



City of  
**MOUNT  
VERNON**

***2014 Budget Summary***

Mount Vernon, Washington

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**December 18, 2013**

**Mount Vernon City Council and the Mount Vernon Community**

**Adoption of the 2014 City Budget**

OVERVIEW AND PRIORITIES

The 2014 budget was prepared with a focus on the following objectives:

- Remove furloughs from all Departments to restore full staffing.
- Increase service levels in Police Department, specifically in traffic enforcement.
- Increase staffing levels in Community and Economic Development, driven by significantly increased development activity.
- Include funding for economic development, focusing on technology infrastructure.
- Provide honest and accurate recommendations for expenses essential to ensure the mission of the City of Mount Vernon is met.

The total 2014 budget for the City of Mount Vernon is \$47,360,656, representing a 0.2% decrease as compared to the 2013 budget. The governmental operating fund budgets total \$23,854,839, representing a 6% increase compared to the 2013 budget. Governmental operations receive 70% of its funding sources from taxes which primarily only grow in a strong economy, and pays for Police, Fire, Library, Streets, Permitting/Planning and Parks operations.

<b>City Functions:</b>	<i>2014 Budget</i>		<i>2013 Budget</i>		<i>2012 Budget</i>		<i>2011 Budget</i>	
Govt Operations	23,854,839	50%	22,495,696	48%	22,533,721	48%	22,192,117	49%
Capital Funds	4,713,150	10%	5,999,435	13%	5,388,629	11%	5,624,290	12%
Utilities	15,518,632	33%	15,072,379	32%	14,998,614	32%	14,563,731	32%
All other functions	3,274,035	7%	3,706,495	8%	4,111,592	9%	2,999,508	7%
<b>Total City Budget</b>	<b>47,360,656</b>	<b>100%</b>	<b>47,274,005</b>	<b>100%</b>	<b>47,032,556</b>	<b>100%</b>	<b>45,379,646</b>	<b>100%</b>
<b>Govt Operations by Dept:</b>	<i>2014 Budget</i>		<i>2013 Budget</i>		<i>2012 Budget</i>		<i>2011 Budget</i>	
Police	7,313,777	30.7%	7,380,608	32.8%	7,195,719	31.9%	6,859,140	30.9%
Fire	4,531,531	19.0%	4,427,671	19.7%	4,490,332	19.9%	4,376,747	19.7%
Streets	1,336,551	5.6%	1,256,025	5.6%	1,269,863	5.6%	1,225,697	5.5%
Parks	1,568,934	6.6%	1,554,707	6.9%	1,625,273	7.2%	1,511,678	6.8%
Library	1,186,849	5.0%	1,151,475	5.1%	1,156,972	5.1%	1,138,633	5.1%
Comm Econ Dev	1,437,033	6.0%	1,142,906	5.1%	1,139,758	5.1%	1,157,127	5.2%
Other City Services	6,480,164	27.2%	5,582,304	24.8%	5,655,804	25.1%	5,923,095	26.7%
<b>Total Govt Operations</b>	<b>23,854,839</b>	<b>100.0%</b>	<b>22,495,696</b>	<b>100.0%</b>	<b>22,533,721</b>	<b>100.0%</b>	<b>22,192,117</b>	<b>100%</b>

Notable improvements in processes and service have occurred in 2013, all accomplished within budget.

- Website enhancement –City utility bills can now be paid on-line with “e-bill” options available; video streaming of City Council meetings were added.
- Hillcrest Lodge was remodeled to add a commercial grade kitchen and addition of a storage facility.
- Self-checkout machines were installed and are operational at the City Library. Currently 20% of checkouts are using this service, and this usage percent is expected to rise.
- Nearly \$300,000 of medical insurance premiums were saved in the 2013 budget by implementing a cost effective high deductible health medical benefits plan; however the City’s two largest unions did not move to the plan in 2013.
- A citywide volunteer program is being implemented and is on schedule to be completed by December 2013.
- The City’s emergency management plan was updated.
- Relocation of the City yard waste facility was accomplished, enhancing service to customers and safety for City staff.
- Introductory LEAN management training was provided to all Directors and Managers.
- Promotion of economic development included a focused approach in 4 primary target areas of Technology, Healthcare, Agriculture/Tourism, and Aerospace/Advanced Manufacturing.
  - Fiber Optic expansion and master planning has been accomplished in 2013. Focus on this vital infrastructure has yielded significant increases in revenue.
  - Technology networking group NextTech is working closely with the City to attract technology companies to Mount Vernon. To date, 2 firms have relocated to Mount Vernon and more are interested for 2014.
  - The City successfully collaborated with WSU, Port of Skagit, EDASC, Skagit Valley College, Skagit County, and private entities to receive the Innovative Partnership Zone designation from Washington State Department of Commerce.
  - The City worked closely with Skagit Regional Health to ensure smooth construction of the new Riverbend Clinic on Freeway Drive.
  - The City submitted an application to the U.S. Treasury for an allocation of New Market Tax Credits which if successful, would provide capital and debt financing to private developers for projects within the City and a focus in our downtown area.

The 2014 budget contains expenditures to increase efficiency through process improvement, training, technology, and organizational management restructure.

## CHALLENGES

While the City of Mount Vernon revenue has leveled out, this budget was adopted with fiscally conservative values and a cautious approach. We must balance our revenues and expenditures in the most thoughtful way to fulfill our mission of professional service to our community.

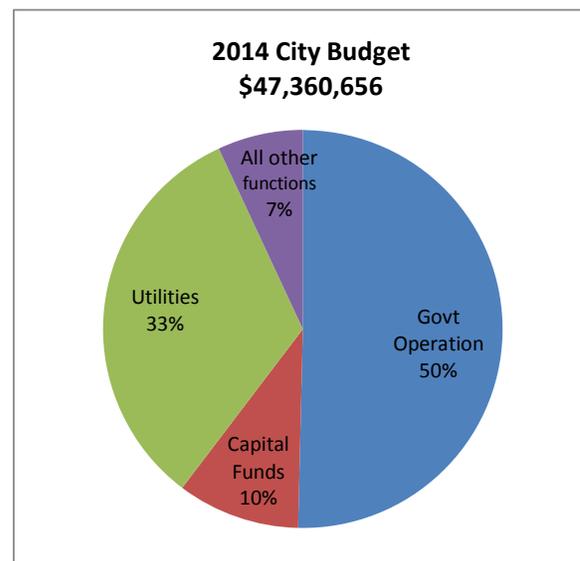
Deep cuts in the past few years have left us a challenge of basic preservation of City assets in future years. The proposed budget allots dollars for infrastructure replacement of roofs and HVAC systems, in addition to increasing savings for equipment replacement in the future.

In order to preserve services after 5 years (2008 to 2012) of recessionary budgeting the adopted budget includes the *projected* use of \$689,774 in Current Expense fund balance, or commonly thought of as reserves. Significant changes in revenue and/or expenditures are noted as follows:

- Loss of COPS grant funding which provided 100% funding of 2 police officers for a 3-year period will expire in 2014 resulting in a revenue decrease of \$127,000 for 2014.
- Loss of liquor tax: the 2012 State Legislature took a full year of liquor tax that would otherwise have been distributed to local government (\$160,000 to the City in 2012/2013) and the 2013 Legislature decreased liquor tax by 50% (\$80,000 to the City in 2014).
- Labor costs as a result of union negotiations and removing furloughs for non-represented employees (36% of the workforce) were major considerations.
- 8 new position requests were considered in the budget process resulting from the notable decrease in the city workforce during the recession. The end result was the addition of only 1 full-time position in the Police Department.
- Significant increase in expense for public defense.

