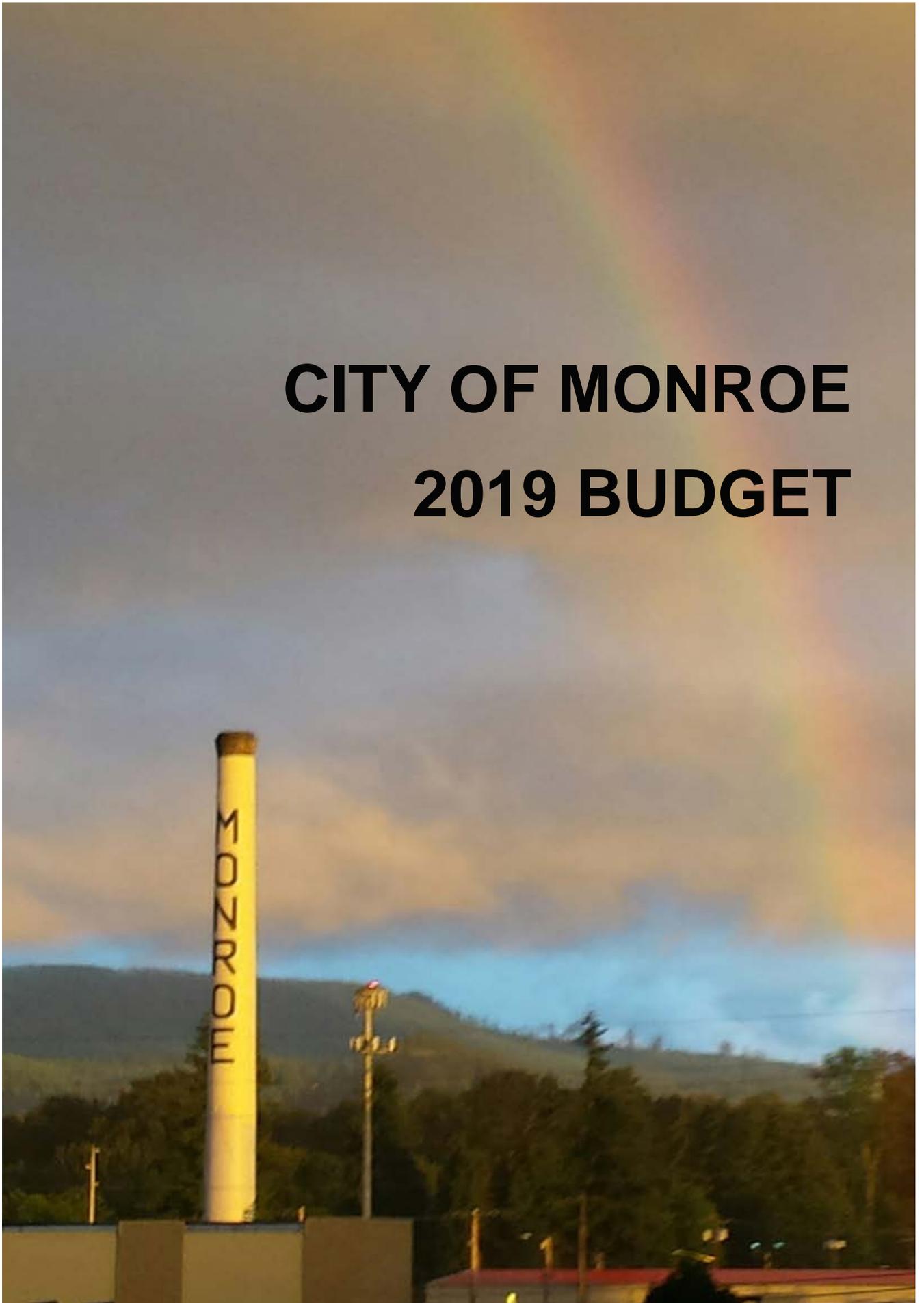


CITY OF MONROE 2019 BUDGET





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City of Monroe, Washington

Mayor

Geoffrey Thomas

Council Members

Jason Gamble – Mayor Pro Tem

Patsy Cudaback

Ed Davis

Kevin Hanford

Jim Kamp

Jeff Rasmussen

Kirk Scarboro

Executive Leadership

Deborah Knight – City Administrator

Larry Dickerson – Interim Director of Public Safety

Brad Feilberg – Public Works Director

Mike Farrell – Parks & Recreation Director

Ben Warthan – Human Resources Director

Pam Haley – Court Administrator

Becky Hasart – Finance Director

Ben Swanson – Community Development Director

Elizabeth Adkisson – City Clerk

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MAYOR'S MESSAGE

December 11, 2018

To our Honorable Councilmembers, Residents, and City Staff:



It is with great pleasure I present to you the 2019 City of Monroe Budget. This document is the culmination of a significantly collaborative and inclusive process that included our Council, the Planning Commission, the Parks Advisory Board (PAB), the Economic Development Advisory Board (EDAB), and City staff at all levels of the organization.

As we began the budget process, a consensus emerged regarding the following issues:

- Reserve the \$2.9 million needed for the 2020 North Kelsey debt repayment needs;
- Invest in adding two new positions to the Parks and Recreation Department; and
- Continue the City's investment in Economic Development efforts.

There was also discussion and consensus on enhancing General Fund revenues by:

- Using \$450,000 of banked property tax capacity from previous years where Council did not apply its allowed 1% property tax increase to support parks and proactively address the 2020 North Kelsey debt payment; and
- Implementing a 10% utility tax on the City's sewer utility as it does with its water utility to proactively address the 2020 North Kelsey debt and fund the EDAB recommendations.

Informed by these discussions, we started preparing a budget that delivers the same services in 2019 as in 2018, to support the ideals of Safer, Stronger, Smarter (sustainable), and Strategic. This budget fully funds all reserve targets per the City's Reserve Policy. The budget continues to use ongoing revenues, such as property taxes, to support its ongoing needs and uses its one-time revenues, such as construction sales taxes, to support one-time needs.

Revenue Assumptions and Expenditure Highlights

For the 2019 revenues, the budget remains conservative in our growth estimates. Long term budget assumptions were vetted by the Council on January 30, 2018. For those revenues tied to population growth, such as sales taxes, utility taxes, utility rates, fines and forfeitures, the budget used a growth factor of 1.26%. For new housing starts, we decreased our growth estimates from 200 new starts in 2018 to 140 new starts in 2019. For anticipated new construction which affects our property tax collections, we anticipate \$20 million in new assessments. By remaining conservative in the revenue assumptions, the City is better prepared to mitigate the impacts of a cooling housing market.

As you review the 2019 Budget, you will note that the General Fund does see an increase in both property taxes and utility taxes anticipated for 2019. These increases include the use of \$450,000 in banked property tax capacity to help fund two new parks positions proposed in this budget and to set money in reserve for the 2020 North Kelsey bond payment. (A more

detailed discussion about the use of banked capacity and its impact on your property taxes may be found on page 26.) The General Fund also will realize an estimated \$999,133 in sewer utility taxes. Of this, \$750,000 will be set in reserve for the 2020 North Kelsey bond payment, with the remaining money to fund the recommendations developed by the Economic Development Advisory Board.

For the utilities, water rates are scheduled to increase by 7.5% and stormwater rates by 4.0%, similar to 2017 and 2018. Although this budget implements a new sewer utility tax, the sewer rates are scheduled to be decreased by 2.5% from 2018 levels. (There was no rate adjustment for sewer in 2017 or 2018.) That means that for a household that uses the base water consumption allowed, the overall impact to the utility bill should not change from 2018. In other words, most households should not experience an increase in their City of Monroe utility bill in 2019. Further details regarding the sewer utility tax and its impact on rates may be found on page 95.

The 2019 City of Monroe Budget sets aside \$950,000 toward the 2020 North Kelsey debt payment of \$2.9 million and funds the EDAB recommendations, along with the capital items listed on page 119. All these items were funded while maintaining our existing levels of service, and in some cases, such as in parks and street construction, expanding those services.

Conclusion

The first public hearing for the 2019 City of Monroe Budget and revenue projections was held on Tuesday, October 9, 2018 at 7:00 p.m. Additional comment periods were available at the Council's budget workshop on Tuesday, October 16, 2018 at 7:00 p.m. Both scheduled meetings were held at the City Hall, 806 W Main Street, in the Council Chambers. Final adoption of the 2019 Budget was on Tuesday, December 11, 2018.

I thank the City staff who put a significant amount of time, thought, and work into developing this document. I thank our Councilmembers for their hard work throughout the year and I would especially like to thank all the volunteer boardmembers and commissioners for sharing their vision and priorities for our community. Staff and I look forward to rolling up our sleeves and working with the Council and our residents toward the goals outlined in the 2019 City of Monroe Budget.

Thank you for your consideration,

Geoffrey Thomas

Geoffrey Thomas
Mayor



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INTRODUCTION

2019 Budget Process

The 2019 Budget Process began with a Council study session on January 30, 2018. At this study session, Council considered a 6 Year Strategic Plan (page 11 of this document), worked with staff to develop consensus around long range General Fund budget assumptions (page 61), and reviewed a proposed funding strategy to fully fund the North Kelsey debt obligations (pages 88-89). Council met again on July 31, 2018, August 21, 2018, and September 18, 2018 to discuss these issues further and impacts to residential property taxes (Appendix p.128).

The Council's Finance and Human Resources committee took an even deeper "dive" into these budget related topics on the following dates:

January 9, 2018	6 Year General Fund Budget Assumptions
February 13, 2018	6 Year General Fund Budget Assumptions Proposed Economic Development Programs
August 14, 2018	Property Tax/Revenues Discussion
September 11, 2018	Parks & Recreation Reorganization

The Council's Finance and Human Resources committee also worked on the development of a formal City Debt Policy beginning with its March 2018 meeting. This debt policy will have long term budget implications for both the general fund and the utility funds. Specifically for our utilities, a strategic and moderate use of debt can help mitigate the upward pressure on utility rates over the next six years (page 95).

Along with all of Council's hard work, staff and I worked with the Economic Development Advisory Board (EDAB) to develop long range (six year) economic development strategy recommendations, to develop specific deliverables for these recommendations, and to identify recommended funding for these strategies and deliverables (pages 6-10). This process began in January 2018 and was completed in early June 2018. The EDAB recommendations were vetted with the Planning Commission and the Parks Advisor Board (PAB) on the following dates:

Planning Commission	06/25/2018
	07/09/2018
Park Advisory Board (PAB)	06/21/2018

After meeting with the Planning Commission and the PAB, the EDAB recommendations were presented to Council for their consideration on July 17, 2018. The EDAB recommendations are incorporated into the 2019 City of Monroe Budget.

Along with vetting the EDAB recommendations, staff and I worked with the Parks Advisory Board (PAB) regarding staffing needs within the Parks and Recreation Department, specifically at the PAB meetings on July 19, 2018 and August 16, 2018. Included in this discussion was the funding strategy associated with the recommendation to add two new positions in the Parks Department. These positions, along with the appropriate ongoing funding source (banked property taxes), are incorporated into this budget.

The Planning Commission has also been working hard this year developing the City's Unified Development Regulations (UDR). This endeavor has budget impacts as these regulations can

2019 Budget Process cont.

help improve efficiencies for our development community, which would support our economic development strategies. With few exceptions, the Planning Commission has been meeting weekly on Monday evenings to complete this project. It is anticipated that the new UDRs will be in effect beginning January 2019.

2019 Budget Calendar

Each year during the first quarter, the budget calendar for the next fiscal year is developed and presented to Council for consideration. This calendar identifies specific milestone dates by which certain budget related tasks need to be completed. The 2019 Budget Calendar was accepted by the Council on February 2, 2018 and revised on May 4, 2018:

2019 Budget Calendar			
<u>Date</u>	<u>Item</u>	<u>Responsible Party</u>	<u>Legal Deadline</u>
6/11/18	Budget worksheets sent out to all departments (with instructions)	Finance Director	9/10/2018
7/23/18 8:00 a.m.	Budget worksheets due back to Finance Department	Department Heads	9/24/2018
07/31/2018 5:30 p.m.	Council retreat/workshop	City Administrator, Mayor, & Finance Director	n/a
8/1/18 - 9/14/2018	City Administrator & Mayor review budget & meet with department heads	City Administrator, Mayor, Finance Director & Dept. Heads	10/1/2018
9/17/18-9/21/18	Draft Budget Message	Mayor/CA	n/a
9/21/18	Final Budget Message	Mayor/CA	10/31/2018
9/25/18	Council presented with estimates of revenues for 2018 (current year)	Finance Director	10/1/2018
9/25/18	Preliminary Budget presented to council & filed with the City Clerk	City Clerk publishes	10/31/2018
10/9/18	Public Hearing on revenue sources for 2019, including consideration of possible property tax increases and for the 2019 Budget.	City Clerk publishes	10/31/218 (clerk to publish notice 09/28/18 & 10/07/18)
10/16/18	2019 Budget Presentation to Council	Finance Director, Department Heads	n/a
10/23/18	First reading of Ordinance setting property tax levy	City Council	n/a
11/13/18	Second Reading/Adoption of Ordinance setting property tax levy	City Council	11/30/2018
10/30/2018 5:30 p.m.	Council retreat/workshop	City Administrator, Mayor, Finance Director & Dept. Heads	n/a
11/13/18	First reading of Ordinance for 2019 Budget	City Council	n/a
12/11/18	Second Reading/Adoption of Ordinance for 2019 Budget	City Council	12/31/2018

Look for the 2020 Budget calendar to be published no later than March 31, 2019.

Economic Development Advisory Board Draft Recommendations

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Business Recruitment and Retention

6-Year Budget

Priority	Description	Total Cost	2019	2020	2021	2022	2023	2024
2	Recruit additional retail and dining establishments to locate downtown	\$ 30,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$5,000	\$ 5,000
2	Encourage and promote the development or enhancement of retail areas to achieve a vibrant shopping, dining, and entertaining experience in the downtown corridor	\$ 90,000	\$90,000					
3	Identify and develop "quick wins": 1) Monthly award for the best storefront; 2) Storefront sign grant; 3) Holiday painting; 4) Organize downtown clean up events; 5) Add trash cans; 6) Advocate for better lighting; 7) Advocate for more consistent sidewalk and curb cleaning	\$ 150,000	\$25,000	\$25,000	\$ 25,000	\$ 25,000	\$25,000	\$ 25,000
3	Retain a business recruitment, retention and expansion specialist	\$ 300,000	\$50,000	\$50,000	\$ 50,000	\$ 50,000	\$50,000	\$50,000
Subtotal Business Recruitment and Retention		\$570,000	\$170,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000

Economic Development Advisory Board Draft Recommendations

Gateways

Priority	Description	Total Cost	2019	2020	2021	2022	2023	2024
1	Ensure gateway and directional signs have a consistent look and feel	\$ 75,000			\$ 75,000			
2	Install gateway feature at US2 and Main. Underground utilities	\$ 350,000				\$ 50,000	\$ 150,000	\$ 150,000
Subtotal Gateways		\$425,000	\$ -	\$ -	\$ 75,000	\$50,000	\$150,000	\$150,000

Housing

Priority	Description	Total Cost	2019	2020	2021	2022	2023	2024
1	Encourage a variety of housing options near downtown at varying price points	\$ 135,000	\$ 45,000	\$ -	\$ 45,000	\$ 45,000	\$0	\$0
Subtotal Housing		\$ 135,000	\$ 45,000	\$ -	\$ 45,000	\$ 45,000	\$ -	\$ -

Economic Development Advisory Board Draft Recommendations

Parks and Planning

Priority	Description	Total Cost	2019	2020	2021	2022	2023	2024
1	Build a public plaza (festival lot) for special events and gathering space. Cost est includes site acquisition, design and construction	\$ 2,750,000			\$ 500,000	\$ 250,000	\$1,000,000	\$1,000,000
Subtotal Parks and Planning		\$ 2,750,000	\$ -	\$ -	\$ 500,000	\$ 250,000	\$1,000,000	\$1,000,000

Sidewalks and Trails

Priority	Description	Total Cost	2019	2020	2021	2022	2023	2024
1	Build sidewalks and bike paths to connect parks, plazas, parking lots and neighborhoods. Cost est includes prioritizing projects and \$100k annual funding to implement.	\$ 1,100,000			\$ 200,000	\$ 300,000	\$ 300,000	\$ 300,000
2	Connect local and regional trail systems	\$ 1,800,000			\$ 500,000	\$ 50,000	\$ 250,000	\$1,000,000
Subtotal Sidewalks and Trails		\$ 2,900,000	\$ -	\$ -	\$ 700,000	\$ 350,000	\$ 550,000	\$1,300,000

Economic Development Advisory Board Draft Recommendations

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Tourism Promotion and Marketing

Priority	Description	Total Cost	2019	2020	2021	2022	2023	2024
2	Develop a visitor information website	\$ 10,000		\$ 10,000				
3	Partner with chamber and DMA to update visitor information kiosks	\$ 25,000	\$ 25,000					
3	Invest in “curb appeal” – install commercial quality hanging baskets, banners and street furniture. Encourage seasonal window displays.	\$ 60,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
3	Work with business to support and reinforce the brand. Create window displays that reflect Monroe’s “adventure” brand	\$ 10,000			\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
3	Feature (promote) downtown's charming historic character, pleasant street environment, and eclectic mix of locally owned restaurants and shops	\$ 60,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Subtotal Tourism Promotion and Marketing		\$165,000	\$45,000	\$30,000	\$22,500	\$22,500	\$22,500	\$22,500

Economic Development Advisory Board Draft Recommendations

Utilities

Priority	Description	Total Cost	2019	2020	2021	2022	2023	2024
1	Underground overhead wires on Lewis (SR203) and Main; and Main and US 2	\$720,000			\$ 20,000	\$ 100,000	\$ 300,000	\$ 300,000
	Subtotal Utilities	\$720,000	\$ -	\$ -	\$ 20,000	\$ 100,000	\$ 300,000	\$ 300,000

Wayfinding

Priority	Description	Total Cost	2019	2020	2021	2022	2023	2024
1	Eliminate signs and visual clutter on US2 and Lewis	\$ 5,000		\$5,000				
1	Refine current signage and add larger more decorative wayfinding signs	\$ -						
2	Install larger, decorative wayfinding signs and gateways to Monroe	\$450,000			\$ 50,000	\$ 400,000		
	Subtotal Wayfinding	\$455,000	\$ -	\$5,000	\$ 50,000	\$ 400,000	\$ -	\$ -

Six Year Strategic Plan

Over the past decade the City of Monroe has completed a number of long-range plans including the Comprehensive Plan, Economic Development Plan, and Downtown Revitalization Plan.

During development of the 2018 Budget, it was recognized that the City had a need to develop a six-year strategic plan to help prioritize and guide completion of the community's long range goals. The Six-Year Strategic Plan is a crucial tool for focusing the City's limited resources on top priorities to achieve the City's long-range vision.

The City Council reviewed the process to prepare and adopt a Six-Year Strategic Plan on March 27, 2018. At the meeting, the City Council discussed the draft strategic plan (projects, categories, timeline and prioritization); growth; partnerships; school safety; train station/stop and parallel track options; funding and resources; conducting a hotel study; regional tourism efforts; exploration of a regional transportation improvement district; advocacy and lobbying; and the City's core values, mission, and vision.

At the March 27, 2018 meeting, the City Council requested the following changes to the draft Strategic Plan:

- Explore formation of a Regional Transportation District (2019).
- Explore train station & parallel track options (2021).

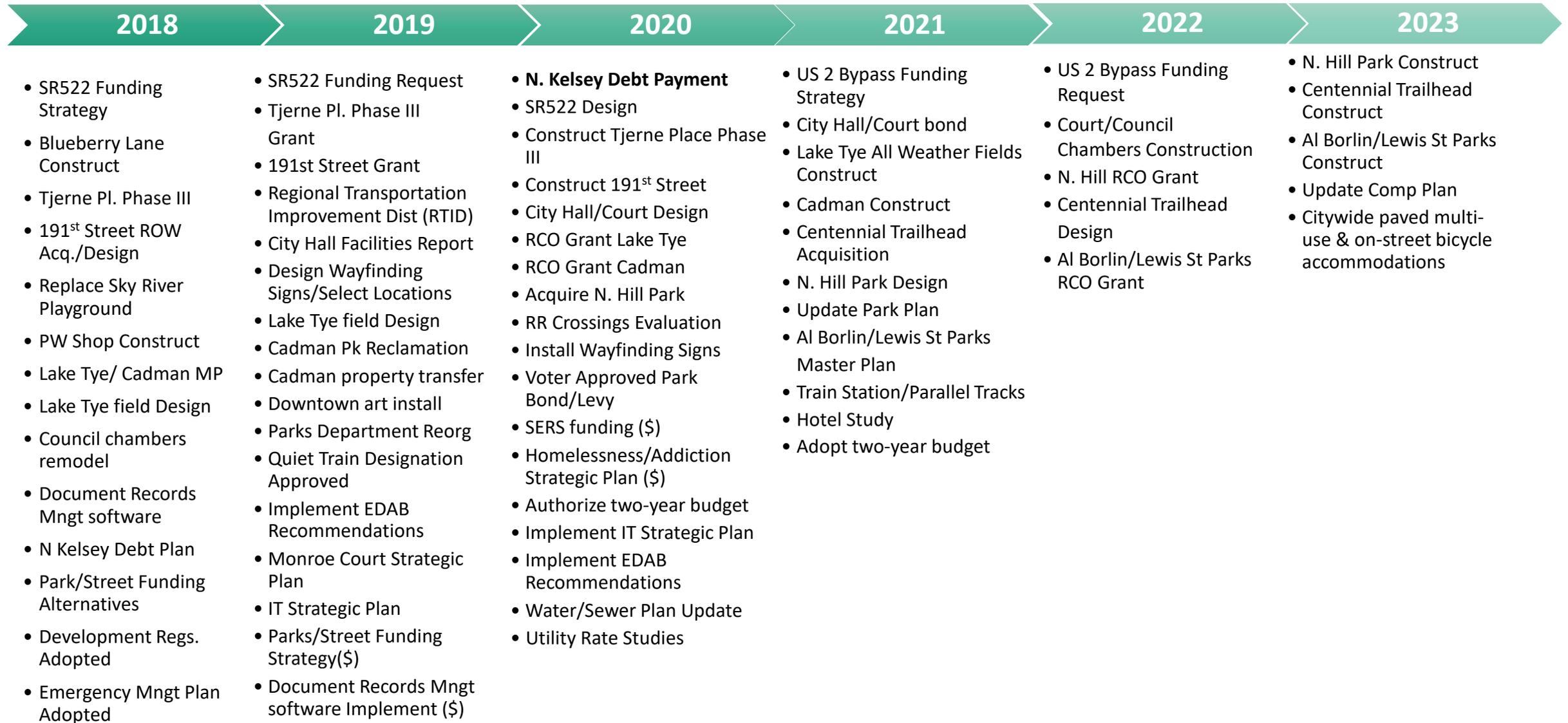
Since the discussion in March, additional projects were proposed and evaluated, resulting in the following additional changes:

- Shift the downtown art installation project from 2018 to 2019, based on direction from Council.
- Replace "Adopt and Fund a Marketing Plan" with "Implement EDAB Recommendations" in 2019 and 2020.
- Replacing the Enterprise Resource Program (ERP) with an IT Strategic Plan in 2019 to determine what investments the City should make in IT over the next five years.
- Add "Reorganize the Parks Dept" in 2019 consistent with the Parks Board discussion.

The Six-Year Strategic Plan will help prioritize and organize efforts based on consensus with an observable and trackable timeline. In this way, the Six-Year Strategic Plan will guide near-term progress towards achieving Monroe's long-term vision. The strategic plan will serve as the tool to prioritize initiatives, resources, goals, and department operations and projects.

The Six-Year Strategic Plan on the next page was incorporated into the 2019 Budget. The connection between the strategic plan and the City's financial resources, as outlined in the General Fund Six-Year Forecast (page 61), insures a strong link between long-range comprehensive planning, mid-range strategic planning, and short-term implementation decisions included in the annual budget and reflected in department work plans.

Monroe Six Year Strategic Plan





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BUDGET OVERVIEW

Budget Overview

INTRODUCTION

A budget is a legal document that forecasts the financial resources of the City and authorizes the spending of those resources for a fiscal period. For the City of Monroe, the fiscal period is one calendar year, January through December. The budget process should result in a plan of operations for allocating and monitoring the use of our limited resources among our various competing demands. The City of Monroe's 2019 Budget is the proposed plan for fiscal year 2019.

The City accounts for and organizes its operations on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City of Monroe accounts for its operations in 22 separate funds, each requiring an adopted budget.

Current Expense Funds (Three Funds)

The primary operational fund (the current expense fund) of the City is the General Fund 001. This fund houses the revenues and expenditures which are not accounted for in other funds and supports services for the greater good that are more general in nature. As the primary fund of the City, further information specific to the General Fund can be found beginning on page 25 of this document.

In addition to the General Fund 001, the City budgets two additional general type funds: Fund 002 Contingency and Fund 008 - Donations. The Contingency Fund 002 is required by the City's reserve policy and is allowed by RCW 35A.33.145. This fund may be used for emergencies and for one time unanticipated expenditures with appropriate action of the Council. Per policy, the City targets up to 8% of its General Fund operating expenditures to be housed in this fund up to the limit of \$0.375 per \$1,000 City assessed value imposed by RCW. For 2019, the anticipated ending balance in the contingency fund of \$975,760 represents full funding for the contingency fund based on the 2019 City assessed valuations from the county.

The Donation Fund 008 accounts for donations made by private parties and businesses to support specific activities of the City. Historically, donations have been received that support the City's Community Egg Hunt, flower basket program, police K-9 operations, and Movies Under the Moon. If you are interested in making a donation to the City, feel free to contact City Hall at 360-794-7400 and contact your tax advisor as your donation may be tax deductible.

Budget Overview

Special Revenue Funds (Four Funds)

The City of Monroe budgets four special revenue funds: Fund 105 Street Operations & Maintenance; Fund 109 Lodging Tax; Fund 114 Narcotics Enforcement; and Fund 117 Real Estate Excise Taxes (REET). By definition, special revenue funds are used to account for and record the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. In the Street Fund 105, the state shared gas taxes the City receives are restricted to street maintenance and operations. The Lodging Tax Fund 109 taxes can only be used for tourism related operations and marketing, the Narcotics Enforcement Fund 114 proceeds may only be used for drug enforcement operations, and REET Fund 117 taxes are restricted by RCW for use on specific types of capital projects. Additional information for each of these funds may be found in the Special Revenue Fund section of the budget document.

Debt Service Fund (One Fund)

The City of Monroe maintains one debt service fund to account for the long term debt associated with the taxable operations of the City. Debt associated with the operations and revenues of our utilities are accounted for in an appropriate utility fund. The City's Debt Service Fund 203 is used to account for annual debt associated with the City's North Kelsey property and the general fund portion of the Public Works campus project. Revenues associated with the debt service expenditures in this fund are derived by transfers from the REET Fund 117 and the No. Kelsey Capital Fund 319.

General Government Capital Funds (Four Funds)

The City of Monroe budgets four general government capital funds: Fund 307 General CIP Fund; Fund 317 Parks CIP Fund; Fund 318 Street CIP Fund; and Fund 319 No. Kelsey Capital Fund. As with debt service, capital improvement projects (CIP) associated with our utilities are accounted for in an appropriate utility fund. Additional information for each of these funds may be found in the Capital Funds section of this budget document.

Utility (Enterprise) Funds (Seven Funds)

The City of Monroe budgets seven utility funds: Fund 411 Water Operations & Maintenance (O&M); Fund 412 Water CIP; Fund 421 Sewer O&M; Fund 422 Sewer CIP; Fund 431 Stormwater O&M; Fund 432 Stormwater CIP; and Fund 450 Revenue Bond Reserves. Utility funds are used to account for the City's activities for which a fee is charged to external users for goods or services. Debt and capital projects paid by the rate proceeds charged to external users are also accounted for using utility funds. While it is not required to have separate capital and debt reserve funds for the utilities (these activities could be included in the appropriate utility O&M fund), it is the City's desire to make these activities as transparent as possible by housing them in a separate utility fund. Additional information for each of these funds may be found in the Utility/Enterprise Funds section of this budget document.

Budget Overview

Internal Service Funds (Three Funds)

The City of Monroe budgets three internal service funds: Fund 510 Information Technology; Fund 520 Fleet and Equipment; and Fund 530 Facilities. Internal service funds are used to account for goods and services provided to other funds and departments of the City on a cost reimbursement basis. Because our information technology, fleet and equipment, and facility programs affect all departments of the City, it is best practice to account for these activities in their own funds. Additional information for each of these funds may be found in the Internal Service Funds section of the budget document.

OVERVIEW

The total 2019 Budget across all funds is \$82,966,214. Exclusive of beginning fund balance, the largest revenue stream is charges for services at \$23,094,810 or 27.84% with taxes being the second largest revenue stream at \$13,416,765 or 16.17% of the overall budget. All revenues, exclusive of beginning fund balances and transfers in, total \$41,720,369. In contrast, total expenditures across all funds, exclusive of ending fund balances, reserves, capital and debt service, are \$32,004,538. The difference between these two figures, \$9,715,831, supports our debt service and capital programs along with transfers in and beginning fund balances. Total anticipated ending fund balances, inclusive of reserves, is \$30,700,219.

Total revenues continue to grow at a steady pace as our economy continues to improve after the great recession. Increases in our overall charges for services over prior years (2019 anticipated is projected to increase by 5.24% over 2018 budget) is attributable to steady development and increased utility accounts. 2019 anticipated taxes include using \$450,000 of banked property taxes (further discussion may be found on page 26) and a projected \$999,133 from a new utility tax on sewer, similar to the existing utility tax on water utility (further discussion may be found on page 95).

As noted earlier, total expenditures for the City, exclusive of capital, debt service, transfers out, and ending fund balance, is \$32,004,538. The largest portion of expenditures is personnel. As the City is a service oriented agency, it is expected that personnel would be the largest expenditure category without consideration of capital, debt service, transfers out, or ending fund balance. For 2019, it is anticipated that personnel costs (salaries and benefits) will be \$16,246,620 over all funds of the City. This represents 50.76% of the \$32,004,538 expenditure total but represents 19.58% of the overall \$82,966,214 budget.

Exclusive of ending fund balance, capital is the next largest expenditure category at \$12,066,933. This represents 14.54% of the overall \$82,966,214 but is a decrease of \$7,188,206 from 2018. Capital fluctuates year over year as projects are budgeted as financial and other resources allow.

The following pages summarize the various categories anticipated for both revenues and expenditures for all City funds for 2019.

