$ 10,000
Meetings, Training & Travel	$ -	$ 758	$ -	$ 200
Total Other Expenditures	$ 39,653	$ 55,658	$ 45,572	$ 48,000
TOTAL EXPENDITURES	**$ 94,506**	**$ 102,415**	**$ 89,697**	**$ 139,700**





2013 Program Expenditure Budget
Park Facilities

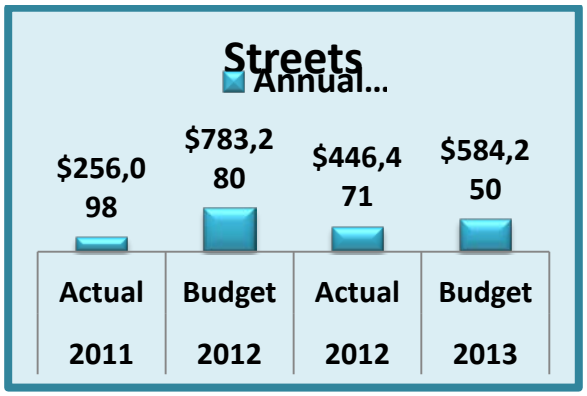
Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Salaries & Wages	$ 61,462	$ 46,681	$ 48,917	$ 77,900
Overtime	$ 1,520	$ 1,000	$ 772	$ 400
Personnel Benefits	$ 26,643	$ 23,812	$ 25,058	$ 39,300
Total Salary & Benefits	$ 89,625	$ 71,493	$ 74,747	$ 117,600
Supplies	$ 8,613	$ 15,000	$ 3,720	$ 8,000
Fuel	$ 5,889	$ 4,500	$ 6,528	$ 7,200
Small Tools & Equipment	$ -	$ 400	$ 184	$ 400
Uniforms	$ 1,003	$ 1,200	$ 756	$ 1,000
Professional Services	$ 517	$ 2,000	$ 547	$ 1,000
Communications	$ 575	$ 800	$ 1,075	$ 600
Utilities	$ 14,696	$ 14,000	$ 12,552	$ 14,000
Repair & Maintenance	$ 3,335	$ 3,500	$ 2,776	$ 3,500
Meetings, Training & Travel	$ 180	$ 1,008	$ 180	$ 250
Total Other Expenditures	$ 34,808	$ 42,408	$ 28,319	$ 35,950
TOTAL EXPENDITURES	**$ 124,434**	**$ 113,901**	**$ 103,067**	**$ 153,550**

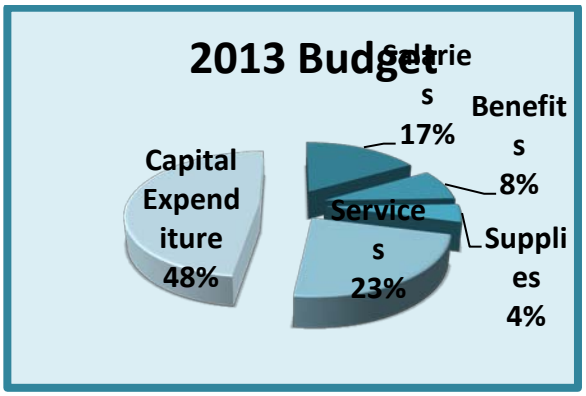


CITY OF STANWOOD
2013 BUDGET

2013 Program Expenditure Budget
Street Funds

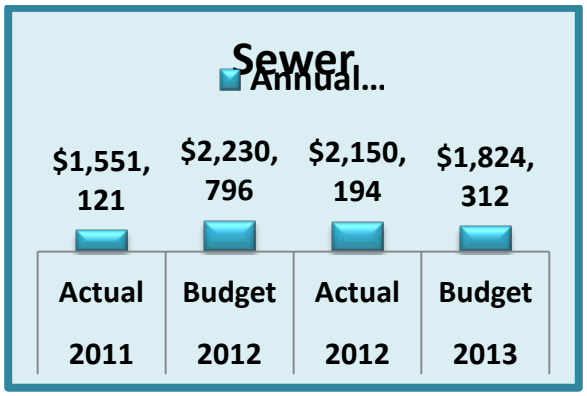
Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Salaries & Wages	$ 59,310	$ 70,535	$ 67,266	$ 96,200
Overtime	$ 1,534	$ 1,000	$ 772	$ 400
Personnel Benefits	$ 31,244	$ 35,137	$ 34,108	$ 46,100
Total Salary & Benefits	$ 92,089	$ 106,672	$ 102,147	$ 142,700
Supplies	$ 16,709	$ 24,000	$ 18,227	$ 20,000
Uniforms	$ 843	$ 1,200	$ 765	$ 1,000
Fuel	$ 4,239	$ 5,000	$ 4,564	$ 5,000
Small Tools & Equipment	$ 19	$ 400	$ 239	$ 400
Professional Services	$ 42,183	$ 55,000	$ 48,383	$ 30,000
Communications	$ 2,519	$ 2,700	$ 1,679	$ 2,700
Rentals	$ 300	$ 300	$ 28	$ 300
Insurance	$ 27,603	$ 25,173	$ 24,674	$ 22,950
Payments ot Claimants	$ 1,100	$ -	$ -	$ -
Utilities	$ 9,703	$ 64,000	$ 55,246	$ 64,000
Street Lighting	$ 48,426	$ -	$ 420	$ -
Repair & Maintenance	$ 10,185	$ 20,000	$ 10,435	$ 15,000
Miscellaneous	$ 32	$ 100	$ -	$ 100
Meetings, Training & Travel	$ 148	$ 758	$ -	$ 500
Dues	$ -	$ 500	$ 33	$ 100
Total Other Expenditures	$ 164,009	$ 199,131	$ 164,694	$ 162,050
Capital Expenditures	$ -	$ 477,477	$ 179,631	$ 279,500
TOTAL EXPENDITURES	**$ 256,098**	**$ 783,280**	**$ 446,471**	**$ 584,250**