## OVERALL BUDGET

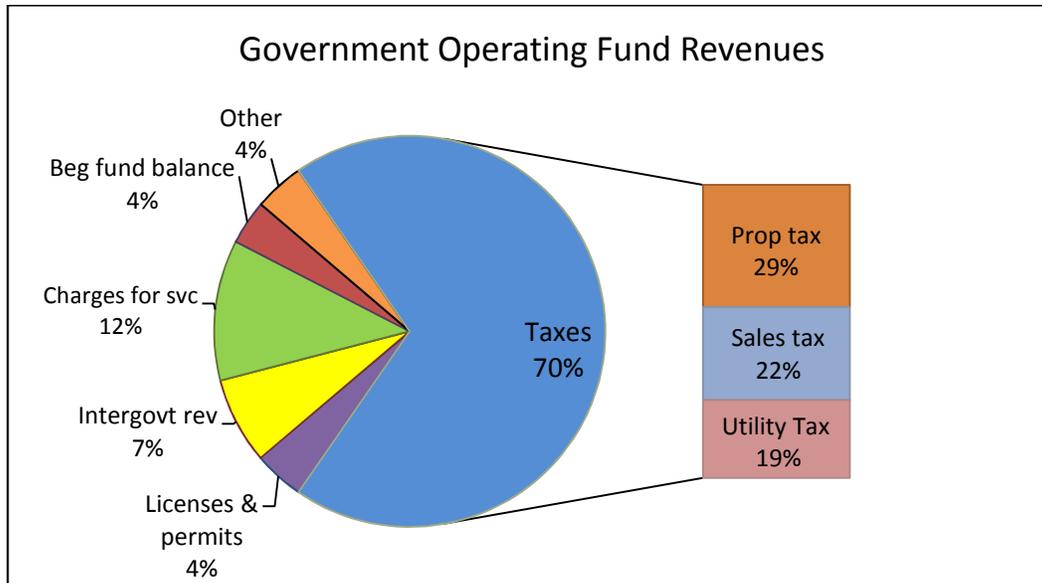
The total 2014 budget of \$47.4 million has three major components: government operations of \$23.9 million, city utilities of \$15.5 million (Wastewater, Solid Waste, Surface Water) and capital project funds of \$4.7 million. All other functions including the City's equipment rental and replacement fund, debt service, hotel/motel tax and other small special revenue funds account for \$3.3 million of the budget.



## REVENUE

Property tax is the City's largest and most stable revenue source providing 29% of support for government operations. The adopted 2014 budget does not include a property tax increase other than new construction.

The City's 2<sup>nd</sup> largest revenue source, sales tax, has seen growth in revenue collections in 2013, with sales tax collections up 9% compared to 2012. Even with the recent growth in sales tax our citywide collections are about \$1 million less compared to collections in 2007.



## PRIORITY CAPITAL PROJECTS

The City's capital budget is \$4.7 million or 10% of the total 2014 budget, including waste water, transportation, park and general facility projects. 47% of the capital budget is earmarked for waste water projects which are needed to support the City's \$100 million waste water facility assets. Other highlighted capital projects include:

- Downtown Flood Protection, Riverwalk and Park Plaza project. The City is anticipating the completion of Phase II of this project in third quarter 2014 which includes the addition of public restrooms, while we continue to complete financing of the 3<sup>rd</sup> and final phase of this project.
- College Way widening under I-5. The City is working in earnest on this top priority transportation project. \$212,000 of city matching funds has been set aside in the 2014 budget.
- The annual street overlay and repair program has been increased to \$450,000 (a 28% increase) of funding in the 2014 budget.

## DELIVERY OF OUR SERVICES

We are a mission driven organization. We provide professional, efficient services to create a lifetime positive difference for our Community.

Services are delivered by people. 75% of our operating costs are labor. We employ 193 full-time employees and 49 part time or seasonal employees to provide services to over 32,000 people and thousands of guests each day.

City of Mount Vernon employees are highly respected for their talent and expertise. During 2013, our City staff has been recognized for the following:

- City Attorney Kevin Rogerson and Human Resources Director Kandy Bartlett have been asked to present to Statewide peer groups.
- Library Director Brian Soneda served as president of the Washington State Library Association, receiving WALE award for outstanding employee of the year.
- Finance Director Alicia Huschka and finance staff received the Certificate of Achievement Award for Excellence in Financial Reporting. Finance staff have been recognized 13 times for achieving this national level of professionalism.
- Information Services Director Kim Kleppe was interviewed at a national technology forum about our fiber optic infrastructure.
- K9 Police Officer Zach Wright hosted a statewide conference in Mount Vernon.
- Engineering services Doug Nathe developed web mapping services in order to share GIS data with other City departments.
- Building Official Rick Prosser and Permit Technician Krista Jewett were successful in their work **to update the 5-year CRS certification which resulted in a CRS rating reduction (from 7 to 6) lowering the insurance rate for property owners in Mount Vernon.**
- Wastewater Treatment Plant staff have been awarded 9 perfect compliance awards from the Department of Ecology.

Our community enjoys the highest standards of police and fire protection, professional service from our solid waste utility, award winning wastewater treatment, a library that boasts 195,000 visits per year, and a park system of 866 acres of parkland and trails.

It is a privilege to work for the City of Mount Vernon; we are accountable for our City's success.

\* \* \* \* \*

As Mayor, I sincerely appreciate all City staff who have rallied around our mission this past year. We believe that our example of good government will influence others to join us in an attitude of integrity and vitality.

Special gratitude to Ms. Alicia Huschka, finance director, for her critical professional guidance in the preparation of this budget.

My commitment to community engagement has been demonstrated throughout this year.

Please participate in our weekly Mayors Coffee Hours, sign up for electronic newsletters, email or call with questions, concerns, or ideas.

Sincerely,



Jill Boudreau  
Mayor

[mvmayor@mountvernonwa.gov](mailto:mvmayor@mountvernonwa.gov)

360-336-6211

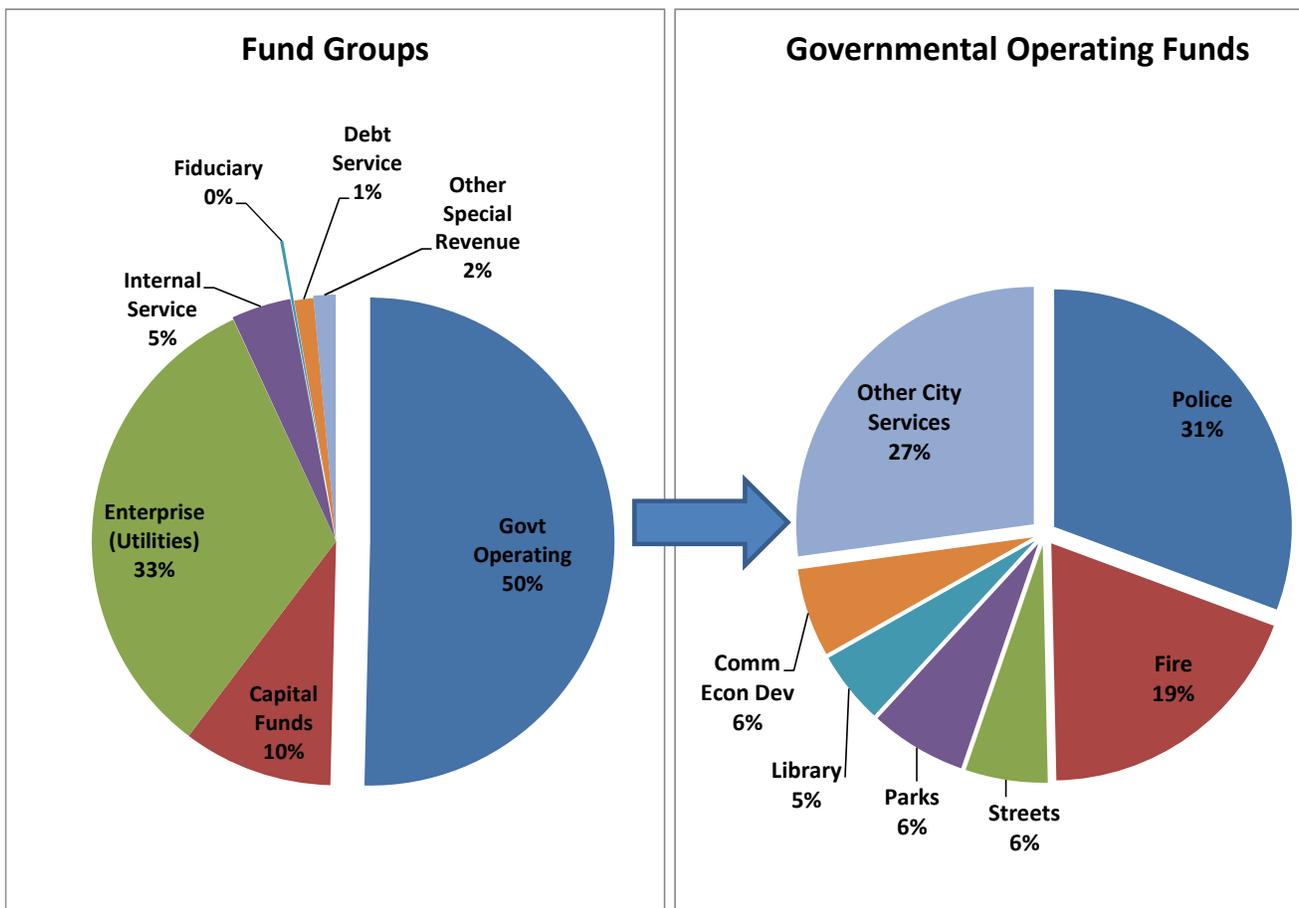
[www.mountvernonwa.gov](http://www.mountvernonwa.gov)