2019 EXPENDITURE SOURCES - ALL FUNDS

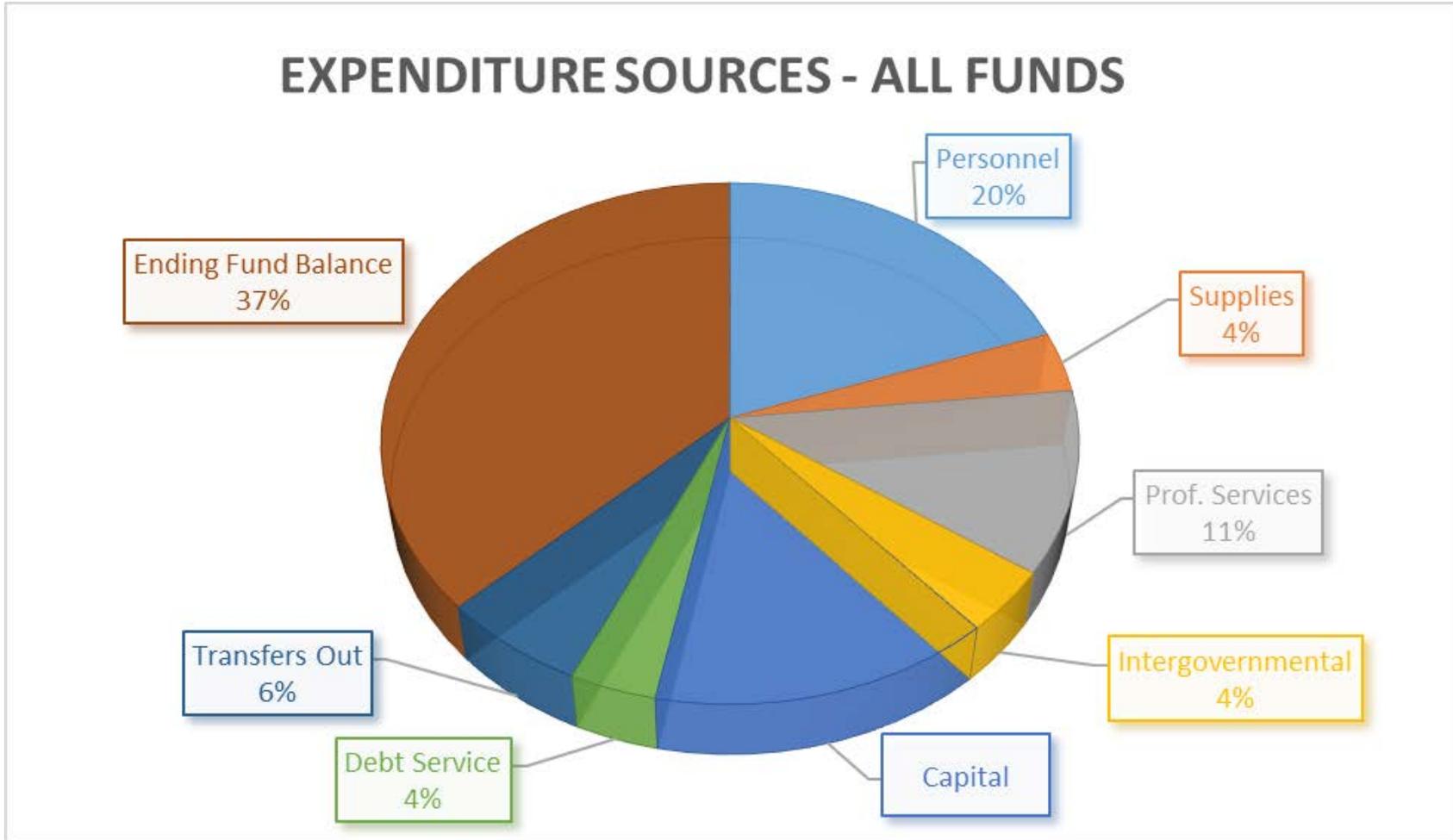
Fund	Personnel	Supplies	Prof. Services	Inter- governmental	Capital	Debt Service	Transfers Out	Ending Fund Balance	Totals
<u>General Funds</u>									
General Govt Fund (001)									
Non-departmental							1,292,405	2,875,083	4,167,488
Executive	395,926	7,500	292,885	23,044	20,000				739,355
Finance	450,693	5,500	107,908						564,101
Human Resources	157,692	2,300	53,770						213,762
Police	6,432,633	99,405	1,318,928	23,179					7,874,145
Legislative (Council)	81,257	500	94,700	18,500					194,957
Legal			728,000						728,000
City Clerk	139,291	1,000	24,650						164,941
Municipal Court	279,912	2,700	132,171						414,783
Parks	1,255,652	95,750	420,135	250					1,771,787
Jail & Dispatch				771,000					771,000
Community Development	1,189,338	6,700	250,080						1,446,118
Emergency Mngt	11,031	4,525	11,314						26,870
Total General Fund	10,393,425	225,880	3,434,541	835,973	20,000	-	1,292,405	2,875,083	19,077,307
<u>Other General Type Funds</u>									
Contingency Fund (002)								975,760	975,760
Donation Fund (008)			3,520					14,660	18,180
Total All Gen. Type Funds	10,393,425	225,880	3,438,061	835,973	20,000	-	1,292,405	3,865,503	20,071,247
<u>Special Revenue Funds</u>									
Street Fund (105)	339,068	92,760	299,991				1,737	292,801	1,026,357
Lodging Tax Fund (109)			117,426					27,811	145,237
Narcotics Fund (114)			15,600		10,000			19,264	44,864
REET Fund (117)							766,192	3,101,101	3,867,293
Total All Spec. Rev. Funds	339,068	92,760	433,017	-	10,000	-	767,929	3,440,977	5,083,751
<u>Debt Service Fund</u>									
Debt Service Fund (203)						206,870		3,387	210,257

2019 EXPENDITURE SOURCES - ALL FUNDS

Fund	Personnel	Supplies	Prof. Services	Inter- governmental	Capital	Debt Service	Transfers Out	Ending Fund Balance	Totals
<u>Capital Funds</u>									
General CIP Fund (307)					513,500		258,073		771,573
Parks CIP Fund (317)	150,394		92,542		553,000			726,239	1,522,175
Street CIP Fund (318)	293,844		27,559		3,108,949			271,480	3,701,832
No. Kelsey Dev Fund (319)			60,000				68,728	1,771,389	1,900,117
<u>Total All Capital Funds</u>	444,238	-	180,101	-	4,175,449	-	326,801	2,769,108	7,895,697
<u>Enterprise Funds</u>									
Water O&M Fund (411)	937,639	1,788,285	945,403	953,395		694,940	1,607,211	638,359	7,565,232
Water CIP Fund (412)	300,453		75,277	71,231	4,930,408			4,158,329	9,535,698
Sewer O&M Fund (421)	1,561,851	413,110	1,965,136	1,124,349	10,000	1,941,763	924,273	847,945	8,788,427
Sewer CIP Fund (422)	304,361		107,590	129,784	1,358,226			6,990,247	8,890,208
Stormwater O&M Fund (431)	905,097	25,010	652,794	178,200		198,713	91,106	235,178	2,286,098
Stormwater CIP Fund (432)	293,844		43,390		550,080			175,484	1,062,798
Rev. Bond Reserve Fund (450)							142,513	2,799,233	2,941,746
<u>Total All Enterprise Funds</u>	4,303,245	2,226,405	3,789,590	2,456,959	6,848,714	2,835,416	2,765,103	15,844,775	41,070,207
<u>Internal Service Funds</u>									
Info. Technology Fund (510)	154,710	86,450	557,215					152,069	950,444
Fleet & Equipment Fund (520)	255,699	291,000	151,002		909,270			4,548,489	6,155,460
Facilities Fund (530)	356,235	163,000	830,505		103,500			75,911	1,529,151
<u>Total All Internal Svc Fund</u>	766,644	540,450	1,538,722	-	1,012,770	-	-	4,776,469	8,635,055
TOTAL ALL FUNDS	16,246,620	3,085,495	9,379,491	3,292,932	12,066,933	3,042,286	5,152,238	30,700,219	82,966,214

2019 EXPENDITURE SOURCES - ALL FUNDS

TOTAL ALL FUNDS	16,246,620	3,085,495	9,379,491	3,292,932	12,066,933	3,042,286	5,152,238	30,700,219	82,966,214
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2019 REVENUE SOURCES - ALL FUNDS

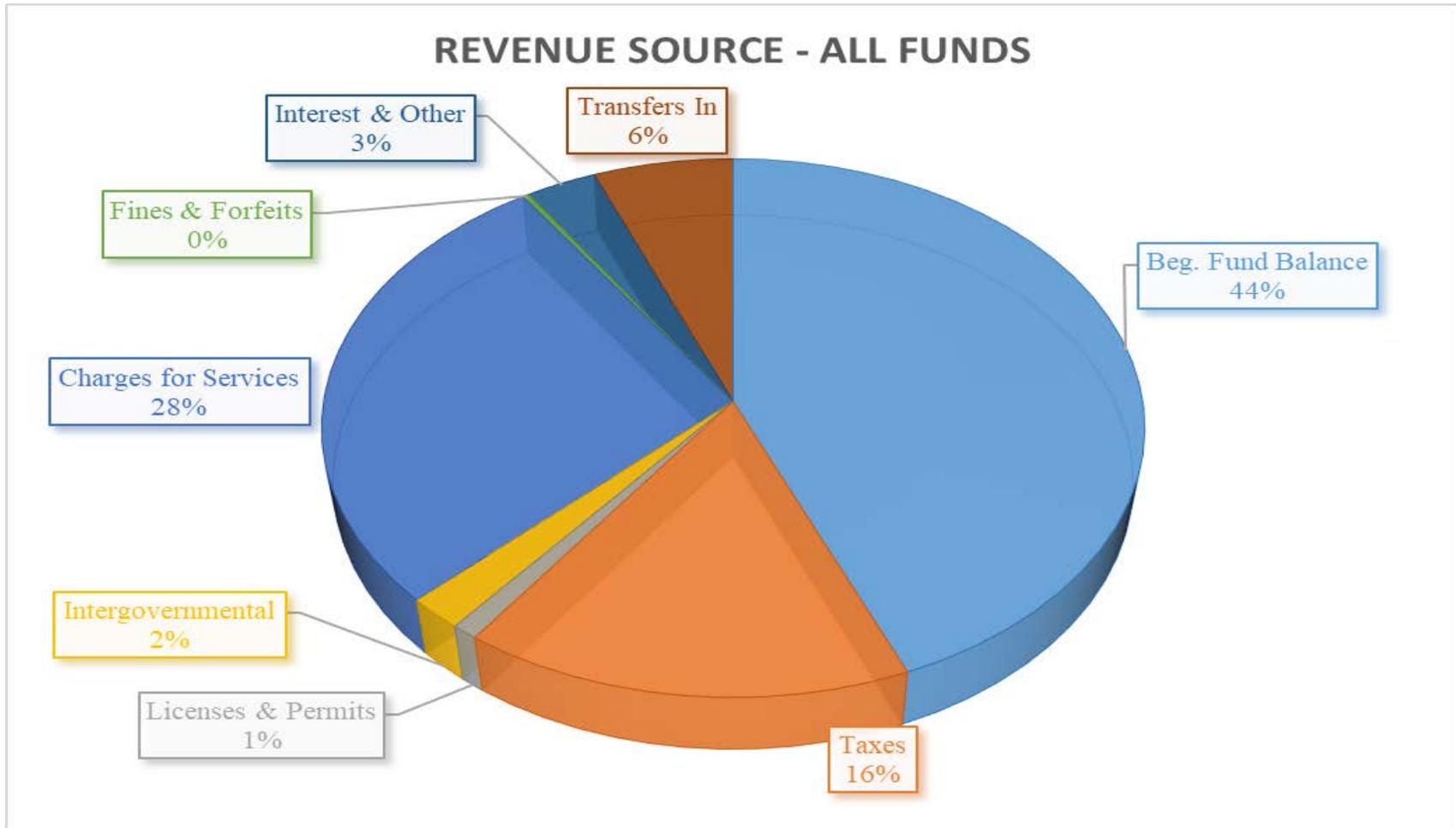
Fund	Beg. Fund Balance	Taxes	Licenses & Permits	Inter-governmental	Charges for Services	Fines & Forfeits	Interest & Other	Transfers In	Totals
<u>General Funds</u>									
General Govt Fund (001)									
Non-departmental	3,692,539	11,567,480	163,000	110,614	4,950		75,148		15,613,731
Executive					355,904				355,904
Finance					343,962		150		344,112
Human Resources					49,140		100		49,240
Police		869,285	12,183	364,269	58,429		3,200		1,307,366
Legislative (Council)					125,271				125,271
Legal					125,610				125,610
City Clerk					88,848		350		89,198
Municipal Court						240,624	475		241,099
Parks				19,260	42,700		1,300		63,260
Jail & Dispatch									-
Community Development			406,000		356,196		300		762,496
Emergency Mngt							20		20
Total General Fund	3,692,539	12,436,765	581,183	494,143	1,551,010	240,624	81,043	-	19,077,307
<u>Other General Type Funds</u>									
Contingency Fund (002)	856,077						17,121	102,562	975,760
Donation Fund (008)	14,130						4,050		18,180
Total All Gen. Type Funds	4,562,746	12,436,765	581,183	494,143	1,551,010	240,624	102,214	102,562	20,071,247
<u>Special Revenue Funds</u>									
Street Fund (105)	293,246		202,520	439,627	84,100		6,864		1,026,357
Lodging Tax Fund (109)	64,487	80,000					750		145,237
Narcotics Fund (114)	34,864						10,000		44,864
REET Fund (117)	2,909,111	900,000					58,182		3,867,293
Total All Spec. Rev. Funds	3,301,708	980,000	202,520	439,627	84,100	-	75,796	-	5,083,751
<u>Debt Service Fund</u>									
Debt Service Fund (203)	3,347						40	206,870	210,257

2019 REVENUE SOURCES - ALL FUNDS

Fund	Beg. Fund Balance	Taxes	Licenses & Permits	Inter- governmental	Charges for Services	Fines & Forfeits	Interest & Other	Transfers In	Totals
<u>Capital Funds</u>									
General CIP Fund (307)	756,445						15,128		771,573
Parks CIP Fund (317)	808,141				347,060		16,237	350,737	1,522,175
Street CIP Fund (318)	1,266,429			718,725	1,589,000		25,628	102,050	3,701,832
No. Kelsey Dev Fund (319)	805,284						16,105	1,078,728	1,900,117
<u>Total All Capital Funds</u>	3,636,299	-	-	718,725	1,936,060	-	73,098	1,531,515	7,895,697
<u>Enterprise Funds</u>									
Water O&M Fund (411)	938,190				6,535,405		56,700	34,937	7,565,232
Water CIP Fund (412)	7,225,796						712,316	1,597,586	9,535,698
Sewer O&M Fund (421)	1,238,233				7,428,000		27,264	94,930	8,788,427
Sewer CIP Fund (422)	6,733,585						1,297,827	858,796	8,890,208
Stormwater O&M Fund (431)	337,055				1,928,656		7,741	12,646	2,286,098
Stormwater CIP Fund (432)	707,084						14,141	341,573	1,062,798
Rev. Bond Reserve Fund (450)	2,885,762						55,984		2,941,746
<u>Total All Enterprise Funds</u>	20,065,705	-	-	-	15,892,061	-	2,171,973	2,940,468	41,070,207
<u>Internal Service Funds</u>									
Info. Technology Fund (510)	306,674				634,637		9,133		950,444
Fleet & Equipment Fund (520)	4,274,430				1,790,542		90,488		6,155,460
Facilities Fund (530)	86,521				1,206,400		9,230	227,000	1,529,151
<u>Total All Internal Svc Fund</u>	4,667,625	-	-	-	3,631,579	-	108,851	227,000	8,635,055
TOTAL ALL FUNDS	36,237,430	13,416,765	783,703	1,652,495	23,094,810	240,624	2,531,972	5,008,415	82,966,214

2019 REVENUE SOURCES - ALL FUNDS

TOTAL ALL FUNDS	36,237,430	13,416,765	783,703	1,652,495	23,094,810	240,624	2,531,972	5,008,415	82,966,214
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Transfers In and Out

Fund	Amount In	Amount Out
General Fund 001		\$ 102,562 To Contingency Fund 002
General Fund 001		\$ 111,115 To Sick Leave Reserve Fund 621
General Fund 001		\$ 1,078,728 To No. Kelsey Dev. Fund 319
Contingency Reserve Fund 002	\$ 102,562	From General Fund 001
Street O&M Fund 105		\$ 1,737 To Parks CIP Fund 317
Debt Service Fund 203	\$ 68,728	From No. Kelsey Dev. Fund 319
Debt Service Fund 203	\$ 138,142	From REET Fund 117
REET Fund 117		\$ 138,142 To Debt Service Fund 203
REET Fund 117		\$ 102,050 To Streets CIP Fund 318
REET Fund 117		\$ 349,000 To Parks CIP Fund 317
REET Fund 117		\$ 177,000 To Facilities Fund 530
General CIP Fund 307		\$ 258,073 To Stormwater CIP Fund 432
Parks CIP Fund 317	\$ 349,000	From REET Fund 117
Parks CIP Fund 317	\$ 1,737	From Street O&M Fund 105
Streets CIP Fund 318	\$ 102,050	From REET Fund 117
No Kelsey Dev. Fund 319	\$ 1,078,728	From General Fund 001
No Kelsey Dev. Fund 319		\$ 68,728 To Debt Service Fund 203
Water O&M Fund 411		\$ 9,625 To Sick Leave Reserve Fund 621
Water O&M Fund 411		\$ 1,597,586 To Water CIP Fund 412
Water O&M Fund 411	\$ 34,937	From Rev. Debt Reserve Fund 450
Water CIP Fund 412	\$ 1,597,586	From Water O&M Fund 411
Sewer O&M Fund 421		\$ 15,477 To Sick Leave Reserve Fund 621
Sewer O&M Fund 421		\$ 858,796 To Sewer CIP Fund 422
Sewer O&M Fund 421		\$ 50,000 To Facilities Fund 530
Sewer O&M Fund 421	\$ 94,930	From Rev. Debt Reserve Fund 450
Sewer CIP Fund 422	\$ 858,796	From Sewer O&M Fund 421
Stormwater O&M Fund 431		\$ 7,606 To Sick Leave Reserve Fund 621
Stormwater O&M Fund 431	\$ 12,646	From Rev. Debt Reserve Fund 450
Stormwater O&M Fund 431		\$ 83,500 To Stormwater CIP Fund 432
Stormwater CIP Fund 432	\$ 83,500	From Stormwater O&M Fund 431
Stormwater CIP Fund 432	\$ 258,073	From General CIP Fund 307
Rev. Debt Reserve Fund 450		\$ 34,937 To Water O&M Fund 411
Rev. Debt Reserve Fund 450		\$ 94,930 To Sewer O&M Fund 421
Rev. Debt Reserve Fund 450		\$ 12,646 To Stormwater O&M Fund 431
Facilities Fund 530	\$ 50,000	From Sewer O&M Fund 421
Facilities Fund 530	\$ 177,000	From REET Fund 117
Totals:	<u>\$ 5,008,415</u>	<u>\$ 5,152,238</u>

The \$143,823 difference between transfers in and transfers out represents the transfer to the Employee Sick Leave Reserve Fund 621. As a fiduciary fund, it does not require a formal budget be adopted. Employees hired prior to 2013 receive sick leave cash out at 50% of their accrual at time of separation from the city. This benefit is no longer offered to employees hired after 01/01/2013. The city's reserve policy requires 1% of the General Fund's current year revenues, exclusive of the beg. fund balance, be transferred into Fund 621 to cover this benefit. Although based on the general fund revenue, the utility funds are required to pay their proportionate share into Fund 621.



**THE ADVENTURE
STARTS HERE!**

GENERAL FUND

General Fund Overview

INTRODUCTION

The General Fund is the principal governmental fund of the City. It accounts for the revenues and expenditures which are not accounted for in any other fund and supports services for the greater good that are more general in nature. These services traditionally do not have a dedicated revenue stream to fully support its program and include police, parks, community and economic development, municipal court, records and legal services, and administrative services.

REVENUES

The majority of the General Fund revenues are taxes. For the 2019 Budget, tax revenue represents 65.19% of the overall anticipated revenue into the General Fund. This includes property taxes, sales taxes, utility taxes, leasehold excise taxes, admissions taxes, and gambling taxes. Without consideration of the beginning fund balance, the second largest category of revenue is Charges for Services at 8.12% of the General Fund. These charges include plan review fees, appropriate policing reimbursement fees, field usage fees in our parks, and overhead recovery fees for our administrative services. The chart below outlines the various revenue categories anticipated in 2019 for the General Fund.

General Fund - Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Taxes	\$ 8,963,607	\$ 9,374,990	\$10,922,890	\$10,749,769	\$11,097,788	\$12,436,765
Licenses & Permits	481,275	837,034	806,563	680,200	681,033	581,183
Intergovernmental	560,852	622,953	616,418	641,885	578,968	494,143
Charges for Services	961,614	1,349,352	1,095,781	1,274,186	1,306,347	1,549,810
Fines & Forfeitures	273,849	295,620	283,176	287,500	240,876	240,624
Interest & Other Rev	58,811	52,025	77,170	49,379	80,991	82,243
Transfers In	289,328	100,000	446,953	122,351	125,731	-
Beginning Fund Balance	2,933,802	2,943,177	3,383,932	4,548,625	4,548,625	3,692,539
Total	\$14,523,138	\$15,575,152	\$17,632,883	\$18,353,895	\$18,660,358	\$19,077,307

Total anticipated revenues for 2019 in the General Fund, without consideration of the beginning fund balance, is an increase of 11.44% from the 2018 Budget. The majority of this increase is attributable to the use of \$450,000 of banked property tax capacity (discussed beginning on the next page) and an estimated \$999,133 in new sewer utility tax revenue (page 95). These new revenues will help support the two new positions in the Parks Department, the Economic Development Advisory Board's recommendations, and reserve money toward the 2020 \$2.9 million North Kelsey debt payment.

General Fund Overview

Property Taxes

The City's property tax is levied based on the assessed value from the previous year, as determined by the Snohomish County Assessor. Annually, the City Council sets the property tax levy as part of the annual budget process. This levy is then legally required to be certified to the County by the end of November. The Council may increase its property tax revenues by either one percent or by the Implicit Price Deflator published in September each year, whichever is lower. If the Council does not increase the property tax by the amount allowed, the City then "banks" the amount for potential future use.

The City has traditionally foregone its statutorily allowed increase each year and "banked" the taxing authority, with the exception of fiscal year 2017. For 2017, the City used \$484,312 of its banked capacity to help restore specific positions/services within the General Fund, such as a parks supervisor, part time permit tech/code enforcement, and a city accountant (still to be filled). The 2018 Approved Budget did not increase the property taxes over 2017 collections, leaving approximately \$671,000 in banked tax capacity. (A detailed discussion regarding property taxes, banked capacity, impacts of the McCleary case, and impacts to individual homeowners was presented to the City Council on August 21, 2018. The full agenda bill with attachments may be found in the appendix of this document on page 128.)

The 2019 Budget utilizes \$450,000 of the City's banked capacity. This money will be used to fund two new Parks and Recreation Department positions, fund the Economic Development Advisory Board recommendations, and set aside money toward the 2020 North Kelsey debt payment.

The following chart details the historical rate per thousand assessed for City taxes and illustrates the impact of assessing the \$450,000 of banked property tax capacity on the 2019 rate per thousand, a two and one half cent increase.

Historical City Assessed Valuation, General Property Tax Levied, and City Property Tax Rate
****2019 rates are preliminary estimates**

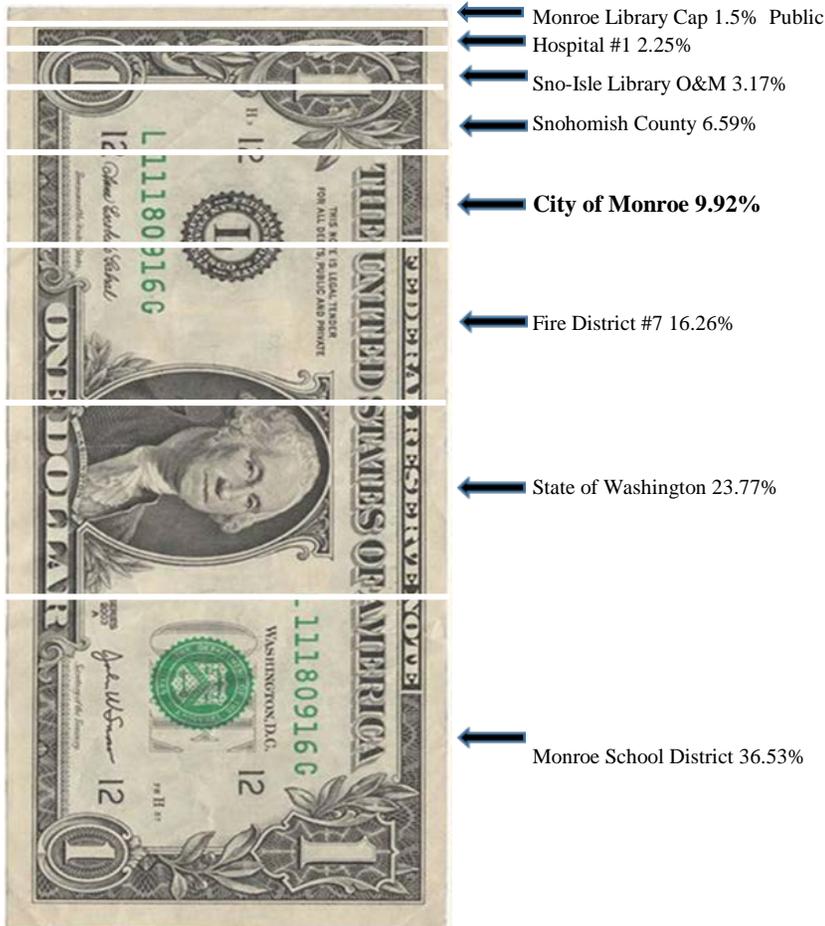
Year	Assessed Value	Revenue	per \$1,000
2019**	\$ 2,602,026,240	\$ 3,148,353	\$ 1.21
2018	\$ 2,255,923,097	\$ 2,674,640	\$ 1.19
2017	\$ 1,991,598,893	\$ 2,577,719	\$ 1.29
2016	\$ 1,773,873,208	\$ 2,047,724	\$ 1.15
2015	\$ 1,631,751,335	\$ 2,013,295	\$ 1.23
2014	\$ 1,464,883,201	\$ 1,991,453	\$ 1.36
2013	\$ 1,349,715,977	\$ 1,969,615	\$ 1.46

General Fund Overview

Property Taxes continued:

For a \$500,000 home, an approximate 2 1/2 cent per thousand increase would be a \$12.20 per year increase to the City's portion of your total property tax bill:

Home Value	2018 City tax	2019 est. City tax	Difference per year
\$ 250,000	\$ 296.40	\$ 302.50	\$ 6.10
\$ 300,000	\$ 355.68	\$ 363.00	\$ 7.32
\$ 400,000	\$ 474.24	\$ 484.00	\$ 9.76
\$ 500,000	\$ 592.80	\$ 605.00	\$ 12.20
\$ 650,000	\$ 770.65	\$ 786.50	\$ 15.85



The property tax rates illustrated above are for the City of Monroe's portion only of your overall tax bill. For the majority of our residents, your property tax bill also includes taxes to the state, Fire District #7, the library, schools, hospital, and county. For 2018, the City of Monroe's portion represented just 9.92% of the total bill. The total property tax bill on a house with an assessed value of \$389,500 in 2018 is \$4,666, of which only \$462 went to the City of Monroe to support its general services (\$1.19 of the \$11.99 total 2018 tax levy).

General Fund Overview

Property taxes continued:



While all taxes represent 65.19% of the 2019 General Fund budget, property taxes alone represent just 16.50% of the anticipated General Fund revenues (\$3,148,353 of the \$19,077,307 anticipated revenue). The largest source of anticipated taxes to the 2019 General Fund is sales taxes.

Sales Taxes

Sales taxes are the taxes paid on retail sales in the City of Monroe. Monroe's sales tax rate is 9.2%. Of this rate, 6.5% goes to the state, 1.4% to other agencies, and the remaining 1.3% stays here locally. For 2019, the anticipated Monroe portion of general sales taxes represent 26.06% of the overall General Fund budget (\$4,972,260 of the \$19,077,307 anticipated revenue). These taxes may be used for any general purpose program for the City, such as parks, community development, police, etc.

As illustrated in the chart below, general sales taxes for Monroe continue to improve year over year. These increases are attributable to an improving economy, more sales generated within our City limits by an increasing population, and steady construction activity on residential development.



Along with the general sales taxes, the City also assesses an additional 0.1% sales tax (part of the 9.2%) for public safety purposes. This restricted tax, as approved by the voters, may only be used for public safety purposes. The anticipated receipts from this 0.1% sales tax is \$477,195, which is 2.50% of the overall anticipated General Fund budget. This \$477,195 represents 6.06% of the Police department 2019 proposed expenditure budget.

Remaining 2019 anticipated sales taxes are the state shared taxes for Criminal Justice at 1.79% or \$342,473 of the overall anticipated General Fund revenues. This again is restricted resources for public safety, and represents 4.35% of the Police department's 2019 expenditure budget.

General Fund Overview

Utility Taxes

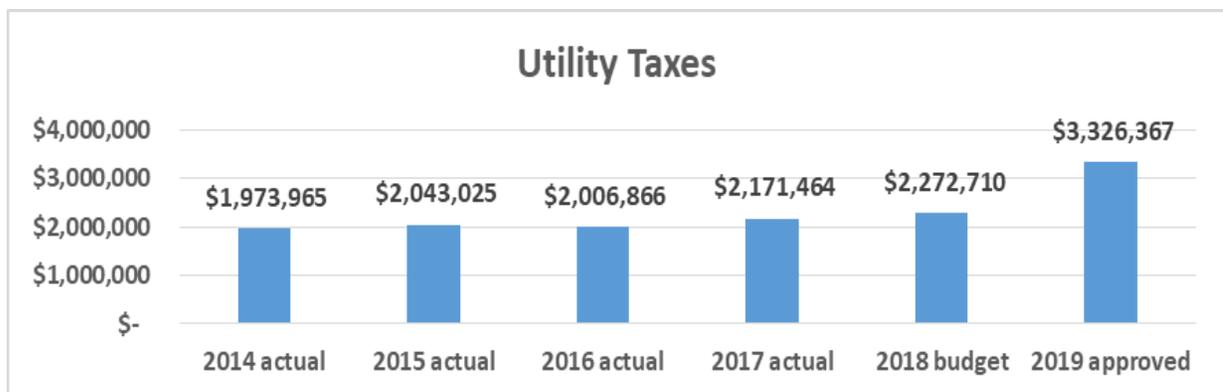
Utility taxes are taxes levied on the gross operating revenues earned by both public and private utilities operating within the City of Monroe. A utility tax is not a pass through tax but a tax on the "business" itself. Through 2018, utilities paying a tax to the General Fund included electric, natural gas, phone, and water. It did not include sewer, stormwater, or garbage. (Garbage utilities pay a franchise fee to the City, which we receipt into Fund 105-Street Fund.)

The 2019 Budget includes implementing a 10% utility tax on our sewer utility, similar to what is assessed on our water utility. This new tax is estimated to generate \$999,133 of new money to the General Fund, of which \$750,000 will be set in reserve for the 2020 North Kelsey debt payment, with the remaining money to fund the recommendations developed by the Economic Development Advisory Board.

Because the utility tax is a tax on operations and not a pass through tax similar to sales taxes, the tax does not effect the ratepayers but is absorbed as a cost of doing business for the utility. Along with the 10% utility tax recommended on sewer operations, the 2019 Budget also recommends **decreasing** sewer rates by 2.5%. Information on the impacts of these changes to the sewer fund may be found on page 95.

Utility taxes are our third largest revenue source to the General Fund, behind sales and property taxes but exclusive of beginning fund balance. 2019 anticipated utility taxes represent 17.43% of the General Fund anticipated revenues (\$3,326,367 of the \$19,077,307 total).