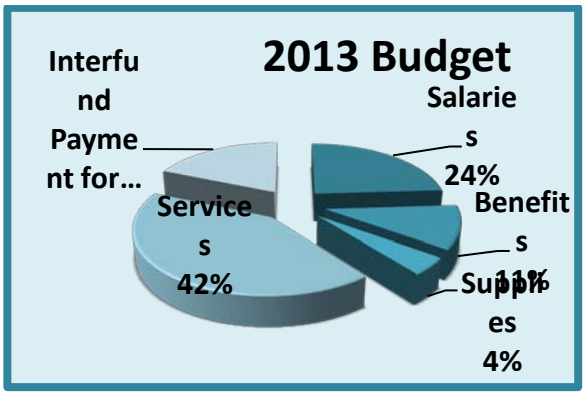




2013 Program Expenditure Budget
Sewer Funds

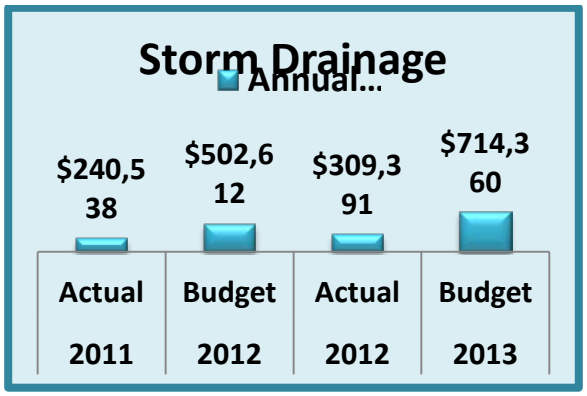
Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Salaries & Wages	$ 181,764	$ 199,601	$ 206,490	$ 212,300
Overtime	$ 2,008	$ 5,000	$ 808	$ 2,400
Personnel Benefits	$ 2,240	$ 99,612	$ 97,588	$ 98,100
Total Salary & Benefits	$ 186,011	$ 304,213	$ 304,886	$ 312,800
Supplies	$ 14,255	$ 25,000	$ 36,675	$ 25,000
Uniforms	$ 4,327	$ 4,250	$ 3,789	$ 4,000
Fuel	$ 6,703	$ 7,500	$ 5,975	$ 7,500
Small Tools & Equipment	$ 2,675	$ 2,500	$ 8,802	$ 2,500
Professional Services	$ 58,254	$ 117,000	$ 65,499	$ 72,500
Bio-solid Removal	$ -	$ -	$ -	$ 100,000
Communications	$ 13,712	$ 15,000	$ 13,401	$ 15,000
Advertising	$ -	$ 500	$ 33	$ 500
Rentals	$ -	$ 500	$ 71	$ 500
Insurance	$ 36,805	$ 33,566	$ 32,898	$ 30,600
Utilities	$ 86,597	$ 95,000	$ 87,058	$ 95,000
Repair & Maintenance	$ 18,674	$ 20,000	$ 6,256	$ 20,000
B&O Tax	$ 32,962	$ 30,000	$ 33,672	$ 30,000
Meetings, Training & Travel	$ 623	$ 1,896	$ 678	$ 1,500
Dues	$ 180	$ 500	$ 230	$ 500
Permits	$ 8,677	$ 8,500	$ 8,642	$ 9,000
Interfund Payment for Service	$ 164,414	$ 166,634	$ 166,634	$ 166,634
Total Other Expenditures	$ 448,858	$ 528,346	$ 470,315	$ 580,734
Principal Payments	$ 670,858	$ 670,858	$ 670,858	$ 670,858
Interest Payments	$ 17,838	$ 15,879	$ 15,879	$ 13,920
Total Debt Service Payments	$ 688,696	$ 686,737	$ 686,737	$ 684,778
Capital Expenditures	$ 105,222	$ 671,500	$ 648,257	$ 206,000
Equipment Replacement Trans	$ 40,000	$ 40,000	$ 40,000	$ 40,000
Total Capital	$ 145,222	$ 711,500	$ 688,257	$ 246,000
TOTAL EXPENDITURES	**$ 1,468,788**	**$ 2,230,796**	**$ 2,150,196**	**$ 1,824,312**

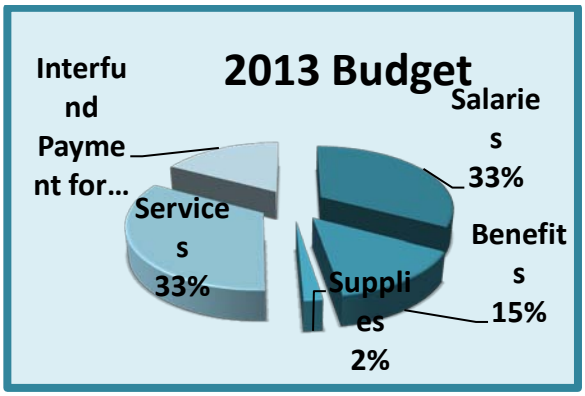




2013 Program Expenditure Budget
Storm Drainage Funds

Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Salaries & Wages	$ 68,053	$ 72,613	$ 67,477	$ 96,400
Overtime	$ 1,550	$ 1,000	$ 796	$ 400
Personnel Benefits	$ 29,447	$ 35,673	$ 33,689	$ 42,800
Total Salary & Benefits	$ 99,050	$ 109,286	$ 101,962	$ 139,600
Supplies	$ 1,056	$ 5,000	$ 1,716	$ 2,500
Uniforms	$ 700	$ 1,200	$ 745	$ 1,200
Fuel	$ 1,229	$ 1,100	$ 1,641	$ 1,500
Small Tools & Equipment	$ -	$ 400	$ -	$ 400
Professional Services	$ 14,927	$ 40,000	$ 56,416	$ 42,500
Communications	$ 2,449	$ 3,000	$ 2,364	$ 3,000
Rentals	$ -	$ 500	$ 71	$ 500
Insurance	$ 36,805	$ 33,566	$ 32,898	$ 30,600
Utilities	$ 6,453	$ 7,000	$ 8,494	$ 10,000
Repair & Maintenance	$ 1,631	$ 5,500	$ 172	$ 4,500
B&O Tax	$ 7,195	$ 6,200	$ 7,549	$ 6,200
Meetings, Training & Travel	$ -	$ 758	$ -	$ 758
State Operating Permits	$ -	$ 600	$ -	$ 600
Interfund Payment for Service	$ 55,749	$ 50,502	$ 50,502	$ 50,502
Advertising	$ -	$ -	$ 67	$ -
Total Other Expenditures	$ 128,194	$ 155,326	$ 162,636	$ 154,760
Capital Expenditures	$ 3,293	$ 228,000	$ 34,793	$ 410,000
Equipment Replacement Trans	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Total Capital	$ 13,293	$ 238,000	$ 44,793	$ 420,000
TOTAL EXPENDITURES	**$ 240,538**	**$ 502,612**	**$ 309,391**	**$ 714,360**