Fund Dept No.	Fund / Department	2013 Amended Budget	2014 Adopted Budget	2013-2014 % Change
001	<b>Current Expense</b>			
01	City Council	178,719	178,140	-0.3%
02	Municipal Court	349,000	358,500	2.7%
03	Mayor	347,771	355,984	2.4%
04	Finance	713,183	753,812	5.7%
05	City Attorney	416,220	456,846	9.8%
06	Human Resources	491,127	677,353	37.9%
07	General Facilities	618,039	658,565	6.6%
08	Police Department	7,380,608	7,313,777	-0.9%
09	Fire Department	4,427,671	4,531,531	2.3%
11	Public Works/Engineering	718,043	745,646	3.8%
12	Community and Economic Development	1,142,906	1,437,033	25.7%
18	TV 10 - Public Access Cable	153,887	157,647	2.4%
97	CDBG Entitlement Grant	283,000	524,286	85.3%
98	Information Services	564,612	608,510	7.8%
99	Non-Departmental	748,703	1,004,875	34.2%
	<b>Total Current Expense</b>	<b>18,533,489</b>	<b>19,762,505</b>	<b>6.6%</b>
101	City Street Fund	1,256,025	1,336,551	6.4%
103	Parks and Recreation Fund	1,554,707	1,568,934	0.9%
104	Library Fund	1,151,475	1,186,849	3.1%
	<b>Total Governmental Operating Funds</b>	<b>22,495,696</b>	<b>23,854,839</b>	<b>6.0%</b>
102	Arterial Street Fund	612,000	1,001,500	63.6%
105	Paths and Trails	50,000	40,000	-20.0%
106	Tourism Promotion Fund	388,800	372,300	-4.2%
107	Little Mountain Improvements Reserve	42,000	102,000	142.9%
109	Crime Prevention	6,300	5,000	-20.6%
110	Government Access Fund	55,652	56,906	2.3%
112	Criminal Justice Assistance	153,000	121,000	-20.9%
115	Parks Capital Improvements Reserve	255,000	183,000	-28.2%
118	Fiber Optic Fund	40,000	174,000	335.0%
119	Critical Areas Enhancement Fund	85,000	83,650	-1.6%
120	Lincoln Commercial Properties	99,300	137,600	38.6%
201	2009 UTGO Bond Fund	479,680	481,293	0.3%
205	2009 LTGO Bond Fund	113,875	115,550	1.5%
304	Capital Improvements Fund - REET I	339,050	359,650	6.1%
311	Parks Impact Fees	150,000	25,000	-83.3%
312	Fire Impact Fees	46,385	82,000	76.8%
313	Transportation Impact Fees	10,000	10,000	0.0%
314	REET II - Streets	360,000	460,000	27.8%
401	Wastewater Utility Fund	8,371,024	8,544,526	2.1%
402	Solid Waste Utility Fund	4,824,162	4,964,700	2.9%
403	Surfacewater Utility Fund	1,877,193	2,009,406	7.0%
411	Wastewater Connection Fees	1,349,000	608,000	-54.9%
412	Sewer Capital Reserve	2,786,000	1,592,000	-42.9%
501	Equipment Rental Fund	2,134,388	1,835,676	-14.0%
512	Leoff I Long-term Healthcare Reserve	40,000	40,000	0.0%
611	Firemen's Pension and Relief Fund	110,500	101,060	-8.5%
	<b>Total All Funds</b>	<b>47,274,005</b>	<b>47,360,656</b>	<b>0.2%</b>

Fund #	City Fund	Fund Bal Dec 31, 2012	Estimates		Fund Balance Dec 31, 2013	Budget		Estimated Bal Dec 31, 2014	Fund Bal. Budgeted in 2014
			2013 Revenue	2013 Expenditures		2014 Revenue	2014 Expenditures		
001	Current Expense	3,557,154	18,106,495	18,219,782	3,433,531	19,072,731	19,762,505	2,743,757	689,774
101	City Street	129,267	1,249,100	1,227,990	150,377	1,275,733	1,336,551	89,560	60,817
103	Parks/Recreation	224,627	1,486,292	1,526,186	184,733	1,505,529	1,568,934	121,328	63,405
104	Library	133,654	1,113,854	1,139,931	107,577	1,125,809	1,186,849	46,537	61,040
102	Arterial Street	647,878	0	212,000	435,878	722,500	1,001,500	156,878	279,000
105	Paths and Trails	99,166	3,300	17,900	84,566	3,300	40,000	47,866	36,700
106	Tourism Promotion	321,599	232,000	353,800	199,799	210,000	372,300	37,499	162,300
107	Little Mountain Cap Res	49,418	47,000	34,000	62,418	77,000	102,000	37,418	25,000
109	Crime Prevention	4,730	5,185	4,810	5,105	100	5,000	205	4,900
110	Government Access TV	109,360	67,545	44,652	132,253	41,000	56,906	116,347	15,906
112	Criminal Justice Assistance	4,895	121,031	121,000	4,926	121,000	121,000	4,926	-
115	Parks Capital Reserve	216,869	142,851	185,000	174,720	87,000	183,000	78,720	96,000
118	Fiber Optics Fund	96,668	58,500	45,500	109,668	81,600	174,000	17,268	92,400
119	Critical Areas Enhancement	197,452	0	18,024	179,428	20,000	83,650	115,778	63,650
120	Lincoln Commercial Block	244,263	58,791	80,795	222,259	62,820	137,600	147,479	74,780
201	2009 UTGO Bonds	30,065	464,680	479,180	15,565	471,293	481,293	5,565	10,000
205	2009 LTGO Bonds	1,616	113,875	113,875	1,616	115,050	115,550	1,116	500
304	Capital Improvement-Reet I	76,920	415,800	314,050	178,670	304,800	359,650	123,820	54,850
311	Park Impact Fees	138,194	40,000	146,587	31,607	25,000	0	56,607	(25,000)
312	Fire Impact Fees	156,611	21,000	20,385	157,226	10,000	82,000	85,226	72,000
313	Transportation Impact Fees	1,132	44,000	0	45,132	10,000	0	55,132	(10,000)
314	Reet II - Streets	284,341	391,000	485,000	190,341	300,000	460,000	30,341	160,000
401	Sewer Utility Fund (WC)	3,899,057	8,400,586	8,071,388	3,899,057	8,446,000	8,544,526	3,800,531	98,526
402	Solid Waste (WC)	1,216,929	4,941,227	4,586,619	1,216,929	4,964,700	4,705,796	1,475,833	(258,904)
403	Surface Water Utility (WC)	1,598,333	1,576,089	1,600,679	1,598,333	1,565,300	2,009,406	1,154,227	444,106
411	Wastewater Connections	1,591,506	858,000	991,332	1,458,174	608,000	575,800	1,490,374	(32,200)
412	Sewer Capital Reserve	2,241,674	1,012,000	823,750	2,429,924	1,012,000	1,592,000	1,849,924	580,000
501	Equipment Rental (WC)	6,914,312	1,402,970	2,038,187	6,355,153	1,552,367	1,835,676	6,071,844	283,309
512	LEOFF I LT Healthcare Res	301,026	21,500	0	322,526	21,500	40,000	304,026	18,500
611	FR&P	727,027	36,683	108,602	655,108	35,000	101,060	589,048	66,060
	Totals	25,215,743	42,431,354	43,011,004	24,042,599	43,847,133	47,034,552	20,855,180	3,187,419