With the exception of 2016 actual receipts, the utility taxes have grown at a slow but steady pace, due mostly to our population growth. In 2016, taxes assessed against natural gas decreased over prior years but has begun to grow again. Overall, 2019 utility taxes are anticipated to increase over 2018 budget by 46.36%, mostly due to the proposed sewer utility tax. Our official population increased by 2.77% over 2018. The remaining increase to the utility taxes is attributable to population increase and rate adjustments.



General Fund Overview

Other Taxes

The remaining 2019 taxes are derived from Admissions Taxes, Leasehold Excise Taxes, and Gambling Taxes. These taxes represent 0.89% or \$170,117 of the overall 2019 General Fund revenues. The largest portion of these remaining taxes is the admissions tax (\$115,000), which had been declining in recent years but has started to slowly grow again.

Licenses & Permits

The City of Monroe assesses fees to license businesses and animals. In addition, Monroe realizes revenue from cable franchise fees and building permits. Building permits are the largest revenue stream within this category, \$406,000 of the \$581,183 total expected. These are the fees assessed against new housing starts. The City is estimating a conservative 140 new housing permits for 2019.

Intergovernmental Revenues

Intergovernmental revenues consist of state shared revenues, grants, and reimbursements from other governmental agencies. State collected revenues that are shared with all cities are allocated on a per capita basis. Population figures, determined annually as of April 1 by the State demographer in the Office of Fiscal Management, are used as the basis for the per capita distributions. For 2019, Monroe's official population is 18,860. This is a 2.77% increase over the 2018 figure of 18,350. Intergovernmental revenues represent 2.59% of the total anticipated General Fund revenue (\$494,143 of the \$19,077,307). This is a 23.01% decrease from 2018 Budget. This decrease is attributable to the discontinuation of the state's streamlined sales tax mitigation payments.

Charges for Services

The City of Monroe offers a variety of services to its citizens and customers including passport applications, parks and field usage, fingerprinting, plan reviews, etc. In addition, our police department works with the local school district to staff a School Resource Officer. Fees associated with these services comprise the Charges for Services category for the General Fund.

The 2019 anticipated charges for services revenues make up 8.12% of the General Fund anticipated revenues. The majority of the fees in this category are generated by planning services and plan review fees. 2019's anticipated revenues (\$1,549,810) are a 21.63% increase over 2018 budget.

General Fund Overview

Fines & Forfeitures

Fines and forfeitures represent traffic citations and other fines imposed through enforcement of local ordinances and state statutes. 2019's projected revenue is a decrease from 2018 budget by \$46,876 or 16.30%. These revenues are hard to anticipate as they are dependent on specific enforcement actions and human nature.

Interest and Other Revenues

Interest and other revenues represents the interest earned on the City's investments and other misc. revenues such as leases, rental income, insurance recoveries, etc. The City determines each month its immediate cash needs and invests any excess cash into the State's Local Government Investment Pool (LGIP) to maximize its interest earnings. Money invested in the LGIP has no risk to the principal and is available within 24 hours if needed. There are no transaction fees associated with these investments. For longer term monies (money associated with future capital projects), the City invests in federal bonds, which are allowable by law. These investments mature anywhere from one to five years from the date of purchase and allows the City to realize a higher rate of return than our short term LGIP investments. While the City does not budget for miscellaneous revenues each year, this category is anticipated to increase by \$32,864 over 2018 budget, mostly due to rising interest rates on our investments.

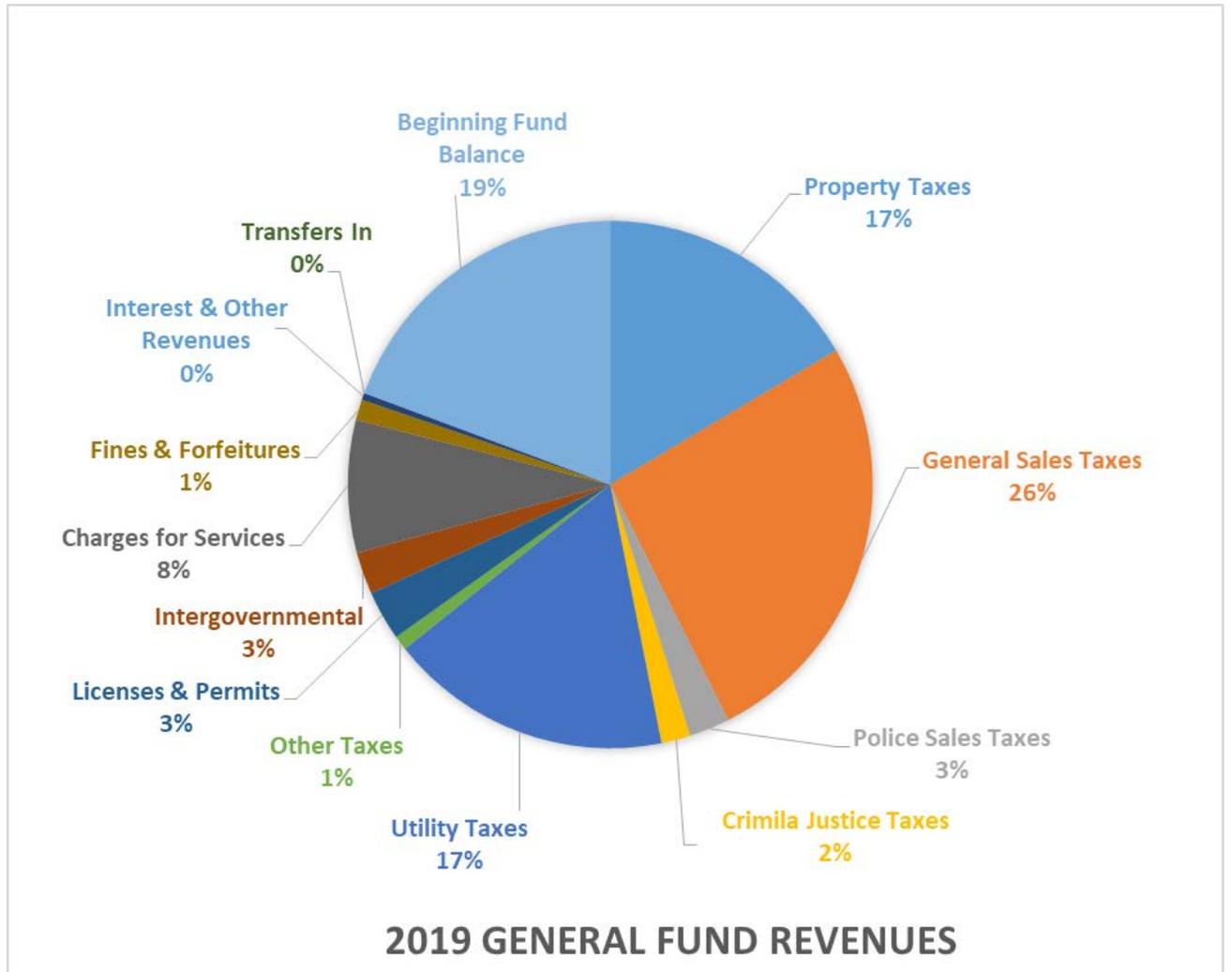
Transfers In

Transfers In represent intermittent moneys that are moved into the General Fund from other funds for special projects. These transfers can fluctuate greatly year to year. There are no transfers in anticipated as part of the 2019 Budget.

Beginning Fund Balance

The beginning fund balance represents the cash remaining at the end of the prior fiscal year that is available for use by the city. The beginning fund balance has been growing steadily each year as departments are cost conscious when spending on their programs and revenues can sometimes come in higher than anticipated. The City's practice is to reserve 17% of our anticipated expenditures from the beginning fund balance to insure we have a proper reserve for cash flow purposes and other unanticipated needs.

General Fund Overview



General Fund Overview

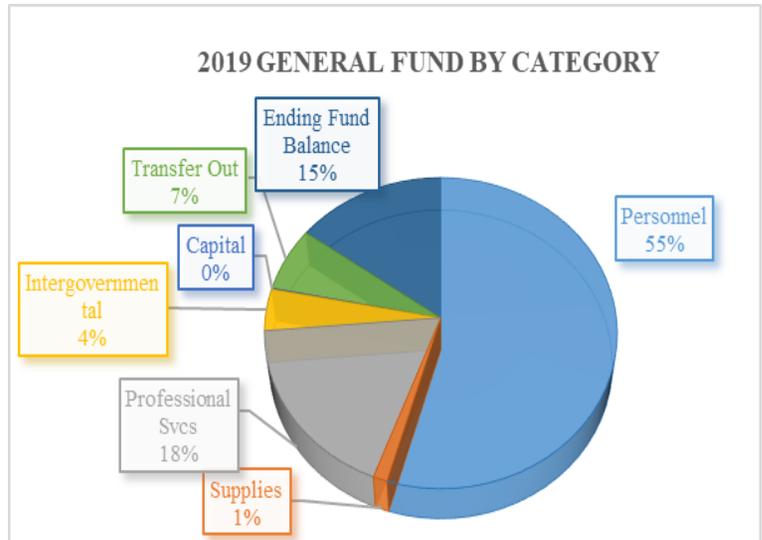
EXPENDITURES

Total 2019 budgeted General Fund expenditures are \$19,077,307. This is in balance with total anticipated General Fund revenues. Without ending fund balance, General Fund expenditures total \$16,202,224. This is a 4.96% increase over 2018 budget. The majority of this increase is attributable to personnel costs. The 2019 Budget includes contracted increases for our exceptional staff as well as market increases to our health benefits. The budget also includes the addition of two new positions in the Parks Department to expand services for our community.

Personnel costs (salaries and benefits) are the largest category of costs to the General Fund at 54.48% of the budget inclusive of ending fund balance (\$10,393,425). Without consideration of ending fund balance, personnel costs represent 64.15% of the approved budget. Professional services, at 18.00% or \$3,434,541 is the second largest category of costs. Without consideration of ending fund balance, professional services is 21.20% of budget.

2019 General Fund by Category

Personnel	\$10,393,425	54.48%
Supplies	\$ 225,880	1.18%
Professional Svcs	\$ 3,434,541	18.00%
Intergovernmental	\$ 835,973	4.38%
Capital	\$ 20,000	0.10%
Transfers Out	\$ 1,292,405	6.77%
Ending Fund Balance	\$ 2,875,083	15.07%
Total	\$19,077,307	100%



The following General Fund budget pages provide cost breakdowns for each department along with the department's 2018 accomplishments and 2019 budget goals.

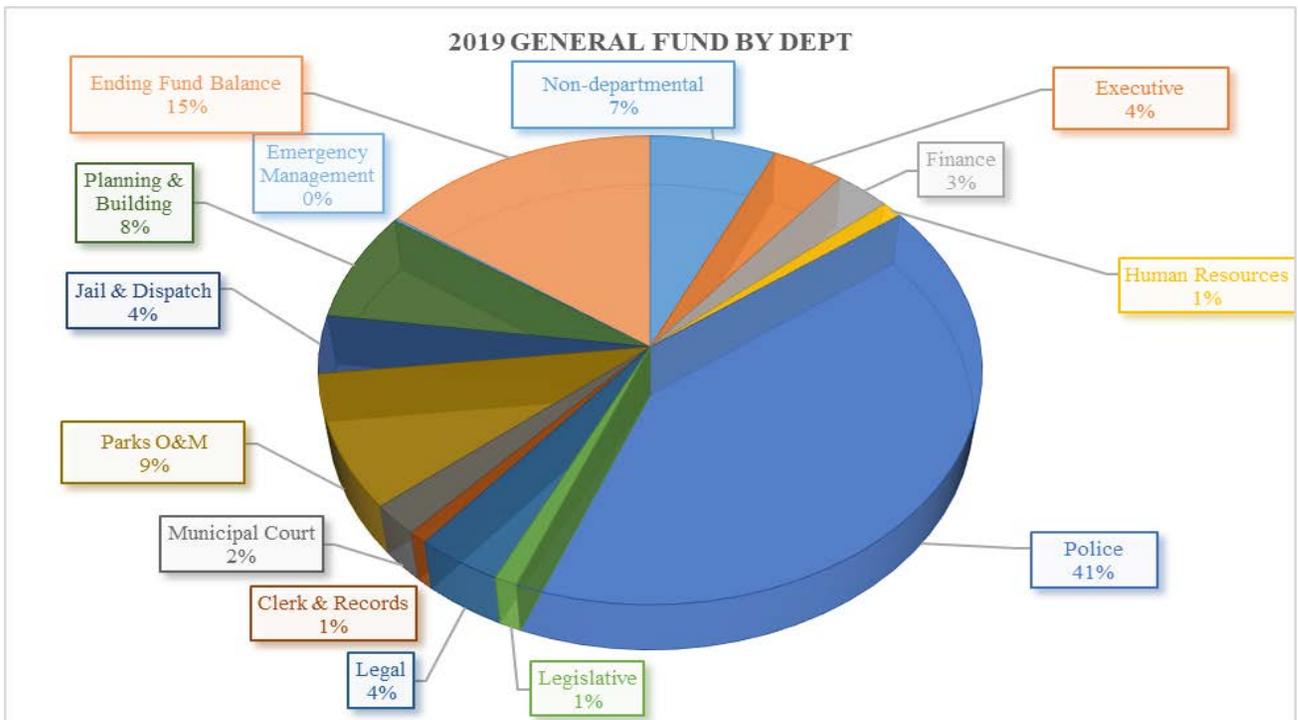
As you review individual costs center histories within the General Fund, you will notice that some expenditures have moved from one cost center to another. For example, legal costs associated with prosecution were formerly charged to Jail & Dispatch and legal costs associated with land use issues were formerly charged to Planning & Building. All legal costs can now be found within the Legal cost center. This allows the City to better understand its overall legal costs. The Mayor's compensation and associated costs have been moved from Legislative to Executive to better reflect the separate branches of government, and other various costs, such as credit card fees and bank fees, are now reflected in the correct cost centers. All these costs are General Fund costs so these moves do not change the General Fund's bottom line. These changes are intended to help better reflect the costs of the City's various programs.

General Fund Overview

EXPENDITURES cont.

General Fund

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Non-departmental	\$ 284,669	\$ 154,956	\$ 259,292	\$ 1,123,739	\$ 1,123,739	\$ 1,292,405
Executive (formerly Admin)	438,863	469,070	621,943	711,311	680,277	739,355
Finance	481,129	527,389	568,025	563,448	533,713	564,101
Human Resources	136,816	147,637	152,414	203,448	192,099	213,762
Police	6,291,627	6,747,024	7,004,650	7,617,762	7,496,476	7,874,145
Legislative	119,609	193,052	189,880	169,576	158,705	194,957
Legal	163,980	191,733	190,391	558,000	614,000	728,000
Clerk & Records	375,380	395,163	319,547	157,624	150,916	164,941
Municipal Court	309,342	326,001	343,494	376,003	369,301	414,783
Parks O&M	1,023,227	1,129,368	1,319,057	1,469,750	1,400,035	1,771,787
Jail & Dispatch	634,165	841,198	866,940	776,651	756,651	771,000
Planning & Building	1,199,678	1,064,243	1,231,424	1,689,614	1,474,378	1,446,118
Emergency Management	94,535	22,400	15,945	18,210	17,527	26,870
Ending Fund Balance	2,943,177	3,383,932	4,549,880	2,918,759	3,692,539	2,875,083
Total	\$14,496,197	\$15,593,166	\$17,632,883	\$18,353,895	\$18,660,358	\$19,077,307



000 - Non Departmental

This cost center accounts for the budgeted transfers the general fund makes to other funds of the City. The three budgeted transfers for 2019 include \$102,562 to Fund 002 Contingency Fund to increase this fund based on the City's estimated assessed value, \$111,115 to the Sick Leave Reserve Fund, and \$1,078,728 to Fund 319 North Kelsey.

000 - Non-Departmental

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Salaries (10)	\$ -					
Benefits (20)	-					
Supplies (30)	-					
Professional Svcs (40)	-					
Intergovernmental (50)	-	-	-	-		
Capital (60)	-	-	-	-		
Debt Service (70-80)	-	-	-	-		
Other (90)	284,669	154,956	259,292	1,123,739	1,123,739	1,292,405
Total	\$ 284,669	\$ 154,956	\$ 259,292	\$ 1,123,739	\$ 1,123,739	\$ 1,292,405

Full Time Equivalent History

This cost center does not have assigned staff.

000 – Non Departmental

2018 Accomplishments

- **Increased the transfer to the North Kelsey Fund from \$170,000 to \$1,015,000 to reserve funds for the 2020 Debt Service payment (\$2,908,728). Estimated reserves for this payment at the end of 2018 is \$805,000.**

2019 Major Goals and Objectives

- **Transfer \$102,562 to Fund 002 – Contingency Fund to fully fund the contingency based on the City's projected 2019 assessed value.**
- **Transfer \$111,115 to Fund 621 Sick Leave Reserve to fund the sick leave reserve per the City's Reserve Policy.**
- **Transfer \$68,728 to the Fund 319 – North Kelsey to fund the 2019 interest only payment associated with the North Kelsey debt.**
- **Transfer \$60,000 to Fund 319 – North Kelsey to assist with marketing efforts regarding the City owned properties.**
- **Transfer \$950,000 to Fund 319 – North Kelsey to reserve funds for the 2020 North Kelsey debt payment (\$2,908,728). Projected end of year 2019 reserve for the 2020 payment is \$1,771,389.**

001 - Executive

The City of Monroe operates under the “strong mayor” form of government. The Mayor is elected by the citizens of Monroe to serve a four year term. The Executive Department is directed by the Mayor, who is the administrative head of the city government. The Executive Department coordinates and directs the overall administration of all city departments. The Mayor is directly supported by the City Administrator who oversees the day-to-day operations of the city, and the Executive Assistant, who provides support to the Mayor and City Administrator.

001 - Executive						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Salaries (10)	\$ 136,870	\$ 155,690	\$ 125,639	\$ 267,934	\$ 267,528	\$ 283,021
Benefits (20)	46,238	50,613	58,159	102,728	98,393	112,905
Supplies (30)	7,730	5,925	6,858	5,750	6,973	7,500
Professional Svcs (40)	229,072	233,643	391,926	297,734	285,691	292,885
Intergovernmental (50)	18,952	23,200	39,361	22,165	21,692	23,044
Capital (60)	-	-	-	15,000	-	20,000
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 438,863	\$ 469,070	\$ 621,943	\$ 711,311	\$ 680,277	\$ 739,355

Full Time Equivalents History						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Mayor	0.00	0.00	0.00	1.00	1.00	1.00
City Administrator	1.00	1.00	1.00	1.00	1.00	1.00
Admin Support	0.00	0.00	1.00	1.00	1.00	1.00
Total	1.00	1.00	2.00	3.00	3.00	3.00

001 – Executive

2018 Accomplishments

- **Creation of the Economic Development Advisory Board (EDAB)**
- **EDAB recommendations**
- **Choose Monroe Visitors Guide**
- **Hiring a consultant for business recruitment and retention**
- **New firms to assist with marketing and sale of North Kelsey properties**
- **Adoption of Wheeled All-Terrain Vehicles in Monroe**
- **Partner in Snoqualmie Valley Transportation Monroe-Duvall Connector**
- **Hiring of a new Police Chief**
- **SR 522 Coalition**
- **Development of a City wide Six Year Strategic Plan for operations**
- **Identified a funding strategy to foster financial sustainability for the City's Parks and Recreation Department.**
- **Secured two \$500,000 grants for East Monroe (\$500,000 from Snohomish County Conservation Futures and \$500,000 from State RCO Land & Water Conservation Futures)**

2019 Major Goals and Objectives

- **Sell North Kelsey properties**
- **SR 522 capacity improvements**
- **Update website content**
- **Obtain additional grant funding for East Monroe**
- **Promote Monroe as a tourist destination**
- **Support work with the Chamber on visitor website upgrade**
- **Build stakeholder coalition for SR 522 and US 2 capacity improvements**
- **Develop Vision 2050 statement**
- **Support process improvement efforts**
 - **MBP.com (Master Building Permit)**
 - **Permit Process**
 - **Contract Tracking**
 - **Code Enforcement**
- **Work with Parks & EDAB to design wayfinding signs**
- **Work with East County Parks & Recreation District on bond and levy measure**
- **Develop sustainable funding strategy for Street Operations & Maintenance Fund**
- **Recommend City Hall and Police Department facility improvements**

002 - Finance

The City of Monroe Finance Department is both an internal service department and an external customer service department. For our citizen customers, the Finance Department provides utility billing and customer service for our water, sewer, and stormwater utilities. We also provide passport services for those applying for their first passport. For many, we are the first point of contact for walk in and phone customers. For our internal customers, the Finance Department provides payroll, accounts payable, accounts receivable, cashiering, accounting, and budgeting services. We manage the city's fixed asset, debt, and investment portfolios. We also serve as the City's liaison with the Washington State Auditor's office. We are the stewards of the public funds and we believe in better stewardship through knowledge and transparency.

002 - Finance

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Salaries (10)	\$ 276,481	\$ 283,823	\$ 315,453	\$ 304,217	\$ 300,045	\$ 308,553
Benefits (20)	121,515	125,641	136,931	139,438	135,743	142,140
Supplies (30)	2,994	5,512	8,599	6,250	8,537	5,500
Professional Svcs (40)	80,140	112,413	107,042	113,543	89,388	107,908
Intergovernmental (50)	-	-	-	-		
Capital (60)	-	-	-	-		
Debt Service (70-80)	-	-	-	-		
Other (90)	-	-	-	-		
Total	\$ 481,129	\$ 527,389	\$ 568,025	\$ 563,448	\$ 533,713	\$ 564,101

Full Time Equivalents History

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Director	1.00	1.00	1.00	1.00	1.00	1.00
Admin Tech Lead	1.00	1.00	1.00	1.00	1.00	1.00
Admin Support	2.35	2.35	2.35	1.29	1.29	1.29
Total	4.35	4.35	4.35	3.29	3.29	3.29

002 – Finance

2018 Accomplishments

- Updated the City's Procurement Policies and Procedures to include new federal uniform purchasing guidelines and specifying appropriate delegation authorities to streamline City purchasing. (Last updated in 2012.)
- Worked with the Finance and Human Resources Committee to adopt a formal City of Monroe Debt Policy.
- Expanded the City's budget document to include six year projections for the General Fund and expanded information regarding the use of property taxes.
- Developed a "Budget 101" presentation. Provided this information to the Economic Development Advisory Board, the Parks Advisory Board, the City's supervisors' group, and the Police Sergeants.
- Identified a funding strategy to reserve appropriate resources for the 2020 North Kelsey debt payment (\$2.9 million) for Mayor and Council consideration.
- Identified a funding strategy to foster financial sustainability for the City's Parks and Recreation Department for Mayor and Council consideration.
- Began six year projections on the sewer utility which identifies an opportunity to decrease residential sewer rates in 2019 while maintaining the system's financial sustainability.
- Renegotiated with the City's bank to decrease the City's credit card fees by approximately \$120,000 per year.

2019 Major Goals and Objectives

- Develop six year projections for the water and stormwater funds to identify appropriate funding levels for rates and capital needs, while maintaining the systems' financial sustainability.
- Identify a funding strategy to foster financial sustainability for the City's street operations and maintenance programs.
- Review and, if needed, update the City's reserve policy and the City's travel policy.
- Develop a formal 6 Year Capital Improvement Program document to include identification of appropriate revenue sources.
- Continue the "Budget 101" presentations with City staff. Extend an offer to present to external organizations, such as the Chamber of Commerce and the Downtown Monroe Association.

003 - Human Resources

Human Resources is responsible for planning, developing, implementing, administering, and evaluating a comprehensive range of Human Resource programs to meet the City's present and future needs. Professional and technical work includes recruitment, classification and pay administration, contract negotiation, benefits administration, performance management, workers' compensation administration, employee and labor relations, risk management and Civil Service, and Salary Commission assistance and administration.

003 - Human Resources

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Salaries (10)	\$ 87,175	\$ 95,165	\$ 99,984	\$ 106,983	\$ 106,454	\$ 113,906
Benefits (20)	33,267	36,173	37,723	41,577	40,018	43,786
Supplies (30)	89	-	-	1,500	2,300	2,300
Professional Svcs (40)	16,286	16,299	14,706	53,388	43,326	53,770
Intergovernmental (50)	-	-	-	-		
Capital (60)	-	-	-	-		
Debt Service (70-80)	-	-	-	-		
Other (90)	-	-	-	-		
Total	\$ 136,816	\$ 147,637	\$ 152,414	\$ 203,448	\$ 192,099	\$ 213,762

Full Time Equivalents History

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Director	1.00	0.95	0.80	0.80	0.80	0.80
Total	1.00	0.95	0.80	0.80	0.80	0.80

003 – Human Resources

2018 Accomplishments

- **Police Chief recruitment including vendor selection and interview process.**
- **Over 540 applications received for open positions to date.**
- **Implemented new sick leave policy.**
- **Worked with Finance/Payroll to begin twice a month payroll.**

2019 Major Goals and Objectives

- **Complete comprehensive compensation study.**
- **Start collective bargaining with Teamsters Local 763 (4 bargaining units).**
- **Work on implementing Paid Family & Medical Leave. Premiums starting in 2019, benefits start in 2020.**
- **Create and implement Internship program.**

004 - Police

The Monroe Police Department is dedicated to the pursuit of excellence in providing professional law enforcement services to the City of Monroe. The department consists of the Patrol Division, the Pro-Active Enforcement Team, the School Resource Officer, the Investigations Division, and the Administrative Services Division, which supports police functions with case management, evidence tracking, administrative bookings, compiling statistical data, crime mapping and the purchase of equipment, uniforms and supplies. Other specialties include regional SWAT team members, K-9 officers, firearms and tactic instructors, traffic/motorcycle officers, and drug recognition experts.

004 - Police

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Salaries (10)	\$ 3,891,587	\$ 4,123,618	\$ 4,223,319	\$ 4,589,833	\$ 4,407,320	\$ 4,622,563
Benefits (20)	1,443,573	1,500,231	1,567,816	1,751,006	1,625,399	1,810,070
Supplies (30)	67,416	58,462	74,665	74,221	118,891	99,405
Professional Svcs (40)	865,473	1,038,085	1,080,277	1,122,828	1,255,124	1,318,928
Intergovernmental (50)	21,623	22,070	15,361	24,276	22,175	23,179
Capital (60)	1,955	4,558	43,213	55,598	67,568	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 6,291,627	\$ 6,747,024	\$ 7,004,650	\$ 7,617,762	\$ 7,496,476	\$ 7,874,145

Full Time Equivalents History

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Chief	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Chief	1.00	1.00	1.00	1.00	1.00	1.00
Admin Service Director	1.00	1.00	1.00	1.00	1.00	1.00
Sergeants	6.00	6.00	6.00	7.00	6.00	7.00
Police Officers	25.00	25.00	25.00	25.00	25.00	25.00
Admin Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Admin Support	7.00	8.00	8.00	8.00	7.00	8.25
Total	42.00	43.00	43.00	44.00	42.00	44.25

004 – Police

2018 Accomplishments

- **Enforcement – Significant increase in DUI arrests, second year of reduced number of property crimes – vehicle prowls, burglaries and vehicle theft, arrest after a two year investigation into retail theft and pawn shops by the ProAct team, School Resource Officer changed to a five day week work schedule.**
- **Personnel – Retirements of the Chief, Deputy Chief, Evidence Technician and Executive Assistant in the department and subsequent Interim Chiefs along with a promotion and new hire, graduation of five officers from the academy, four are or will be on their own by the end of the year.**
- **Community Outreach - Completion of Community Outreach Team pilot program, first ever week long Youth Academy, Walk/Bike patrols around downtown businesses, Citizen’s Academy, Active Shooter Response Training for Community.**
- **Community Events - Coffee with a Cop, National Night Out Against Crime, Monroe Police Officer Association sponsored - Quarterly Take the Next Step Dinners and Shop With A Cop, Walk Your Kids to School, Goin’ Fishin’ – in support of Behind the Badge Foundation kids who have lost family in the line of duty, Tip A Cop and Wings and Wheels events benefitting Special Olympics.**
- **Administration - Transition of public records tracking to Next Request, conducted full inventory of the evidence room, replaced bulletproof protective helmets and shields, acquired a smart board for the training room, research and planning for new less lethal weapon program, replacing eight patrol vehicles.**

2019 Major Goals and Objectives

- **Department wide assessment using ICMA, LEMAP, or other accreditation process.**
- **Continuation of the Community Outreach Team service.**
- **Expand training and ongoing certification opportunities for all department personnel.**
- **Continue all Community Outreach programs and Community Events.**
- **Fully deploy Less Lethal Weapons program.**
- **Relocate the Evidence Room and implement evidence impound area created as part of the 2018 Public Works Campus construction project.**
- **Explore the need and use of volunteer programs within the Police Department.**

005 - Legislative

The City of Monroe is an optional municipal code city exercising the rights and powers as set forth by the Revised Code of Washington (RCW) Chapter 35A. The legislative branch of the City is comprised of seven councilmembers elected by Monroe's citizens. Duties for the councilmembers include establishing goals, priorities and policies, adopting ordinances and resolutions, adopting the fiscal budget, and exercising the rights and powers set forth in RCW 35A.

In prior years, this cost center included costs associated with the Mayor's office. In 2018, the Mayor's compensation and associated costs were moved to the executive cost center to better reflect the important but separate roles each branch of government exercises in the governance for the City of Monroe.

005 - Legislative

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Salaries (10)	\$ 94,400	\$ 110,400	\$ 110,400	\$ 67,200	\$ 67,200	\$ 67,200
Benefits (20)	7,734	8,952	8,942	5,436	5,396	14,057
Supplies (30)	-	-	-	-	350	500
Professional Svcs (40)	1,726	54,735	54,029	61,940	68,287	94,700
Intergovernmental (50)	15,749	18,965	16,510	35,000	17,472	18,500
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 119,609	\$ 193,052	\$ 189,880	\$ 169,576	\$ 158,705	\$ 194,957

Full Time Equivalents History

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Mayor	1.00	1.00	1.00	0.00	0.00	0.00
Councilmembers	7.00	7.00	7.00	7.00	7.00	7.00
Total	8.00	8.00	8.00	7.00	7.00	7.00

005 – Legislative

2018 Accomplishments

- Supported the formation of an Economic Development Advisory Board.
- Worked with administration to update the City's Procurement Policy and adopt a City Debt Policy.
- Worked with administration to develop a city wide Six Year Strategic Plan for City operations.
- Transitioned the first and third Council meetings into a study session format, allowing for more in depth policy discussions.

2019 Major Goals and Objectives

- Establishment of City's Vision 2050.
- Continue the reservation of resources needed to pay the 2020 \$2.9 million North Kelsey debt obligation.
- Fund \$5000 for demographer services in compliance with the Voting Rights Act.

006 - Legal

This cost center accounts for all legal activities associated with various City programs. This includes general and land use legal counsel, court prosecution, and court indigent counsel services. Prior to 2018, legal costs were distributed among many different cost centers in the City's budget. Having all legal costs in one cost center allows the City to better understand its overall legal program.

The legal cost center does not have assigned staff. All legal services are contracted out.

006 - Legal

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Salaries (10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits (20)	-	-	-	-	-	-
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	163,980	191,733	190,391	558,000	614,000	728,000
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 163,980	\$ 191,733	\$ 190,391	\$ 558,000	\$ 614,000	\$ 728,000

Full Time Equivalents History

This cost center does not have assigned staff.

006 – Legal

2018 Accomplishments

- Non-applicable to this cost center.