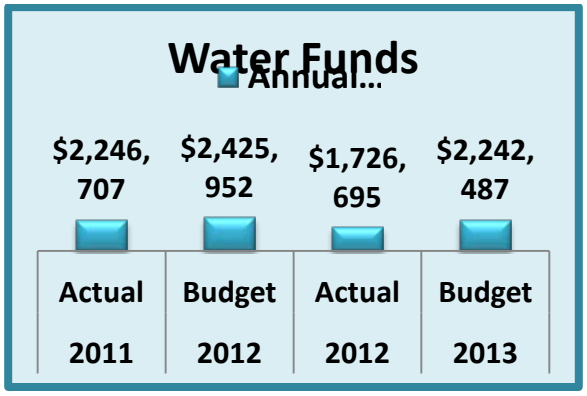


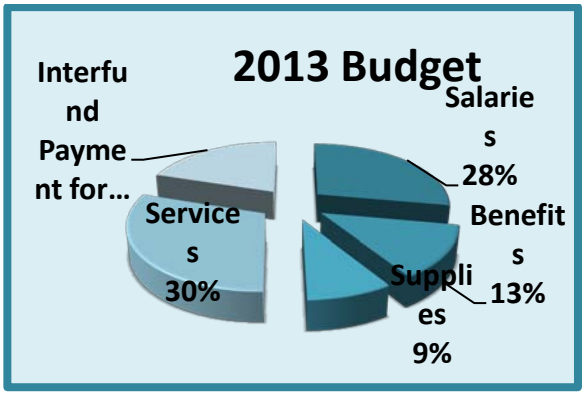


CITY OF STANWOOD
2013 BUDGET

2013 Program Expenditure Budget
Water Funds

Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Salaries & Wages	$ 254,192	$ 272,592	$ 237,960	$ 234,000
Overtime	$ 2,238	$ 7,000	$ 1,188	$ 3,100
Personnel Benefits	$ 113,636	$ 143,961	$ 114,977	$ 112,300
Total Salary & Benefits	$ 370,066	$ 423,553	$ 354,125	$ 349,400
Supplies	$ 38,581	$ 36,000	$ 30,421	$ 36,000
Uniforms	$ 4,254	$ 5,950	$ 3,311	$ 4,500
Chemicals	$ 8,053	$ 8,000	$ 7,622	$ 8,000
Fuel	$ 10,898	$ 10,000	$ 10,052	$ 10,000
Small Tools & Equipment	$ 6,990	$ 5,000	$ 4,420	$ 15,000
Professional Services	$ 76,956	$ 80,000	$ 69,329	$ 77,500
Communications	$ 7,746	$ 8,500	$ 13,269	$ 8,500
Advertising	$ -	$ 500	$ 33	$ 500
Rentals	$ 169	$ 300	$ 71	$ 300
Insurance	$ 36,805	$ 33,566	$ 32,898	$ 30,600
Utilities	$ 50,841	$ 48,000	$ 54,815	$ 48,000
Repair & Maintenance	$ 16,451	$ 15,000	$ 10,536	$ 15,000
B&O Tax	$ 58,833	$ 67,000	$ 61,376	$ 67,000
Dues	$ 418	$ 1,000	$ 891	$ 1,000
Meetings, Training & Travel	$ 1,598	$ 2,654	$ 1,837	$ 2,500
Testing	$ 170	$ 500	$ 87	$ 500
Operating Permit	$ 5,501	$ 6,000	$ 2,178	$ 6,000
Interfund Payment for Service	$ 153,963	$ 170,257	$ 170,257	$ 170,257
Total Other Expenditures	$ 478,226	$ 498,227	$ 473,404	$ 501,157
Principal Payments	$ 392,553	$ 392,554	$ 392,553	$ 392,554
Interest Payments	$ 39,861	$ 36,618	$ 36,619	$ 33,376
Total Debt Service Payments	$ 432,414	$ 429,172	$ 429,172	$ 425,930
Capital Expenditures	$ 956,000	$ 1,065,000	$ 459,994	$ 956,000
Equipment Replacement Trans	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Total Capital	$ 966,000	$ 1,075,000	$ 469,994	$ 966,000
TOTAL EXPENDITURES	**$ 1,814,292**	**$ 1,996,780**	**$ 1,297,522**	**$ 1,816,557**





2013 Program Expenditure Budget
Debt Service Fund

Description	2011 Actual	2012 Budget	2012 Actual	2013 Budget
Professional Services	$ 604	$ 1,250	$ 605	$ 1,250
Total Services	$ 604	$ 1,250	$ 605	$ 1,250
GO Bond Principal - Fire Station	$ 150,000	$ 165,000	$ 165,000	$ 170,000
GO Bond Principal - Parks & Police	$ 35,000	$ 35,000	$ 35,000	$ 35,000
Total Principal Payments	$ 185,000	$ 200,000	$ 200,000	$ 205,000
GO Bond Interestl - Fire Station	$ 68,200	$ 62,200	$ 62,200	$ 55,600
GO Bond Interestl - Parks & Police	$ 4,200	$ 2,800	$ 2,800	$ 1,400
Total Interest Payments	$ 72,400	$ 65,000	$ 65,000	$ 57,000
TOTAL EXPENDITURES	**$ 258,004**	**$ 266,250**	**$ 265,605**	**$ 263,250**

The General Obligation Bond Fund accounts for the accumulation of resources for and the payment of general long-term obligation principal and interest. Revenues for this purpose include ad valorem property taxes on voted bond issues. Costs charged to this fund include scheduled principal and interest payments , debt issue costs, fiscal agent fees, and other debt-related costs.

The fire station bonds were issued in 2007 as a refunding bond for debt originally issued in 1994 to make fire station capital improvements. The principal balance as of December 31, 2012 was $1,390,000. This bond matures in 2020, and bears an annual interest rate of 4%.

The parks and police bonds were also issued in 2007 as a refunding bond for debt originally issued in 1993 to finance parks and police capital outlays. The principal balance as of December 31, 2012 was $35,000. These bonds will be completely paid off in 2013, and bear an annual interest rate of 4%.

Municipal Debt Capacity

Under RCW 39.36.020(2), the public may vote to approve bond issues for general government in an amount not to exceed 2.5% of the City's assessed valuation. Within the 2.5% limit, the City Council may approve bond issues not to exceed 1.5% of the City's assessed valuation. The City of Stanwood currently has an assessed valuation of about $600 million. This means that the City could issue up to $9 million ($600 million X 1.5% = $9 million) of non-voted, or councilmanic debt, and is limited to issuing not more than $15 million ($600 million X 2.5% = $15 million) in overall general obligation debt.

Appendix

Strategic Direction

Stanwood Mission Statement

The mission of the City of Stanwood is to enact the will of the people through their active, inclusive participation and to provide the services they demand in a quality, cost-effective manner. To accomplish our mission we will:

- *Practice responsive, effective governance;*
- *Be unrelenting in our efforts to improve service quality, cost and effectiveness;*
- *Create and maintain effective partnerships;*
- *Value diversity in the organization and the community;*
- *Be accountable to citizens and each other for our actions; and,*
- *Uphold the highest professional and ethical standards.*

Stanwood Values

Responsiveness – being proactive; having a bias for action and a sense of urgency in getting things done; anticipating citizens' needs and taking fast action to surpass their expectations; encouraging citizen input.

Integrity – possessing an unwavering commitment to doing the right things right, with consistent adherence to the highest professional standards; keeping commitments to our citizens, co-workers and others.

Innovation – dedicating ourselves to learning and growing; constantly searching for better ways to get the job done; using our collective imagination to creatively and effectively solve problems for our citizens; going beyond perceived boundaries to get desired results.

Teamwork – recognizing that every employee and every council member is important to the complete satisfaction of our citizens as well as the ultimate success of our City; feeling personally responsible for successful outcomes, treating everyone with respect; communicating regularly, directly and honestly with our employees, council members, and citizens.

2013 Salary and Benefit Schedule for City Employees:

CITY OF STANWOOD
Stanwood, Washington

RESOLUTION 2012-12

A RESOLUTION OF THE CITY OF STANWOOD, WASHINGTON FORMALLY ADOPTING A SALARY AND BENEFIT SCHEDULE FOR CITY EMPLOYEES EFFECTIVE JANUARY 1, 2013

WHEREAS, it is necessary and appropriate to establish the salary and benefits schedule for employees and elected officials of the City of Stanwood by resolution of the City Council; and

WHEREAS, pursuant to RCW 35A.11.020, the City Council has the power to fix the compensation and working conditions of its officers and employees; and

WHEREAS, on June 28, 2012 the City Council approved an Agreement by and between City of Stanwood and Teamsters Local Union No. 231 (Representing the Administrative Employees) for the period from January 1, 2012 through December 31, 2014; and

WHEREAS, on June 28, 2012 the City Council approved an Agreement by and between City of Stanwood and Teamsters Local Union No. 231 (Representing the Public Works Employees) for the period from January 1, 2012 through December 31, 2014; and

WHEREAS, on May 28, 2009 the City Council approved the Personnel Policy manual, which establishes many of the pay and benefit policies and procedures currently applied to non-represented employees.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON, AS FOLLOWS:

Section 1: Adopting Pay and Benefits for Teamsters Administrative Employees
That the monthly base compensation for City employees represented by Teamsters Local Union No. 231 (representing the Administrative Employees), subject to adjustments as contained in collective bargaining agreements by the City as set forth below:

	Minimum	Maximum
Permit Specialist I	$3,714	$4,245

RESOLUTION No. 2012-12
City of Stanwood
Page 1

Permit Specialist II	$4,033	$4,563
Administrative Asst. I	$3,608	$4,139
Administrative Asst. II	$4,033	$4,563
Administrative Lead	$4,457	$4,988
Accounting Clerk I	$2,971	$3,502
Accounting Clerk II	$3,290	$3,820
Accounting Clerk III	$3,502	$4,033
Accounting Clerk IV	$3,926	$4,457
Police Records Clerk I	$3,396	$3,926
Police Records Clerk II	$3,714	$4,245
Office Clerk I	$2,971	$3,502
Office Clerk II	$3,396	$3,926
Deputy City Clerk I	$3,714	$4,245
Deputy City Clerk II	$4,033	$4,563

Other pay and benefits for City Teamsters Administrative Employees are enumerated in the current Collective Bargaining Agreement.