	Government Operating Funds
	Parks Capital Funds
	Transportation Capital Funds
	Wastewater Utility Funds

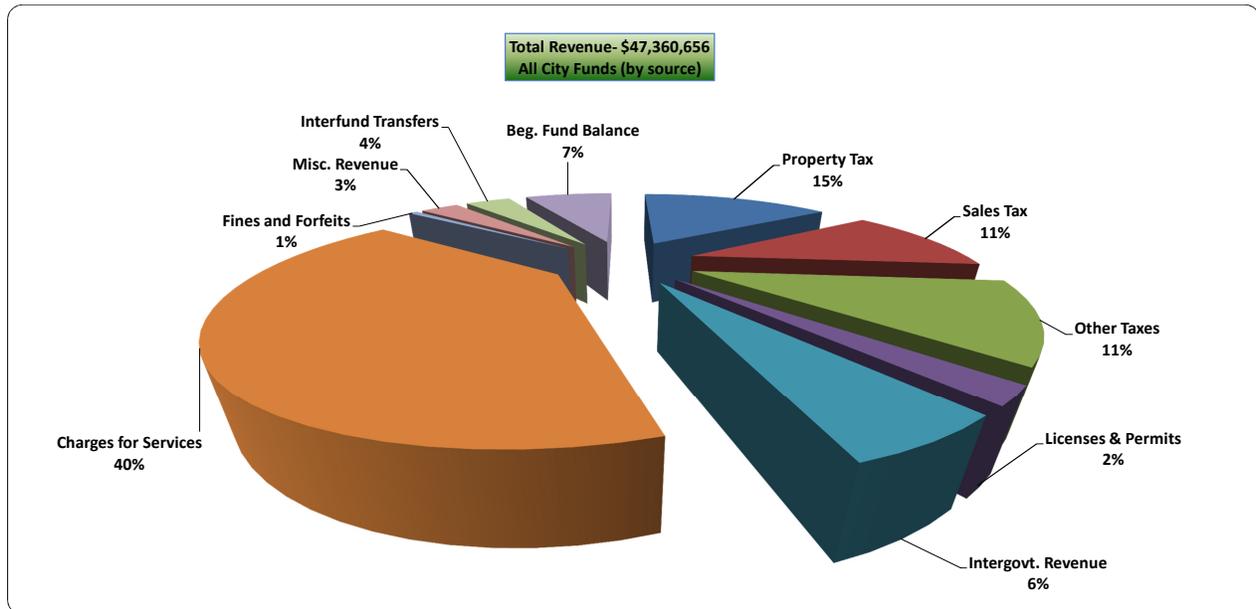
Budget Components - 2014 Budget



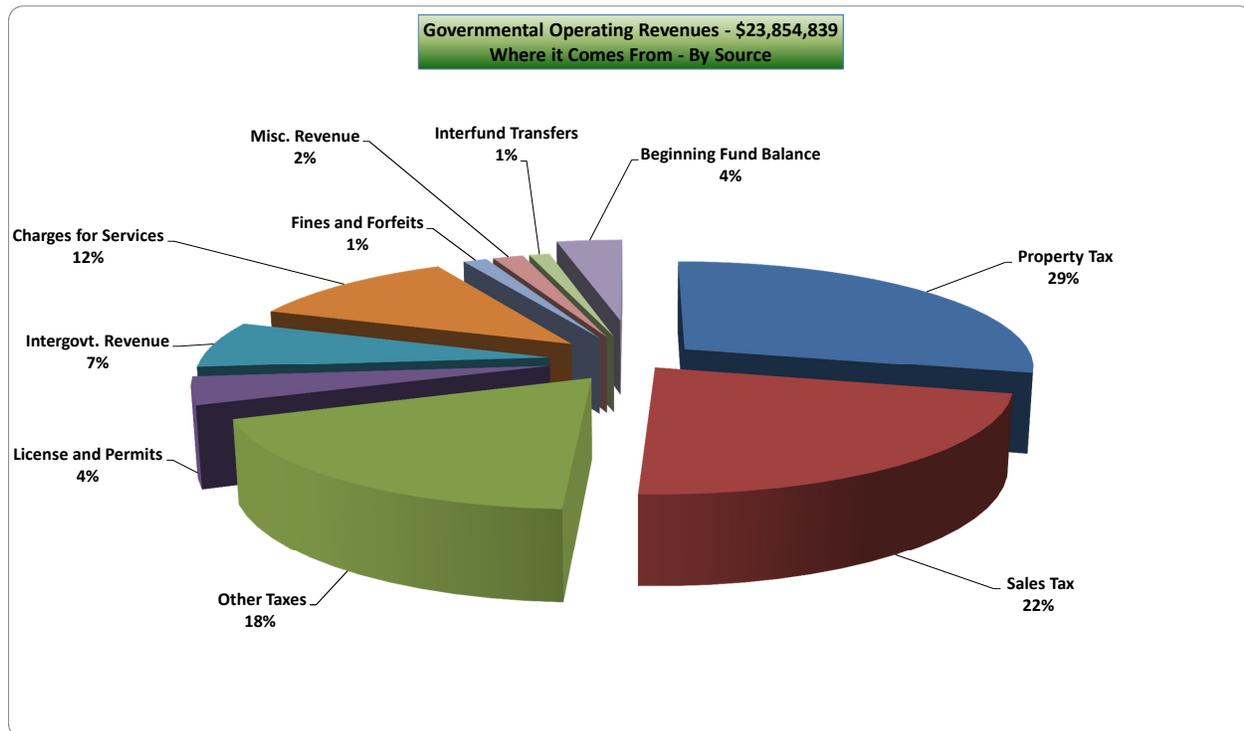
<b>Funds:</b>			
Governmental Operating	23,854,839	50%	
Capital Funds	4,713,150	10%	
Enterprise (Utilities)	15,518,632	33%	
Internal Service (ER)	1,875,676	4%	
Fiduciary (Firemen's Pension)	101,060	0%	
Debt Service	596,843	1%	
Other Special Revenue	700,456	1%	
<b>Total Budget</b>	<b>47,360,656</b>	<b>100%</b>	

<b>Government Operating Funds by Department:</b>			
Police	7,313,777	31%	
Fire	4,531,531	19%	
Streets	1,336,551	6%	
Parks	1,568,934	7%	
Library	1,186,849	5%	
Comm Econ Dev	1,437,033	6%	
Other City Services	6,480,164	27%	
<b>Total Govt Op Funds</b>	<b>23,854,839</b>	<b>100%</b>	