2019 Major Goals and Objectives

- Non-applicable to this cost center.

007 - Clerk and Records

The mission of the Monroe City Clerk's Office is to provide a linkage between the citizens and the City of Monroe by facilitating direct communication, transparent information sharing, and public participation. The Clerk's Office performs a variety of services and administrative support to the City Administrator, City Council, City Departments, and members of the public. In addition, the City Clerk is the City of Monroe's Public Records Officer (for all departments other than Police and the Municipal Court). Activities of this office include: legal noticing, authentication of records, facilitation of city-wide records management and public disclosure programs, contract administration (public defense, legal newspaper, etc.), municipal code updates, and boards and commissions vacancies.

007 - Clerk and Records

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Salaries (10)	\$ 103,530	\$ 137,184	\$ 85,056	\$ 91,010	\$ 90,240	\$ 96,557
Benefits (20)	49,889	66,649	37,425	41,164	39,271	42,734
Supplies (30)	313	196	174	1,000	500	1,000
Professional Svcs (40)	221,648	191,133	196,892	24,450	20,905	24,650
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 375,380	\$ 395,163	\$ 319,547	\$ 157,624	\$ 150,916	\$ 164,941

Full Time Equivalents History

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00
Admin Support	0.00	1.00	0.00	0.00	0.00	0.00
Total	1.00	2.00	1.00	1.00	1.00	1.00

007 – Clerk and Records

2018 Accomplishments

- Facilitation of Open Public Meetings Act, Public Records Act, and Records Retention training (staff/appointed/elected).
- Public Records Disposition/Relocation (to PW Shop) Project Facilitation.
- Adoption of Imaging and Destruction of Paper Records (Scan/Toss) Policy.
- Purchase and implementation of public disclosure tracking software - Next Request.
- Facilitation of City Values Workshops with the Senior Leadership Team and Supervisors Group.
- Submission of inaugural annual JLARC public disclosure request reporting.
- Submission of WSA Document Imaging Grant Applications.
- Assistance with Council/Court Chamber Remodel project (design, selection, implementation); and Council Chambers audio/visual upgrades.
- Submission of Washington State Office of Public Defense Quality Indigent Defense (QID) Pilot Project Assessments Application.
- Purchase of Electronic Content Management System.
- Facilitation of RFP/selection process for indigent defense services provider.
- Implementation of Cross Departmental Collaboration Teams: Records Management Liaisons; Public Disclosure Liaisons; and Public Records Officers Non-applicable to this cost center.

2019 Major Goals and Objectives

- Public Records Disposition/Relocation (to PW Shop) Project Facilitation (continuation).
- Implementation of Electronic Content Management System.
- Creation and Adoption of Records Management Policy.
- Amendment and Adoption of Updated Public Records Disclosure Policy.
- Contract Routing and Finalization Process Improvement Initiative.
- Internship Program for Boards and Commissions Code Consolidation Project.
- Continuation of Council Chambers audio/visual upgrades – purchase and implementation of video equipment and software for posting online and potential live web streaming.
- Facilitation of Indigent Defense Services Contract Evaluation.

009 - Municipal Court

The mission of the Monroe Municipal Court is to contribute to the quality of life in our community by advancing the causes of justice fairly and impartially by efficiently administering justice in a matter that preserves the dignity and rights of defendants as well as citizens of Monroe. Monroe Municipal Court is a court of limited jurisdiction. The Monroe Municipal Court judge is authorized by Washington State statute to preside over criminal misdemeanor and gross misdemeanor cases and traffic infractions committed within the city limits of Monroe and other City of Monroe code violations. The Municipal Court serves a vital role in deterring crime and infractions in the community by balancing accountability and working with people to change their lives by getting them to turn away from wrongful behavior.

009 - Municipal Court						
	Actual 2015	Actual 2016	Actual 2017	Budget 2018	Projected 2018	Approved 2019
Salaries (10)	\$ 145,885	\$ 158,052	\$ 171,141	\$ 179,868	\$ 182,722	\$ 195,467
Benefits (20)	62,718	69,716	73,549	80,628	77,721	84,445
Supplies (30)	2,296	3,279	1,163	2,400	2,069	2,700
Professional Svcs (40)	85,438	94,953	97,641	113,107	106,789	132,171
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	13,005	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 309,342	\$ 326,001	\$ 343,494	\$ 376,003	\$ 369,301	\$ 414,783

Full Time Equivalent History						
	Actual 2015	Actual 2016	Actual 2017	Budget 2018	Projected 2018	Approved 2019
Court Administrator	1.00	1.00	1.00	1.00	1.00	1.00
Court Clerk	1.00	1.00	1.00	1.00	1.00	1.00
Court Security	0.20	0.20	0.20	0.20	0.20	0.20
Total	2.20	2.20	2.20	2.20	2.20	2.20

009 – Municipal Court

2018 Accomplishments

- Travelled to Spokane to observe their successful community court in action. Spoke with their Judge, law enforcement, prosecutor, and public defender to learn how they started the court, what they have learned, and to get ideas for how a community court could function in Monroe.
- Scheduled to attend a Snohomish County sponsored training on September 17th, offered by the Center for Court Innovation, on establishing a community court.
- As of August 31, 2018, court has arraigned 475 misdemeanor cases - a 47.5 % increase from 2017.
- Worked with the law enforcement social worker to transfer defendants from corrections to impatient treatment.
- Cooperated with the City on implementation of a public records request portal.

2019 Major Goals and Objectives

- Select an entity to assist with and complete a six year strategic plan for the Court including potential implementation of a community court.
- Investigate the pros and cons of a warrant amnesty program.
- Develop a community service program.

010 - Parks Operations & Maintenance

The role of the Parks and Recreation Department is to manage parks, provide recreation services, implement and maintain trails, greenways, and streetscapes, and to be an integral part of open space planning and public resource management of the community. The mission is to:

- Protect and enhance the natural beauty of Monroe through the development of a vibrant
- system of parks, open space, and trails;
- Provide citizens of all ages positive recreational opportunities in clean, safe, and accessible recreation facilities; and
- Enhance health, quality living, and the natural environment for future generations.

010 - Parks Operations & Maintenance

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Salaries (10)	\$ 504,245	\$ 511,478	\$ 572,066	\$ 656,844	\$ 611,499	\$ 913,900
Benefits (20)	241,331	247,731	281,701	330,050	315,642	341,752
Supplies (30)	30,198	47,847	36,191	43,800	68,270	95,750
Professional Svcs (40)	246,959	321,960	428,903	438,556	404,474	420,135
Intergovernmental (50)	494	352	196	500	150	250
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 1,023,227	\$ 1,129,368	\$ 1,319,057	\$ 1,469,750	\$ 1,400,035	\$ 1,771,787

Full Time Equivalents History

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Director	0.70	0.65	0.65	0.65	0.65	0.65
Planner	0.00	0.00	0.00	0.00	0.00	1.00
Admin Support	1.00	1.00	1.00	1.00	1.00	2.00
Supervisor	0.67	0.65	0.65	0.80	0.80	0.80
O&M Employees	4.87	4.60	4.60	5.52	5.52	5.52
Total	7.24	6.90	6.90	7.97	7.97	9.97

010 – Parks Operations & Maintenance

2018 Accomplishments

- Maintained/improved 200+ acres of parks, athletic facilities, trails and streetscapes.
- Scheduled and prepared athletic fields to accommodate over 1250 practice hours and 350 games for local and regional use; added paddleboard/kayak concessions service for Lake Tye.
- Processed 170 park shelter reservations and 52 special event applications including hosting the World Wake Board Association's National Wake Championships and USA Olympic Distance TriMonroe Triathlon at Lake Tye Park.
- Conducted weekly maintenance monitoring emphasis on unmarked trails in city parks to identify and resolve, in cooperation with our Police Department, any unlawful encampments.
- Initiated Adopt-A-Park Agreements with Monroe Rotary Club (Lake Tye Park) and Monroe Kiwanis (Blueberry Children's Park).
- Conducted 1st Annual Arbor Day tree planting, established Heritage Tree recognition, and living Christmas tree planting programs.
- Initiated outreach with East County Park & Recreation District, Snohomish County to identify & address long-range park & recreation level of service delivery challenges.
- Expanded design, print, and distribution of destination event brochures to promote Monroe tourism.
- Implemented new use policy and support services for mobile stage to enhance events/tourism.
- Partnered with Fire District 7 to promote water safety and installed buoy line at Lake Tye.

2019 Major Goals and Objectives

- Continue to maintain and improve over 200 acres of parks, athletic facilities trails, and streetscapes.
- Partner with Snohomish County Tourism and Sports Commission, Monroe Chamber of Commerce, Downtown Monroe Association, Monroe Arts Council in planning and hosting events that draw tourism to Monroe.
- Administer process to select and install public art (\$20,000).
- Ongoing participation as active stakeholder in East County Park & Recreation District, Snohomish County Regional Water Trail Coalition (including wayfinding & interpretive signage sub-group) and Sky Valley Recreation Group, and advocate for connecting Centennial & Snoqualmie Regional Trails to Monroe.
- Convert all park facilities to energy-efficient LED lights; realize immediate \$3,200 rebate savings.
- Reorganize Department to professionally address key planning and events/tourism functions to generate unrealized additional revenues, build accountability and fulfill key Level of Service objective in adopted Park Plan.

011 - Jail and Dispatch

This cost center accounts for the jail costs associated with our police and municipal court programs. This cost center also houses our police and emergency services dispatch expenditures. In prior budgets, the prosecuting attorney costs were also in this cost center. In 2018, prosecution was moved to the Legal cost center to better track the City's overall legal costs.

As a support function for the City, Jail & Dispatch does not have staff or goals associated with its budget request.

011 - Jail and Dispatch						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Salaries (10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits (20)	-	-	-	-	-	-
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	99,600	120,075	132,844	-	-	-
Intergovernmental (50)	534,565	721,123	734,096	776,651	756,651	771,000
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 634,165	\$ 841,198	\$ 866,940	\$ 776,651	\$ 756,651	\$ 771,000

Full Time Equivalents History

This cost center does not have assigned staff.

011 – Jail and Dispatch

2018 Accomplishments

- Non-applicable to this cost center.

2019 Major Goals and Objectives

- Non-applicable to this cost center.

110 - Community Development

Under the Mayor's direction, the Community Development Department strives to enhance the quality of life of Monroe's citizens by employing land use planning, building services, and code enforcement to soundly, responsibly, and efficiently regulate development in the City, encourage new economic opportunities, retain existing businesses, and assist the City Council in guiding and coordinating growth.

110 - Community Development						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Salaries (10)	\$ 534,128	\$ 594,853	\$ 680,126	\$ 801,723	\$ 775,655	\$ 819,186
Benefits (20)	241,153	247,213	300,613	359,152	342,544	370,152
Supplies (30)	6,124	7,889	5,073	5,900	6,211	6,700
Professional Svcs (40)	418,273	214,288	245,613	522,839	349,969	250,080
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 1,199,678	\$ 1,064,243	\$ 1,231,424	\$ 1,689,614	\$ 1,474,378	\$ 1,446,118

Full Time Equivalent History						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Director	1.00	1.00	1.00	1.00	1.00	1.00
Building Official	1.00	1.00	1.00	1.00	1.00	1.00
Planners/Bldg Inspection	4.05	4.00	4.00	5.00	5.00	5.00
Admin Support	1.95	1.96	1.96	1.80	1.80	1.80
Total	8.00	7.96	7.96	8.80	8.80	8.80

110 – Community Development

2018 Accomplishments

- Issued 108 single family building permits with 170 total single family building permits anticipated by end of year.
- Issued a total of 330 building permits with 480 total building permits anticipated by end of year.
- Conducted 1,507 building inspections with 2,260 total building inspections anticipated by end of year.
- Conducted 26 pre-application meetings with 32 pre-application meetings anticipated by end of year.
- Completed approximately 80-percent of the update to the City's development regulations (UDR update).
- Initiated records management project and began archiving 20 years of permit files
- Successfully launched and implemented paperless permit process (electronic plan review).
- Addressed longstanding code enforcement issues in the City.
- Coordinated the creation of the Monroe to Duvall Shuttle.
- Initiated the state-mandated update to the City's Shoreline Master Program.
- Prepared, supported, and attended 22 Planning Commission meetings with 12 additional meetings anticipated by end of year.

2019 Major Goals and Objectives

- Continue processing building and land use permits.
- Focus internally on the permit process and organization:
 - Review City permit process using LEAN methods;
 - Reorganize physical and electronic filing system;
 - Provide additional employee training focused on professional growth; and
 - Develop standardized operating procedures, templates, and forms to ensure consistency in permit processing and review.
- Focus externally on engaging the public, businesses, and government organization through:
 - Increasing staff attendance at local civic functions held by Chamber of Commerce, Rotary Club, and similar organizations; and
 - Expanding staff involvement in government groups such as PSRC, Snohomish County and State.
- Aggressively pursue annexation of City's Urban Growth Area.
- Continue establishing a sustainable records management and archiving system.
- Work with other departments to create a citywide code enforcement strategy.
- Adopt new Unified Development Regulations and Shoreline Master Program.
- Begin work on updating the affordable housing code and Downtown Master Plan.
- Continue to refine the process for the electronic permit review process.
- Maintain an online presence through the City's webpage.
- Continue to assist the Mayor and City Administrator in encouraging Monroe's economic development.

190 - Emergency Management

The City of Monroe is required by law to provide emergency management services for its citizens. These include preparing for emergencies, mitigating potential hazards, and responding to disasters. The City works closely with the Snohomish County Department of Emergency Management to develop plans, provide training, and conduct exercises to ensure that the City of Monroe and its citizens can prepare for, respond to, and recover from disasters. Costs associated with this program are split four ways with the General Fund 001, Water O&M Fund 411, Sewer O&M Fund 421, and the Stormwater O&M Fund 431, with each contributing 25 percent.

190 - Emergency Management

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Salaries (10)	\$ 12,437	\$ 3,386	\$ 3,533	\$ 3,752	\$ 3,620	\$ 7,744
Benefits (20)	4,305	1,161	1,210	1,357	1,300	3,287
Supplies (30)	24,732	5,219	5,645	2,000	2,770	4,525
Professional Svcs (40)	51,774	12,590	5,557	10,351	9,837	11,314
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	1,288	44	-	750	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 94,535	\$ 22,400	\$ 15,945	\$ 18,210	\$ 17,527	\$ 26,870

Full Time Equivalents History

	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Public Works Director	0.10	0.03	0.03	0.03	0.03	0.03
Total	0.10	0.03	0.03	0.03	0.03	0.03

190 – Emergency Management

2018 Accomplishments

- Updated Comprehensive Emergency Management Plan.
- Established standard operating guidelines for coordination center activation.
- Provided training and participated in exercises leading to the 2019 South Whidbey Island Fault functional exercise.
- Outfitted and placed into service the Incident Support Center.
- City Hall active shooter training.

2019 Major Goals and Objectives

- Outfit new Monroe Coordination Center.
- Prepare continuity of operations plan.
- Prepare continuity of government plan.
- Provide training and participate in the 2019 South Whidbey Island Fault functional exercise.
- Develop evacuation and shelter in place plan.
- Begin preparations for the 2022 Cascadia Earthquake exercise.

Six Year General Fund Forecast

Prudent fiscal planning, strategic budgeting, and best financial practices suggest that an organization create and maintain a long range budget forecast for its General Fund. These forecasts are useful when making policy decisions in that they can illustrate the potential multi-year impact specific policy/monetary decisions can have on an organization's resources. By identifying the longer term impact of a fiscal decision, an organization gains time to make adjustments, if needed, should the fiscal decision show a potential negative effect beyond what is expected in the out years. *Conversely, if current budget decisions show a more than robust fiscal position in out years, an organization might wish to explore the possibility that it is not using its current resources to their full potential.*

Long range budget forecasts are most useful when they are developed collaboratively between policy makers and administration as the forecasts are only as good as the agreed upon assumptions which populate the model. At the January 30, 2018 Council Meeting, the City Council discussed and gave direction regarding the assumptions to use in developing a six-year General Fund forecast. These assumptions include:

Population growth	1.26 percent
CPI Index	3 percent
Benefit Costs	10 percent

Additional assumptions used in the forecast(s) include:

Property tax growth (from new construction only)	1.5 percent
Adjustment to ongoing sales taxes for recent Supreme Court decision	Various yearly flat amounts
Salaries increases	3 percent CPI plus 2 percent average merit impact
140 new housing starts for FY 2019, 120 for FY 2020, tapering off each year after	Flat amount decreases each year
Utility tax revenue adjusted for population and rate increases	2.5 percent
Decrease in construction sales taxes beginning in FY 2019	Flat amount decrease in 2019 and 2020

As you review the following Six Year General Fund Forecast, please keep the following information in mind:

- For revenues, the 2019 Proposed column represents the numbers recommended in the 2019 Mayor's Proposed Budget. This includes the use of \$450,000 of the \$671,000 banked property tax available to the City (discussed on page 26) and a projected \$999,133 in new sewer utility taxes (discussed on page 95).
- For expenditures, the 2019 Proposed column includes two new positions in the Parks and Recreation department, General Fund associated items identified in year 2019 on the Six Year Strategic Plan (page 11), the recommendations for

Six Year General Fund Forecast cont.

2019 from the Economic Development Advisory Board (pages 6-10), and \$950,000 to be transferred toward the reserve for the 2020 North Kelsey debt payment of \$2.9 million.

- All other numbers are estimates meant to be used in a broad sense for high level policy discussion. If more specific information for years other than the current year become available, that information is included where appropriate.
- Numbers for years two through six can change as the 2019 Proposed Budget is developed and discussed. Again, numbers in the forecast model are intended for general policy discussion only and are not meant to be an operations guide.
- Future years in a long term General Fund forecast are expected to be in the negative for fund balance, usually by the third year. *This does not mean the City will run out of money.* The negative fund balances in future years illustrate the path the City could realize if no adjustments are made during the first two years. As each fiscal year is completed, the forecast will be updated accordingly on a rolling six year basis. Again, numbers in the forecast, including the future potential negative fund balances, are intended for general policy discussion only.

Six Year General Fund Forecast

Revenue/Resources	2019 Proposed	2020	2021	2022	2023	2024
Beginning Fund Balance	\$3,692,539	\$2,875,083	\$1,911,264	\$804,206	(\$782,973)	(\$3,260,602)
Ongoing Revenues	\$14,934,813	\$15,131,091	\$15,261,897	\$15,387,498	\$15,508,846	\$15,609,325
Subtotal Revenues	\$18,627,352	\$18,006,174	\$17,173,161	\$16,191,704	\$14,725,873	\$12,348,723
Less Ongoing Expenditures	\$14,476,793	\$15,310,534	\$16,165,320	\$17,076,856	\$18,049,540	\$19,088,148
Subtotal rev over/under exp	\$4,150,559	\$2,695,640	\$1,007,841	(\$885,152)	(\$3,323,667)	(\$6,739,425)
One time revenue	\$449,955	\$455,624	\$461,365	\$467,179	\$473,065	\$479,026
One time expenditures	\$1,725,431	\$1,240,000	\$665,000	\$365,000	\$410,000	\$320,000
Subtotal one time resources	(\$1,275,476)	(\$784,376)	(\$203,635)	\$102,179	\$63,065	\$159,026
Ending Fund Balance	\$2,875,083	\$1,911,264	\$804,206	(\$782,973)	(\$3,260,602)	(\$6,580,399)



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OTHER CURRENT EXPENSE FUNDS

Fund 002 Contingency

The purpose of the Contingency Fund is to reserve resources to be used for emergencies and for one-time only (non-operational) fiscal opportunities for the City at the Council's discretion. Action must be taken by the City Council to use this money.

Per Monroe City Council Resolution No. 008/2015, the City has targeted eight percent (8%) of the General Fund operating expenditures as the balance to be maintained in this fund. RCW 35A.33.145 limits this amount to \$0.375 per \$1,000 of the City's assessed valuation each year. The 2019 Proposed Budget for this fund is estimated to reach the RCW ceiling based on the preliminary assessed values for the City.

There are no staff associated with this fund.

Revenues						
	Actual 2015	Actual 2016	Actual 2017	Budget 2018	Projected 2018	Approved 2019
Beginning Fund Balance	\$ 414,658	\$ 327,604	\$ 275,762	\$ 964,428	\$ 964,429	\$ 856,077
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	2,945	1,945	6,420	7,680	14,000	17,121
Transfers In	176,000	-	772,247	-	-	102,562
Total	\$ 593,604	\$ 329,549	\$ 1,054,429	\$ 972,108	\$ 978,429	\$ 975,760

Expenditures						
	Actual 2015	Actual 2016	Actual 2017	Budget 2018	Projected 2018	Approved 2019
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	8,348	-	-	-	-
Professional Svcs (40)	-	45,439	-	-	-	-
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	266,000	-	90,000	122,351	122,351	-
Ending Fund Balance	327,604	275,762	964,429	849,757	856,078	975,760
Total	\$ 593,604	\$ 329,549	\$ 1,054,429	\$ 972,108	\$ 978,429	\$ 975,760

Fund 002 – Contingency

2018 Accomplishments

- Fully funded per RCW 35A.33.145 and City of Monroe Resolution No. 008/2015.

2019 Major Goals and Objectives

- Maintain full funding per Monroe Resolution No. 008/2015.

Fund 008 Donations

The purpose of the Donations Fund is to account for donations made by private parties and businesses to support specific activities of the City. Historically, donations have been received that support the City's Community Egg Hunt, flower basket program, police K-9 operations, and Movies Under the Moon. If you are interested in making a donation to the City, feel free to contact City Hall at 360-794-7400 and contact your tax advisor as your donation may be tax deductible.

There are no staff associated with this fund.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 6,570	\$ 5,325	\$ 5,194	\$ 4,733	\$ 4,733	\$ 14,130
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	3,621	4,465	4,050	4,050	13,950	4,050
Transfers In	-	-	-	-	-	-
Total	\$ 10,191	\$ 9,790	\$ 9,244	\$ 8,783	\$ 18,683	\$ 18,180
Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	4,865	4,596	4,511	6,361	4,552	3,520
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	5,325	5,194	4,733	2,422	14,131	14,660
Total	\$ 10,191	\$ 9,790	\$ 9,244	\$ 8,783	\$ 18,683	\$ 18,180

Fund 008 – Donations

2018 Accomplishments

- Received \$1,550 for the Community Egg Hunt from the following organizations:
 - Monroe Police Officers Association
 - Rotary Club of Monroe
 - Friends of Monroe Library
 - Subway
 - Park Place Community Church
 - Camp Bow Wow
- Received in kind donations valued at \$1,160 for the Community Egg Hunt from:
 - Fred Meyers
 - Subway
 - Walmart
- Received \$1,600 from Republic Services for Movies Under the Moon.
- Received \$800 for the Community Flower Baskets from the following:
 - Republic Services
 - Monroe Garden Club
- Received \$10,000 from Rotary Club of Monroe for the City's K-9 program.

THANK YOU to all the organizations that donated to the City of Monroe.

2019 Major Goals and Objectives

If you are interested in making a donation to the City of Monroe, please contact City Hall at 360-794-7400 and contact your tax advisor as your donation may be tax deductible.



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SPECIAL REVENUE FUNDS

Fund 105 Streets O&M

This fund supports the maintenance and operation of the City's transportation system. This includes 50 miles of asphalt streets, concrete and asphalt sidewalks, traffic signals, street lighting, traffic signs, pavement markings, street trees, alleys, rights of way, snow and ice mitigation, and other activities.

The largest revenue source for this fund, exclusive of the beginning fund balance, is the state shared gas taxes. These taxes are distributed on a per capita basis. Because the state distributes these taxes in this manner, we account for them as an intergovernmental revenue source.

Street related capital is accounted for in Fund 318 Streets, thus this Fund has no capital considerations.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 281,168	\$ 287,548	\$ 323,762	\$ 344,107	\$ 344,107	\$ 293,246
Taxes	-	-	-	-	-	-
Licenses & Permits	176,755	178,817	199,141	190,875	200,000	202,520
Intergovernmental	372,131	404,578	432,214	435,782	420,824	439,627
Charges for Services	86,943	102,779	132,377	65,000	64,034	84,100
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	11,998	5,928	6,853	3,000	7,610	6,864
Transfers In	-	-	-	-	-	-
Total	\$ 928,995	\$ 979,650	\$ 1,094,347	\$ 1,038,764	\$ 1,036,575	\$ 1,026,357

Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ 242,086	\$ 289,091	\$ 312,809	\$ 329,780	\$ 320,036	\$ 339,068
Supplies (30)	5,126	14,754	5,537	12,741	51,732	92,760
Professional Svcs (40)	392,735	350,458	430,059	404,811	369,780	299,991
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	1,500	1,586	1,728	1,782	1,782	1,737
Ending Fund Balance	287,548	323,762	344,215	289,650	293,246	292,801
Total	\$ 928,995	\$ 979,650	\$ 1,094,347	\$ 1,038,764	\$ 1,036,575	\$ 1,026,357

Full Time Equivalents History						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Director	0.15	0.15	0.15	0.15	0.15	0.15
Supervisor/Leads	0.73	0.59	0.64	0.74	0.74	0.74
Admin Support	0.10	0.10	0.10	0.10	0.10	0.10
O&M Employees	1.35	1.93	1.80	1.70	1.70	1.70
Total	2.33	2.77	2.69	2.69	2.69	2.69

Fund 105 – Streets O&M

2018 Accomplishments

- Repaired 10 sidewalk trip and fall hazards using sustainable methods which do not require permanently removing or purchasing new concrete.
- Completed 480 hours of asphalt patching. Patching crews repaired failed pavement in King St., Blueberry Lane, 177th AVE SE, and 153rd ST SE among others.
- Maintained crosswalk markings at 4 locations as well updating the markings at the N. Kelsey St. railroad crossing and at the intersection of N. Kelsey St. and U.S. Highway 2.
- Completed 240 hours of crack sealing maintenance work to extend the service life of existing asphalt

2019 Major Goals and Objectives

- Repair 10 sidewalk trip and fall hazards using sustainable methods which do not require permanently removing or purchasing new concrete.
- Completed 480 hours of asphalt patching.
- Maintained crosswalk markings at 4 locations
- Complete 240 hours of crack sealing maintenance work to extend the service life of existing asphalt

Fund 109 Lodging Tax

The purpose of this fund is to account for lodging tax receipts received and distributed by the City. The lodging tax is a consumer tax on lodging charges for periods of less than 30 consecutive days for hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities. These funds are restricted for use for tourism promotion, marketing and operations of special events designed to attract tourists, and operations of tourism related facilities owned or operated by nonprofit organizations. In limited circumstances, these taxes may also be used for tourism related capital owned or operated by the City or a public facilities district (RCW 67.28.080 & 67.28.1816).

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 54,347	\$ 65,792	\$ 76,897	\$ 87,296	\$ 87,297	\$ 64,487
Taxes	70,274	83,512	83,861	80,000	80,000	80,000
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	363	408	737	450	1,000	750
Transfers In	-	-	-	-	-	-
Total	\$ 124,984	\$ 149,711	\$ 161,495	\$ 167,746	\$ 168,297	\$ 145,237
Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	65,334	72,814	74,198	106,150	103,810	117,426
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	(6,143)	-	-	-	-	-
Ending Fund Balance	65,792	76,897	87,297	61,596	64,487	27,811
Total	\$ 124,984	\$ 149,711	\$ 161,495	\$ 167,746	\$ 168,297	\$ 145,237

This fund does not have assigned staff.

Fund 109 – Lodging Tax

2018 Accomplishments

- Continued outreach regarding Lodging Tax program to increase potential applicants and awards. Received 17 applications (an increase of 5 applications over the prior year).
- Hosted two open houses for potential applicants to answer questions and to educate regarding the Lodging Tax program.

2019 Major Goals and Objectives

- Work with the Lodging Tax Advisory Board to develop scoring criteria for rating applications.
- Continue the outreach program related to the Lodging Tax application process.
- Award \$72,754 to Monroe Chamber of Commerce for:
 - Tourism Promotion
 - www.ChooseMonroe.com
 - Monroe Fair Days Parade
 - Music in the Park
- Award \$3,000 to Sky Valley Trout Unlimited for Kid's Fishing Day at Lake Tye.
- Award \$14,000 to City of Monroe Parks & Recreation Department for:
 - Destination Event Brochure
 - Nautique WWA National Wakeboard
 - USA Triathlon TriMonroe
- Award \$11,000 to Downtown Monroe Association for:
 - Young Professional Week
 - Downtown Tourism Marketing
 - Merrily in Monroe
- Award \$16,672 to City of Monroe Administration for:
 - Choose Monroe Magazine
 - Tourism Print Advertising

Fund 114 Narcotics

The purpose of this fund is to account for revenues realized from the City's drug enforcement efforts and to ensure that these restricted funds are only used in support of these efforts. Staffing associated with drug enforcement is part of the General Fund Police cost center, so this fund has no staffing or 2019 goals/2018 accomplishments associated with its proposal.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 40,568	\$ 28,561	\$ 27,104	\$ 28,754	\$ 28,754	\$ 34,864
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	10,317	4,119	10,481	10,600	10,769	10,000
Transfers In	-	-	-	-	-	-
Total	\$ 50,885	\$ 32,681	\$ 37,585	\$ 39,354	\$ 39,523	\$ 44,864
Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	22,323	5,577	8,831	13,100	4,659	15,600
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	7,500	-	10,000
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	28,561	27,104	28,754	18,754	34,864	19,264
Total	\$ 50,885	\$ 32,681	\$ 37,585	\$ 39,354	\$ 39,523	\$ 44,864

This fund does not have assigned staff.

Fund 114 – Narcotics

2018 Accomplishments

- Non-applicable to this cost center.

2019 Major Goals and Objectives

- Non-applicable to this cost center.

Fund 117 Real Estate Excise Tax

Real Estate Excise Tax (REET) are taxes imposed on all sales of real property within the City. The City imposes both the first and second quarter percent REET tax as allowed by law. Per RCW 35.43.040, the City may use the first quarter REET receipts "...for any capital purpose identified in a capital improvements plan and local capital improvements...." Allowable projects includes streets, parks, sewers, water mains, city halls, courthouses, etc. as long as they appear on the City's capital improvement plan. First quarter percent REET may be used for the acquisition of land associated with the allowable capital projects but may not be used for operational costs.

The second quarter percent REET is more restrictive than the first quarter percent. The second quarter percent may be used for the same capital projects as the first quarter percent with the exception of municipal facilities (city hall, police stations, etc.). Unlike the first quarter percent, the second quarter percent may not be used for the acquisition of land.

The City budgets its REET eligible projects in the appropriate capital improvement plan fund (either Fund 317 or 318). Moneys are moved to these fund through budgeted transfers. The City also uses REET funds to support the general government portion of the PW Shop Facility's related bonding. Again, this is done by budgeted transfer from REET to the Debt Service Fund 203.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 74,342	\$ 577,702	\$ 1,165,923	\$ 1,920,795	\$ 1,920,795	\$ 2,909,111
Taxes	775,207	947,562	1,622,215	1,200,000	1,364,660	900,000
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	2,153	5,658	15,850	14,800	37,000	58,182
Transfers In	-	-	-	-	-	-
Total	\$ 851,702	\$ 1,530,923	\$ 2,803,988	\$ 3,135,595	\$ 3,322,455	\$ 3,867,293

Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	-	-	-	-	-	-
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	274,000	365,000	883,193	864,393	413,343	766,192
Ending Fund Balance	577,702	1,165,923	1,920,795	2,271,202	2,909,112	3,101,101
Total	\$ 851,702	\$ 1,530,923	\$ 2,803,988	\$ 3,135,595	\$ 3,322,455	\$ 3,867,293

There are no staff or budget goals/accomplishments associated with this fund.