Section 2: Adopting Pay and Benefits for Teamsters Public Works Employees
That the monthly base compensation for City employees represented by Teamsters Local Union No. 231 (representing the Public Works Employees), subject to adjustments as contained in collective bargaining agreements by the City as set forth below:

	Minimum	Maximum
Public Works Technician I	$3,215	$3,751
Public Works Technician II	$3,536	$4,074
Public Works Technician III	$3,858	$4,395
Public Works Technician IV	$4,181	$4,716
Public Works Lead Person	$4,502	$5,038
Water Treatment Plant Operator I	$3,965	$4,502
Water Treatment Plant Operator II	$4,395	$4,931
WW Treatment Plant Operator I	$3,965	$4,502
WW Treatment Plant Operator II	$4,395	$4,931

Other pay and benefits for City Teamsters Public Works Employees are

enumerated in the current Collective Bargaining Agreement.

Section 3: Adopting Pay and Benefits for Non-Represented Employees
That the monthly base compensation for City employees and elected officials who are not represented by a union or bargaining group subject to adjustments as contained herein as set forth below:

	Minimum	Maximum
City Administrator	$8,200	$9,792
Public Works Director	$6,800	$8,670
Community Development Director	$6,500	$8,364
Finance Director / City Clerk	$6,200	$8,160
PW Field Supervisor	$5,200	$6,426
Senior Planner	$5,000	$6,222
Clerk / HR	$4,800	$6,018
Accountant	$4,700	$6,018
Planner	$4,100	$5,304
Building Inspector	$4,000	$5,202
Mayor	$1,100	$1,100
Councilmember	$ 300	$ 300
Part-Time and Seasonal Employees	$9.19/hr	$35.00/hr

a) Salary Increases Based on Performance
On January 1st of each year, full-time non-represented employees may, in addition to contract adjustments, receive an annual salary increase based on individual performance as determined by the Mayor. The total amount of performance increases shall not exceed the performance pool, which is calculated by the finance director and authorized by the City Council as a percentage share of annual full-time, non-represented salaries.

For the 2013 budget year, the performance pool will be $14,963, which is based on 3% of 2012 total non-represented salaries ($498,772 X 3% = $14,963).

b) Health Insurance and Retirement Benefits
The City of Stanwood currently provides the following benefits for non-represented employees.

- Medical - The City pays 100% employee cost for medical, dental and vision insurance.

For dependent medical benefits, the employee shall share the cost of benefits under Association of Washington Cities (AWC) Health First Plan as follows:

Effective January 1, 2013:

Spouse	4.5%	to a maximum $ 27.99 per month
First Dependent	4.5%	to a maximum $ 13.72 per month
Second Dependent	4.5%	to a maximum $ 11.35 per month
Full Family	4.5%	to a maximum $ 53.06 per month

Effective January 1, 2014:

Spouse	9%	to a maximum 9% of the 2013 rate per month
First Dependent	9%	to a maximum 9% of the 2013 rate per month
Second Dependent	9%	to a maximum 9% of the 2013 rate per month
Full Family	9%	to a maximum 9% of the 2013 rate per month

- $10,000 life insurance paid by the city.
- Public Employees Retirement System (PERS). Benefit levels and contributions are set by the State of Washington
- Deferred Compensation Plan. The City is a member of the State Deferred Compensation Plan which allows employees to make tax deferred deposits up to dollar limits defined by the IRS.

c) Other Benefits as Provided in the Personnel Policy Manual
The City of Stanwood provides other benefits to its employees as enumerated in the Personnel Policy Manual as approved by City Council on May 28, 2009.

ADOPTED by the City Council and **APPROVED** by the Mayor this 19th day of November, 2012.

CITY OF STANWOOD

By Dianne White
Dianne White, Mayor

RESOLUTION No. 2012-12
City of Stanwood Page 4

CITY OF STANWOOD
2013 BUDGET

Summary of Position Information

		NUMBER OF EMPLOYEES					
Title	**Department**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Senior Accountant	Administration	1.00	1.00	1.00	1.00	1.00	1.00
Accounting Clerk	Administration	1.00	1.00	0.00	0.00	0.00	0.00
Finance Director / City Clerk	Administration	1.00	1.00	1.00	1.00	1.00	1.00
Accounting Clerk IV	Administration	1.00	1.00	1.00	1.00	1.00	1.00
City Administrator	Administration	1.00	1.00	1.00	0.00	1.00	1.00
Accounting Clerk II	Administration	1.00	1.00	1.00	1.00	1.00	1.00
Total Finance / Administration		**6.00**	**6.00**	**5.00**	**4.00**	**5.00**	**5.00**
City Clerk/HR Director	Clerk	1.00	1.00	1.00	1.00	1.00	0.00
Deputy City Clerk I	Clerk	1.00	1.00	1.00	1.00	1.00	1.00
Records Clerk - Temp	Clerk	0.45	0.00	0.00	0.00	0.00	0.00
Admin. Assistant II	Clerk	0.50	1.00	0.50	0.50	0.50	1.00
Total City Clerk		**2.95**	**3.00**	**2.50**	**2.50**	**2.50**	**2.00**
Planner	Community Development	1.00	1.00	0.00	0.00	0.00	1.00
Building Inspector	Community Development	1.00	1.00	1.00	1.00	1.00	1.00
Permit Specialist I	Community Development	1.80	0.80	0.75	0.75	0.75	0.75
Comm. Dvlpmnt. Director	Community Development	1.00	1.00	1.00	1.00	1.00	1.00
Sr Planner	Community Development	1.00	0.75	0.00	0.00	0.00	0.00
Administrative Assistant II	Community Development	1.00	1.00	1.00	1.00	1.00	1.00
Economic Development	Community Development	0.00	0.00	0.00	0.00	1.00	0.00
Total Comm. Dev.		**6.80**	**5.55**	**3.75**	**3.75**	**4.75**	**4.75**
Firefighter *	Fire Department	4.00	4.00	4.00	3.00	3.00	0.00
Fire Captain	Fire Department	4.00	4.00	3.00	3.00	3.00	0.00
Front Office Coordinator	Fire Department	1.00	0.63	0.00	0.00	0.00	0.00
Total Fire Dept.		**9.00**	**8.63**	**7.00**	**6.00**	**6.00**	**0.00**
HR Assistant	Human Resources	0.50	0.00	0.00	0.00	0.00	0.00
Human Resource Director	Human Resources	1.00	1.00	0.00	0.00	0.00	0.00
Total Human Resources		**1.50**	**1.00**	**0.00**	**0.00**	**0.00**	**0.00**
Administrative Assist. II	Police Department	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assist. Lead	Police Department	1.00	1.00	1.00	1.00	1.00	1.00
Office Assistant	Police Department	0.45	0.45	0.00	0.00	0.00	0.00
Total Police Dept		**2.45**	**2.45**	**2.00**	**2.00**	**2.00**	**2.00**
Administrative Assist. I	Public Works	0.50	0.50	0.50	0.50	0.50	1.00
Public Works Tech I	Public Works	1.00	1.00	1.00	1.00	1.00	1.00
Public Works Tech I	Public Works	2.00	2.00	1.50	1.50	1.50	1.00
Public Works Tech II	Public Works	2.00	2.00	2.00	2.00	2.00	1.00
Public Works Tech III	Public Works	2.00	2.00	2.00	1.00	1.00	1.00
Lead Public Works Tech	Public Works	1.00	1.00	1.00	1.00	0.00	1.00
Public Works Director	Public Works	1.00	1.00	1.00	1.00	1.00	1.00
WWTP Operator - Lead	Public Works						
Public Works Superintendent	Public Works	0.00	0.00	1.00	1.00	1.00	0.00
Waste/Storm Water Supervisor	Public Works	1.00	1.00	0.00	0.00	0.00	0.00
Water Treatment Plant Oper I	Public Works	1.00	1.00	1.00	1.00	1.00	1.00
Lead Public Works Tech	Public Works	1.00	1.00	1.00	1.00	1.00	2.00
Water/Public Works Supervisor	Public Works	1.00	1.00	0.00	0.00	0.00	0.00
WWTP Operator II	Public Works	1.00	1.00	1.00	1.00	1.00	0.00
Total Public Works		**14.50**	**14.50**	**13.00**	**12.00**	**11.00**	**10.00**
Total FTE's		**43.20**	**41.13**	**33.25**	**30.25**	**31.25**	**23.75**

Note: In April 2012, the City began contracting fire control services with N. County Regional Fire Authority, eliminating 6.0 FTE. City combined clerk and finance positions to reduced .5 FTE, and reduced 1.0 FTE public works staff.