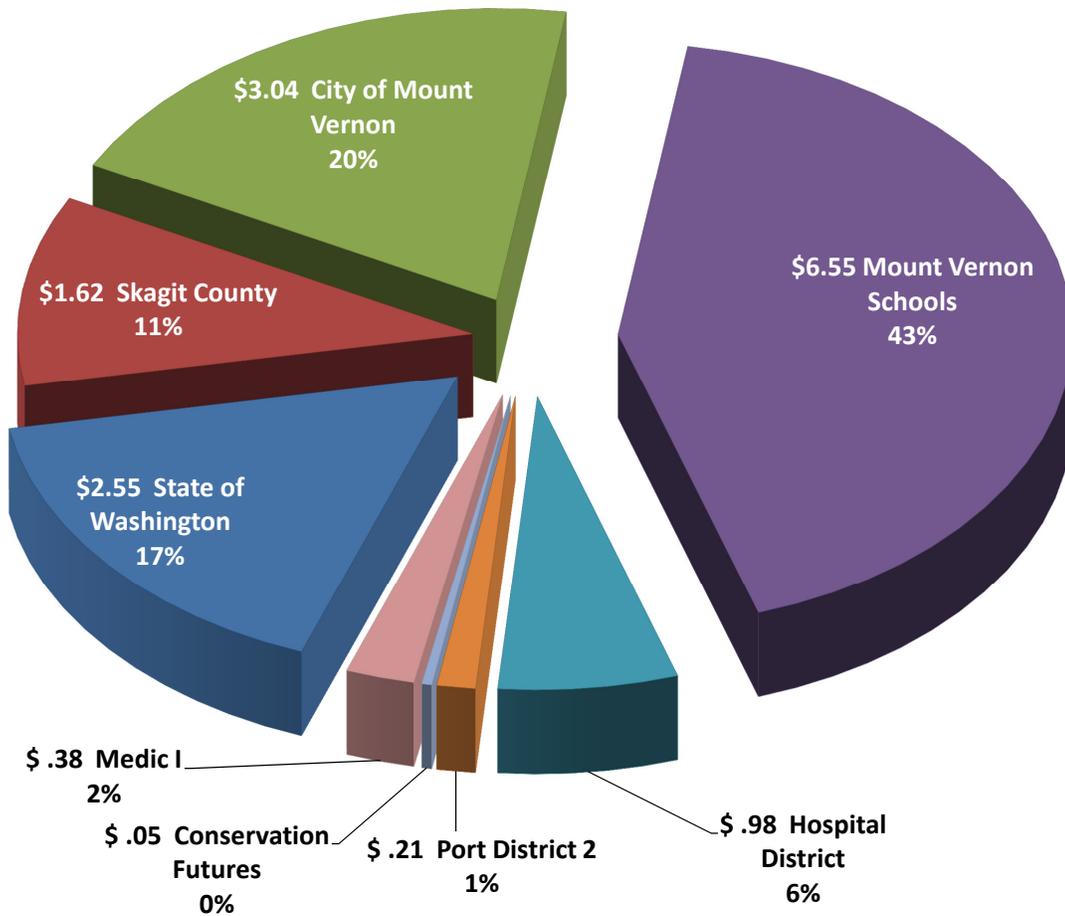
2014 Revenue Estimates All City Funds (by source)											
Fund Name	Property Tax	Sales Tax	Other Taxes	License and Permits	Intergovt. Revenue	Charges for Services	Fines and Forfeits	Misc. Revenue	Interfund Transfers	Beg. Fund Balance	Total
Current Expense	4,537,129	5,250,000	4,413,500	992,000	1,023,342	2,124,700	281,000	196,060	255,000	689,774	19,762,505
City Streets	188,732	-	-	-	664,000	413,000	-	-	10,000	60,819	1,336,551
Parks and Recreation	1,105,629	-	-	-	-	211,800	-	185,100	3,000	63,405	1,568,934
Library	1,031,509	-	-	-	17,000	26,400	31,400	19,500	-	61,040	1,186,849
Arterial Streets	-	-	-	-	722,500	-	-	-	-	279,000	1,001,500
Paths and Trails	-	-	3,300	-	-	-	-	-	-	36,700	40,000
Hotel/Motel Tax	-	-	210,000	-	-	-	-	-	-	162,300	372,300
Little Mtn Park Impr.	-	-	-	-	-	-	-	67,000	10,000	25,000	102,000
Crime Prevention	-	-	-	-	-	-	-	100	-	4,900	5,000
Government Access	-	-	-	41,000	-	-	-	-	-	15,906	56,906
Criminal Justice Assist.	-	-	-	-	121,000	-	-	-	-	-	121,000
Parks Capital Impr.	-	-	-	-	-	-	-	87,000	-	96,000	183,000
Fiber Optics	-	-	-	-	-	74,600	-	-	7,000	92,400	174,000
Critical Area Enhance.	-	-	-	-	-	20,000	-	-	-	63,650	83,650
Lincoln Block	-	-	-	-	-	-	-	62,820	-	74,780	137,600
2009 UTGO Bonds	471,293	-	-	-	-	-	-	-	-	10,000	481,293
2009 LTGO Bonds	-	-	-	-	-	-	-	-	115,550	-	115,550
Capital Impr. (Reet 1)	-	-	300,000	-	-	-	-	4,800	-	54,850	359,650
Park Impact Fees	-	-	-	-	-	25,000	-	-	-	-	25,000
Fire Impact Fees	-	-	-	-	-	10,000	-	-	-	72,000	82,000
Transport. Impact Fees	-	-	-	-	-	10,000	-	-	-	-	10,000
REET II-Streets	-	-	300,000	-	-	-	-	-	-	160,000	460,000
Wastewater Utility	-	-	-	-	-	8,039,000	-	92,000	315,000	98,526	8,544,526
Solid Waste Utility	-	-	-	-	-	4,935,700	-	29,000	-	-	4,964,700
Surfacewater Utility	-	-	-	-	20,000	1,540,300	-	5,000	-	444,106	2,009,406
Wastewater Connections	-	-	-	-	-	-	-	608,000	-	-	608,000
Sewer Cap. Reserve	-	-	-	-	-	-	-	12,000	1,000,000	580,000	1,592,000
Equipment Rental	-	-	-	-	-	1,512,367	-	40,000	-	283,309	1,835,676
LEOFF 1 LT Healthcare Res	-	-	-	-	-	-	-	1,500	20,000	18,500	40,000
Firemen's Pension	-	-	-	-	32,000	-	-	3,000	-	66,060	101,060
<b>TOTAL</b>	<b>\$ 7,334,292</b>	<b>\$ 5,250,000</b>	<b>\$ 5,226,800</b>	<b>\$ 1,033,000</b>	<b>\$ 2,599,842</b>	<b>\$ 18,942,867</b>	<b>\$ 312,400</b>	<b>\$ 1,412,880</b>	<b>\$ 1,735,550</b>	<b>\$ 3,513,025</b>	<b>\$ 47,360,656</b>



2014 Revenue Estimates											
Governmental Operating Funds Only											
Fund Name	Property Tax	Sales Tax	Other Taxes	License and Permits	Intergovt. Revenue	Charges for Services	Fines and Forfeits	Misc. Revenue	Interfund Transfers	Beginning Fund Balance	Total
Current Expense	4,537,129	5,250,000	4,413,500	992,000	1,023,342	2,124,700	281,000	196,060	255,000	689,774	19,762,505
City Streets	188,732	-	-	-	664,000	413,000	-	-	10,000	60,819	1,336,551
Parks and Recreation	1,105,629	-	-	-	-	211,800	-	185,100	3,000	63,405	1,568,934
Library	1,031,509	-	-	-	17,000	26,400	31,400	19,500	-	61,040	1,186,849
<b>TOTAL</b>	<b>\$ 6,862,999</b>	<b>\$ 5,250,000</b>	<b>\$ 4,413,500</b>	<b>\$ 992,000</b>	<b>\$ 1,704,342</b>	<b>\$ 2,775,900</b>	<b>\$ 312,400</b>	<b>\$ 400,660</b>	<b>\$ 268,000</b>	<b>\$ 875,038</b>	<b>\$ 23,854,839</b>