Fund 117 – Real Estate Excise Tax

2018 Accomplishments

- Non-applicable to this cost center.

2019 Major Goals and Objectives

- Non-applicable to this cost center.



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DEBT SERVICE FUND

Fund 203 Debt Service

The City of Monroe maintains one debt service fund to account for the long term debt associated with the taxable operations of the City. Debt associated with the operations and revenues of our utilities are accounted for in an appropriate utility fund. The City's Debt Service Fund 203 is used to account for annual debt associated with the City's North Kelsey property and the General Fund portion of the Public Works campus project. Revenues associated with the debt service expenditures in this fund are derived by transfers from the REET Fund 117 and the North Kelsey Capital Fund 319.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 25,366	\$ 1,571	\$ 4,100	\$ 3,307	\$ 3,307	\$ 3,347
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	402,032	173	34	33	40	40
Transfers In	3,685,292	95,000	223,193	1,528,870	1,528,698	206,870
Total	\$ 4,112,690	\$ 96,744	\$ 227,327	\$ 1,532,210	\$ 1,532,045	\$ 210,257
Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	-	-	-	-	-	-
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	4,111,119	92,643	224,020	1,528,698	1,528,698	206,870
Other (90)	-	-	-	-	-	-
Ending Fund Balance	1,571	4,100	3,307	3,512	3,347	3,387
Total	\$ 4,112,690	\$ 96,744	\$ 227,327	\$ 1,532,210	\$ 1,532,045	\$ 210,257

There are no staff or budget goals/accomplishments associated with this fund.

Fund 203 – Debt Service

2018 Accomplishments

- Non-applicable to this cost center.

2019 Major Goals and Objectives

- Non-applicable to this cost center.



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CAPITAL FUNDS

Fund 307 General CIP

The purpose of this fund is to account for costs associated with capital projects not specific to parks, streets, the North Kelsey city owned property, or utilities. For 2019, the lone capital project in this fund is the Public Works Shop construction. Once this project is complete, this fund will be closed.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 438,437	\$ 441,415	\$ 6,451,859	\$ 6,252,995	\$ 6,252,996	\$ 756,445
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	2,977	6,090,070	59,658	20,000	76,450	15,128
Transfers In	-	-	-	154,000	154,000	-
Total	\$ 441,415	\$ 6,531,485	\$ 6,511,517	\$ 6,426,995	\$ 6,483,446	\$ 771,573
Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	-	-	-	-	-	-
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	251,491	6,225,000	5,727,000	513,500
Debt Service (70-80)	-	79,626	7,030	-	-	-
Other (90)	-	-	-	-	-	258,073
Ending Fund Balance	441,415	6,451,859	6,252,996	201,995	756,446	-
Total	\$ 441,415	\$ 6,531,485	\$ 6,511,517	\$ 6,426,995	\$ 6,483,446	\$ 771,573

There are no staff associated with this fund.

Fund 307 – General CIP

2018 Accomplishments

- **Completed design and construction of Public Works Shop facility.**
- **Completed refurbishment of Monroe City Council Chambers.**
- **Completed relocation plan and schedule for Police, Parks and Recreation, Public Works Design and Construction, and Public Works Operations and Maintenance.**

2019 Major Goals and Objectives

- **Relocate City records, Monroe Coordination Center, and Public Works Operations to the new facility after construction.**
- **Upon close out of the fund, transfer equity balance projected to be \$258,073 to the Stormwater Capital Fund 432 (per the 2016 Bond covenants).**

Fund 317 Parks CIP

The purpose of this fund is to account for the costs associated with capital projects for our parks. Projects developed in this fund are listed as part of our comprehensive plan, thus are eligible for REET revenue. Funding for these projects come from both REET transfers in and from fees assessed against new development.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 1,067,202	\$ 1,096,949	\$ 976,378	\$ 1,079,091	\$ 1,079,091	\$ 808,141
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	90,676	29,324	-	-	-
Charges for Services	321,240	352,023	385,895	495,800	410,000	347,060
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	8,323	9,092	14,714	9,915	15,537	16,237
Transfers In	1,500	66,586	251,728	350,782	1,782	350,737
Total	\$ 1,398,265	\$ 1,615,326	\$ 1,658,038	\$ 1,935,588	\$ 1,506,410	\$ 1,522,175

Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ 104,913	\$ 122,903	\$ 128,588	\$ 146,890	\$ 140,637	\$ 150,394
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	18,087	24,739	86,605	405,918	56,118	92,542
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	178,316	491,306	363,754	459,000	501,513	553,000
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	1,096,949	976,378	1,079,091	923,780	808,142	726,239
Total	\$ 1,398,265	\$ 1,615,326	\$ 1,658,038	\$ 1,935,588	\$ 1,506,410	\$ 1,522,175

Full Time Equivalents History						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Director	0.30	0.35	0.35	0.35	0.35	0.35
Supervisor	0.18	0.20	0.20	0.20	0.20	0.20
O&M Employees	0.40	0.40	0.60	0.60	0.60	0.60
Total	0.88	0.95	1.15	1.15	1.15	1.15

Fund 317 – Parks CIP

2018 Accomplishments

- **Playground renovation – Skykomish River Park.**
- **Permanent electrical installation for Lake Tye shelter #2 and performance stage area.**
- **Master planning of Cadman Pit site and Lake Tye Park – Master Plans adopted by City Council 2/18; to be docketed 2019.**
- **Submitted two State RCO grant applications (\$500,000 WWRP, \$350,000 YAF) to fund Lake Tye synthetic fields' project.**
- **Renovate natural grass athletic fields – Sky River Park.**
- **Begin replacement/enhancement of fencing and gates at Wiggly Field Dog Park – to be completed winter 2019.**
- **Awarded second Snohomish County Small Capital Projects Grant (\$6,762) in partnership with Monroe Boys & Girls Club for Exercise Stations at Sky River Park.**

2019 Major Goals and Objectives

- **Park Planning-Cadman site restoration/property transfer.**
- **Playground renovation – Lewis Street Park.**
- **Complete replacement/enhancement of fencing and gates at Wiggly Field Dog Park.**
- **Water service and fountain at Wiggly Field Dog Park.**
- **Design/install drought-tolerant landscape gateway improvement at east Main Street.**
- **Complete design of synthetic turf fields upgrade – Lake Tye Park.**
- **Trail system repairs/design estimate for US2 bypass trail corridor.**

Fund 318 Street CIP

The Street CIP program works to both maintain and improve upon the City of Monroe’s public street system, ensuring that the needs of the existing population and future growth can be met. The Street CIP program follows the City’s Comprehensive Plan. There are eight “high priority” projects and another eight “contingency” projects identified in the Transportation Plan sub-element. This fund also pays for annual street preservation efforts, such as asphalt overlays, which are reimbursed through a combination of grants and the voter-approved Transportation Benefit District. Project selection is closely coordinated with planned utility projects and private development to ensure new street surfaces aren’t marred by other development activity. Project selection, budgeting, design and construction is managed by the Design and Construction Division of Public Works.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 92,711	\$ 678,219	\$ 857,413	\$ 1,677,593	\$ 1,677,594	\$ 1,266,429
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	1,426,135	3,452,655	286,085	5,792,490	1,484,174	718,725
Charges for Services	267,410	725,918	1,673,819	1,689,800	1,434,005	1,589,000
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	752,838	255,744	13,433	13,620	35,542	25,628
Transfers In	1,580,066	200,000	672,892	223,523	121,473	102,050
Total	\$ 4,119,161	\$ 5,312,535	\$ 3,503,642	\$ 9,397,026	\$ 4,752,787	\$ 3,701,832

Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ 178,965	\$ 222,514	\$ 251,698	\$ 298,698	\$ 271,054	\$ 293,844
Supplies (30)	-	-	3	-	-	-
Professional Svcs (40)	40,261	77,307	64,271	67,929	25,304	27,559
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	3,221,715	4,155,301	1,510,076	7,246,861	3,190,000	3,108,949
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	678,219	857,412	1,677,594	1,783,538	1,266,430	271,480
Total	\$ 4,119,161	\$ 5,312,535	\$ 3,503,642	\$ 9,397,026	\$ 4,752,787	\$ 3,701,832

Full Time Equivalents History						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Director	0.05	0.05	0.05	0.05	0.05	0.05
Supervisor/Leads	0.90	1.34	1.34	1.49	1.49	1.49
Admin Support	0.25	0.50	0.50	0.50	0.50	0.50
O&M Employees	0.49	0.45	0.45	0.30	0.30	0.30
Total	1.69	2.34	2.34	2.34	2.34	2.34

Fund 318 – Streets CIP

2018 Accomplishments

- 191st Avenue SE Extension – Complete Concept Design Phase.
- Kelsey/Blueberry Intersection Improvements – Complete Design Phase.
- Chain Lake Road Phase 2a Trail – Complete Design Phase.
- Sidewalk At-Grade Railroad Crossing – Fryelands Blvd and 179th Avenue SE.
- Road Preservation Efforts:
 - Main Street – 179th Ave to Kelsey;
 - Fryelands Blvd – Tye St to railroad tracks;
 - Dennis Way – Main Street north approximately 400 feet;
 - 159th Street – 179th Ave to Alden;
 - 153rd Street – 168th Dr to 171st Ave;
 - 168th Drive – 153rd St to End;
 - 169th Drive – 153rd St to End;
 - 170th Drive – 153rd St to End;
 - Powell Street – Park St to Kelsey St.
- In 2018 the 318 Capital Fund provided for approximately 150 feet of new concrete sidewalks, 44 new and replaced sidewalk ramps that meet accessibility requirements, and paved 35,000 square yards of asphalt representing 5 lane miles of new road surfacing.

2019 Major Goals and Objectives

- The proposed projects for 2019 are:
 - Annual Road Maintenance/Preservation Program;
 - Kelsey/Blueberry Intersection Improvements – Construction Phase;
 - 191st Avenue SE Extension – Complete Design Phase;
 - Chain Lake Road Phase 2a Trail – Complete ROW Phase;
 - Train Reduced Noise Area – Establish Quiet Zones;
 - Re-rate City street conditions;
 - N. Madison Street Improvements – Complete design phase.

These projects are anticipated to reduce congestion at the Kelsey Street/Blueberry Lane intersection, and maintain/preserve approximately the same quantities of street surfaces as the previous year.

Fund 319 North Kelsey

The purpose of this fund is to account for the costs associated with the North Kelsey property owned by the City. As this property is sold, proceeds are housed in this fund and then transferred to Fund 203 Debt Service to pay the bond associated with this property.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 1,295,628	\$ 1,500,339	\$ 1,397,086	\$ 1,286,112	\$ 1,286,113	\$ 805,284
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	4,008,335	8,845	12,509	5,000	20,000	16,105
Transfers In	-	-	-	1,015,000	1,015,000	1,078,728
Total	\$ 5,303,963	\$ 1,509,184	\$ 1,409,595	\$ 2,306,112	\$ 2,321,113	\$ 1,900,117
Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	64,123	17,098	33,482	145,000	125,000	60,000
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	4,824	-	-	-	-	-
Debt Service (70-80)	49,385	-	-	-	-	-
Other (90)	3,685,292	95,000	90,000	1,391,000	1,390,828	68,728
Ending Fund Balance	1,500,339	1,397,086	1,286,113	770,112	805,285	1,771,389
Total	\$ 5,303,963	\$ 1,509,184	\$ 1,409,595	\$ 2,306,112	\$ 2,321,113	\$ 1,900,117

There are no staff associated with this fund.

Fund 319 – North Kelsey

2018 Accomplishments

- **Increased the transfer from the General Fund to the North Kelsey Fund from \$170,000 to \$1,015,000 to reserve funds for the 2020 Debt Service payment (\$2,908,728). Estimated reserves for this payment at the end of 2018 is \$805,000.**

2019 Major Goals and Objectives

- **Receive transfer of \$950,000 from the General Fund to reserve funds for the 2020 North Kelsey debt payment (\$2,908,728). Projected end of year 2019 reserve for the 2020 payment is \$1,771,389.**



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UTILITY FUNDS

Fund 411 Water O&M

This fund supports the maintenance, operation, and inspection of existing and new installations within the City's drinking water system which consists of approximately 150 miles of pipe and appurtenances and 9 reservoirs. Performance of maintenance activities is required in order to comply with Washington Administrative Code section(s) 246-290 and maintain the City's water system operating permit as administered by the Washington State Department of Health, Office of Drinking Water.

Water related capital is accounted for in Fund 412 Water CIP, thus this fund has no capital considerations. Ending fund balance over the 12% required reserves (per City policy) is transferred from this fund into the water capital fund each year to be used for scheduled water capital projects.

Revenues						
	Actual 2015	Actual 2016	Actual 2017	Budget 2018	Projected 2018	Approved 2019
Beginning Fund Balance	\$ 1,468,720	\$ 2,658,150	\$ 3,696,326	\$ 4,681,476	\$ 4,681,476	\$ 938,190
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	4,919,322	5,488,619	6,693,165	5,892,476	6,108,759	6,535,405
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	23,748	83,563	2,960,327	31,125	50,434	56,700
Transfers In	5,770	13,848	-	-	-	34,937
Total	\$ 6,417,560	\$ 8,244,180	\$13,349,817	\$10,605,077	\$ 10,840,669	\$ 7,565,232

Expenditures						
	Actual 2015	Actual 2016	Actual 2017	Budget 2018	Projected 2018	Approved 2019
Personnel	\$ 711,294	\$ 798,531	\$ 855,884	\$ 909,082	\$ 875,671	\$ 937,639
Supplies (30)	1,205,109	1,599,298	1,594,928	1,606,350	1,688,572	1,788,285
Professional Svcs (40)	706,772	876,833	898,538	946,008	799,944	945,403
Intergovernmental (50)	232,412	600,116	897,161	889,710	891,069	953,395
Capital (60)	-	40	-	750	-	-
Debt Service (70-80)	623,823	659,802	799,897	697,710	697,709	694,940
Other (90)	280,000	8,823	3,641,001	4,949,513	4,949,513	1,607,211
Ending Fund Balance	2,658,150	3,700,736	4,662,410	605,954	938,190	638,359
Total	\$ 6,417,560	\$ 8,244,180	\$13,349,817	\$10,605,077	\$ 10,840,669	\$ 7,565,232

Full Time Equivalents History						
	Actual 2015	Actual 2016	Actual 2017	Budget 2018	Projected 2018	Approved 2019
Director	0.15	0.18	0.18	0.18	0.18	0.18
Supervisor/Leads	1.29	1.11	1.56	1.66	1.66	1.66
Admin Support	0.98	0.98	1.21	1.21	1.21	1.21
O&M Employees	4.31	4.96	4.45	4.35	4.35	4.34
Total	6.73	7.22	7.40	7.40	7.40	7.39

Fund 411 – Water O&M

2018 Accomplishments

- Operated 100% of isolation valves and fire hydrants.
- Maintained system compliance with WAC 246-290.
- Completed replacement of obsolescent system controls at three pump stations.
- Re-located communications hub for off-site operator control system from the reservoir at the Department of Corrections site to an area where access is not restricted by the Department of Corrections lock-down operations.

2019 Major Goals and Objectives

- Operate 100% of isolation valves and fire hydrants.
- Maintain compliance with WAC 246-290.
- Complete replacement of undersized water main at Trombley Reservoir and 191st Ave. SE.
- Work with the Finance Department to develop a 6 Year Projection to insure long term funding sustainability.

Fund 412 Water CIP

The Water CIP works to both maintain and improve upon the City of Monroe’s public water system, ensuring that the needs of the existing population and future growth can be met. The Water CIP follows the City’s Comprehensive Plan, specifically the Utility Systems Plan, in determining project selection. There are 53 identified water-related CIP projects that range from increasing system capacity to replacing aging infrastructure, the latter which is closely coordinated with the Operations & Maintenance Division of Public Works for their input on existing issues. Project selection is also compared with the annual street preservation efforts to ensure that utility trenching doesn’t mar a planned asphalt overlay. Project selection, budgeting, design and construction is managed by the Design and Construction Division of Public Works.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 5,388,005	\$ 5,872,694	\$ 2,802,534	\$ 3,100,611	\$ 3,100,611	\$ 7,225,796
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	486,808	995,627	801,645	250,000	820,000	641,316
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	38,326	30,605	30,464	36,073	70,087	71,000
Transfers In	280,000	-	750,000	4,734,873	4,734,873	1,597,586
Total	\$ 6,193,139	\$ 6,898,927	\$ 4,384,643	\$ 8,121,557	\$ 8,725,570	\$ 9,535,698

Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ 184,485	\$ 286,572	\$ 257,678	\$ 305,138	\$ 278,287	\$ 300,453
Supplies (30)	4,348	210	-	-	68	-
Professional Svcs (40)	19,006	42,468	56,988	160,405	160,405	75,277
Intergovernmental (50)	-	-	-	25,000	82,000	71,231
Capital (60)	112,606	3,767,143	969,366	1,980,000	979,015	4,930,408
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	5,872,694	2,802,534	3,100,611	5,651,014	7,225,796	4,158,329
Total	\$ 6,193,139	\$ 6,898,927	\$ 4,384,643	\$ 8,121,557	\$ 8,725,570	\$ 9,535,698

Full Time Equivalents History						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Director	0.05	0.10	0.10	0.10	0.10	0.10
Supervisor/Leads	0.95	1.34	1.34	1.49	1.49	1.49
Admin Support	0.25	0.50	0.50	0.50	0.50	0.50
O&M Employees	0.49	0.45	0.45	0.30	0.30	0.30
Total	1.74	2.39	2.39	2.39	2.39	2.39

Fund 412 – Water CIP

2018 Accomplishments

- Graden Water Main Replacement – Completed the design phase.
- Cascade View Drive Water Main Replacement – Completed the design phase.
- 132nd Street SE Water Main Replacement – Completed the design phase.
- 182nd Avenue Water Main Replacement – Completed the design phase.
- 179th Avenue / Fairgrounds Water Main Replacement – Completed construction.
- Smith – Park Utilities Replacement – Completed Construction.
- Tester Road Water Main Replacement – Completed Construction.

In 2018, Fund 412 Water CIP installed approximately 3,640 feet of new ductile iron water main.

2019 Major Goals and Objectives

- The proposed projects for 2019 are:
 - Graden Water Main Replacement - Construction ;
 - Cascade View Drive Water Main Replacement – Construction;
 - 132nd Street SE Water Main Replacement – Construction;
 - 182nd Avenue Water Main Replacement – Construction;
 - Dept of Corrections 2nd Water Reservoir – Design Phase;
 - Adams Lane Water Main Replacement – Design Phase.

The proposed construction projects in 2019 are anticipated to install approximately 9,850 feet of new ductile iron water mains.

Sewer Overview

The 2019 Budget recommends the adoption of a 10% utility tax on the City's sewer operations. As discussed on page 29, a utility tax is a tax levied on the gross operating revenues earned by the system as a whole. It is not a pass through tax (such as a sales tax).

The City currently charges a utility tax on its water operations, as well as on electric, natural gas, and phone. The sewer tax is anticipated to generate approximately \$999,133 of new revenue to the General Fund without increasing rates over the next six years, with the exception of 2019, where residential sewer rates are proposed to **decrease** by 2.5%. This is possible with the strategic use of revenue debt to help fund the sewer system's 6 year capital needs.

On September 11, 2018, the City Council adopted a Debt Policy for the City and its various operations. This policy includes guidance regarding how debt is issued and defines a minimum debt service ratio coverage the utilities would have to maintain before issuing debt. (A debt service ratio is the "net income" of the utility system divided by the annual debt payment due, which then indicates how much is available to make your debt payments after all expenses, except capital, are paid.) The City's policy defines the minimum debt service ratio at 1.25 times annual debt obligations, which is also industry best practice and the minimum required by our existing debt service obligations. Anticipated sewer operations debt service coverage ratio based on the proposed rate decrease and the new utility tax is 2.55 times.

Long range sewer projections (6 years, consistent with the 6 Year Strategic Plan and the General Fund projections) illustrates the sewer fund can absorb a 10% utility tax, again, similar to what is charged to the water utility. The 6 year sewer projections decrease residential rates in 2019 by 2.5%, impose the utility tax, and issues \$5,000,000 in revenue debt in 2021 (first payment would be due in 2022) for capital needs. In 2021, an existing debt obligation will be paid in full, offsetting the new \$5 million bond. The 6 year sewer projections do not increase or decrease residential rates in years 2020 through 2024. The sewer projections do increase the low income senior and low income disabled discount from 30% to 40%.

Based on the long range projections and the judicious but still conservative use of new revenue debt, the sewer funds debt service ratios over the 6 year period range from a low of 2.01 times to a high of 2.56 times. Both operating and capital reserve targets are met or exceeded, and rates remain stable.

Sewer Overview - Six Year Projection

	2019 Projected	2020	2021	2022	2023	2024
OPERATIONS						
Beginning Fund Balance	\$1,238,233	\$847,945	\$857,540	\$876,461	\$894,198	\$867,758
Service Charges	\$6,240,000	1.26% \$6,318,624	1.26% \$6,398,239	1.26% \$6,478,856	1.26% \$6,560,490	0.00% \$6,560,490
DOC Revenue	\$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000
Charges for Services	\$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000
Misc. Revenues	\$27,264	2.00% \$19,658	2.00% \$19,850	2.00% \$20,229	2.00% \$20,583	2.00% \$20,055
Other/Transfer In	\$94,930					
subtotal revenues	\$8,788,427	\$8,374,227	\$8,463,629	\$8,563,547	\$8,663,271	\$8,636,303
Expenditures						
Salaries (10)	\$1,047,263	\$1,099,626	\$1,154,607	\$1,212,338	\$1,272,955	\$1,336,602
Benefits (20)	\$514,588	\$566,047	\$622,651	\$684,917	\$753,408	\$828,749
Supplies (30)	\$413,110	\$425,503	\$438,268	\$451,416	\$464,959	\$478,908
Professional Svcs (40)	\$1,965,136	\$2,024,090	\$2,084,813	\$2,147,357	\$2,211,778	\$2,278,131
Intergovernmental (50)	\$255,000	\$265,863	\$277,189	\$288,997	\$301,308	\$314,144
Utility Tax	\$869,349	\$837,422	\$846,362	\$856,354	\$866,327	\$863,630
Other Transfers (90)	\$15,477	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500
Transfer Out - F530 (90)	\$50,000	\$50,000	\$0	\$0	\$0	\$0
Capital (60)	\$10,000	\$0	\$0	\$0	\$0	\$0
subtotal expenses	\$5,139,923	\$5,284,051	\$5,439,391	\$5,656,879	\$5,886,235	\$6,115,665
rev over/under exp	\$3,648,504	\$3,090,176	\$3,024,238	\$2,906,668	\$2,777,036	\$2,520,638
Debt Service (70-80)	\$1,941,763	\$1,877,617	\$1,879,953	\$1,810,272	\$1,360,577	\$1,397,790
Subtotal Fund Balance	\$1,706,741	\$1,212,559	\$1,144,285	\$1,096,396	\$1,416,459	\$1,122,848
reserve target	\$847,945	\$857,540	\$876,461	\$894,198	\$867,758	\$899,755
Amount to transfer to CIP	\$858,796	\$355,018	\$267,824	\$202,197	\$548,702	\$223,094
CAPITAL						
Beginning Fund Balance	\$ 6,733,585	\$ 6,990,247	\$ 6,418,317	\$ 6,493,410	\$ 5,776,651	\$ 4,106,444
Bond Proceeds			\$ 5,000,000			
Transfer In from Operations	\$ 858,796	\$ 355,018	\$ 267,824	\$ 202,197	\$ 548,702	\$ 223,094
Interest Earnings & Other	\$ 134,691	\$ 139,824	\$ 128,386	\$ 129,888	\$ 115,553	\$ 82,148
Capital Fees	\$ 1,163,136	\$ 894,720	\$ 745,600	\$ 596,480	\$ 596,480	\$ 596,480
subtotal revenues	\$ 8,890,208	\$ 8,379,809	\$ 12,560,127	\$ 7,421,976	\$ 7,037,385	\$ 5,008,166
Salaries	\$ 172,971	\$ 181,620	\$ 190,701	\$ 200,236	\$ 210,248	\$ 220,760
Benefits	\$ 70,000	\$ 77,000	\$ 84,700	\$ 93,170	\$ 102,487	\$ 112,736
Charges for Services	\$ 107,590	3.00% \$ 110,818	3.00% \$ 114,143	3.00% \$ 117,567	3.00% \$ 121,094	3.00% \$ 124,727
Capital	\$ 1,419,616	\$ 1,488,599	\$ 5,589,774	\$ 1,161,715	\$ 2,425,908	\$ 858,683
Utility Tax	\$ 129,784	\$ 103,455	\$ 87,399	\$ 72,637	\$ 71,204	\$ 67,863
subtotal expenses	\$ 1,899,961	\$ 1,961,492	\$ 6,066,717	\$ 1,645,325	\$ 2,930,941	\$ 1,384,769
rev over/under exp (EFB)	\$ 6,990,247	\$ 6,418,317	\$ 6,493,410	\$ 5,776,651	\$ 4,106,444	\$ 3,623,397
total available for debt coverage	\$ 4,946,331	\$ 4,124,720	\$ 3,898,224	\$ 3,633,036	\$ 3,489,069	\$ 3,199,266
debt service	\$ 1,941,763	\$ 1,877,617	\$ 1,879,953	\$ 1,810,272	\$ 1,360,577	\$ 1,397,790
debt service ratio (>1.25)	2.55	2.20	2.07	2.01	2.56	2.29
Total Utility Tax to General Fund	\$ 999,133	\$ 940,877	\$ 933,761	\$ 928,991	\$ 937,531	\$ 931,493

Issue	2019	2020	2021	2022	2023
All	1,941,763				
2017 Revenue Bonds		375,830	377,845	379,665	397,540
2016 Revenue Bonds		81,400	81,080	80,730	81,350
2011 W/S Bonds		487,887	489,207	489,807	471,687
2001 DOE Loan		371,320	371,320	371,320	
2003 DOE Loan		78,750	78,750	78,750	
2005 Bonds		482,430	481,751		
5.5M 20Y in 2021				410,000	410,000
Placeholder					
Placeholder					
Total Debt Service	<u>1,941,763</u>	<u>1,877,617</u>	<u>1,879,953</u>	<u>1,810,272</u>	<u>1,360,577</u>

2024

906,880

80,910

-

410,000

1,397,790

Fund 421 Sewer O&M

This fund supports the maintenance and operation of the wastewater treatment plant (WWTP) and the sewer collections system. Funding ensures compliance with the limits set forth by the National Pollution Discharge Elimination System Permit and the Puget Sound Clean Air Agency Permit through process control testing, monitoring, implementation of pretreatment requirements, solids management, and maintenance of the WWTP equipment and facilities. The sewer collection system consists of approximately 60 miles of sewer main and 1,200 manholes.

Sewer related capital is accounted for in Fund 422 Sewer CIP, thus this fund has minimal capital considerations. Ending fund balance over the 12% required reserves (per City policy) is transferred from this fund into the sewer capital fund each year to be used for scheduled sewer capital projects.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 1,096,726	\$ 2,135,275	\$ 2,512,798	\$ 2,403,717	\$ 2,403,717	\$ 1,238,233
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	7,645,349	7,463,056	7,750,935	7,496,700	7,753,766	7,428,000
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	17,562	62,684	6,358,752	23,222	59,754	27,264
Transfers In	17,785	42,684	-	-	-	94,930
Total	\$ 8,777,421	\$ 9,703,699	\$16,622,485	\$ 9,923,639	\$ 10,217,238	\$ 8,788,427

Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ 1,415,375	\$ 1,340,393	\$ 1,429,705	\$ 1,525,388	\$ 1,472,720	\$ 1,561,851
Supplies (30)	231,913	248,854	262,382	289,442	433,216	413,110
Professional Svcs (40)	1,383,882	1,481,773	1,510,655	1,772,166	1,733,243	1,965,136
Intergovernmental (50)	147,677	153,591	250,615	255,000	254,276	1,124,349
Capital (60)	-	40	-	20,750	14,225	10,000
Debt Service (70-80)	1,963,301	1,963,312	2,013,345	1,945,995	1,945,994	1,941,763
Other (90)	1,500,000	2,014,338	8,775,194	3,417,849	3,125,329	924,273
Ending Fund Balance	2,135,275	2,501,398	2,380,588	697,049	1,238,233	847,945
Total	\$ 8,777,421	\$ 9,703,699	\$16,622,485	\$ 9,923,639	\$ 10,217,238	\$ 8,788,427

Full Time Equivalents History						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Director	0.15	0.18	0.18	0.18	0.18	0.18
Supervisor/Leads	2.02	1.99	2.04	2.14	2.14	2.14
Admin Support	0.98	0.98	1.20	1.20	1.20	1.20
O&M Employees	9.98	9.87	9.41	9.31	9.31	9.31
Total	13.13	13.01	12.83	12.83	12.83	12.83

Fund 421 – Sewer O&M

2018 Accomplishments

- Completed emergency repair of collapsed sewer main in Adams Lane.
- Met goal for tri-annual maintenance cleaning of sewer lift stations.
- Resolved 100% of reported customer back-ups within 48 hours of notification.

2019 Major Goals and Objectives

- Complete high pressure sewer main cleaning project.
- Resolve 100% of reported customer back-ups within 48 hours.
- Operate the WWTP within the regulatory requirements of the National Pollution Discharge Elimination System (NPDES) permit.

Fund 422 Sewer CIP

The Sewer CIP works to both maintain and improve upon the City of Monroe’s public sewer system, ensuring that the needs of the existing population and future growth can be met. The Sewer CIP follows the City’s Utility Systems Plan in determining project selection. Capital projects with the City of Monroe’s Wastewater Treatment Plant are included in this fund and represent 18 of the 29 listed sewer projects. Project selection is closely coordinated with the Operations & Maintenance Division of Public Works for their input on existing issues. Project selection is also compared with the annual street preservation efforts to ensure that utility trenching doesn’t mar a planned asphalt overlay. Project selection, budgeting, design and construction is managed by the Design and Construction Division of Public Works.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 4,532,722	\$ 4,498,563	\$ 4,558,793	\$ 6,049,059	\$ 6,049,060	\$ 6,733,585
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	608,554	1,167,197	1,230,240	750,000	1,000,000	1,163,136
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	30,309	142,917	45,193	62,985	100,018	134,691
Transfers In	1,500,000	2,000,000	2,500,000	2,792,520	2,500,000	858,796
Total	\$ 6,671,585	\$ 7,808,677	\$ 8,334,226	\$ 9,654,564	\$ 9,649,078	\$ 8,890,208

Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ 187,330	\$ 231,606	\$ 261,179	\$ 308,914	\$ 281,706	\$ 304,361
Supplies (30)	4,348	0	3	-	68	-
Professional Svcs (40)	25,813	59,895	53,792	133,720	133,719	107,590
Intergovernmental (50)	-	-	-	-	-	129,784
Capital (60)	1,955,531	2,958,384	1,970,192	4,123,700	2,500,000	1,358,226
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	4,498,563	4,558,792	6,049,060	5,088,230	6,733,585	6,990,247
Total	\$ 6,671,585	\$ 7,808,677	\$ 8,334,226	\$ 9,654,564	\$ 9,649,078	\$ 8,890,208

Full Time Equivalents History						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Director	0.10	0.10	0.10	0.10	0.10	0.10
Supervisor/Leads	1.09	1.34	1.34	1.49	1.49	1.49
Admin Support	0.25	0.50	0.50	0.50	0.50	0.50
O&M Employees	0.30	0.45	0.45	0.30	0.30	0.30
Total	1.74	2.39	2.39	2.39	2.39	2.39

Fund 422 – Sewer CIP

2018 Accomplishments

- **Smith-Park Utilities Replacement – completed construction.**
- **Began construction of Wastewater Treatment Plan (WWTP) energy conservation project phase III.**
- **Replaced 680 feet of aging sewer main and reconnected 380 feet of side sewer service lines.**

2019 Major Goals and Objectives

- **The proposed projects for 2019 are:**
 - **Madison Street sewer replacement – design phase;**
 - **Adams Lane sewer replacement – design phase;**
 - **Complete construction of WWTP energy conservation project phase III;**
 - **Prepare WWTP Engineering Report and Mixing Zone Study.**

Fund 431 Stormwater O&M

This fund supports the maintenance and operation of the City's storm water collection and drainage system. Timely performance of maintenance activities keeps Monroe in compliance with the Clean Water Act as is mandated by the National Pollutant Discharge Elimination System (NPDES) permit issued to the City through the Washington State Department of Ecology. The physical system includes approximately 2,150 catch basins, numerous water quality filters and flow control structures, culverts, various types of ponds, biological treatment installations, and open ditches.