Other General Information

GENERAL:	
Year of Incorporation	1903
Form of Government	Mayor-Council
Type of Government	Code
County	Snohomish
Population - Official 2012	6,300
Population - Official 2010	6,220
Assessed Valuation (Taxable)	$592,070,922

2013 PROPERTY TAX LEVY:	
Regular Levy	$1,964,446.97
EMS Levy	$296,035.46
Total 2013 Property Tax Levy	$2,260,482.43

2013 PROPERTY TAX RATE:	
City of Stanwood	3.31366910
Washington State School	2.43317276
Stanwood Camano School District #401 - M&O Levy	2.37113183
Stanwood Camano School District #401 - Bond Levy	1.46178241
Snohomish County	1.03022670
Stanwood EMS Levy	0.50000000
Stanwood GO Bond 1994	0.04736544
County Conservation Futures	0.04689169
Stanwood GO Bond 2000	0.33701022
Total Levy Rate	11.54125015

SALES TAX RATE:	
State of Washington	6.5000%
State of Washington - Admin Fee	0.0100%
City of Stanwood	0.8415%
Snohomish County	0.1485%
Sound Transit	0.9000%
Criminal Justice (Snohomish County)	0.1000%
Mental Health	0.1000%
Total Sales Tax Rate - Stanwood	8.60%

STATE EXCISE TAX RATE:	
Water Utility	5.03%
Stormwater Utility	3.85%

BUSINESS & OCCUPATION TAX RATE:	
Retail & Service Providers	1.50%

HOTEL/MOTEL TAX RATE

BUSINESS LICENSE FEE:	
General Business	35.00

2013 CITY UTILITY MONTHLY RATE:	
Water	$21.05 for 600 cf + $2.756 for each add'l 100 cf
Stormwater	$12.25 for up to 10,000 sf

ECONOMIC AND DEMOGRAPHIC INFORMATION

Historical Population

Year	Snohomish County	Stanwood
2012	Unavailable	6,300
2011	717,000	6,220
2010	713,335	6,231
2009	705,895	6,073
2008	699,334	5,885
2007	689,318	5,593
2006	676,133	5,287

Source: Washington State Office of Financial Management

Largest Employers – Snohomish County

Major Private Employers		Major Public Employers	
Employer	Employment	Employer	Employment
The Boeing Company	39,000	Naval Station, Everett	6,000
Providence Regional Med Ctr	3,500	Washington State	6,000
Tulalip Tribes Enterprises	3,100	Snohomish County Gov't	2,500
Primera Blue Cross	2,400	Edmonds School District	2,000
The Everett Clinic	2,100	Everett School District	1,900
Philips Medical Systems	2,000	City of Everett	1,200
Swedish/Edmonds Hospital	1,700	Marysville School District	1,200
Fluke Corp	1,100	Monroe Correctional Complex	1,000
Aviation Technical Services	1,000	Snohomish County PUD	950
CEMEX (Rinker Materials)	850	Community Transit	650
Frontier Communications	800	Edmonds Community College	615

Source: Economic Development Council, Snohomish County, December 2011

City of Stanwood
Councils, Boards, and Commissions

Council/Mayor

On September 1, 1971 the City of Stanwood filed to become an Optional Municipal Code City under Title 35A Revised Code of Washington and operates a Mayor - Council form of Government in which the council has legislative authority and the Mayor has executive authority.

Number of Members: 8 members

Current Members:
Dianne White, Mayor
Elizabeth Callaghan, Position 1
Tim Pearce, Position 2
Richard Randall, Position 3
Matt McCune, Position 4
Larry Sather, Position 5
Conrad Ryer, Position 6
Leonard Kelley, Position 7

Meeting Information: Meets the second and fourth Thursday of each month at 7:00 p.m. at the Stanwood Camano School District Board Room, 26920 Pioneer Highway, Stanwood, Washington

Planning Commission

The Planning Commission advises the City Council in matters concerning comprehensive land use and development of the City.

Number of Members: 7 members

Current Members:
Linda Utgard, Position 1 (Chair)
Jeff Laycock, Position 2 (Vice-Chair)
Randy Heagle, Position 3
Chaim Bezalel, Position 4
Mark Ramaley, Position 5
Shelley Klasse, Position 6
Yvonne Washburn, Position 7

Meeting Information: Meets the second and fourth Monday of each month at 6:30 p.m. at the Stanwood Fire Station, Stanwood, Washington

City of Stanwood Services

Water Utility

The City of Stanwood operates a Group 2 Water Treatment Plant with a capacity of 2200 gallons per minute. In 2012, the plant produced 280,534,000 gallons of water.

Total Water Accounts	2509
Water Storage (2.15 million gallons of storage)	5 reservoirs
Water mains	66 miles
Current Water Source	Bryant Well #1
	Cedarhome Well
Additional Water Facilities Inventory	Hatt Slough Springs
	Bryant Well #2
	Fure Well
	Sill Well

Sewer Utility

The City of Stanwood operates a Group 3 Wastewater Treatment Plant with a capacity of 1.5 million gallons per day.

Total Sewer Accounts	2092
Pump Stations	7
Sewer gravity and force mains	27 miles

Stormwater Utility

Total Stormwater Accounts	2167
Pipe	27 miles
Detention/Retention Ponds (11.48 acres)	17

CITY OF STANWOOD
2013 BUDGET

CITY OF STANWOOD
SCHEDULE OF LONG-TERM DEBT
For The Year Ending December 31, 2012

Description	Due Date	Beg. Bal. 1/1/2012	Additions	Reductions	End. Bal 12/31/2012
2007 G.O. BOND	12/1/2013	70,000		35,000	35,000
2007 G.O. BOND	12/1/2020	1,555,000		165,000	1,390,000
2011 WATER REVENUE BONDS	12/1/2031	2,880,000		95,000	2,785,000
2002 INTERLOCAL AGREEMENT	6/30/2021	141,172		10,965	130,207
1995 PWTF-WATER	7/1/2015	156,814		39,203	117,611
1996 PWTF-SEWER	7/1/2016	309,913		61,983	247,930
2003 PWTF-WATER	7/1/2023	269,684		22,474	247,210
2001 PWTF-TREATMENT PLANT	7/1/2020	332,322		36,925	295,397
2003 SRF-WW TREATMENT PLNT	8/3/2026	6,080,213		465,029	5,615,184
2005 PWTF-WATER	7/1/2025	1,953,267		139,519	1,813,748
2006 PWTF-271ST TRUNKLINE	7/1/2026	1,603,816		106,921	1,496,895
2006 PWTF-BRYANT WELL	7/1/2026	2,585,767		172,385	2,413,382
2008 PWTF-WATER SYS PLAN	7/1/2014	56,917		18,973	37,944
Compensated Absences		142,888		69,784	73,104
Compensated Absences		31,433	1,013		32,446
TOTALS		18,169,206	1,013	1,439,161	16,731,057

CITY OF STANWOOD
Schedule of Limitation of Indebtedness
As of December 31, 2011

I. General Purpose Indebtedness (Legal Limit 2.5% of Taxable Property Value)			$ 17,873,351
A. General Purpose Indebtedness Without a Vote (Legal Limit 1.5%)		$ 10,724,011	
Indebtedness:			
General Obligation Bonds	$ 70,000		
Less Assets Available			
Indebtedness Incurred-Section A		$ 70,000	
Indebtedness Margin-Section A		$ 10,654,011	
B. Capital Leases Without a Vote (Legal Limit 1.5%)		$ 10,724,011	
Capital Leases Payable	$ 141,172		
Less Assets Available			
Indebtedness Incurred-Section B		$ 141,172	
Indebtedness Margin-Section B		$ 10,582,839	
C. General Purpose Indebtedness With a Vote (Legal Limit 2.5%)		$ 17,873,351	
Indebtedness:			
General Obligation Bonds	$ 1,555,000		
Less Assets Available			
Indebtedness Incurred-Section C		$ 1,555,000	
Indebtedness Margin-Section C		$ 16,318,351	
Less: Indebtedness Incurred - General Purposes (Sections A+B+C)			$ 1,766,172
Margin of Indebtedness Available -General Purposes			$ 16,107,179

ACCOUNT:
A chronological record of public funds showing receipts, disbursements, and the balance.