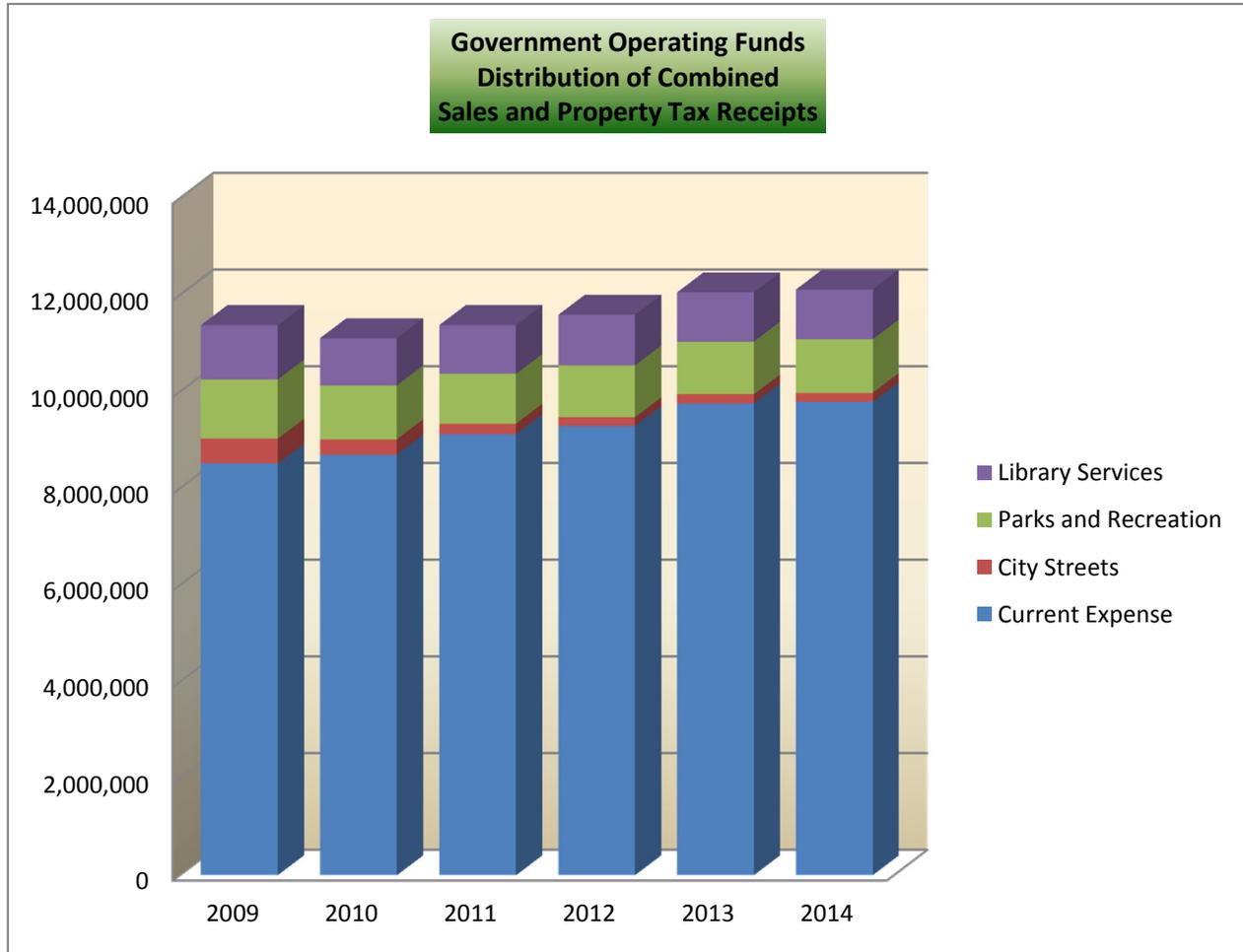
**2013 Property Tax Distribution in Mount Vernon  
8 Taxing Jurisdictions  
\$15.38 Total Levy Rate**



**What does a Mount Vernon property owner pay in property tax?**

Example using 2013 levy rates:

Assessed value of home:	<u>\$200,000</u>	<u>\$400,000</u>
Total property tax bill	\$3,076	\$6,152
Amount paid to City (20%)	\$608	\$1,216

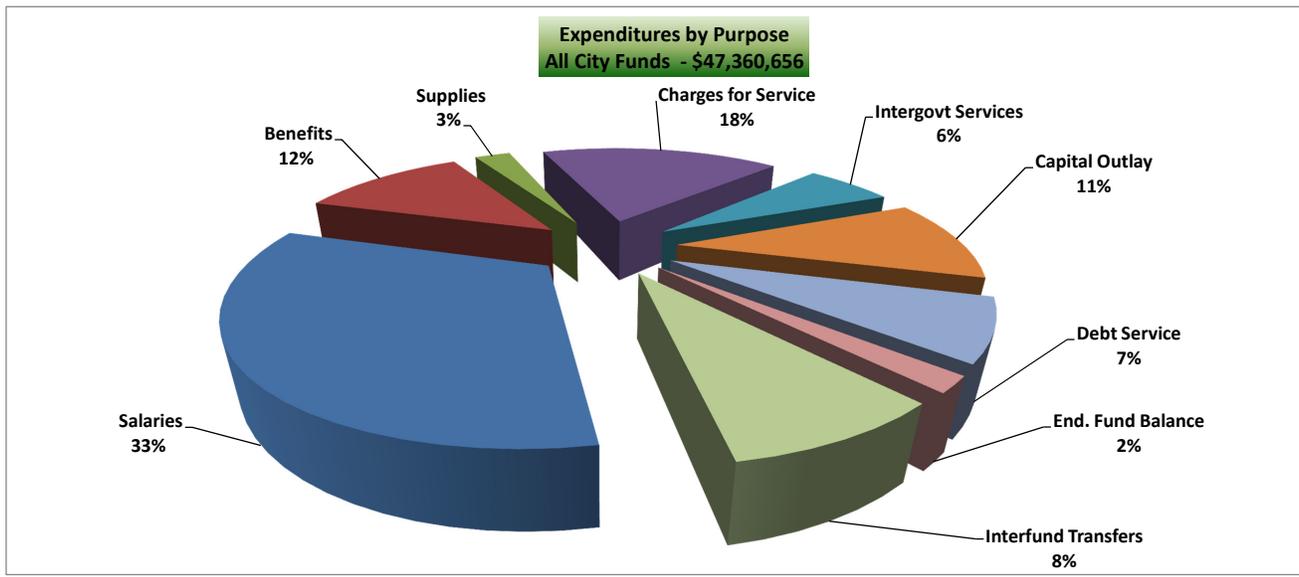


Combined Sales and Property Tax Revenue						
Government Function	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Estimate 2013	Projection 2014
Current Expense	8,512,783	8,698,430	9,123,506	9,289,306	9,758,370	9,787,130
City Streets	514,714	319,067	214,645	179,863	186,312	188,732
Parks and Recreation	1,224,015	1,113,396	1,030,152	1,074,185	1,091,256	1,105,629
Library Services	1,123,583	975,621	1,006,215	1,045,062	1,018,062	1,031,509
<b>Totals</b>	<b>11,375,095</b>	<b>11,106,514</b>	<b>11,374,518</b>	<b>11,588,416</b>	<b>12,054,000</b>	<b>12,113,000</b>
<b>Growth Rate</b>	<b>-3.2%</b>	<b>-2.4%</b>	<b>2.4%</b>	<b>1.9%</b>	<b>4.0%</b>	<b>0.5%</b>