Storm related capital is accounted for in Fund 432 Stormwater CIP, thus this fund has no capital considerations. Ending fund balance over the 12% required reserves (per City policy) is transferred from this fund into the storm capital fund each year to be used for scheduled storm capital projects.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 55,893	\$ 257,717	\$ 457,649	\$ 685,519	\$ 685,520	\$ 337,055
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	80,838	-	25,000	-	50,000	-
Charges for Services	1,609,800	1,663,806	1,798,366	1,777,200	1,812,200	1,928,656
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	2,732	3,788	808,703	7,100	11,000	7,741
Transfers In	1,445	3,468	-	-	-	12,646
Total	\$ 1,750,709	\$ 1,928,779	\$ 3,089,718	\$ 2,469,819	\$ 2,558,720	\$ 2,286,098

Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ 582,914	\$ 657,895	\$ 729,274	\$ 880,351	\$ 839,099	\$ 905,097
Supplies (30)	18,779	8,068	16,022	23,242	36,266	25,010
Professional Svcs (40)	514,713	576,715	526,565	569,891	537,340	652,794
Intergovernmental (50)	106,972	122,717	127,258	130,000	126,700	178,200
Capital (60)	-	52	-	750	33,000	-
Debt Service (70-80)	104,612	104,835	205,671	198,476	198,476	198,713
Other (90)	165,000	7,720	803,269	450,783	450,783	91,106
Ending Fund Balance	257,717	450,777	681,659	216,326	337,056	235,178
Total	\$ 1,750,709	\$ 1,928,779	\$ 3,089,718	\$ 2,469,819	\$ 2,558,720	\$ 2,286,098

Full Time Equivalents History						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Director	0.15	0.18	0.18	0.18	0.18	0.18
Supervisor/Leads	0.82	0.92	1.37	1.47	1.47	1.47
Admin Support	0.98	0.98	1.25	1.25	1.25	1.25
O&M Employees	4.07	4.23	3.71	4.61	4.61	4.63
Total	6.02	6.30	6.50	7.50	7.50	7.52

Fund 431 – Stormwater O&M

2018 Accomplishments

- **Complied with all National Pollutant Discharge Elimination System (NPDES) permit requirements.**
- **Inspected over 2,100 catch basins and stormwater control structure installations.**
- **Cleaned all porous concrete in the downtown area on a quarterly basis.**
- **Received \$50,000 in grant funding from the Washington State Department of Ecology.**

2019 Major Goals and Objectives

- **Achieve compliance with NPDES permit requirements.**
- **Clean porous concrete in the downtown area on a quarterly basis.**
- **Work with the Finance Department to develop a 6 Year Projection to insure long term funding sustainability.**

Fund 432 Stormwater CIP

The Stormwater CIP works to both maintain and improve upon the City of Monroe’s public stormwater system, ensuring that the needs of the existing population and future growth can be met. The Stormwater CIP follows the City’s Comprehensive Plan, specifically the Utility Systems Plan, in determining project selection. Capital projects focus on resolving maintenance issues, such as correcting slow draining areas, localized ponding on public streets, and improving stormwater treatment facilities. Project selection is also compared with the annual street preservation efforts to ensure that utility trenching doesn’t mar a planned asphalt overlay. Project selection, budgeting, design and construction is managed by the Design and Construction Division of Public Works.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 1,505,819	\$ 1,287,746	\$ 1,008,491	\$ 698,887	\$ 698,887	\$ 707,084
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	887,694	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	8,111	7,214	8,348	7,083	9,580	14,141
Transfers In	165,000	-	-	321,108	321,108	341,573
Total	\$ 2,566,624	\$ 1,294,960	\$ 1,016,839	\$ 1,027,078	\$ 1,029,575	\$ 1,062,798

Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ 178,959	\$ 222,512	\$ 251,697	\$ 298,698	\$ 270,824	\$ 293,844
Supplies (30)	4,429	-	3	-	-	-
Professional Svcs (40)	16,675	51,807	45,077	39,595	39,594	43,390
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	1,078,814	12,149	21,175	590,000	12,073	550,080
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	1,287,746	1,008,491	698,887	98,785	707,085	175,484
Total	\$ 2,566,624	\$ 1,294,960	\$ 1,016,839	\$ 1,027,078	\$ 1,029,575	\$ 1,062,798

Full Time Equivalents History						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Director	0.05	0.05	0.05	0.05	0.05	0.05
Supervisor/Leads	1.09	1.34	1.34	1.34	1.34	1.34
Admin Support	0.25	0.50	0.50	0.50	0.50	0.50
O&M Employees	0.30	0.45	0.45	0.45	0.45	0.45
Total	1.69	2.34	2.34	2.34	2.34	2.34

Fund 432 – Stormwater CIP

2018 Accomplishments

- **Smith-Park Utilities Replacement – completed design.**
- **Dickinson Road Utilities Replacement – completed design.**
- **Provided for geotechnical services in support of the above design efforts, specifically to determine stormwater infiltration feasibility at the sites.**

2019 Major Goals and Objectives

- **The proposed projects for 2019 are:**
 - **Lake Tye Bioswale Retrofit – design phase;**
 - **Blueberry Lane Stormwater Replacement – design phase.**

Fund 450 Revenue Bond Reserve

This fund accounts for the bond reserves required to be held by our bond covenants. We hold 1.25 times our annual revenue debt service requirement in this fund. As the utility revenue bonds are paid down, money in excess of the 1.25 times requirement would be transferred back into the water, sewer, and stormwater operations funds. If new bonds are issued, transfers in from the operations funds are required.

This fund has no associated staff, budget accomplishments, or budget goals.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 1,995,151	\$ 1,983,629	\$ 1,935,851	\$ 1,953,799	\$ 1,953,800	\$ 2,885,762
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	13,479	12,222	17,949	14,000	40,000	55,984
Transfers In	-	-	-	891,963	891,963	-
Total	\$ 2,008,629	\$ 1,995,851	\$ 1,953,800	\$ 2,859,762	\$ 2,885,763	\$ 2,941,746

Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	-	-	-	-	-	-
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	25,000	60,000	-	-	-	142,513
Ending Fund Balance	1,983,629	1,935,851	1,953,800	2,859,762	2,885,763	2,799,233
Total	\$ 2,008,629	\$ 1,995,851	\$ 1,953,800	\$ 2,859,762	\$ 2,885,763	\$ 2,941,746

This fund does not have assigned staff.

Fund 450 – Revenue Bond Reserves

2018 Accomplishments

- Non-applicable to this cost center.

2019 Major Goals and Objectives

- Non-applicable to this cost center.



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INTERNAL SERVICE FUNDS

Fund 510 Information Technology

The Information Technology department is responsible for all facets of the City's computers, network, and telephone system. The department maintains back-ups, integrity, and security of all City computers and telephone operations. Responsible for configuring workstations, servers, and peripheral equipment; providing technical hardware and software support to users; maintaining Exchange Server; demonstrating continuous effort to improve operations, decrease turnaround times, working cooperatively across all departments.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 75,748	\$ 216,230	\$ 259,783	\$ 306,017	\$ 306,017	\$ 306,674
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	531,895	452,309	486,079	531,379	528,967	634,637
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	3,869	4,038	5,734	5,693	9,718	9,133
Transfers In	-	-	-	-	-	-
Total	\$ 611,512	\$ 672,577	\$ 751,595	\$ 843,089	\$ 844,702	\$ 950,444

Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ 119,514	\$ 133,222	\$ 138,899	\$ 141,565	\$ 146,091	\$ 154,710
Supplies (30)	3,112	3,509	9,654	15,200	52,500	86,450
Professional Svcs (40)	272,656	276,063	297,025	465,702	329,437	557,215
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	10,000	10,000	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	216,230	259,783	306,017	210,622	306,674	152,069
Total	\$ 611,512	\$ 672,577	\$ 751,595	\$ 843,089	\$ 844,702	\$ 950,444

Full Time Equivalents History						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Human Resources Director	0.00	0.05	0.20	0.20	0.20	0.20
Support Technician	1.00	1.00	1.00	1.00	1.00	1.00
Total	1.00	1.05	1.20	1.20	1.20	1.20

Fund 510 – Information Technology

2018 Accomplishments

- Replaced servers.
- Upgraded Exchange.
- Deployed campus Wi-Fi.
- Updated City website.
- Replaced Police Department fingerprint machine.
- Implemented new SPAM filter.
- Assisted with implementation of NextRequest.
- Assisted with Council Chambers remodel/audio and visual update
- Adopted Social Media policy.

2019 Major Goals and Objectives

- Develop Information Technology strategic plan.
- Deploy fiber to City Hall campus.
- Upgrade to Windows 10 operating system.
- Replace Open Eye system at the Police Department.

Fund 520 Fleet & Equipment

This fund supports the maintenance and operations of the City-wide fleet serving every department as well as providing recommendations for capital fleet additions and replacement for the City. The fleet manages approximately 235 vehicles and pieces of equipment. As in internal service fund, this fund derives its revenues through charges for services to the various City departments with fleet needs. Charges include depreciation on existing equipment so that the City can proactively manage its fleet replacement program.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 2,214,278	\$ 2,796,336	\$ 3,619,260	\$ 3,758,957	\$ 3,758,958	\$ 4,274,430
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	1,478,268	1,658,165	1,793,309	1,653,354	1,654,564	1,790,542
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	29,525	48,416	65,285	38,703	120,076	90,488
Transfers In	16,857	75,545	-	-	-	-
Total	\$ 3,738,928	\$ 4,578,462	\$ 5,477,854	\$ 5,451,014	\$ 5,533,598	\$ 6,155,460

Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ 210,192	\$ 232,891	\$ 240,119	\$ 246,343	\$ 243,744	\$ 255,699
Supplies (30)	109,583	101,201	112,696	116,275	234,500	291,000
Professional Svcs (40)	251,522	265,886	291,576	273,949	245,382	151,002
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	371,295	359,222	1,073,968	494,480	535,541	909,270
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	2,796,336	3,619,261	3,759,494	4,319,967	4,274,430	4,548,489
Total	\$ 3,738,928	\$ 4,578,462	\$ 5,477,854	\$ 5,451,014	\$ 5,533,598	\$ 6,155,460

Full Time Equivalents History						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Director	0.15	0.15	0.15	0.15	0.15	0.15
Supervisor	0.00	0.35	0.35	0.35	0.35	0.35
Admin Support	0.15	0.15	0.15	0.15	0.15	0.15
O&M Employees	1.77	1.45	1.45	1.45	1.45	1.45
Total	2.07	2.10	2.10	2.10	2.10	2.10

Fund 520 – Fleet & Equipment

2018 Accomplishments

- Purchased and completed up-fitting of the City's Incident Support Center and truck. Work included refurbishment of a one ton class flatbed truck, installation of portable radio antenna mast, smart screens and battery back-up system, as well as custom locking gun-rack for use by the Police Department.
- Placed 13 new units into service.
- Sold 10 units as surplus.

2019 Major Goals and Objectives

- Transition fleet services to electronic maintenance tracking software.
- Place 18 new units into service.
- Sell 14 units as surplus.

Fund 530 - Facilities

This fund accounts for the maintenance and operations of 65,000 square feet of City facilities. This fund also pays the City's various utilities accounts associated with its street lights, pump stations, etc. As in internal service fund, this fund derives its revenues through charges for services to the various City departments based on its facilities use.

Revenues						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Beginning Fund Balance	\$ 270,027	\$ 75,450	\$ 86,746	\$ 41,859	\$ 41,860	\$ 86,521
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	1,005,338	1,249,845	1,199,869	1,251,465	1,251,465	1,206,400
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	7,922	12,905	12,026	8,414	8,810	9,230
Transfers In	-	-	-	50,000	50,000	227,000
Total	\$ 1,283,287	\$ 1,338,200	\$ 1,298,641	\$ 1,351,738	\$ 1,352,134	\$ 1,529,151

Expenditures						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Personnel	\$ 273,010	\$ 295,049	\$ 324,011	\$ 344,513	\$ 332,113	\$ 356,235
Supplies (30)	139,498	130,256	79,314	156,000	136,330	163,000
Professional Svcs (40)	795,329	826,160	853,072	799,261	797,170	830,505
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	103,500
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	75,450	86,735	42,245	51,964	86,522	75,911
Total	\$ 1,283,287	\$ 1,338,200	\$ 1,298,641	\$ 1,351,738	\$ 1,352,134	\$ 1,529,151

Full Time Equivalents History						
	Actual <u>2015</u>	Actual <u>2016</u>	Actual <u>2017</u>	Budget <u>2018</u>	Projected <u>2018</u>	Approved <u>2019</u>
Director	0.05	0.05	0.05	0.05	0.05	0.05
Supervisor/Leads	0.26	0.49	0.49	0.49	0.49	0.49
O&M Employees	2.62	2.51	2.39	2.39	2.39	2.39
Total	2.93	3.05	2.93	2.93	2.93	2.93

Fund 530 – Facilities

2018 Accomplishments

- **Provided support and maintenance operations for 35,000 square feet of City facilities.**
- **Maintained HVAC systems, lighting systems, building, and security alarm systems.**
- **Provided minor repair and remodeling of work spaces to meet employee ergonomic needs and functional space requirements.**
- **Re-located and rewired City Hall emergency back-up power system**
- **Replaced rotted beam and gutter system on north side of city hall.**

2019 Major Goals and Objectives

- **Provide support and maintenance operations for 65,000 square feet of City facilities.**
- **Maintain HVAC systems, lighting systems, building, and security alarm systems.**
- **Facilitate re-location of Public Works O&M shop spaces and material storage facilities.**
- **Relocate City records, community coordination center, and Public Works operations to new facility after construction.**
- **Replace Police Station Roof.**
- **Complete City Hall facilities report to inform future campus improvements.**



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**6 YEAR
CAPITAL IMPROVEMENT
PROGRAM**

Capital Improvement Plan Overview

A Capital Improvement Plan (CIP) is a multiyear plan that provides a planned and programmed approach to utilizing the City's financial resources in the most efficient manner to meet service and infrastructure needs.

The City of Monroe considers its six year CIP as a long range plan for addressing capital needs. The purpose and goals of the CIP are to:

- Provide capital facilities and infrastructure that are needed by the community for civic purposes and support the vision of Monroe as articulated in the City's Comprehensive Plan.
- Support the provision of City services consistent with the expectations of the community, as identified in the City's Comprehensive Plan, the Parks, Recreation, and Open Space Plan, the EDAB recommendations, the six year Transportation Improvement Plan, the Water, Sewer, and Stormwater Plans, etc.
- Preserve levels of service as growth and development add new demands.
- Provide facilities that meet the needs of the community, rehabilitate and/or replace the City's facilities and infrastructure to extend useful life and assure continued efficiency.

The CIP provides a six year view of intended projects and serves as a resource for the scope and timing of key projects. The City strives to identify funding for each project listed but unfunded and underfunded projects are included for fiscal periods 2020 through 2024. This inclusion of unfunded and underfunded projects keep them in the forefront for timing purposes and for grant opportunities. CIP projects identified in 2019 were required to have secured designated funding sources and are integrated into the City's annual budget.

Six Year Capital Plan

Project	Fund #	Budget		Estimate					Project Total
		2019 (S&B)	2019 (Capital)	2020	2021	2022	2023	2024	
General Government									
Public Art/Banners	001	\$ -	\$ 20,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 70,000
Park Plan Update	001			50,000	50,000				100,000
Police - LCR Drug Testing	114		10,000						10,000
Public Works Shop	307		513,500						513,500
Gateway Features/Wayfinding (EDAB)	307				125,000	450,000	150,000	150,000	875,000
Al Borlin/Lewis St. Parks Master Plan	317				80,000	600,000	3,000,000		3,680,000
Cadman Phase 1 & 2	317		80,000	1,000,000	6,000,000	600,000	3,000,000	200,000	10,880,000
Centennial Trailhead	317					3,000,000	300,000	1,300,000	4,600,000
Lake Tye All Weather Fields design	317		300,000	3,200,000					3,500,000
Lake Tye Phase II	317							800,000	800,000
North Hill Park Acquisition	TBD			TBD					TBD
North Hill Park Development	317					300,000	1,000,000		1,300,000
Park Playground Equipment	317		200,000	250,000	250,000	250,000	250,000	250,000	1,450,000
Public Plaza/Festival Lot (EDAB)	317				500,000	250,000	1,000,000	1,000,000	2,750,000
Trails Planning and Repair	317		38,000						38,000
Trail System connectivity (EDAB)	317				500,000	50,000	250,000	1,000,000	1,800,000
Wiggly Field Dog Park Improvements	317		15,000						15,000
177th Ave. Maintenance/Repair	318	4,000	8,000						12,000
179th/147th Signal	318			117,610	85,775	409,122			612,507
191st to Chain Lake (E/W Connector)	318	15,000	250,000	2,317,369					2,582,369
ADA Transition Plan	318	9,000	99,225						108,225
Annual Road Maintenance	318	39,900	1,562,500	1,241,415	1,303,486	1,368,660	1,437,094	1,508,948	8,462,003
Annual Sidewalk Development (EDAB)	318				200,000	300,000	300,000	300,000	1,100,000
Annual Sidewalk Improvements	318	20,000	22,050	440,063	462,066	485,170	509,429	534,899	2,473,677
Chain Lake Road Phase IIA multi-purpose	318	34,020	737,000	3,142,952					3,913,972
Chain Lake Road Phase IIB	318					420,462	2,690,550	4,976,645	8,087,657
Kelsey/Blueberry Intersection Improvements	318	30,000	286,538						316,538
North Madison	318			54,967	598,355				653,322
Pavement Rating Study	318	6,000	35,000						41,000
Railroad Crossing/Tracks	318			100,000		500,000	350,000	5,000,000	5,950,000
Tjerne Phase III	318				561,655	1,954,810	3,877,811		6,394,276
Train Noise Reduction Area	318	5,513	108,636						114,149
Underground overhead utilities (EDAB)	318				20,000	100,000	300,000	300,000	720,000
US Hwy 2 Non-Motorized Shared Path	318			190,781	357,247				548,028
Total General Government Capital		\$ 163,433	\$ 4,285,449	\$ 12,115,157	\$ 11,103,584	\$ 11,048,224	\$ 18,424,884	\$ 17,330,492	\$ 74,471,223

Six Year Capital Plan

Project	Fund #	Budget		Estimate					Project Total
		2019 (S&B)	2019 (Capital)	2020	2021	2022	2023	2024	
Water Utility									
132nd Street Watermain Replacement	412	\$ 51,210	\$ 1,591,090						\$ 1,642,300
134th SE/133nd St/208th SE/209th SE (Graden) Watermain Replacement	412	65,000	800,763						865,763
177th PS/Replace Equip & PLC/SCADA	412				1,220,517				1,220,517
182nd-154th to 150th (Under SR522)	412	61,960	814,825						876,785
4" Servicing fire hydrant replacement	412						80,406	84,426	164,832
Asbestos Cement Pipe Replacement	412					22,335	136,020	142,821	301,176
Adams Lane Utility Replacement	412	16,390	10,000	203,644					230,034
Cascade View Drive Water Main	412	47,460	1,090,000						1,137,460
Circle Drive 2" galvanized main replace	412					19,144			19,144
Circle Drive to Sumac main replacement	412						26,802	135,082	161,884
Dickinson Utility Replacement Project	412				448,671				448,671
DOC Storage	412	30,000	455,333	3,810,705					4,296,038
Flow Meters install	412					19,144			19,144
Flushing Devices at dead ends	412			11,576					11,576
Lewis/Blakely/Fremont/McDougal parallel alley WMR	412						108,117	213,089	321,206
Lord Hill PS-Pump Replacement	412	8,000	44,100						52,100
Lord Hill-Generator	412	1,500	20,000						21,500
Madison/Sams/McDougal/Pike alley WMR	412						61,132	210,361	271,493
Main/Ferry/N Blakely/N Madison parallel alley WMR	412						77,289	481,177	558,466
North Madison Utility Replacement	412			54,967	826,300				881,267
Orr to Kelsey-abandon line under houses	412						29,733	143,612	173,345
Replace Asbestos Cement Watermain (171st/173rd 161st north of West Main Street)	412						66,853		66,853
Replace 4" Asbestos Cement Watermain (Main St behind Monroe Shopping Center)	412						33,502		33,502
SCADA PLC Replacement (North Hill PS, Trombley PS, Ingraham)	412			92,610					92,610
Short Columbia Watermain Replacement	412				33,597	211,659			245,256
South Taft Lane Watermain Replacement	412						38,528	186,089	224,617
Spring Hill PS-Pump Replacement	412	8,000	44,100						52,100
Strawberry Lane Watermain Replacement	412				82,418	421,970			504,388
Sump Pumps install (Foothills Pressure reducing valve & Trombley Reservoir)	412							5,628	5,628
Trombley Hill Reservoir to Airport/179th SE WMR	412					402,029	3,236,331		3,638,360
Trombley Reservoir 12" Watermain Fire Flow Upside	412	20,000	60,197						80,197
Wilson Lane Watermain Replacement	412						41,442	141,329	182,771
Total Water Utility Capital		\$ 309,520	\$ 4,930,408	\$ 4,173,502	\$ 2,611,503	\$ 1,096,281	\$ 3,936,155	\$ 1,743,614	\$ 18,800,983

Six Year Capital Plan

Project	Fund #	Budget		2020	2021	Estimate			Project Total
		2019 (S&B)	2019 (Capital)			2022	2023	2024	
Sewer Utility									
Computer upgrades	421		\$ 10,000						\$ 10,000
Adams Lane Utility Replacement	422	16,390	10,000	186,545					212,935
Cates PS Upgrades	422					191,422	804,057		995,479
Dickinson Utility Replacement	422				334,812				334,812
North Madison Utility Replacement	422				188,458				188,458
Pipe Replacement Projects	422			578,813	607,753	638,141	670,048	703,550	3,198,305
Sayer Street Porous Concrete Driveway Access	422				5,470				5,470
South Taft Lane 6'/8' Concrete Main Replacement	422			16,800	64,999				81,799
Valley View PS (179tj)& Force Main Upgrades	422			578,813	4,254,272				4,833,085
West Main Pump Station Upgrades	422					191,442	804,057		995,499
WWTP Engineering Reports	422	35,000	348,226						383,226
WWTP capital maintenance	422			127,628	134,010	140,710	147,746	155,133	705,227
WWTP energy efficiency upgrades	422	10,000	1,000,000						1,010,000
Total Sewer Utility Capital		\$ 61,390	\$ 1,368,226	\$ 1,488,599	\$ 5,589,774	\$ 1,161,715	\$ 2,425,908	\$ 858,683	\$ 12,954,295

Project	Fund #	Budget		2020	2021	Estimate			Project Total
		2019 (S&B)	2019 (Capital)			2022	2023	2024	
Stormwater Utility									
Blueberry/Kelsey Infiltration	432		\$ 136,710	\$ 1,049,083					\$ 1,185,793
Blueberry Lane Infiltration	432	37,380	293,370	2,542,894					2,873,644
Dickinson Utility Replacement	432				672,434				672,434
Lake Tye Bio-Swale Design	432	12,000	120,000						132,000
Monroe Street & Kelsey Street	432			138,527	919,345				1,057,872
Monroe Street & Park Street	432					38,716	256,166		294,882
Park Street & Roberts Street	432					48,716	251,866		300,582
Yearly Pipe Replacement	432			103,600	103,600	103,600	103,600	103,600	518,000
Total Stormwater Utility Capital		\$ 49,380	\$ 550,080	\$ 3,834,104	\$ 1,695,379	\$ 191,032	\$ 611,632	\$ 103,600	\$ 7,035,207

Six Year Capital Plan

Project	Fund #	Budget		Estimate				Project Total	
		2019 (S&B)	2019 (Capital)	2020	2021	2022	2023		2024
Internal Service Funds									
IT Strategic Plan	510		<i>\$ 50,000</i>					\$ 50,000	
IT Strategic Plan Implementation	510			\$ 75,000	\$ 175,000	\$ 20,000	\$ 20,000	\$ 20,000	310,000
Gen. Gov. Vehicles & Equip Replace	520		41,971	48,490		6,135	19,514	102,194	218,304
Police Vehicles & Equip Replace	520		399,676	306,436	85,797		94,041	112,248	998,198
Public Works Vehicles & Equip Replace	520		467,623	98,230	174,628	1,212,997	28,578	116,845	2,098,901
City Hall/Court Room/Police Station	530			520,931	5,773,655				6,294,586
Facilities Report	530		<i>73,500</i>						73,500
Police Station Roof replacement	530		103,500						103,500
Total Internal Service Capital		\$ -	\$ 1,136,270	\$ 1,049,087	\$ 6,209,080	\$ 1,239,132	\$ 162,133	\$ 351,287	\$ 10,146,989

	Budget		Estimate				Project Total	
	2019 (S&B)	2019 (Capital)	2020	2021	2022	2023		2024
Total Capital All Funds	\$ 583,723	\$ 12,270,433	\$ 22,660,449	\$ 27,209,320	\$ 14,736,384	\$ 25,560,712	\$ 20,387,676	\$ 123,408,697

Green Italics = Planning dollars

- AC = Asbestos Cement
- CIP = Capital Improvement Projects
- DOC = Department of Corrections
- EDAB = Economic Development Advisory Board
- FH = Fire Hydrant
- LCR = Linctance Capacitance Resistance
- O&M = Operations & Maintenance
- PLC = Programmable Logic Controller
- PS = Pump Station
- S&B = Salaries & Benefits
- SCADA = Supervisory Control and Data Acquisition
- TBD = To Be Determined
- WMR = Watermain Replacement
- WWTP = Waste Water Treatment Plant

- | Fund # | Fund Name |
|--------|-----------------------------|
| 001 | General Fund |
| 114 | Narcotics Fund |
| 307 | General CIP Fund |
| 317 | Parks CIP Fund |
| 318 | Streets CIP Fund |
| 412 | Water CIP Fund |
| 421 | Sewer O&M Fund |
| 422 | Sewer CIP Fund |
| 432 | Stormwater CIP Fund |
| 510 | Information Technology Fund |
| 520 | Fleet & Equipment Fund |
| 530 | Facilities Fund |

2019 Capital

Item	Fund/Cost Center	Amount	Page #
• Public Art/Banners	GF - Executive	\$ 20,000	37
• LCR Drug Testing Instrument	Narcotic Fund	\$ 10,000	74
• Public Works Shop	General CIP	\$ 513,500	82
• Lewis Street Park Play Equipment	Parks CIP	\$ 200,000	84
• Wiggly Field Dog Park Improvements	Parks CIP	\$ 15,000	84
• Lake Tye All Weather Fields design	Parks CIP	\$ 300,000	84
• Trails Planning and Repair	Parks CIP	\$ 38,000	84
• Design-191st Avenue extension	Street CIP	\$ 250,000	86
• Phase IIA Chain Lake Road sidewalks	Street CIP	\$ 737,000	86
• Blueberry Lane & N. Kelsey intersection improvements	Street CIP	\$ 286,538	86
• Annual Sidewalk Improvements	Street CIP	\$ 22,050	86
• Train Noise Reduction	Street CIP	\$ 108,636	86
• 177th Ave. Maintenance/Repair	Street CIP	\$ 8,000	86
• TIB/TBD supported road preservation/overlay projects	Street CIP	\$ 1,102,500	86
• Pavement Rating Study	Street CIP	\$ 35,000	86
• ADA Transition Plan	Street CIP	\$ 99,225	86
• TIB/TBD supported road preservation/overlay projects (if time and resources and grants are received)	Street CIP	\$ 460,000	86
• 132nd Street Replacement	Water CIP	\$ 1,591,090	93
• 134th SE/133nd St/208th SE/209th SE (Graden)	Water CIP	\$ 800,763	93
• Trombley Reservoir Fire Flow Upside	Water CIP	\$ 60,197	93
• 182nd-154th to 150th (Under SR522)	Water CIP	\$ 814,825	93
• Adams Lane Utility Replacement	Water CIP	\$ 10,000	93
• DOC Storage	Water CIP	\$ 455,333	93
• Pump Replacement Lord Hill PS	Water CIP	\$ 44,100	93
• Generator at Lord Hill	Water CIP	\$ 20,000	93
• Pump Replacement Spring Hill PS	Water CIP	\$ 44,100	93
• Cascade View Drive Water Main	Water CIP	\$ 1,090,000	93
Subtotal 2018 Capital page 116		<u>\$ 9,135,857</u>	

Acronyms

- CIP - Capital Improvement Projects
- GF - General Fund
- LCR - L-inductance, C-capacitance, R-resistance
- O&M - Operations and Maintenance
- ADA - American with Disabilities Act
- TBD - Monroe Transportation Benefit District
- TIB - Washington Transportation Improvement Board

2019 Capital

Item	Fund/Cost Center	Amount	Page #
• Computer upgrades	Sewer O&M	\$ 10,000	97
• Adams Lane Utility Replacement	Sewer CIP	\$ 10,000	99
• Waste Water Treatment Plant upgrades/ repair	Sewer CIP	\$ 1,000,000	99
• WWTP Engineering Reports	Sewer CIP	\$ 348,226	99
• Blueberry/Kelsey Infiltration	Stormwater CIP	\$ 136,710	103
• Blueberry Lane Infiltration	Stormwater CIP	\$ 293,370	103
• Lake Tye Bio-Swale Design	Stormwater CIP	\$ 120,000	103
• Police Dept vehicles replacement	Fleet & Equipment	\$ 399,676	110
• General Govt vehicles & equipment replacement	Fleet & Equipment	\$ 41,971	110
• Public Works vehicles & equipment replacement	Fleet & Equipment	\$ 467,623	110
• Police Station Composition Roof	Facilities	<u>\$ 103,500</u>	112
	Subtotal 2019 Capital page 117	\$ 2,931,076	
	Subtotal 2019 Capital page 116	<u>\$ 9,135,857</u>	
	Total 2019 Capital	<u><u>\$ 12,066,933</u></u>	

Acronyms

- CIP - Capital Improvement Projects
- GF - General Fund
- LCR - L-inductance, C-capacitance, R-resistance
- O&M - Operations and Maintenance
- WWTP - Waste Water Treatment Plant
- TBD - Monroe Transportation Benefit District
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**THE ADVENTURE
STARTS HERE!**

APPENDICES

**CITY OF MONROE
ORDINANCE NO. _____**

AN ORDINANCE OF THE CITY OF MONROE,
WASHINGTON, ADOPTING THE BUDGET FOR THE
FISCAL YEAR ENDING DECEMBER 31, 2019

WHEREAS, the Mayor of the City of Monroe, Washington, completed and placed on file with the City Clerk a proposed budget and estimate of the amount of the moneys required to meet the public expenses, bond retirement and interest, reserve funds, and expenses of government of said City for the fiscal year ending December 31, 2019; and a notice was published that the Council of said City would meet on the 9th and 16th day of October, 2018, and 13th day of November, 2018, at the hour of 7:00 p.m., in the Council Chambers of the City Hall of said City for the purpose of making and adopting a budget for said fiscal year and giving taxpayers within the limits of said City an opportunity to be heard upon said budget; and

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

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

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Budget Adoption. The budget for the City of Monroe, Washington, for the year 2019 is hereby adopted at the fund level in its final form and content as set forth in the attached budget document, Exhibit A.