ACCOUNTING SYSTEM:
The total 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 governments).

ACCRUAL BASIS OF ACCOUNTING:
The method of accounting under which revenues are recorded when they are earned and expenses are recognized when incurred. "When" cash is received or distributed is not a determining factor.

AD VALOREM TAXES:
A tax levied on the assessed value of real property.

ADOPTED BUDGET:
The financial plan adopted by the City Council which forms the basis for appropriations.

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

AMORTIZATION:
(1) The portion of the cost of a limited life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

ANNEXATION:
The incorporation of land into an existing city with a resulting change in the boundaries of that city.

ANNUAL DEBT SERVICE:
The amount required to be paid in a calendar year for (1) interest on all bonds then outstanding; and (2) principal of all bonds then outstanding, but excluding any outstanding term bonds.

ANNUAL FINANCIAL REPORT:
The official annual report of a government. It includes (a) the five combined financial statements in the combined statement – overview and their related notes, and (b) combined statements by fund type and individual fund financial statements prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-regulated legal and contractual provisions, required supplementary information, extensive introductory material, and a detailed statistical section.

APPROPRIATION:
An authorization made by the City Council which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

ASSESSED VALUATION:
The estimated value place upon real and personal property by the County Assessor as the basis for levying property taxes.

ASSETS:
Property owned by a government which has monetary value.

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.
- Ascertain the stewardship of officials responsible for governmental resources.

AUDITOR'S REPORT:
In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion of the fairness of the presentation of the financial information in conformity with generally accepted accounting principles or some other comprehensive basis of accounting.

BALANCED BUDGET:
A budget in which receipts are equal to or greater than outlays in a fiscal period.

BALANCE SHEET:
A statement presenting the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date.

B.A.R.S.:
The State of Washington prescribed Budgeting, Accounting and Reporting System Manual required for all governmental entities in the State of Washington.

BASE BUDGET:
Ongoing expenses for personnel, contractual services, and the replacement of supplies and equipment to maintain service levels previously authorized by the City Council.

BASIC FINANCIAL STATEMENTS:
Those financial statements, including notes thereto, necessary for the fair presentation of the financial position and results of operations of an entity in conformity with GAAP. The basic financial statements include a balance sheet, an "all-inclusive" operating statement, a budget comparison statement (for all governmental funds for which annual appropriated budgets are adopted), and a statement of changes in financial position (for proprietary funds, pension trust funds and non-expendable trust funds).

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.

BENEFITS:
Employer contributions paid by the City as part of the conditions of employment. Examples include health/dental insurance, state public employees retirement systems, and employment security.

BOND:
(Debt Instrument) A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specified capital expenditures.

BOND ANTICIPATION NOTES:
(BANS) Short term interest-bearing notes issued in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue from which they are related.

BOND REGISTRAR:
The fiscal agency of the State of Washington in either Seattle, Washington or New York, New York, for the purposes of registering and authenticating the bonds, maintaining the bonds, and bond register, effecting transfer of ownership of the bonds and paying interest on the principal of (and any premium pursuant to call on) the bonds.

BUDGET:
A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which the City and its departments operate.

BUDGET AMENDMENT:
A change to a budget adopted in accordance with State law. A budget may be amended to increase expenditures/expenses at a fund level by ordinance without public notice or public hearing requirements, when unanticipated revenues occur or when emergencies exist (RCW 35A.33.080 and 35A.33.120). The Mayor is authorized to make budget amendments between organizations of the same fund, as long as there is no change in the total budget for that fund.

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 Finance Department and supporting staff for the Mayor which presents the proposed budget to the City Council.

BUDGET GUIDELINES:
The City's guidelines with respect to revenue, debt, budget, and organization management as these relate to the City's ongoing ability to provide services, programs, and capital investment.

BUDGET MESSAGE:
A message prepared by the Mayor explaining the annual proposed budget, articulating the strategies and budget packages to achieve the City's goals, and identifying budget impacts and changes.

BUDGET PROCESS:
The process of translating planning and programming decisions into specific financial plans.

BUDGET YEAR:
The fiscal year for which the budget is being considered; the fiscal year following the current year.

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. Capital assets are also called fixed assets.

CAPITAL BUDGET:
A plan of proposed capital expenditures and the means of financing them. The capital budget may be enacted as part of the complete annual budget including both operating and capital outlays. The capital budget is based on the Capital Improvement Plan (CIP).

CAPITAL EXPENDITURES:
Expenditures that result in the acquisition or construction of capital assets.

CAPITAL FACILITIES PLAN:
A capital facilities plan includes an inventory of existing facilities, a forecast of future needs, proposed locations, capacities for new or expanded facilities, and a financing plan. The financing plan outlines the costs, revenues, and time schedules for each capital improvement project. In compliance with the Growth Management Act legislation within the State of Washington, the City has prepared such a plan.

CAPITAL IMPROVEMENT PROGRAM:
A plan for capital expenditures to be incurred each year over a fixed period of years, setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

CAPITAL OUTLAY:
Expenditures which result in the acquisition or addition to fixed assets. Examples include land, buildings, machinery and equipment, and construction projects.

CAPITAL PROJECTS:
Projects which purchase or construct capital assets. Typically , a capital project encompasses a purchase of land, or construction of a building or facility, with a life expectancy of more than ten (10) years.

CARRYOVERS:
Carryovers result from timing of project completion. The final expenditures need to be rebudgeted to provide an appropriation from one fiscal year to the next in order to accomplish the purpose for which the funds were originally budgeted. Carryovers generally involve projects rather than line item expenditures.

CASH BASIS:
The method of accounting under which revenues are recorded when received and expenditures are recorded when paid.

CASH MANAGEMENT:
The process of managing monies for the City to ensure operating cash availability and safe investment of idle cash.

C.D.B.G.:
Community Development Block Grants – grant funds administered through the Department of Community Trade and Economic Development (CTED) of the State of Washington.

CERTIFICATE OF DEPOSIT:
A negotiable or non-negotiable receipt for monies deposited in a bank or other financial institution for a specified period for a specified rate of interest.

CITY DEPARTMENT:
A major administrative and financial division of resources and responsibilities within the City organization. Departments include: (1) Clerk and City Council, (2) Mayor, (3) Administration and Finance, (4)Building and Grounds, (5) Police, (6) Fire, (7) Community Development, (8) Parks, and (9) Public Works.

COLA:
Cost of Living Allowance.

COMMUNITY SERVICES INDICATOR:
A community services indicator is an indicator of the attainment of an objective. It is a specific quantitative measure of work performed or services provided within an activity or program, or it may be a quantitative measure of results obtained through a program or activity.

COMPREHENSIVE PLAN:
A general plan that outlines growth and land use for residential, commercial, industrial, and open space areas.

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:
A statistical description of price levels for a fixed market basket of goods and services 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 for.

COST ACCOUNTING:
Accounting which assembles and records all costs incurred to carry out a particular activity of deliver a particular service.