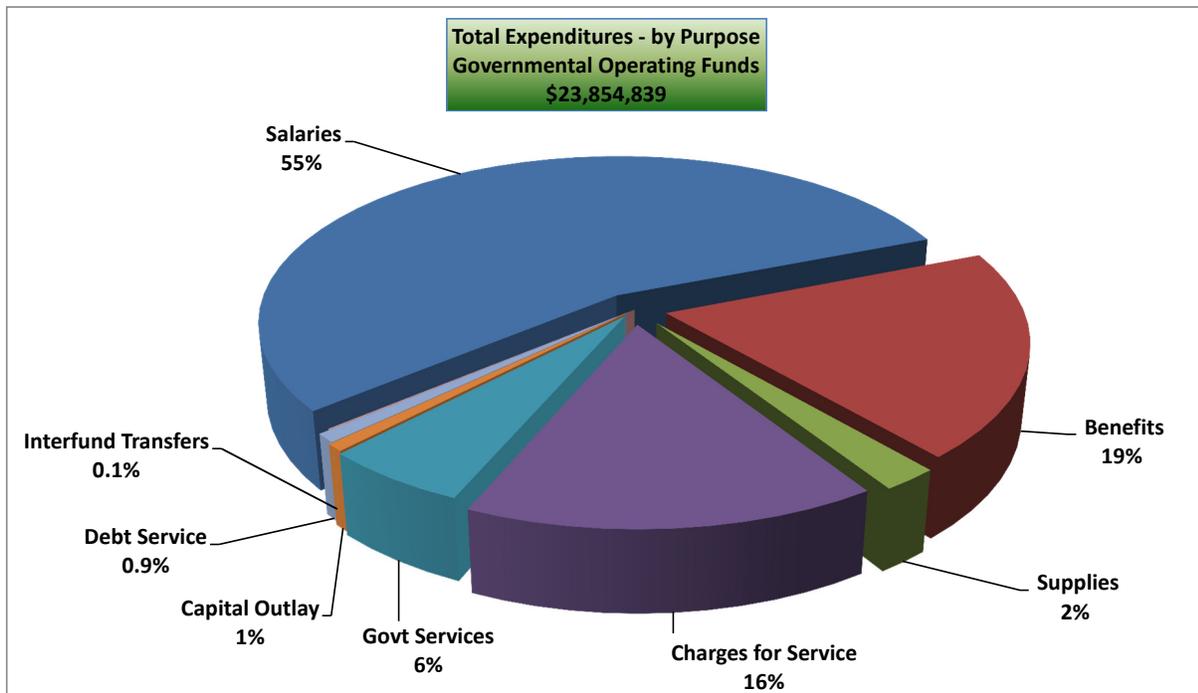
Notes:

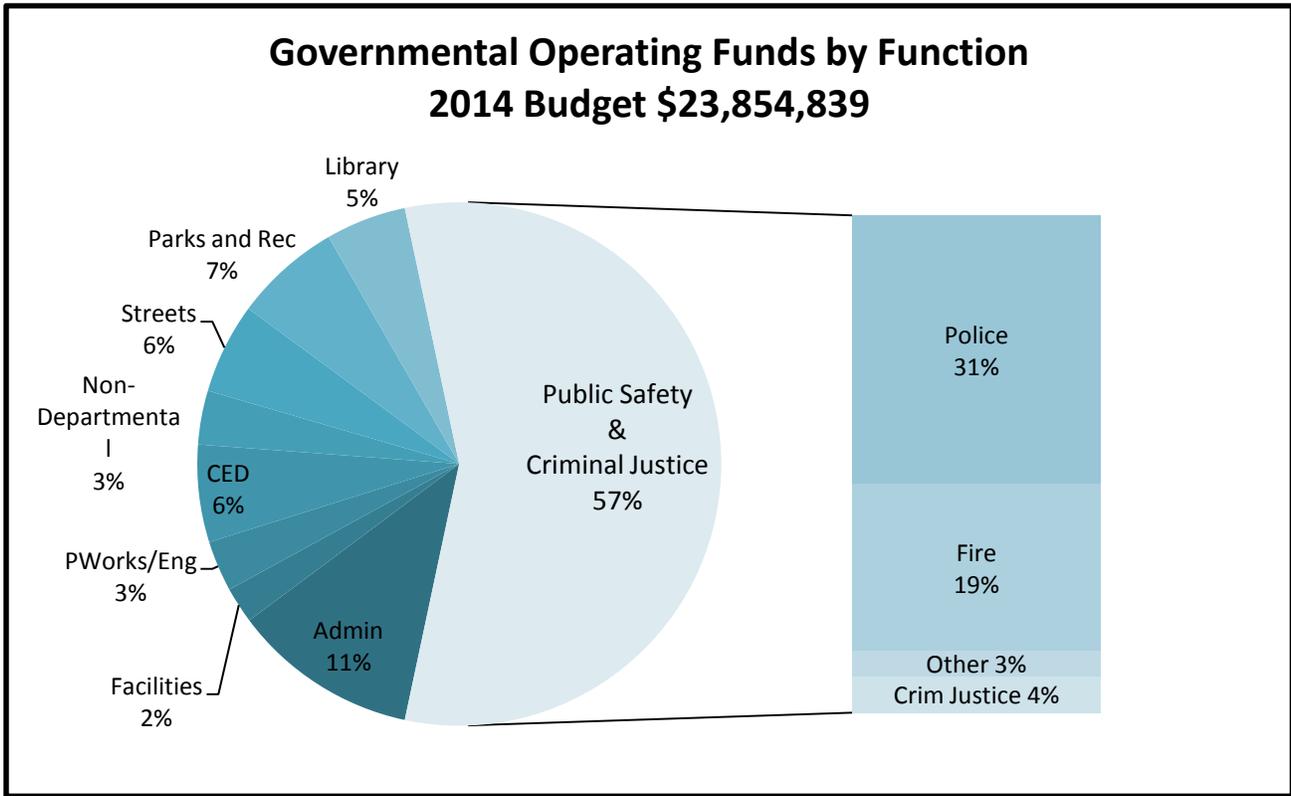
1. Only growth in property tax revenue for 2005 through 2012 comes from new construction, except for annexations.
2. City did not take lawfully allowed 1% increase in prop tax for 9 years, 2005-2012 & 2014; took 1.8% in 2013 (\$120,000).
3. **Sales tax:** grew 4% in '07; declined 9% in '08, 10% in '09, 7% in '10, .4% in '11; grew 3.7% in '12 (compared to prior yrs).
4. 2013 sales tax estimated at 8% growth compared to 2012 actual.
5. Sales tax: comparing 2007 to 2013 estimate, sales tax revenues are \$935,000 lower than 2007 levels, 15% lower.