Section 2. Estimated Revenues and Appropriations. Estimated resources for each separate fund of the City of Monroe, and aggregate expenditures for all such funds for the year 2019 are set forth in a summary form below; and are hereby appropriated for expenditure at the fund level during the year 2019 as set forth in the attached budget document, Exhibit A.

Fund	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance	Total Fund
General Fund (001)	\$ 3,692,539	\$ 15,384,768	\$ 16,202,224	\$ 2,875,083	\$ 19,077,307
Contingency Fund (002)	856,077	119,683	0	975,760	975,760
Donation Fund (008)	14,130	4,050	3,520	14,660	18,180
Streets Fund (105)	293,246	733,111	733,556	292,801	1,026,357
Lodging Tax Fund (109)	64,487	80,750	117,426	27,811	145,237
Narcotics Fund (114)	34,864	10,000	25,600	19,264	44,864
Real Estate Excise Tax Fund (117)	2,909,111	958,182	766,192	3,101,101	3,867,293
Debt Service Fund (203)	3,347	206,910	206,870	3,387	210,257
General CIP Fund (307)	756,445	15,128	771,573	0	771,573
Parks CIP Fund (317)	808,141	714,034	795,936	726,239	1,522,175
Street CIP Fund (318)	1,266,429	2,435,403	3,430,352	271,480	3,701,832
N. Kelsey Development Fund (319)	805,284	1,094,833	128,728	1,771,389	1,900,117
Water O&M Fund (411)	938,190	6,627,042	6,926,873	638,359	7,565,232
Water CIP Fund (412)	7,225,796	2,309,902	5,377,369	4,158,329	9,535,698
Sewer O&M Fund (421)	1,238,233	7,550,194	7,940,482	847,945	8,788,427
Sewer CIP Fund (422)	6,733,585	2,156,623	1,899,961	6,990,247	8,890,208
Stormwater O&M Fund (431)	337,055	1,949,043	2,050,920	235,178	2,286,098
Stormwater CIP Fund (432)	707,084	355,714	887,314	175,484	1,062,798
Revenue Bond Debt Reserve Fund (450)	2,885,762	55,984	142,513	2,799,233	2,941,746
Information Technology Service Fund (510)	306,674	643,770	798,375	152,069	950,444
Fleet & Equipment Fund (520)	4,274,430	1,881,030	1,606,971	4,548,489	6,155,460
Facilities Management Fund (530)	86,521	1,442,630	1,453,240	75,911	1,529,151
Total All Funds	\$ 36,237,430	\$ 46,728,784	\$ 52,265,995	\$ 30,700,219	\$ 82,966,214

Section 3. Salary Schedule. The 2019 salary schedule for authorized City of Monroe positions is set forth in the attached Exhibit B and is incorporated herein as if set forth in full.

Section 4. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 5. Transmittal. The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the State Auditors' Office and to the Association of Washington Cities.

Section 6. Effective Date. This ordinance shall take effect five (5) days after publication.

PASSED by the City Council and APPROVED by the Mayor of the City of Monroe, at a regular meeting held this _____ day of December, 2018.

1st Reading: November 13, 2018
Final Reading:
Published:
Effective:

CITY OF MONROE, WASHINGTON:

(SEAL)

Geoffrey Thomas, Mayor

ATTEST:

APPROVED AS TO FORM:

Elizabeth M. Adkisson, CMC, City Clerk

J. Zachary Lell, City Attorney

Department	Title	Salary Range	
		2019 Lower	2019 Higher
Administration	IT Desktop Support	4,837	6,174
Administration	Executive Assistant	4,965	6,479
Administration	City Clerk	5,075	7,820
Administration	HR Director	7,980	12,235
Administration	City Administrator	9,564	14,138
Community Development	Planning Asst	4,561	5,821
Community Development	Assistant Planner	4,722	5,835
Community Development	Permit Technician	4,744	6,054
Community Development	Building Inspector/Plans Examiner	4,837	6,842
Community Development	Associate Planner	5,258	6,677
Community Development	Permit Supervisor	5,574	7,113
Community Development	Senior Planner	6,044	8,090
Community Development	Building Official	6,263	7,943
Community Development	Principal Planner	6,455	8,824
Community Development	Community Development Director	7,980	12,235
Finance	Customer Service	4,561	5,821
Finance	AP/AR	4,561	5,821
Finance	Utility Billing	4,561	5,821
Finance	Senior Accting Technician	5,201	6,278
Finance	Finance Director	7,980	12,235
Municipal Court	Court Clerk	4,561	5,821
Municipal Court	Court Security Officer	24/hour	
Municipal Court	Court Administrator	7,147	9,446
Parks & Rec	Parks Maintenance	4,560	5,820
Parks & Rec	Parks Admin Tech	4,857	6,054
Parks & Rec	Parks & Rec Administrative Tech	4,744	6,054
Parks & Rec	Parks Lead	5,016	6,402
Parks & Rec	Parks Supervisor	5,574	7,113
Parks & Rec	Parks Senior Planner	6,044	8,090
Parks & Rec	Parks Director	7,980	12,542
Police Dept.	Customer Service Specialist	4,081	5,208
Police Dept.	Customer Service Assistant	4,561	5,821
Police Dept.	Data Asst/Armorer	4,561	5,821
Police Dept.	Executive Assistant	4,744	6,054
Police Dept.	Investigative Support	4,744	6,054
Police Dept.	Code Enforcement	4,744	6,054
Police Dept.	Evidence Technician	4,744	6,054
Police Dept.	Police Officer	5,995	7,285
Police Dept.	Administrative Manager	7,146	9,446
Police Dept.	Sergeant	7,713	9,374
Police Dept.	Administrative Bureau Director	7,980	12,235
Police Dept.	Deputy Chief	7,980	12,235
Police Dept.	Police Chief	9,249	13,668
Public Works Department	Engineering Admin Specialist	4,081	5,208
Public Works Department	Maintenance and Operations II	4,560	5,820
Public Works Department	PW Administrative Tech	4,744	6,054
Public Works Department	Utility System Specialist	4,786	6,108
Public Works Department	Cross Connection Control	4,786	6,108
Public Works Department	WWTP Operator	4,786	6,108
Public Works Department	Shop Specialist III	4,786	6,108
Public Works Department	Equipment Operator III	4,786	6,108
Public Works Department	Facilities Specialist III	4,786	6,108
Public Works Department	Lab Specialist III	4,786	6,108

Department	Title	Salary Range	
		2019 Lower	2019 Higher
Public Works Department	Construction Inspector III	4,786	6,108
Public Works Department	Stormwater Compliance Coordinator	4,786	6,108
Public Works Department	Water Quality Lead IV	5,016	6,402
Public Works Department	Construction Inspector IV	5,016	6,402
Public Works Department	Utilities/Streets Site Lead	5,016	6,402
Public Works Department	GIS/CAD Specialist	5,235	6,974
Public Works Department	Civil Designer	5,235	7,407
Public Works Department	Construction Document Supervisor	5,574	7,113
Public Works Department	Construction Inspector Supervisor	5,574	7,113
Public Works Department	O&M Supervisor	5,574	7,113
Public Works Department	WWTP Supervisor	5,574	7,113
Public Works Department	Senior Engineer	6,008	8,792
Public Works Department	Deputy PW Director (PW Manager)	7,146	10,719
Public Works Department	WWTP Manager	7,146	10,319
Public Works Department	Deputy City Engineer (Design&Constr Mgr)	7,146	10,719
Public Works Department	Public Works Director	7,980	12,895

2019 Full Time Equivalents (FTEs)

Fund/Dept	Page #	2015 Actual	2016 Actual	2017 Actual	2018 Budget	2018 Projected	2019 Approved
<i>Numbers do not include elected officials.</i>							
General Fund							
Executive	37	1.00	1.00	2.00	2.00	2.00	2.00
Finance	39	4.35	4.35	4.35	3.29	3.29	3.29
Human Resources	41	1.00	0.95	0.80	0.80	0.80	0.80
Police	43	42.00	43.00	43.00	44.00	42.00	44.25
City Clerk	49	1.00	2.00	1.00	1.00	1.00	1.00
Municipal Court	51	2.20	2.20	2.20	2.20	2.20	2.20
Parks O&M	53	7.24	6.90	6.90	7.97	7.97	9.97
Community Dev.	57	8.00	7.96	7.96	8.80	8.80	8.80
Emergency Mngt	59	0.10	0.03	0.03	0.03	0.03	0.03
General Fund Total		66.89	68.39	68.24	70.09	68.09	72.34
Street O&M	70	2.33	2.77	2.69	2.69	2.69	2.69
Parks CIP	84	0.88	0.95	1.15	1.15	1.15	1.15
Street CIP	86	1.69	2.34	2.34	2.34	2.34	2.34
Water O&M	91	6.72	7.22	7.40	7.40	7.40	7.39
Water CIP	93	1.74	2.39	2.39	2.39	2.39	2.39
Sewer O&M	97	13.13	13.01	12.83	12.83	12.83	12.83
Sewer CIP	99	1.74	2.39	2.39	2.39	2.39	2.39
Stormwater O&M	101	6.02	6.30	6.50	7.50	7.50	7.52
Stormwater CIP	103	1.69	2.34	2.34	2.34	2.34	2.34
Solid Waste	n/a	0.68	0.93	-	-	-	-
Information Technology	108	1.00	1.05	1.20	1.20	1.20	1.20
Fleet & Equipment	110	2.07	2.10	2.10	2.10	2.10	2.10
Facilities	112	2.93	3.05	2.93	2.93	2.93	2.93
Totals		109.51	115.23	114.50	117.35	115.35	119.61

2019 Approved includes two new Parks positions and a new 1/4 Police administrative position.



MONROE CITY COUNCIL

Agenda Bill No. 18-175

SUBJECT:	<i>Discussion: Property Tax/Revenue</i>
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DATE:	DEPT:	CONTACT:	PRESENTER:	ITEM:
08/21/2018	Finance	Becky Hasart	Becky Hasart	Discussion Item #2

Discussion: 08/14/2018 – Finance Committee
08/21/2018 – Council

- Attachments:**
1. Impacts of 1% annual property tax increase versus no annual increase
 2. Snohomish County Press Release – School Levies
 3. Potential Impacts from Banked Capacity Use
 4. Graph – Impacts of Banked Capacity Use-Rates per \$1000 AV
 5. Lost New Construction Property Tax Revenue

REQUESTED ACTION: None – Informational only.

DESCRIPTION/BACKGROUND

Banked Capacity

A discussion regarding property taxes is a routine part of the annual budget development process. The City has traditionally foregone its statutorily allowed increase each year, choosing to “bank” this tax authority, with the exception of fiscal year 2017. For 2017, the City used \$484,312 of its banked capacity to help restore specific positions/services within the General Fund – parks maintenance supervisor, part time permit tech/code enforcement, and a city accountant (still to be filled). The City’s current banked capacity as of January 1, 2018, is approximately \$641,000.

Should the City choose to authorize the use of its statutorily allowed increase, the increase is assessed against the City’s total tax collections from the prior year. It is not an increase on the individual homeowner’s tax bill. Because the increase is assessed against the City’s total tax collection, the resultant rate per \$1,000 of assessed value (AV) has an inverse relationship to the change in a homeowner’s final assessed value. This is illustrated by Attachment 1 – Impacts of one percent annual property tax increase versus no annual increase.

In Attachment 1, the City’s overall assessed value (before inclusion of new construction), is estimated to increase an average of 13.17 percent. If the City increased its tax collection by one percent (an additional \$26,746 revenue), the rate per \$1,000 AV would drop in 2019 to an estimated \$1.058 per \$1,000 from the \$1.185 for 2018. Attachment 1 further illustrates this impact on a property within the City. The property chosen will experience an assessed value increase of 11.22 percent from 2018 to 2019 (\$389,500 in 2018 to \$433,200). The City’s portion of this property’s tax bill for 2018 is \$461.79. The City’s estimated portion of this property’s tax bill for 2019 if the one percent increase is assessed would be \$458.39, a decrease of \$3.40. In addition to the inverse relationship between AV and the rate per thousand dollars, because this specific property did not increase by the average amount, the tax due to the City decreased. Each property will have different results relative to how their assessed value changed compared to the average.

In addition, Attachment 1 also illustrates the potential lost revenue on new construction the City could realize should the City forego the one percent increase. Assuming a conservative \$20 million value for new construction for 2019, the difference in tax assessment for the \$20 million new construction value is estimated at \$209.53. Unlike the one percent authority that would be banked if not assessed, the difference on new construction is not banked. (Attachment 5 – Lost New Construction Property Tax Revenue illustrates the compounding effect that foregoing the one percent authority each year has over time.)

Impacts of McCleary Decision

Attachment 2 – Snohomish County Press Release – outlines the expected impacts to local school levies due to the state’s efforts to comply with the McCleary decision. The City portion of a homeowner’s property tax bill can usually run between 10 to 13 percent of the overall bill, depending on the decisions made by the various taxing districts associated with that property. In 2018, the state increased its collections to help fund schools based on the McCleary decision in lieu of local authority. 2018 was a transition year to allow school districts to adjust. Beginning in 2019, local school district levies will be limited based on the information in the attached press release. For Monroe Schools, the 2018 rate per \$1,000 of AV is \$3.0027 for its enrichment levy. Beginning in 2019, this rate will be capped at \$1.50 per \$1,000 AV.

Attachments 3 & 4 – Potential Impacts from Banked Capacity Use and Graph – illustrates potential scenarios for use of the City’s banked capacity and further illustrates how using banked capacity in conjunction with the McCleary decision impacts affect a specific property within the City of Monroe. All scenarios assume a conservative growth in assessed values and in new construction as follows:

Year	Assessed Value Increase	New Construction
2019	13.17%	\$20 Million
2020	5%	\$20 Million
2021	3%	\$15 Million
2022	3%	\$15 Million

The "no banked" scenario illustrates the impacts on the rate per \$1,000 of AV each year using the above assumptions, and shows the impacts, on a yearly basis, on various housing values. The second set of numbers assumes using \$200,000 of banked capacity, and the final scenario assumes using \$450,000 of banked capacity.

The second page of Attachment 3 illustrates the impacts of the estimated rate per thousand associated with using \$450,000 of banked capacity on the same property used in Attachment 1. This illustration assumes that the remaining taxing districts, where applicable, will increase their collections by one percent. This illustration also adjusts for the impacts of the McCleary decision. Based on these assumptions and estimates, the 2019 overall tax bill for this property would decrease by \$427 for the year.

Attachment 4 is the graphical representation of the estimated rates per \$1,000 of AV based on the three scenarios presented in historical context.

FISCAL IMPACT

None at this time – discussion only. Adoption of the Property Tax ordinance (required regardless of the City’s decision regarding its statutory authority) is scheduled for November. Potential impacts from any property tax decision will be incorporated into the final budget ordinance.

TIME CONSTRAINTS

None. However, the City’s expected property tax collection for 2019 is required to be certified with the County no later than November 30, 2018.

Impacts of 1% annual property tax increase versus no annual increase

				Property Tax on Assessed Value			
	Current AV	AV increase	Current Levy	Rate per \$1,000 AV	2018	2019	
					\$389,500	\$433,200	11.22%
2018	\$2,255,923,097.00		\$2,674,640.00	\$1.18561	\$461.79		
2019	\$2,552,937,177.00	13.17%	\$2,701,386.40	\$1.05815		\$458.39	(\$3.40)
n/a	\$2,819,903,871.25	25.00%	\$2,701,386.40	\$0.95797		\$414.99	(\$46.80)
2019	\$2,552,937,177.00		\$2,674,640.00	\$1.04767		\$453.85	\$4.54 banked
NC-1%	\$20,000,000.00	NC-1%	\$21,162.97				
NC-0%	\$20,000,000.00	NC-0%	\$20,953.43				
			<u>\$209.53</u>				lost revenue on new construction (not banked)

AV = Assessed Value
 NC = New Construction



Snohomish County
Assessor's Office

Press Release

For Immediate Release:

Date: June 20, 2018

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County Assessor

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Changes to the State and Local School Enrichment Levies and How It Affects Your Property Tax Levies

EVERETT – In 2017, the Legislature passed EHB 2242 partly in response to the Supreme Court's McCleary decision. The Court found that the State was not meeting its constitutional requirement to fully fund basic education. EHB 2242 has several components pertaining to basic education funding. At least two of the components will impact your tax bill now and in the future.

First, beginning with the 2018 tax collection, EHB 2242 created a second portion to the state school levy. The new second portion increases the combined rate by \$0.82 per \$1,000 in assessed value from last year resulting in an increase in your tax bill. The first portion is \$1.84 and the second portion is \$1.01 for a total rate of \$2.85 per thousand in assessed value. The average Snohomish County residential property owner with an assessed value of \$335,800 would have paid \$682 to the state school levy in 2017, while in 2018 that owner with an assessed value of \$377,600 will pay \$1,076.

Second, beginning in 2019, EHB 2242 imposes limitations on how much can be collected in local school (Enrichment) levies by restricting the levy to the lesser of \$1.50 levy rate or \$2,500 per pupil. This change affects both existing and new local school levies. Below are charts that show the levy rates for tax year 2018 and the estimated levy rates in 2019 for the state school levy and local schools enrichment levies as well as how these estimates will effect 2019 taxes. Overall, the owner of an average Snohomish County residential property will see a reduction in local schools enrichment and state school taxes in 2019.

Third, the Legislature passed SSB6614 that will reduce the state school levy rate in 2019. In Snohomish County we are estimating the state school levy rate to be approximately \$2.53 per thousand in assessed value. The following chart shows the average 2018 residence value in Snohomish County and the effect of taxes if the value stays the same or increases in 2019 using the estimated state school levy rate \$2.53 per thousand of assessed value:

	2018	2019 Scenarios				
Value increase %:		0%	5%	10%	12.5%	15%
Value:	\$377,600	\$377,600	\$396,480	\$415,360	\$424,800	\$434,240
State levy rate:	\$2.85	\$2.53	\$2.53	\$2.53	\$2.53	\$2.53
Estimated taxes:	\$1,076	\$955	\$1,003	\$1,051	\$1,075	\$1,099

Note: all numbers have been rounded.

In 2019, if the assessed value remains the same or increases up to or around 12.5% property owners would expect to see a reduction in the state school levy tax from last year while those with increases in value greater than 12.5% will see an increase based on our estimates.

In 2020 and 2021, the state school levy rate will return to the rate authorized in EHB 2242. The following chart shows the average 2018 residence value in Snohomish County increasing approximately 12.18% in 2019 and a hypothetical 10% in 2020-2021 as well as the effect of the estimated state school levy rate:

	Scenarios			
	2018	2019	2020	2021
Value increase %		12.18%	10%	10%
Value:	\$377,600	\$423,592	\$465,951	\$512,546
State levy rate:	\$2.85	\$2.53	\$2.85	\$2.85
Estimated taxes:	\$1,076	\$1,072	\$1,328	\$1,461

Note: all numbers have been rounded.

Also, the 10% increase in value between 2020-2021 is only for demonstration purposes. The Assessor's Office does not know what the market will do in future years.

If property values increase in 2020 and 2021 property owners can expect that their portion of taxes for the state school levy will increase. How much it will increase will depend on their assessed value since the state school levy is rate based for four years (2018-2021).

Further information on the property tax impacts of EHB 2242 may be found on the Department of Revenue (www.dor.wa.gov) and Office of School Superintendent's (www.k12.wa.us) websites.

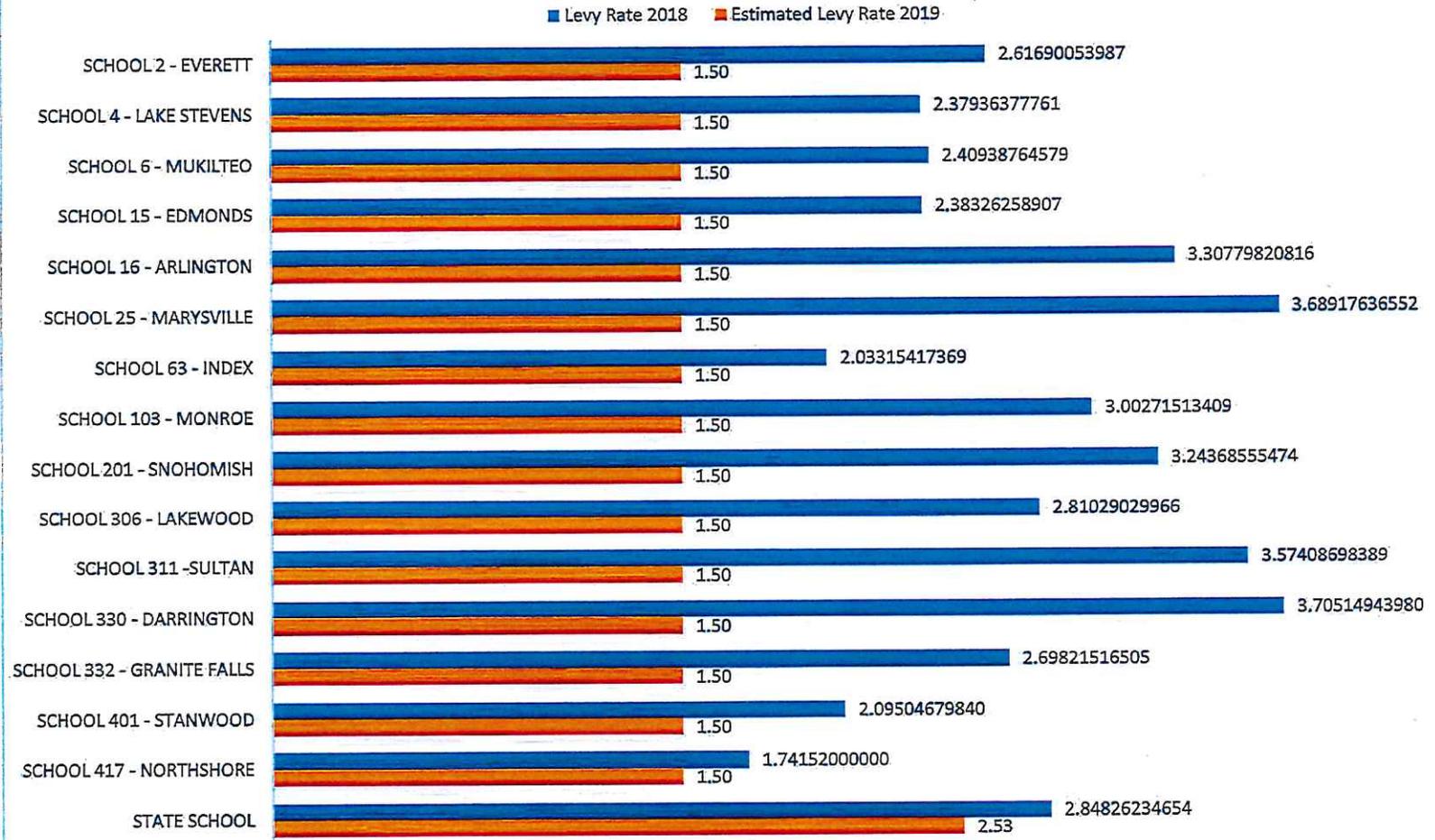
For more information on how property tax levies are calculated visit the Assessor's website at: <http://www.snohomishcountywa.gov/333/Levy>

Attachments:

State School Levy and School Districts Enrichment Levies by Rates
 Typical Residence Taxes by State Levy and School Districts Enrichment Levies

END

STATE SCHOOL LEVY AND SCHOOL DISTRICTS ENCRICHMENT LEVIES BY RATES



Note: 2019 school districts enrichment levies will be capped at \$1.50. Some districts levy rate may be less than \$1.50 per 1,000 of AV.

Typical Residence Taxes by State Levy and School Districts Enrichment Levies



Note: 2019 school districts enrichment levies will be capped at \$1.50 per 1,000 of AV. Some districts levy rate may be less than \$1.50 per 1,000 of AV. Also, 2019 estimates include 12.18% value increase and all local school districts at an estimated levy rate of \$1.50 per 1,000 of AV.

Potential impacts of an additional authority from banked property tax capacity taken in 2019
 (all numbers except 2018 are estimates)

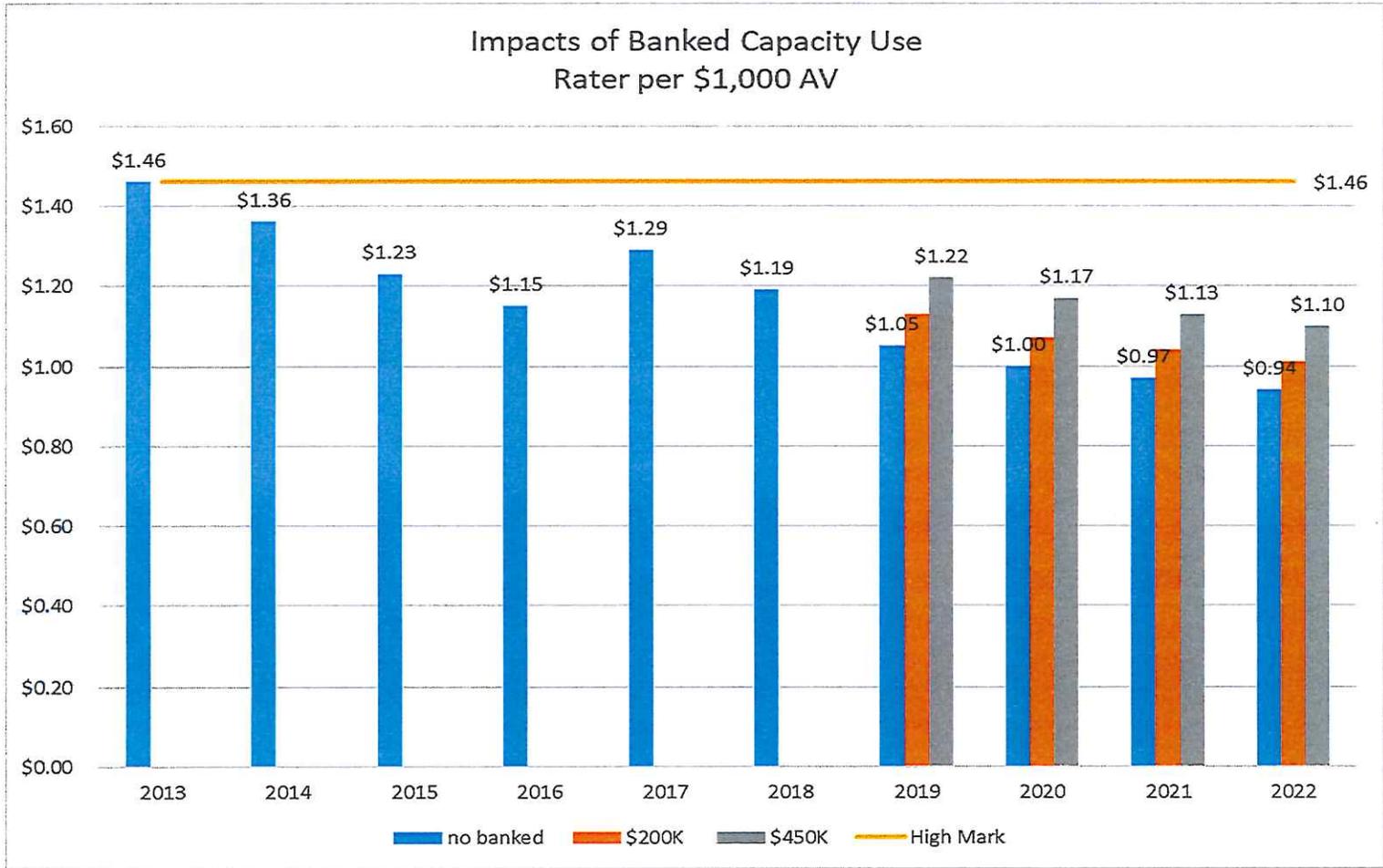
Year	AV	no banked		New Con	new levy	new AV	rate per \$1000						
		Levy					City portion	\$250,000	\$300,000	\$450,000	\$500,000	\$600,000	\$750,000
2018	\$2,255,923,097	\$2,674,640			\$2,674,640	\$2,255,923,097	\$1.18561	\$296.40	\$355.68	\$533.52	\$592.80	\$711.36	\$889.21
2019	\$2,552,937,177	\$2,674,640	\$23,712	\$2,698,353	\$2,572,937,177	\$1.04874	\$262.19	\$314.62	\$471.93	\$524.37	\$629.25	\$786.56	
2020	\$2,701,584,036	\$2,698,353	\$20,975	\$2,719,327	\$2,721,584,036	\$0.99917	\$249.79	\$299.75	\$449.63	\$499.59	\$599.50	\$749.38	
2021	\$2,803,231,557	\$2,719,327	\$14,988	\$2,734,315	\$2,818,231,557	\$0.97022	\$242.56	\$291.07	\$436.60	\$485.11	\$582.13	\$727.67	
2022	\$2,902,778,504	\$2,734,315	\$14,553	\$2,748,868	\$2,917,778,504	\$0.94211	\$235.53	\$282.63	\$423.95	\$471.06	\$565.27	\$706.58	

Year	AV	\$200K banked		New Con	new levy	new AV	rate per \$1000						
		Levy					City portion	\$250,000	\$300,000	\$450,000	\$500,000	\$600,000	\$750,000
2018	\$2,255,923,097	\$2,674,640			\$2,674,640	\$2,255,923,097	\$1.18561	\$296.40	\$355.68	\$533.52	\$592.80	\$711.36	\$889.21
2019	\$2,552,937,177	\$2,874,640	\$23,712	\$2,898,353	\$2,572,937,177	\$1.12648	\$281.62	\$337.94	\$506.91	\$563.24	\$675.89	\$844.86	
2020	\$2,701,584,036	\$2,898,353	\$22,530	\$2,920,882	\$2,721,584,036	\$1.07323	\$268.31	\$321.97	\$482.95	\$536.61	\$643.94	\$804.92	
2021	\$2,803,231,557	\$2,920,882	\$16,098	\$2,936,980	\$2,818,231,557	\$1.04214	\$260.53	\$312.64	\$468.96	\$521.07	\$625.28	\$781.60	
2022	\$2,902,778,504	\$2,936,980	\$15,632	\$2,952,613	\$2,917,778,504	\$1.01194	\$252.98	\$303.58	\$455.37	\$505.97	\$607.16	\$758.95	