COUNCILMANIC BONDS:
Councilmanic bonds refer to bonds issued with the approval of the Council, as opposed to voted bonds which must be approved by vote of the public. Councilmanic bonds must not exceed 1.50 percent of the assessed valuation, and voted bonds 2.50 percent.

CURRENT YEAR:
The fiscal year in progress.

CUSTOMER:
The recipient of a product or service provided by the City. Internal customers are usually City departments, employees, or officials who receive products or services provided by another City department. External customers are usually citizens, neighborhoods, community organizations, businesses, or other public entities who receive products or services provided by a City department.

DEBT:
An obligation resulting from the borrowing of money or from the purchase of goods or services. Debts of governments include bonds, time warrants and notes.

DEBT LIMITS:
The maximum amount of gross or net debt which is legally permitted.

DEBT SERVICE:
Payment of interest and repayment of principal to holders of the City's debt instruments.

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 and other City-issued debt.

DEFICIT:
(1) The excess of an entity's liabilities over its assets (See Fund Balances). (2) The excess of expenditures or expenses over revenues during a single accounting period.

DELINQUENT TAXES:
Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or cancelled, the unpaid balances continue to be delinquent taxes until abated, cancelled, paid or converted into tax liens.

DEPARTMENT:
Basic organizational unit of City government responsible for carrying out a specific function.

DEPRECIATION:
(1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset which is charged as an expense during a particular period.

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

DUE FROM OTHER FUNDS:
An asset account used to indicate amounts owed to a particular fund by another fund for goods or services rendered. This account includes only short-term obligations on open account, not interfund loans.

EMS:
Emergency Management Services.

ENCUMBRANCES:
Obligations in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation fund and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

ENDING FUND BALANCE:
The cash balance remaining at the end of the fiscal year available for appropriation in future years.

ENTERPRISE FUND:
A fund type used to account for operations that are financed or operated in a manner similar to private business enterprise where the intent of the governing body is that costs of providing goods and services be recovered primarily through user charges.

EXPENDITURE/EXPENSES:
Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposed are made.

EQUIPMENT:
Expenditures for durable goods such as computers, desks, chairs, or vehicles.

FEMA:
The Federal Emergency Management Act is a Federal initiative designed to provide financial assistance in the event of an emergency.

FICA:
Federal Assistance Contribution Act is an employment tax levied against both an employee and employer for Social Security and Medicare taxes.

FISCAL YEAR:
A twelve (12) month period designated as the operating year by an entity. For Stanwood, the fiscal year is the same as the calendar year (also called budget year).

FIXED ASSETS:
Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment, improvements other than buildings, and land.

FIXED CHARGES:
Repetitive expenditures of which the amounts are more or less constant. These may repeat at various intervals, weekly, monthly, annually, etc. Examples are insurance premiums, contributions to pensions, and land and building rentals.

FORFEITURE:
The automatic loss of cash or other property as a punishment for not complying with provisions and as compensation.

FULL FAITH AND CREDIT:
A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

FTE:
Full-time equivalent employee. The ratio of a position in comparison to the amount of time a regular, full-time employee normally works in a year. A full-time employee (1.00 FTE) is paid for 2,080 hours per year. Positions budgeted to work less than full-time are expressed as a percent of full-time. For example, a .5 FTE budgeted position will work 1,040 hours.

FUND:
An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

FUND BALANCE:
The excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit.

GAAFR:
"Governmental Accounting, Auditing and Financial Reporting". The "blue book" published by the Government Finance Officers Association to provide guidance for the application of accounting principles for governments.

GAAP:
Generally Accepted Accounting Principles are standards used for accounting and reporting used for both private industry and governments.

GASB:
Government Accounting Standards Board, established in 1985, to regulate the rules and standards for all governmental units.

GENERAL FIXED ASSETS:
Capital assets that are not a part of any fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental funds.

GENERAL FUND:
This fund accounts for the financial operations of the City which are not accounted for in any other fund. Principal sources of revenue are taxes, fees, and other revenues that may be used for any lawful purpose. Primary expenditures in the General Fund are made for police and fire protection, building development and planning, parks, and City Council.

GENERAL OBLIGATION BONDS:
Bonds for which the full faith and credit of the insuring government are pledged for payment.

GIS:
Geographical Information System.

GOALS:
The objective of specific tasks and endeavors.

GRANT:
A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.

GROWTH MANAGEMENT:
Legislation enacted in 1990 by the State Legislature requiring that all jurisdictions in the larger counties adopt new comprehensive plans by the end of 1993. The legislation was enacted due to enormous growth experienced in the State and a lack of uniform guidance for related development. This Act further specified that all plans conform to a broad set of guidelines of both the parent county and neighboring jurisdictions. Eight (8) specific elements, including concurrency, are required to be included in every comprehensive plan. Concurrency requires that infrastructure be at the same time as new development.

IAC:
Interagency Committee for Outdoor Recreation.

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

INDEBTEDNESS:
The state of owing financial resources to other financial institutions and investors.

INFRASTRUCTURE:
The underlying foundation, especially the basic installations and facilities, on which the continuance of growth of a jurisdiction depends, i.e. streets, roads, sewer, and water systems.

INTERFUND LOAN:
A loan made by one fund to another and authorized by resolution or ordinance.

INTERFUND PAYMENTS:
Expenditures made to other funds for services rendered. This category includes interfund repairs and maintenance.

INTERFUND TRANSFERS:
Contributions from one City fund to another in support of activities of the receiving fund. Loans are not included.

INTERGOVERNMENTAL COSTS:
Costs or expenses paid from one government to another government for services. These costs include, but are not limited to, such things as: dispatch and jail services, animal control services, audit and voter costs.

INTERGOVERNMENTAL SERVICES:
Intergovernmental purchases of those specialized services typically performed by local governments.

INTERNAL CONTROL:
A plan of organization for purchasing, accounting, and other financial activities, which, among other things, provides that:

- The duties of employees are subdivided so that no single employee handles financial transactions from beginning to end.
- Proper authorization from specific responsible officials are obtained before key steps in the processing of a transaction are completed.
- Records and procedures are arranged appropriately to facilitate effective control.

INTERNAL SERVICE CHARGE:
A charge from an Internal Service Fund to an operating fund to recover the cost of service or overhead.

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, or to other governments, on a cost-reimbursement basis.

INVESTMENT:
Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals, and base payments.

IPD:
Implicit Price Deflator.

ISTEA:
Inter-modal Surface Transportation Efficiency Act.

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

LEASING:
A financial technique whereby ownership of the project of equipment remains with the financing entity, and where title may or may not transfer to the City at the end of the lease.

LEVEL OF SERVICE:
Used generally to define the existing services, programs, and facilities provided by the government for its citizens. Level of service in any given activity may be increased, decreased, or remain the same, depending on the needs, alternatives, and available resources.

LEVY:
(1) To impose taxes, special assessments or service charges for the support of government activities. (2) The total amount of taxes, special assessments or service charges imposed by a government.

LEVY LID:
A statutory restriction imposed on the annual increase in the amount of property tax a given pubic jurisdiction can assess on regular or excess levies.

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

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

LINE ITEM:
An expenditure description at the most detailed level. Objects of expenditures are broken down into specific items, such as printing.

LONG TERM DEBT:
Debt with a maturity of more than one year after the date of issuance.

LTGO:
Limited Tax General Obligation bonds are non-voter approved bonds for which the full faith and credit of the insuring government are pledged for payment.

MAINTENANCE:
The act of keeping capital assets in a state of good repair. It includes preventative maintenance, normal periodic repairs, replacement of parts or structural components, and other activities needed to maintain the asset so that it continues to provide normal services and achieves its optimum life.

MATURITIES:
The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

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 property valuation.

MISSION:
A short description of the scope and purpose of a City or department. It specifies what the City's or department's business is.

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.