2014 Expenditures by Category - All City Funds										
Fund/Department	Salaries	Benefits	Supplies	Charges for Service	Intergovt Services	Capital Outlay	Debt Service	End. Fund Balance	Interfund Transfers	Total
City Council	50,400	4,242	6,400	43,732	73,366	-	-	-	-	178,140
Municipal Court	-	-	7,000	52,500	299,000	-	-	-	-	358,500
Mayor	263,567	77,517	2,000	12,400	-	500	-	-	-	355,984
Finance	522,264	160,757	7,000	63,291	-	500	-	-	-	753,812
City Attorney	297,570	109,276	16,700	33,100	-	200	-	-	-	456,846
Human Resources	141,982	464,496	975	49,900	-	-	-	-	20,000	677,353
General Facilities	89,200	46,422	23,015	435,528	-	64,400	-	-	-	658,565
Police	4,710,163	1,631,798	107,906	676,832	132,902	54,176	-	-	-	7,313,777
Fire	3,245,358	879,734	131,520	263,919	-	11,000	-	-	-	4,531,531
P. Works/Engineering	524,127	170,103	3,500	47,416	-	500	-	-	-	745,646
Comm Econ Development	758,148	283,644	9,600	385,641	-	-	-	-	-	1,437,033
TV 10	97,488	33,714	500	25,945	-	-	-	-	-	157,647
Information Services	331,160	111,855	1,000	122,795	-	41,700	-	-	-	608,510
CDBG Entitlement Grant	-	-	-	36,786	280,000	-	207,500	-	-	524,286
Non-Departmental	-	-	500	589,008	415,367	-	-	-	-	1,004,875
<b>Total Current Expense</b>	<b>11,031,427</b>	<b>3,973,558</b>	<b>317,616</b>	<b>2,838,793</b>	<b>1,200,635</b>	<b>172,976</b>	<b>207,500</b>	<b>-</b>	<b>20,000</b>	<b>19,762,505</b>
City Street	458,056	173,548	117,200	557,247	30,000	500	-	-	-	1,336,551
Parks and Recreation	880,815	333,152	65,150	289,817	-	-	-	-	-	1,568,934
Library	768,072	210,061	21,500	59,716	127,500	-	-	-	-	1,186,849
Arterial Street	-	-	-	-	-	789,500	-	-	212,000	1,001,500
Paths and Trails	-	-	-	-	-	40,000	-	-	-	40,000
Tourism Promotion	-	-	-	8,000	-	30,000	-	334,300	-	372,300
Little Mtn Improvement	-	-	-	2,000	-	100,000	-	-	-	102,000
Crime Prevention	-	-	4,600	400	-	-	-	-	-	5,000
Government Access	-	-	5,000	4,906	-	30,000	-	-	17,000	56,906
Criminal Justice Assistance	-	-	-	-	-	-	-	-	121,000	121,000
Parks Capital Improvements	-	-	-	58,000	-	125,000	-	-	-	183,000
Fiber Optics	-	-	-	44,000	-	100,000	-	-	30,000	174,000
Critical Areas Enhancement	-	-	5,000	8,650	-	70,000	-	-	-	83,650
Lincoln Commercial Bldg	-	-	-	-	27,600	95,000	-	-	15,000	137,600
2009 UTGO Bond Fund	-	-	-	-	-	-	481,293	-	-	481,293
2009 LTGO Bond Fund	-	-	-	-	-	-	115,550	-	-	115,550
REET I - Cap Improvements	-	-	-	25,000	-	-	119,600	215,050	-	359,650
Park Impact Fees	-	-	-	-	-	-	-	25,000	-	25,000
Fire Impact Fees	-	-	-	-	-	82,000	-	-	-	82,000
Transportation Impact Fees	-	-	-	-	-	-	-	10,000	-	10,000
REET II - Streets	-	-	-	50,000	-	400,000	-	-	10,000	460,000
Wastewater Utility	1,143,373	445,636	239,800	2,246,549	36,000	53,200	2,409,968	-	1,970,000	8,544,526
Solid Waste Utility	791,060	341,961	24,050	1,654,725	1,496,000	67,000	-	258,904	331,000	4,964,700
Surfacewater Utility	124,554	26,566	1,850	673,501	-	320,000	179,935	-	683,000	2,009,406
Wastewater Connection Fees	-	-	-	10,800	-	250,000	-	32,200	315,000	608,000
Sewer Capital Reserve	-	-	-	-	-	1,492,000	-	-	100,000	1,592,000
Equipment Rental	201,295	83,204	459,400	103,142	-	878,635	-	-	110,000	1,835,676
LEOFF 1 LT Healthcare Res	-	40,000	-	-	-	-	-	-	-	40,000
Firemen's Pension	-	9,060	-	-	-	-	-	-	92,000	101,060
<b>TOTAL</b>	<b>15,398,652</b>	<b>5,636,746</b>	<b>1,261,166</b>	<b>8,635,246</b>	<b>2,917,735</b>	<b>5,095,811</b>	<b>3,513,846</b>	<b>875,454</b>	<b>4,026,000</b>	<b>47,360,656</b>



2014 Expenditures - Governmental Operating Funds Only									
Fund/Department	Salaries	Benefits	Supplies	Charges for Service	Govt Services	Capital Outlay	Debt Service	Interfund Transfers	Total
City Council	50,400	4,242	6,400	43,732	73,366	-	-	-	178,140
Municipal Court	-	-	7,000	52,500	299,000	-	-	-	358,500
Mayor	263,567	77,517	2,000	12,400	-	500	-	-	355,984
Finance	522,264	160,757	7,000	63,291	-	500	-	-	753,812
City Attorney	297,570	109,276	16,700	33,100	-	200	-	-	456,846
Human Resources	141,982	464,496	975	49,900	-	-	-	20,000	677,353
General Facilities	89,200	46,422	23,015	435,528	-	64,400	-	-	658,565
Police	4,721,617	1,620,344	107,906	676,832	132,902	54,176	-	-	7,313,777
Fire	3,245,358	879,734	131,520	263,919	-	11,000	-	-	4,531,531
P. Works/Engineering	524,127	170,103	3,500	47,416	-	500	-	-	745,646
Comm Econ Development	758,148	283,644	9,600	385,641	-	-	-	-	1,437,033
TV 10	97,488	33,714	500	25,945	-	-	-	-	157,647
Information Services	331,160	111,855	1,000	122,795	-	41,700	-	-	608,510
CDBG Entitlement Grant	-	-	-	36,786	280,000	-	207,500	-	524,286
Non-Departmental	-	-	500	589,008	415,367	-	-	-	1,004,875
<b>Total Current Expense</b>	<b>11,042,881</b>	<b>3,962,104</b>	<b>317,616</b>	<b>2,838,793</b>	<b>1,200,635</b>	<b>172,976</b>	<b>207,500</b>	<b>20,000</b>	<b>19,762,505</b>
City Street	458,056	173,548	117,200	557,247	30,000	500	-	-	1,336,551
Parks and Recreation	880,815	333,152	65,150	289,817	-	-	-	-	1,568,934
Library	768,072	210,061	21,500	59,716	127,500	-	-	-	1,186,849
<b>Total</b>	<b>13,149,824</b>	<b>4,678,865</b>	<b>521,466</b>	<b>3,745,573</b>	<b>1,358,135</b>	<b>173,476</b>	<b>207,500</b>	<b>20,000</b>	<b>23,854,839</b>





<u>Summary of Public Safety &amp; Criminal Justice Budgets:</u>		
	<u>Amount</u>	<u>%</u>
Police Department	7,313,777	31%
Fire Department	4,531,531	19%
Other Public Safety:		
Police/Fire Leoff 1 retirees medical	246,355	
Leoff 1 retirees LT care reserve	20,000	
Police and fire general facilities	125,590	
Skagit County Dept of Emergency Mgmt	58,902	
Skagit 911 Dispatch	239,065	
	689,912	3%
Criminal Justice:		
Municipal Court	358,500	
Public Defense Related Costs	437,500	
Prosecution Related Costs	184,959	
	980,959	4%
<b>Total Public Safety &amp; Criminal Justice Budgets</b>	<b>13,516,179</b>	<b>57%</b>

Department	Employee History									
	2014		2013		2012		2011	2010	2009	2008
	Full-time Mayor	Part-time Mayor	Full-time Actual	Part-time Actual	Full-time Actual	Part-time Actual	FTE Actual	FTE Actual	FTE Actual	FTE Actual
Current Expense										
Mayor	3	0	3	0	3	0	3	3	3	3
Municipal Court	0	0	0	0	0	0	0	3	4	4
Finance	7	3	7	2	7	1	7	7	7	7
City Attorney	4	0	4	0	3	0	3	3	3	3
Human Resources	2	0	1	1	1	1	1	1	1	1
General Facilities Maintenance	2	0	2	0	2	0	2	2	2	2
Police	57	0	56	0	56	0	56	58	58	58
Fire	37	0	37	0	37	0	37	38	38	39
Public Works/Engineering	6.25	0	6.25	0	6.25	0	6.5	6.5	7.5	9.5
Commun. Econ. Development	10	3	10	1	10	1	10	11.5	12	15
TV-10	1	2	1	2	1	2	1	1	1	1
Information Services	4	0	4	0	4	0	3	3	3	3
<b>Total Current Expense</b>	<b>133.25</b>	<b>8</b>	<b>131.25</b>	<b>6</b>	<b>130.25</b>	<b>5</b>	<b>129.5</b>	<b>137</b>	<b>139.5</b>	<b>145.5</b>
City Street	8	1	8	1	8	1	8	8	9	10
Parks/Recreation	11	17	11	17	12	16	12	12	12	13
Library	10	13	10	13	9	16	9	9	10	11
Wastewater Utility	15	4	15	3	15	2	15	15	15	14
Solid Waste Utility	13	3	13	3	13	3	13	13	13	13
Surfacewater Utility	0.75	2	0.75	2	0.75	1	0.5	0.5	0.5	0.5
Equipment Rental	3	0	3	0	3	0	3	3	3	3
<b>Total-All Funds</b>	<b>194</b>	<b>48</b>	<b>192</b>	<b>45</b>	<b>191</b>	<b>44</b>	<b>190</b>	<b>197.5</b>	<b>202</b>	<b>210</b>