Year	AV	\$450K banked		New Con	new levy	new AV	rate per \$1000						
		Levy					City portion	\$250,000	\$300,000	\$450,000	\$500,000	\$600,000	\$750,000
2018	\$2,255,923,097	\$2,674,640			\$2,674,640	\$2,255,923,097	\$1.18561	\$296.40	\$355.68	\$533.52	\$592.80	\$711.36	\$889.21
2019	\$2,552,937,177	\$3,124,640	\$23,712	\$3,148,353	\$2,572,937,177	\$1.22364	\$305.91	\$367.09	\$550.64	\$611.82	\$734.18	\$917.73	
2020	\$2,701,584,036	\$3,148,353	\$24,473	\$3,172,825	\$2,721,584,036	\$1.16580	\$291.45	\$349.74	\$524.61	\$582.90	\$699.48	\$874.35	
2021	\$2,803,231,557	\$3,172,825	\$17,487	\$3,190,312	\$2,818,231,557	\$1.13203	\$283.01	\$339.61	\$509.41	\$566.01	\$679.22	\$849.02	
2022	\$2,902,778,504	\$3,190,312	\$16,980	\$3,207,293	\$2,917,778,504	\$1.09922	\$274.81	\$329.77	\$494.65	\$549.61	\$659.53	\$824.42	

AV = Assessed Value

	2018	2019
	\$389,500.00	\$433,200.00
City of Monroe	\$461.79	\$530.08
Fire District 07	\$758.94	\$766.53
Library Capital	\$68.76	\$68.76
Schools Capital	\$535.88	\$535.88
Schools O&M	\$1,169.55	\$649.80
PUB Hospital	\$105.65	\$106.71
Library	\$147.87	\$149.35
County	\$308.10	\$311.18
State	\$1,109.39	\$1,120.48
Total	<u>\$4,665.93</u>	<u>\$4,238.77</u>
		<u>(\$427.16)</u> Decrease

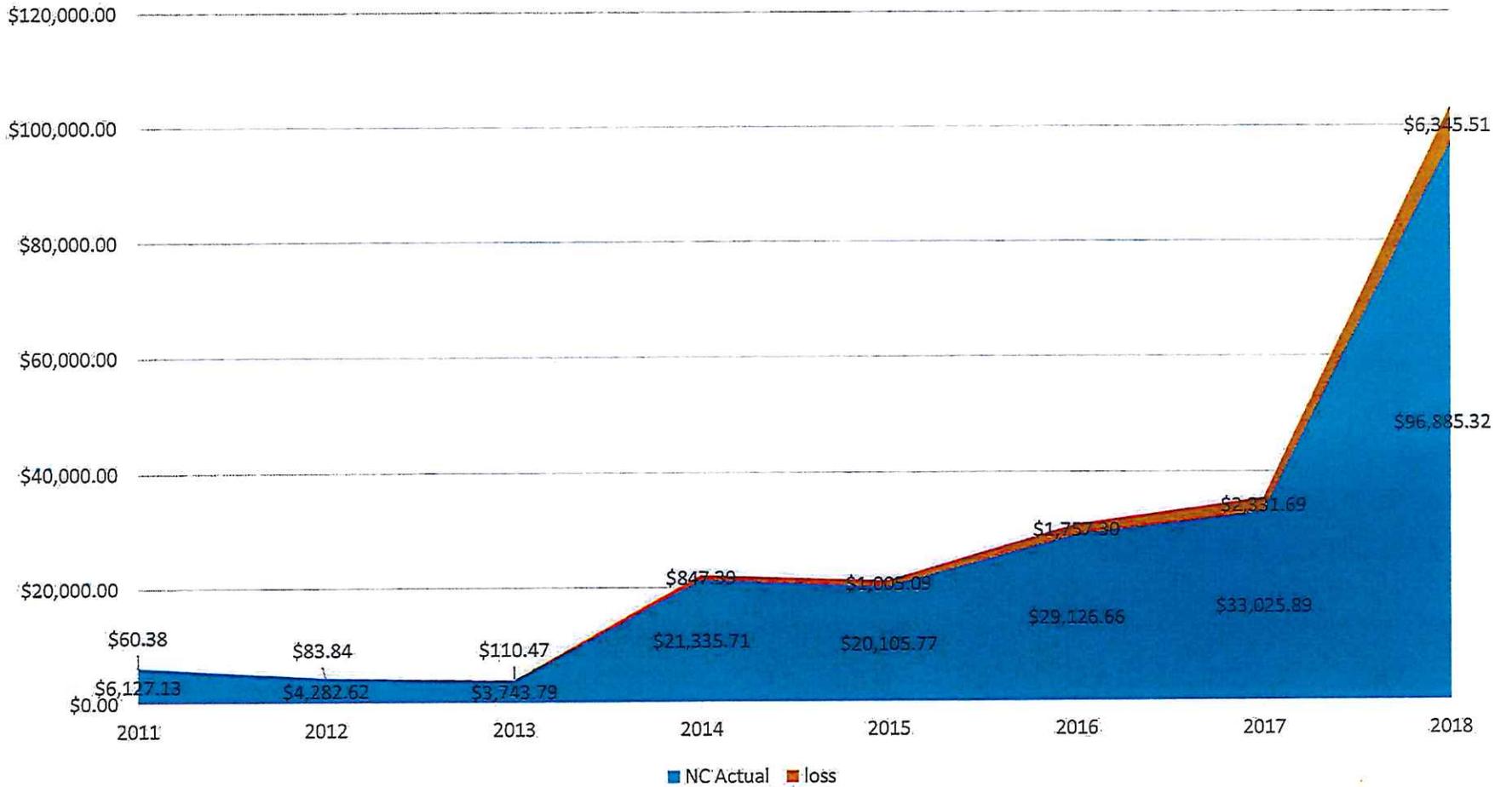


FY 2017 used \$484,312 of banked capacity, resetting the rate per thousand at \$1.29.

Estimated Lost New Construction Revenue

	New Construciton no increase	New Construction 1% increase	Difference gain/(loss)
2011	\$6,127.13	\$6,187.51	(\$60.38)
2012	\$4,282.62	\$4,366.46	(\$83.84)
2013	\$3,743.79	\$3,854.26	(\$110.47)
2014	\$21,335.71	\$22,183.10	(\$847.39)
2015	\$20,105.77	\$21,110.86	(\$1,005.09)
2016	\$29,126.66	\$30,883.96	(\$1,757.30)
2017	\$33,025.89	\$35,357.58	(\$2,331.69)
2018	\$96,885.32	\$103,230.84	(\$6,345.51)
			(\$12,541.68)

Lost New Construction (NC) Prop. Tax Revenue Total 2011-2018 = \$12,541.67





MONROE CITY COUNCIL

Agenda Bill No. 18-223

SUBJECT:	<i>Ordinance No. 025/2018, Establishing Sewer Utility Tax; First Reading</i>			
DATE:	DEPT:	CONTACT:	PRESENTER:	ITEM:
10/23/2018	Finance	Becky Hasart	Becky Hasart	New Business #2

Discussion: 10/09/2018, 10/16/2018, 10/23/2018
Finance & HR Committee: 10/09/2018
Public Hearing – Council: 10/09/2018
First Reading: 10/23/2018

Attachments:

1. Ordinance No. 025/2018
2. Sewer Utility Changes Slide from 10/16/2018 Budget Discussion
3. Pp. 95-96 of the 2019 Mayor's Proposed Budget

REQUESTED ACTION: Move to accept as first reading Ordinance No. 025/2018, relating to taxation of wastewater/sewer utility providers, establishing a ten percent utility tax on wastewater/sewer providers, providing for severability, and establishing an effective date.

POLICY CONSIDERATION

RCW 35A.33 governs the budget process for optional municipal code cities, such as the City of Monroe. RCW 35A.82.020 grants code cities the authority to impose excise taxes on businesses conducted within the City. The 2019 Mayor's Proposed Budget recommends adopting a ten percent wastewater/sewer utility tax to help fund the reserves for the \$2.9 million 2020 North Kelsey debt payment and to help fund Economic Development Advisory Board (EDAB) recommendations. Additional policy considerations related to the utility tax (but adopted through a separate action) are:

- Decrease sewer rates by 2.5 percent;
- Increase low income discounts to 40 percent from 30 percent; and
- Use of generational equity (new debt issuance in fiscal year 2021).

The rate adjustments, use of generational equity through debt, and the utility tax work in concert to maintain the long term fiscal sustainability of the City's wastewater/sewer operations.

DESCRIPTION/BACKGROUND

The 2019 Proposed Budget was delivered to Council on September 25, 2018, and available to the public on September 26, 2018. This document outlines the revenue projections being made which supports the expenditures being requested for all funds of the City, including sewer utility taxes.

The Public Hearing was held on October 9, 2018, at which no comments were received.

Total 2019 Revenues (all funds) is proposed at \$46,728,784, with beginning fund balances totaling \$36,237,430, and overall available revenues for 2019 of \$82,966,214. Specific fund revenue sources and balances may be found beginning on Page 17 of the 2019 Proposed Budget, which may be accessed on the City's web site at www.monroewa.gov under Government-Departments-Finance-Budget and Financial Reports.

Total 2019 proposed General Fund revenues, before beginning fund balance, are projected at \$15,384,768. With beginning fund balance, total available resources for the General Fund is \$19,077,307. This includes \$999,133 from the new sewer utility tax, of which \$750,000 would be

reserved for the 2020 \$2.9 million North Kelsey debt payment and the remaining to help fund the EDAB recommendations.

The sewer utility tax is not assessed against the rate payer; it is a tax on the operations of the sewer utility. For the rate payers, the 2019 sewer rates are proposed to **decrease** by 2.5 percent. In addition, the low income senior and low income disabled discount is proposed to increase to 40 from 30 percent. After 2019, rates are expected to remain the same for years 2020 through 2024. The long term sustainability of the sewer utility is achieved by incorporating the rate adjustments and the tax with the conservative use of generational equity (new debt) in fiscal year 2021 (see attachment 3 Page 96 of the 2019 Mayor's Proposed Budget).

FISCAL IMPACTS

- Total City Budget - All funds - \$82,966,214.
- General Fund - \$19,077,307.
- Sewer O&M Fund - \$8,788,427.
- Sewer CIP Fund - \$8,890,208.
- Sewer Utility Taxes - \$999,133.
- All Utility Taxes (inclusive of Sewer) - \$3,326,367.

The \$991,133 estimated sewer utility tax would be used to reserve \$750,000 toward the 2020 \$2.9 million North Kelsey debt service payment, with the remaining to be used to help fund the EDAB recommendations.

Other associated impacts (enacted separately or in a future fiscal year) are:

Fiscal Year	Rate Adjustment	Ending Fund Bal-Capital	Debt Service Payment	Debt Service Ratio	Utility Tax to General Fund
2019	Decrease 2.5%	\$6,990,247	\$1,941,763	2.55	\$999,133
2020	No change	\$6,418,317	\$1,877,617	2.20	\$940,877
2021	No change	\$6,493,410	\$1,879,953	2.07	\$933,761
2022	No change	\$5,776,651	\$1,810,272	2.01	\$928,991
2023	No change	\$4,106,444	\$1,360,577	2.56	\$937,531
2024	No change	\$3,623,397	\$1,397,790	2.29	\$931,493

TIME CONSTRAINTS

The enactment or adjustment to utility taxes are subject to referendum. To be effective January 1, 2019, and allow for a minimum of 30 days plus 7 to certify, as well as to accommodate the Council's published meeting schedule, the ordinance enacting the sewer utility tax would need to be adopted on November 13, 2018.

ALTERNATIVES

1. Provide direction to the Mayor and Staff to increase the utility tax to fund additional needs in fiscal year 2019, to be reflected in a sewer utility tax ordinance adopted by November 13, 2018.
2. Provide direction to the Mayor and Staff to decrease or eliminate the utility tax based on Council directed cuts to the proposed budget, to be reflected in a sewer utility tax ordinance adopted by November 13, 2018.

**CITY OF MONROE
ORDINANCE NO. 025/2018**

AN ORDINANCE OF THE CITY OF MONROE,
WASHINGTON, RELATING TO TAXATION OF
WASTEWATER/SEWER UTILITY PROVIDERS,
ESTABLISHING A TEN PERCENT UTILITY TAX ON THE
GROSS INCOME OF WASTEWATER/SEWER
PROVIDERS, PROVIDING FOR SEVERABILITY AND
ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City Council has determined that the public interest is best served by imposing a wastewater/sewer utility tax in the amount of ten percent.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Wastewater/Sewer Utility Businesses Subject to Tax. A new Section 5.20.070 of the Monroe Municipal Code is hereby adopted to read as follows:

5.20.070 Wastewater/Sewer utility businesses subject to tax.

Effective January 1, 2019, there shall be levied upon every business providing wastewater/sewer utility service for domestic, farm, industrial, and other uses, a tax equal to ten percent of the total gross income derived from the operation of such business, to be levied upon such business. The City of Monroe, as a wastewater/sewer provider, shall be subject to the tax imposed by this chapter.

Section 2. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 3. Effective Date. This ordinance is subject to referendum as set forth in RCW 35.21.706. Any duly qualified person may file a referendum petition with the City Clerk within seven days after the passage of this ordinance. In the event that such a petition is filed, the City Clerk shall, within ten days, confer with the petitioner regarding the form and style of the petition, secure an accurate, concise, and positive ballot title from the City Attorney, and assign an identification number to the petition. Thereafter, the petitioner shall have thirty days within which to gather signatures from not less than fifteen percent of the City's registered voters as of the last municipal general election, on petition forms which contain the ballot title and full text of the measure to be referred. The City Clerk shall verify the sufficiency of the signatures on the petition and, if sufficient valid signatures are properly submitted, shall certify the referendum measure to the next election ballot within the City or at a special election ballot as provided pursuant to RCW 35.17.260(2). In the event that no referendum

petition is timely filed, this ordinance shall take effect eight (8) days after its passage and publication of an approved summary thereof consisting of the title.

PASSED by the City Council and APPROVED by the Mayor of the City of Monroe, at a regular meeting held this _____ day of _____, 2018.

First Reading: October 23, 2018
Adoption:
Published:
Effective:

CITY OF MONROE, WASHINGTON:

(SEAL)

Geoffrey Thomas, Mayor

ATTEST:

APPROVED AS TO FORM:

Elizabeth M. Adkisson, MMC, City Clerk

J. Zachary Lell, City Attorney

Sewer Utility changes p. 95

- **Sewer rates proposed to decrease 2.5%.**
- **Low income discount to increase to 40% from 30%.**
- **Sewer utility tax assessed against operation, not on the rate payer.**
- **Six year projections, inclusive of the rate decrease and utility tax, demonstrate continued fiscal stability**
- **Fiscal stability achieved through prudent budgeting and appropriate use of generational equity (new debt issuance projected in year 2021).**

Sewer Overview

The 2019 Proposed Budget recommends the adoption of a 10% utility tax on the City's sewer operations. As discussed on page 29, a utility tax is a tax levied on the gross operating revenues earned by the system as a whole. It is not a pass through tax (such as a sales tax).

The City currently charges a utility tax on its water operations, as well as on electric, natural gas, and phone. The sewer tax is anticipated to generate approximately \$999,133 of new revenue to the General Fund without increasing rates over the next six years, with the exception of 2019, where residential sewer rates are proposed to **decrease** by 2.5%. This is possible with the strategic use of revenue debt to help fund the sewer system's 6 year capital needs.

On September 11, 2018, the City Council adopted a Debt Policy for the City and its various operations. This policy includes guidance regarding how debt is issued and defines a minimum debt service ratio coverage the utilities would have to maintain before issuing debt. (A debt service ratio is the "net income" of the utility system divided by the annual debt payment due, which then indicates how much is available to make your debt payments after all expenses, except capital, are paid.) The City's policy defines the minimum debt service ratio at 1.25 times annual debt obligations, which is also industry best practice and the minimum required by our existing debt service obligations. Anticipated sewer operations debt service coverage ratio based on the proposed rate decrease and the new utility tax is 2.55 times.

Long range sewer projections (6 years, consistent with the 6 Year Strategic Plan and the General Fund projections) illustrates the sewer fund can absorb a 10% utility tax, again, similar to what is charged to the water utility. The 6 year sewer projections decrease residential rates in 2019 by 2.5%, impose the utility tax, and issues \$5,000,000 in revenue debt in 2021 (first payment would be due in 2022) for capital needs. In 2021, an existing debt obligation will be paid in full, offsetting the new \$5 million bond. The 6 year sewer projections do not increase or decrease residential rates in years 2020 through 2024. The sewer projections do increase the low income senior and low income disabled discount from 30% to 40%.

Based on the long range projections and the judicious but still conservative use of new revenue debt, the sewer funds debt service ratios over the 6 year period range from a low of 2.01 times to a high of 2.56 times. Both operating and capital reserve targets are met or exceeded, and rates remain stable.

Sewer Overview - Six Year Projection

	2019 Projected	2020	2021	2022	2023	2024
OPERATIONS						
Beginning Fund Balance	\$1,238,233	\$847,945	\$857,540	\$876,461	\$894,198	\$867,758
Service Charges	\$6,240,000	1.26% \$6,318,624	1.26% \$6,398,239	1.26% \$6,478,856	1.26% \$6,560,490	0.00% \$6,560,490
DOC Revenue	\$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000	0.00% \$1,135,000
Charges for Services	\$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000	0.00% \$53,000
Misc. Revenues	\$27,264	2.00% \$19,658	2.00% \$19,850	2.00% \$20,229	2.00% \$20,583	2.00% \$20,055
Other/Transfer In	\$94,930					
subtotal revenues	\$8,788,427	\$8,374,227	\$8,463,629	\$8,563,547	\$8,663,271	\$8,636,303
Expenditures						
Salaries (10)	\$1,047,263	\$1,099,626	\$1,154,607	\$1,212,338	\$1,272,955	\$1,336,602
Benefits (20)	\$514,588	\$566,047	\$622,651	\$684,917	\$753,408	\$828,749
Supplies (30)	\$413,110	\$425,503	\$438,268	\$451,416	\$464,959	\$478,908
Professional Svcs (40)	\$1,965,136	\$2,024,090	\$2,084,813	\$2,147,357	\$2,211,778	\$2,278,131
Intergovernmental (50)	\$255,000	\$265,863	\$277,189	\$288,997	\$301,308	\$314,144
Utility Tax	\$869,349	\$837,422	\$846,362	\$856,354	\$866,327	\$863,630
Other Transfers (90)	\$15,477	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500
Transfer Out - F530 (90)	\$50,000	\$50,000	\$0	\$0	\$0	\$0
Capital (60)	\$10,000	\$0	\$0	\$0	\$0	\$0
subtotal expenses	\$5,139,923	\$5,284,051	\$5,439,391	\$5,656,879	\$5,886,235	\$6,115,665
rev over/under exp	\$3,648,504	\$3,090,176	\$3,024,238	\$2,906,668	\$2,777,036	\$2,520,638
Debt Service (70-80)	\$1,941,763	\$1,877,617	\$1,879,953	\$1,810,272	\$1,360,577	\$1,397,790
Subtotal Fund Balance	\$1,706,741	\$1,212,559	\$1,144,285	\$1,096,396	\$1,416,459	\$1,122,848
reserve target	\$847,945	\$857,540	\$876,461	\$894,198	\$867,758	\$899,755
Amount to transfer to CIP	\$858,796	\$355,018	\$267,824	\$202,197	\$548,702	\$223,094
CAPITAL						
Beginning Fund Balance	\$ 6,733,585	\$ 6,990,247	\$ 6,418,317	\$ 6,493,410	\$ 5,776,651	\$ 4,106,444
Bond Proceeds			\$ 5,000,000			
Transfer In from Operations	\$ 858,796	\$ 355,018	\$ 267,824	\$ 202,197	\$ 548,702	\$ 223,094
Interest Earnings & Other	\$ 134,691	\$ 139,824	\$ 128,386	\$ 129,888	\$ 115,553	\$ 82,148
Capital Fees	\$ 1,163,136	\$ 894,720	\$ 745,600	\$ 596,480	\$ 596,480	\$ 596,480
subtotal revenues	\$ 8,890,208	\$ 8,379,809	\$ 12,560,127	\$ 7,421,976	\$ 7,037,385	\$ 5,008,166
Salaries	\$ 172,971	\$ 181,620	\$ 190,701	\$ 200,236	\$ 210,248	\$ 220,760
Benefits	\$ 70,000	\$ 77,000	\$ 84,700	\$ 93,170	\$ 102,487	\$ 112,736
Charges for Services	\$ 107,590	3.00% \$ 110,818	3.00% \$ 114,143	3.00% \$ 117,567	3.00% \$ 121,094	3.00% \$ 124,727
Capital	\$ 1,419,616	\$ 1,488,599	\$ 5,589,774	\$ 1,161,715	\$ 2,425,908	\$ 858,683
Utility Tax	\$ 129,784	\$ 103,455	\$ 87,399	\$ 72,637	\$ 71,204	\$ 67,863
subtotal expenses	\$ 1,899,961	\$ 1,961,492	\$ 6,066,717	\$ 1,645,325	\$ 2,930,941	\$ 1,384,769
rev over/under exp (EFB)	\$ 6,990,247	\$ 6,418,317	\$ 6,493,410	\$ 5,776,651	\$ 4,106,444	\$ 3,623,397
total available for debt coverage	\$ 4,946,331	\$ 4,124,720	\$ 3,898,224	\$ 3,633,036	\$ 3,489,069	\$ 3,199,266
debt service	\$ 1,941,763	\$ 1,877,617	\$ 1,879,953	\$ 1,810,272	\$ 1,360,577	\$ 1,397,790
debt service ratio (>1.25)	2.55	2.20	2.07	2.01	2.56	2.29
Total Utility Tax to General Fund	\$ 999,133	\$ 940,877	\$ 933,761	\$ 928,991	\$ 937,531	\$ 931,493

Glossary

A

Accounting System

The set of records and procedures that are used to records, classify, and report information as to the financial status and operating conditions on an entity.

Ad Valorem Tax

A tax based on the assessed value of a property.

Adopted Budget

Adopted, as used in the fund summaries and department and division summaries within the budget document, represents the final budget approved by the City Council. The adopted budget becomes effective January 1st. Subsequent to adoption, Council may make changes throughout the year.

Appropriation

An authorization made by the City Council that permits officials to make expenditures to incur obligations against governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one year period. Multi-year appropriations can also be established for capital project and other special purpose funds. Multi-year appropriation authority remains in effect until the amount appropriated has been totally expended or until the fund, program, or project is closed because its assigned purpose has been changed or accomplished.

Assessed Valuation

The assessed value (AV) set on taxable properties as a basis for levying property taxes placed upon real and personal property by the Snohomish County Assessor.

Assets

Resources having a monetary value and that are owned or held by an entity.

Audit

An annual financial report prepared by an independent auditor. A comprehensive audit

document contains a summary statement of the scope of the audit, explanatory comments concerning any exceptions to generally accepted auditing standards, explanatory comments concerning verification procedures, financial statements and schedules, statistical information, supplemental comments, and any finding or recommendations.

B

BARS

The prescribed “Budgeting, Accounting, and Reporting System” where compliance is required for all governmental entities within the State of Washington.

Balanced Budget

Revenues (including Beginning Fund Balance) equals or exceeds expenditures (including Ending Fund Balance).

Beginning Fund Balance

The beginning fund balance is the residual fund balance representing unused funds brought forward from the previous financial year (ending fund balance).

Bond

A debt instrument with a written promise to pay a specified principal amount along with periodic interest at specific future dates. Bonds are typically used for financing of specific capital expenditures.

Budget

A budget is a financial operational plan including an estimate of proposed expenditures and the means of financing them. Used without any modifier, the term usually indicates a financial plan for a certain period of time, typically one or two years. In practice, the term budget is used in two ways. Sometimes it designates the financial plan presented for adoption and other times it designates the plan finally approved. It is usually necessary to specify whether the budget under

Glossary

consideration is preliminary and proposed, or whether the appropriating body has approved it.

Budget Amendment

A change to a budget adopted in accordance with State law. A budget may be amended to increase expenditures/expenses at the fund level by ordinance without public notice or public hearing requirements, when unanticipated revenues occur or emergencies exist (RCW 35A.33.080 and 35A.33.120). Also can be called Supplemental Appropriation.

Budget Calendar

A schedule of key dates or milestones that the City follows in preparation and adoption of the budget.

Budget Document

A written report showing a government's comprehensive financial plan for a specified period, typically one or two years, that includes both capital and operations.

C

Capital (Outlay/Asset)

Expenditures made to acquire, reconstruct, or construct major fixed or capital assets. A fixed asset is a tangible object of a long-term character that will continue to be held or used such as land, buildings, machinery, furniture, and other equipment. A capital asset must exceed \$5,000 in cost and have an expected life expectancy of 12 months or more. For purposes of this definition, a "fixed asset" includes a group of items purchased together that will be used for a "single purpose" that could not be used effectively by themselves.

Capital Improvement Fund

Account for the acquisition or construction of major capital facilities.

Capital Improvement Program (CIP)

A plan for a capital expenditure to be incurred each year over a period of five or more future years setting forth each capital project, the amount

to be expanded in each year, and the method of facing those expenditures.

Cash Management

Management of cash necessary to pay for government services while investing temporary cash excesses in order to earn investment income. Includes forecasting inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in accordance with the City's investment policy objectives.

Charges for Service

Includes a wide variety of fees charges for services provided to the public and other agencies.

Comprehensive Plan

An official statement of the goals, objectives, and physical plan for the development of the City. Contains a narrative of goals, objectives, and policies that describe the desired form, nature, and rate of City development.

Consumer Price Index

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

D

Debt Service

Principal and Interest on outstanding bonds due and payable during the fiscal year.

Debt Service Fund

Established to account for the accumulation of resources and for the payment of general obligation debt that have been approved by the voters. It would exclude Enterprise fund debt and contractual obligations accounted for in other individual funds.

Glossary

Depreciation

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

E

Employee Benefits

Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is the government's share of costs for social security and various pension, medical, and life insurance plans.

Encumbrance

Amount of money committed and set aside, but not yet expended, for the purchases of goods or services.

Ending Fund Balance

The residual non-restricted funds that are spendable or available for appropriation after the end of the fiscal year, or during the fiscal year, if a state of emergency is declared by the Mayor.

Enterprise Fund

Established to account for operations, including debt service that are financed and operated similarly to private businesses – where the intent is the service is self-sufficient, with all costs supported predominantly by user charges.

Expenditures/Expenses

The type of accounts that record transactions for the cost of goods received or services rendered whether cash payments have been made or not. These accounts are called expenditures on the modified accrual basis of accounting and expenses on the accrual basis.

F

Fees

Charges for specific service in connection with providing a service, permitting an activity or imposing a fine.

Fiscal Management

A government's directive with respect to revenues, spending, reserves, and debt management as these relate to governmental services, programs, and capital investment. Financial policy provides an agreed upon set of principles for the planning and programming of governmental budgets and its funding.

Fiscal Year

A twelve month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Monroe's fiscal year is January 1 through December 31.

Full-Time Equivalent (FTE)

An expression of staff in terms of full-time employment (40 hours per week). For example, a person who works 40 hours per week is described as 1 FTE and 20 hours per week is .50 FTE.

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 that are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance

The amount of an entity's assets above the amount of its liabilities. A negative fund balance is sometimes called a deficit. An undesignated fund balance reflects historical receipts less than historical expenditures in non-proprietary funds. When all designated and reserved resources are removed or deducted in arriving at the year-end undesignated fund balance, the remaining value is that available for budgetary appropriation. Also called Ending Fund Balance.

G

General Fund

Accounts for all receipts and disbursement transactions associated with ordinary City

Glossary

operations not required to be accounted for in another fund. This fund is both tax and general revenue supported. Major revenue sources for the General Fund include property, sales, excise taxes, and miscellaneous permits and fees.

General Long-Term Debt

Represents any unmatured debt not considered to be a fund liability. General Obligation Bonds (G.O. Bonds) are secured by the full faith and credit of the issuer. G. O. bonds issue by local units of government are secured by a pledge of the issuer's property taxing power. Usually issued to pay for general capital improvements such as parks and City facilities.

Governmental Funds

Funds generally used to account for tax-supported activities. There are five different types of governmental funds: general fund, special revenue funds, debt service funds, capital project funds, and permanent funds.

Grant

A contribution by one government entity to another. The contribution is usually made to aid in the support of a specified function.

I

Infrastructure

Public domain capital assets such as roads, bridges, streets, sidewalks, and similar assets that are immovable.

Indirect Charges

Administrative and overhead costs that are incurred in one area, but charged to another.

Interfund Transfers

Appropriation category used in the City's budget resolution which includes amounts distributed from one fund to pay for services provided by another fund. Transfers from other funds are appropriated as expenditures.

Intergovernmental Revenues

Levied by one government but shared on a predetermined basis with another government or class of governments.

Interlocal Agreement

A contract between two government entities whereby one government assume the lead responsibility of a project that overlaps both jurisdictions.

Internal Service Fund

Account for the financing of goods and services provided by one department or agency to other departments or agencies of government(s) on a cost reimbursement basis.

L

Levy

Gross amount of property taxes imposed on the assess value of taxable property. The net amount received by a government will be less than the gross levy as a result of delinquent or uncollectible payments or early payment discounts. Budgets are developed on the basis of the projected amount of property taxed received.

O

Operating Budget

The operating budget is the primary means by which most of the acquisition, spending, and service delivery activities of a government are controlled. Law requires the use of annual operating budgets.

Operating Transfer

Routine or recurring transfers of assets between funds that support the normal operations of the recipient fund.

Ordinance

A formal legislative enactment by the government body of a municipality. If it is not in conflict with

Glossary

any higher form of law, such as a state statute or a constitutional provision, it represents the full force and effect of the law within the boundaries of the municipality to which it applies.

Outstanding Debt

The balance due at any given time resulting from the borrowing money or from the purchase of goods and services.

P

Personnel Benefits

Employer contributions paid by the City as part of the conditions or employment. Examples include health/dental/vision insurance, state public employee's retirement system, and employment security.

Property Tax

Based off the assessed value of property times the permanent tax rate and are used as the source of monies to pay general obligation debt and core city services.

Proposed Budget

Combines the operating, non-operating, and reserve estimated prepared by the Mayor, then presented to the Council for their review and approval.

R

Resource

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

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 forfeitures, interest income, and miscellaneous revenue.

Revenue Bonds

Bonds payable from a pledged source of revenue such as water revenues, which does not also

pledge the taxing authority of the City. Pledged revenues may be derived from operation of the financed projects, grants, utility revenues, or other specified revenue streams.

S

Services and Charges

An expenditure classification that includes professional services, communication, travel, advertising, rentals, leases, insurance, public utility services, and repairs and maintenance.

Special Revenue Funds

Accounts for the proceeds of revenue sources (other than special assessment, expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Supplies

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

T

Taxes

Compulsory charges levied by taxing districts for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, such as water service.

Tax Levy

The total amount of property taxes needed to pay for basic government operations as well as sufficient amounts to pay for principal and interest on voter-approved bond issues.

Tax Rate

The amount of tax levied for each \$1,000 of assessed valuation as determined by the Snohomish County Assessor's office.

Glossary

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

U

Unappropriated Ending Fund Balance

Represents the portion of the ending fund balance that is not appropriated to be spent in the current year. It must be segregated for future use and is not available for current appropriation of expenditure, except in the event when the Mayor declares an emergency.

User Fees

Charges for services to the specific entity who directly benefits. Often referred to as Charges for Service.