MODIFIED ACCRUAL BASIS:
The basis of accounting under which expenditures, other than accrued interest on general long-term debt, are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

NET REVENUE:
The revenue of the system less the cost of maintenance and operation of the system.

OBJECT:
As used in expenditure classification, this term applies to the type of item purchased or the service obtained (as distinguished from the results obtained from expenditures). Examples are personnel services, supplies, and services and charges.

OBJECTIVE:
A specific measurable achievement that may be accomplished within a specific time frame.

OFM:
Office of Financial Management.

OPERATING FUNDS:
Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

OPERATING REVENUES:
Those revenues received within the present fiscal year.

OPERATING TRANSFER:
Routine and/or recurring transfers of assets between funds.

ORDINANCE:
A statute or regulation enacted by City Council.

OTHER SERVICES AND CHARGES:
A basic classification for services, other than personnel services, which are needed by the City. This item includes professional services, communication, travel, advertising, training, dues and subscriptions, printing, equipment rental and costs (ER&R), insurance, public utility services, repairs and maintenance.

PERS:
Public Employees Retirement Systems provided by the State of Washington for all employees other than police and fire.

PERFORMANCE MEASURES:
See Community Service Indicator.

PERSONNEL COSTS:
Costs that include all salaries, wages, and benefits for all part-time, full-time, seasonal and temporary employee costs.

PRIOR YEAR:
The fiscal year immediately preceding the current year.

PROGRAM:
A specific and distinguishable unit of work or service performed.

PROGRAM ENHANCEMENT:
Programs, activities or personnel requested to improve or add to the current baseline services.

PROGRAM MEASURES:
A unit of standard used for the quantitative comparison in the manner of functioning to capacity or quantity as determined.

PROGRAM REVENUE:
These are revenues which are produced as a result of an activity of a program and are subject to quantity of services provided to the public or governmental units (i.e. permits, charges for fire services, recreational activities), or revenues dedicated to a specific use (i.e. grants, taxes or debt funds).

PROJECTIONS:
Estimates of outlay, receipts, or other amounts that extend several years into the future. Projections are generally intended to indicate the budgetary implications of continuing or proposing programs and policy for an indefinite period of time.

PROPERTY TAXES:
Ad valorem tax certified to the county assessor by a local government unit.

PROPOSED BUDGET:
The budget proposed by the Mayor to the City Council for review and approval.

PROPRIETARY FUND:
The classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. The GAAP used are generally those applicable to similar business in the private sector and the measurement focus is on determination of net income, financial position and changes in financial position.

PUBLIC FACILITIES:
The capital owned or operated by the City of other governmental entities.

PUBLIC WORKS TRUST FUND:
(PWTF) This is a low-interest revolving loan fund which helps local governments finance critical public works needs. To be eligible for trust fund financing, the applicant must be a local government entity with a long-term plan for financing public works needs. If the applicant is a city or county, it must be imposing the optional one-quarter percent real estate excise tax for capital purposes. Eligible projects include streets and roads, bridges, storm sewers, sanitary sewers, and water systems. Loans will only be made for the purpose of repair, replacement, reconstruction, or improvement of existing eligible public works systems to meet current standards and to adequately serve the needs of the existing population. New capital improvement projects are not eligible. Interest rates vary from one to three percent, depending on the match.

RATINGS:
In the context of bonds, normally an evaluation of credit-worthiness performed by an independent rating service.

RCW:
Revised Code of Washington. Laws of the State of Washington enacted by the State Legislature.

REET:
Real Estate Excise Tax. A tax upon the sale of real property from one person or company to another.

REFUNDING:
The redemption of an obligation on or before its maturity in order to reduce the fixed interest charge or reduce the amount of fixed payment.

RESERVE:
An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

RESERVE FUND:
A fund established to accumulate money from year to year for a specific purpose, such as the purchase of new equipment.

RESOLUTION:
A formal statement of a decision or expression of an opinion of the City Council.

RESOURCES:
Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

RESTRICTED FUNDS:
Appropriated funding earmarked by lae to finance some specific activity or group of related activities.

RETAINED EARNINGS:
An equity account reflecting the accumulated earnings of the City.

REVENUE:
Income received by the City in support of a program of services to the community. It includes such items as property taxes, fees, user charges, grants, fines and forfeits, interest income and miscellaneous revenue.

REVENUE BONDS:
Bond issued pledging future re venues, usually water, seer or drainage charges, to cover debt payments in addition to operating costs.

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

RISK MANAGEMENT:
An organized attempt to protect a government's assets against accidental loss in the most economical manner.

SALARIES AND WAGES:
Amounts paid for personnel services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts.

SINGLE AUDIT:
An audit performed in accordance with the Single Audit Act of 1984 and Office of Management and Budget (OMB) Circular A-128. Audits of State and Local Governments. The Single Audit Act allows or requires government s (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal grantor agencies.

SPECIAL REVENUE FUND:
A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

STATE SHARED REVENUE:
Revenues received from the State of Washington from sources like the liquor tax and gas tax.

STRATEGY:
An approach to using revenues within the constraints of the environment in order to achieve a set of goals. An organization formulates a strategy based on the environment, and states the goals, objectives, and how it is going to meet the objectives through tactics to guide its core business functions.

SUPPLEMENTAL APPROPRIATION:
An appropriation approved by the Council after the initial budget appropriation.

SUPPLIES:
A basis classification of expenditures for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas, inventory or resale items, and small tools and equipment.

SYSTEM DEVELOPMENT CHARGES:
A charge levied on new construction to help pay for additional expenses created by this growth or to compensate for already existing capacity in key facilities and systems already in place which support the new development.

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

TAX ANTICIPATION NOTES:
(TANS) Notes issued in anticipation of taxes, which are retired usually from taxes collected (typically by school districts).

TAX LEVY:
Total amount of ad valorem tax certified by the City.

TAX RATE:
The amount of tax stated in terms of units per $1,000 of assessed value of taxable property. The tax rate is the result of dividing the tax levied by the assessed value of the taxing district.

TAX RATE LIMIT:
The maximum legal rate at which a municipality may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes.

TRANSPORTATION IMPROVEMENT ACCOUNT:
(TIA) Provides funding for transportation projects through two (2) programs. Urban projects must be attributable to congestion caused by economic growth. They must be consistent with state, regional and local selection processes. The TIB requires multi-agency planning and coordination and public/private cooperation to further the goal of achieving a balanced transportation system in Washington State.

TRANSPORTATION IMPROVEMENT BOARD:
(TIB) The purpose of the TIB is to administer funding for local governments for transportation projects. This is accomplished through the Transportation Improvement Account Program and the Urban Arterial Trust Account Program. Revenues are from the state fuel tax, local matching funds, and private sector contributions.

TRANSPORTATION IMPROVEMENT PROGRAM:
(TIP) A comprehensive program used to identify specific transportation projects for improvement to enhance local, regional, State, and Federal transportation systems.

TRUST FUND:
Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, and/or other funds.

UNAPPROPRIATED ENDING FUND BALANCE:
An amount set aside in the budget to be used as a cash carryover to the next year's budget to provide needed cash flow until other money is received. No expenditures can be made from the unappropriated ending fund balance during the fiscal year in which it is budgeted.

UNDERWRITER:
An individual or organization that assumes a risk for a fee (premium or commission).

USER FEES:
The payment of a fee for direct receipt of a public service by the person benefitting from the service.

UTILITY LOCAL IMPROVEMENT DISTRICT:
(ULID) Created only for improvements to sewer, water, and other utilities and differs from a LID in that all assessment revenues must be pledged for payment of debt service of bonds issued to finance the improvements.

UTGO:
Unlimited Tax General Obligation bonds are voter approved and retired by a tax levy commonly referred to as an excess levy.

VISION:
An objective that lies outside the range of planning. It describes an organization's most desirable future state.

WAC:
Washington Administrative Code: