



2015 Budget Summary

Mount Vernon, Washington

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January 2015

Mount Vernon City Council and Mount Vernon Community

Adoption of the 2015 City Budget

OVERVIEW & PRIORITIES

The City of Mount Vernon continues to serve a diverse population of approximately 33,000 people. Traditional municipal services such as public safety, library, parks and recreation, public works, and planning are expected by our public.

The City adopts a highly complex and balanced budget each year. Each section is prepared for vastly different services – some services are 24 hour operations, departments can be 6 days a week, on call, or a traditional 40 hour work schedule. We budget for several unique services through 21 department budgets and a total of 30 different funds.

My administration and I understand the fiduciary responsibilities entrusted to us by the public. As taxpayers ourselves, we are committed to being financially responsible, maintaining prudent cash reserves, and being forthright and honest with a recommended balanced budget that is required to deliver services.

The 2015 budget was prepared with the following priorities:

- Provide honest and accurate recommendations for expenditures essential to ensure the mission of the City of Mount Vernon is met.
- Fully comply with the United States District Court injunction for adequate public defense services.
- Address work in the street department, police records division, facilities, and Urban Forestry program that have been impacted by recessionary budgets.

The 2015 adopted budget for the City of Mount Vernon is \$52,228,415, representing a 7.8% increase as compared to the 2014 budget. The governmental operating fund budgets total \$26,067,015, representing a 4.5% increase compared to the 2014 budget. Governmental operations receive 75% of its funding sources from taxes which primarily only grow in a strong economy, covering expenses for Police, Fire, Library, Streets, Permitting/Planning and Parks operations.

City Functions:	<u>2015 Budget</u>		<u>2014 Budget</u>		<u>2013 Budget</u>		<u>2012 Budget</u>	
Govt Operations	26,067,015	50%	24,954,839	51%	22,495,696	48%	22,504,921	48%
Capital Funds	5,697,660	11%	4,713,150	10%	5,999,435	13%	4,052,625	9%
Utilities	16,128,473	31%	15,518,632	32%	15,072,379	32%	14,998,614	32%
All other functions	4,335,267	8%	3,274,035	7%	3,681,495	8%	5,257,596	11%
Total City Budget	52,228,415	100%	48,460,656	100%	47,249,005	100%	46,813,756	100%
Govt Operations by Dept:	<u>2015 Budget</u>		<u>2014 Budget</u>		<u>2013 Budget</u>		<u>2012 Budget</u>	
Police	8,879,016	34.1%	8,413,777	33.7%	7,269,758	32.3%	7,195,719	32.0%
Fire	4,729,045	18.1%	4,531,531	18.2%	4,392,121	19.5%	4,490,332	20.0%
Streets	1,332,358	5.1%	1,336,551	5.4%	1,256,025	5.6%	1,269,863	5.6%
Parks	1,722,378	6.6%	1,568,934	6.3%	1,554,707	6.9%	1,625,273	7.2%
Library	1,191,718	4.6%	1,186,849	4.8%	1,151,475	5.1%	1,138,172	5.1%
Comm Econ Dev	1,321,222	5.1%	1,437,033	5.8%	1,110,806	4.9%	1,139,758	5.1%
Other City Services	6,891,278	26.4%	6,480,164	26.0%	5,760,804	25.6%	5,645,804	25.1%
Total Govt Operations	26,067,015	100.0%	24,954,839	100.0%	22,495,696	100.0%	22,504,921	100%

Notable achievements accomplished in 2014:

- Completion of Phase 2, Waterfront Revitalization and Flood Protection Project.
- Receipt of commitments of \$6.4 million towards final Phase 3, Waterfront Revitalization and Flood Protection Project.
- Skagit County Jail siting process and permit issuance; full participation in Jail Finance Committee.
- Rail safety exercises in coordination with Skagit County Department of Emergency Management: table top in April and field training in September.
- Increased collaboration for recreation and lifelong learning activities with organizations such as the Lincoln Theatre, Downtown Association, Skagit Regional Health, Elks and Kiwanis Clubs, and the YMCA.
- Completed update to Parks & Recreation Comprehensive Plan.
- New Library visioning and needs assessment plan completed.
- Efficiencies in reduction of idling in fleet vehicles – due to more effective battery that can maintain electronics when vehicle is turned off.
- Police satellite work office at Skagit Valley Hospital offers options for work space and reduces response times.
- Clean audit and receipt of 8th consecutive Certificate of Achievement for Excellence in Financial Reporting and 14th award overall.
- Our Wastewater Treatment Plant employees were recognized by the State of Washington Department of Ecology for outstanding performance. It takes diligent operations and strong management to achieve this high level of compliance. This is the 4th consecutive year of award, and the 11th year of recognition overall.
- The City was again recognized as a Well City for the 4th year in a row. This Association of Washington Cities designation provides a 2% discount on medical premiums, resulting in approximately \$47,000 in annual savings.
- Successfully created legislative process for location of marijuana businesses.

- Promotion of economic opportunity in 4 primary target areas of Technology, Healthcare/Community Wellness, Agriculture/Tourism, and Aerospace/Advanced Manufacturing.
- Successful Federal Housing and Urban Development audit for Community Development Block Grant funds.

2015 BUDGET CHALLENGES

The City of Mount Vernon continues a slow recovery from the Great Recession, attempting to balance expenditures without raising taxes. As Mayor, I believe we face a decision in our 2015 budget in a crucial need for additional revenue to maintain current levels of service. The City staff has devoted themselves in recent years and continues daily to examine practices that would increase efficiency and using tax dollars wisely.

Shrinking shared revenues from the State of Washington and unfunded mandates have greatly impacted our City budget. Washington State continues to foresee budgetary struggles as we try to operate with an archaic State tax structure based on a 'goods' economy and not a 'services' economy. Traditionally shared revenues such as liquor profits and taxes, which have gone to support police services, are being diminished, leaving the burden directly on our local taxpayers.

I strongly believe in providing a safe, well trained, and supported work force; however, laws of binding arbitration tie our hands in compensation packages to public safety service employees. When we are mandated to compare wages and benefits to other cities, it creates a circular system that negates local benefits of employment. If the State of Washington would allow comparisons of municipal economies into the arbitration process, this would be a step in the right direction. Until then, we continue to commit to fair wages, benefits, and working conditions.

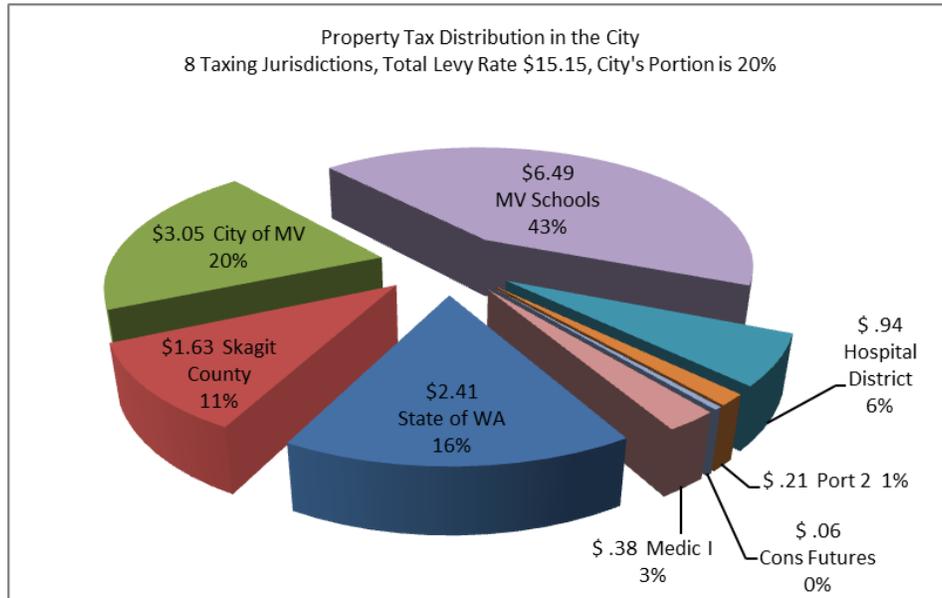
Significant impacts to expenditures are as noted:

- Public Defense expenditures and related increases are \$325,000 more in the 2015 budget compared to the adopted 2014 budget,
- Loss of COPS grant funding of \$55,000,
- Labor costs as a result of union negotiations,
- Increase of Skagit 911 service fee of \$49,000, contributing to a \$113,000 or 65% increase in 2 years,
- Increase to Skagit County Voter Registration and Elections budgets of \$29,000,
- Affordable Healthcare Act regulations – impact of \$43,000 across all City departments.

PROPERTY TAX AND OTHER REVENUE

The City of Mount Vernon is one of 8 taxing jurisdictions that assess taxes on our residents' property tax bills. Each jurisdiction makes decisions on tax rates each year with some taxing jurisdictions requiring voter approval to establish revenue amounts. The combination of these 8 taxing jurisdictions, of which

Mount Vernon is one, account for the total property taxes paid by any individual property owner. These rates and percentages are outlined as follows:



The City Council voted on November 25, 2014 to include new construction property tax revenues in the 2015 budget and to NOT take the lawfully allowed 1% increase, or any increase from banked taxing capacity. The City Council has refrained from taking the lawfully allowed one percent increase in property tax for 10 of the last 11 years. This means that the City has relied solely on increases in sales tax, new construction property tax, building revenue and other revenues to absorb rising costs of providing services. These revenues only grow in an improving and strengthening economy.

The City Council voted on December 3, 2014 to enact a 6% utility tax on Public Utility District #1 (PUD) water that services the City of Mount Vernon. This utility tax is for a period of 12 months (expiring on December 31, 2015) and will result in \$400,000 in additional revenue to the City in 2015 to maintain services at present levels.

PRIORITY CAPITAL PROJECs

We need to keep moving forward with infrastructure projects and maintenance. The City's capital budget is nearly \$8 million or 15% of the total 2015 budget, including wastewater, transportation, parks and general facility projects. Highlighted projects for 2015 include:

- Funding for the Waterfront Revitalization and Flood Protection Project Phase 3
- Downtown Public Restrooms in the Skagit Riverwalk Park Plaza
- Design and engineering for College Way widening under I-5 (in partnership with WSDOT)
- Traffic improvements at the intersection of Section and LaVenture Road
- Roofing for City Hall, Fire Station 2, and City Library

DELIVERY OF OUR SERVICES

We are a mission driven organization, and demonstrate how government can be efficient and effective in delivering services to our public. We provide professional, efficient services to create a lifetime positive difference for our Community.

Services are delivered by people. 71% of our governmental operational costs are labor. We employ 198 full-time employees, and 53 part time and seasonal employees to provide services to over 33,000 residents and thousands of guests each day.

Our community enjoys the highest standards of police and fire protection, professional service from our solid waste utility, award winning wastewater treatment, a library that boasts 185,000 visits per year, and a park system of 866 acres of parkland and trails.

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

As Mayor, I sincerely appreciate all City staff that have rallied around our mission this past year. We believe that our example of good government will influence others to join us in an attitude of integrity and vitality. I would like to extend special gratitude to Ms. Alicia Huschka, finance director, for her critical professional guidance in the preparation of this budget.

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

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

Sincerely,



Jill Boudreau, Mayor

mvmayor@mountvernonwa.gov

360-336-6211

www.mountvernonwa.gov

Citywide Budget Summary
2015 Adopted Budget
City of Mount Vernon

Fund/ Dept No.	Fund / Department	2013 Budget	2014 Budget	2015 Budget	2014-2015 Budget Difference	2014-2015 % Change
001 GENERAL FUND						
01	City Council	178,719	178,140	166,563	(11,577)	-6.5%
02	Municipal Court	349,000	358,500	404,924	46,424	12.9%
03	Mayor	339,771	355,984	385,356	29,372	8.3%
04	Finance	699,483	753,812	764,995	11,183	1.5%
05	City Attorney	414,720	456,846	488,990	32,144	7.0%
06	Human Resources	402,127	677,353	684,036	6,683	1.0%
07	General Facilities	615,639	658,565	661,901	3,336	0.5%
08	Police Department	7,269,758	8,413,777	8,879,016	465,239	5.5%
09	Fire Department	4,392,121	4,531,531	4,729,045	197,514	4.4%
11	Public Works/Engineering	701,143	745,646	745,883	237	0.0%
12	Community & Economic Development	1,110,806	1,437,033	1,321,222	(115,811)	-8.1%
18	TV 10 - Public Access Cable	148,387	157,647	169,839	12,192	7.7%
97	CDBG Entitlement Grant	539,912	524,286	532,401	8,115	1.5%
98	Information Services	283,000	608,510	644,199	35,689	5.9%
99	Non-Departmental	1,088,903	1,004,875	1,242,191	237,316	23.6%
Subtotal - General Fund		18,533,489	20,862,505	21,820,561	958,056	4.6%
SPECIAL REVENUE FUNDS						
101	City Street Fund	1,256,025	1,336,551	1,332,358	(4,193)	-0.3%
103	Parks and Recreation Fund	1,554,707	1,568,934	1,722,378	153,444	9.8%
104	Library Fund	1,151,475	1,186,849	1,191,718	4,869	0.4%
102	Arterial Street Fund	612,000	1,001,500	1,921,060	919,560	91.8%
105	Paths and Trails Fund	50,000	40,000	25,000	(15,000)	-37.5%
106	Tourism Promotion Fund	363,800	372,300	350,000	(22,300)	-6.0%
107	Little Mountain Improvements Reserve	42,000	102,000	103,250	1,250	1.2%
109	Crime Prevention Fund	6,300	5,000	19,000	14,000	280.0%
110	Government Access Fund	55,652	56,906	42,959	(13,947)	-24.5%
112	Criminal Justice Assistance Fund	153,000	121,000	141,000	20,000	16.5%
115	Parks Capital Improvements Reserve	255,000	183,000	191,275	8,275	4.5%
118	Fiber Optic Fund	40,000	174,000	110,725	(63,275)	-36.4%
119	Critical Areas Enhancement Fund	85,000	83,650	35,000	(48,650)	-58.2%
120	Lincoln Commercial Properties Fund	99,300	137,600	199,000	61,400	44.6%
Subtotal - Special Revenue Funds		5,724,259	6,369,290	7,384,723	1,015,433	15.9%
DEBT SERVICE FUNDS						
201	2009 UTGO Bond Fund	479,680	481,293	302,433	(178,860)	-37.2%
205	2009 LTGO Bond Fund	113,875	115,550	117,050	1,500	1.3%
Subtotal - Debt Service Funds		593,555	596,843	419,483	-177,360	-29.7%
CAPITAL PROJECTS FUNDS						
304	Capital Improvement Fund - REET I	339,050	359,650	565,575	205,925	57.3%
311	Parks Impact Fees	150,000	25,000	120,000	95,000	380.0%
312	Fire Impact Fees	46,385	82,000	98,500	16,500	20.1%
313	Transportation Impact Fees	10,000	10,000	70,000	60,000	600.0%
314	REET II - Streets Fund	360,000	460,000	460,000	0	0.0%
Subtotal - Capital Projects Funds		905,435	936,650	1,314,075	377,425	40.3%

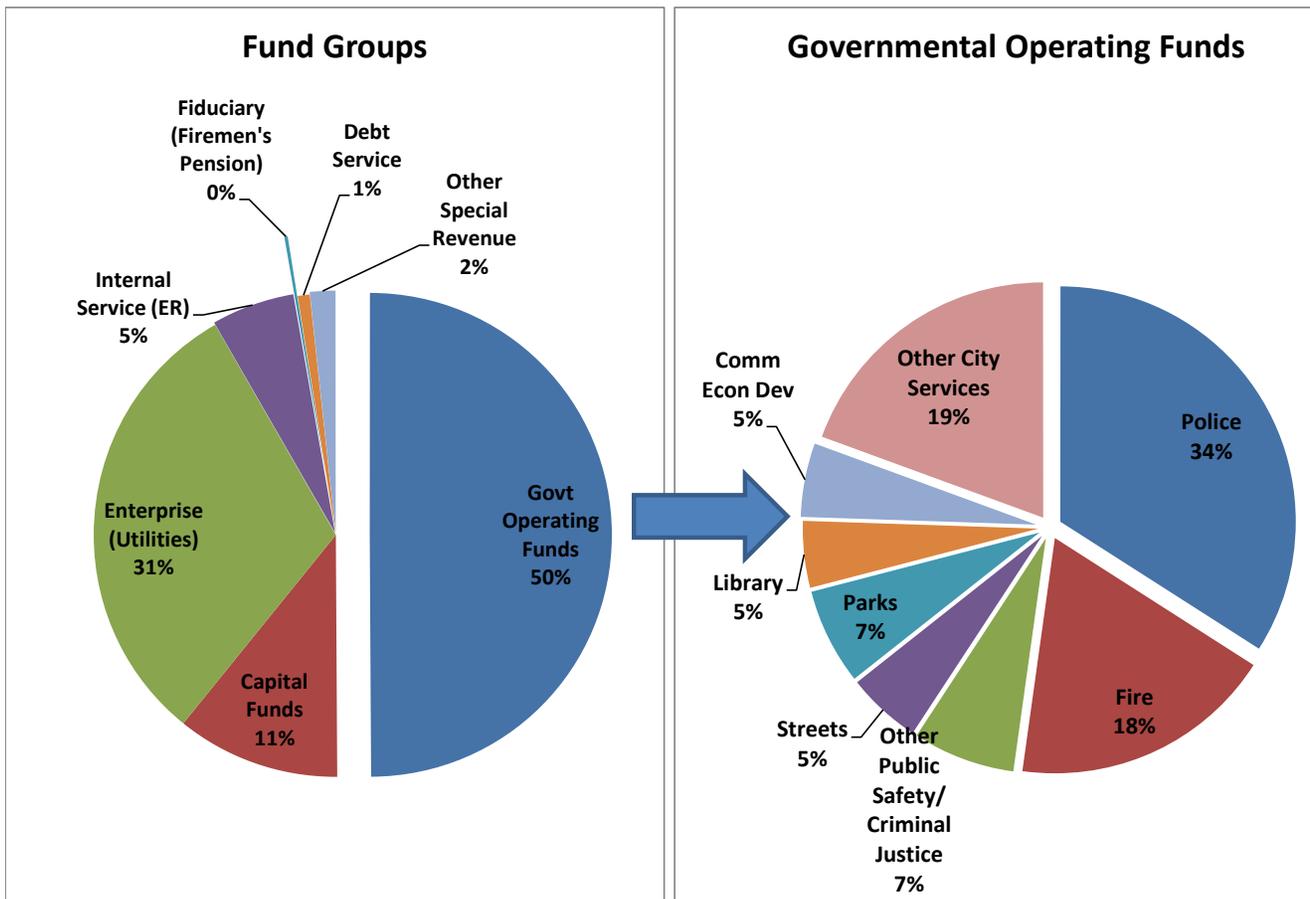
Citywide Budget Summary
2015 Adopted Budget
City of Mount Vernon

Fund/ Dept No.	Fund / Department	2013 Budget	2014 Budget	2015 Budget	2014-2015 Budget Difference	2014-2015 % Change
ENTERPRISE FUNDS (UTILITIES)						
401	Wastewater Utility Fund	8,371,024	8,544,526	8,775,000	230,474	2.7%
402	Solid Waste Utility Fund	4,824,162	4,964,700	5,151,600	186,900	3.8%
403	Surfacewater Utility Fund	1,877,193	2,009,406	2,201,873	192,467	9.6%
411	Sewer Facility Expansion Fund	1,349,000	608,000	608,000	0	0.0%
412	Sewer Capital Reserve	2,786,000	1,592,000	1,535,000	(57,000)	-3.6%
Subtotal - Enterprise Funds		19,207,379	17,718,632	18,271,473	552,841	3.1%
INTERNAL SERVICE FUNDS						
501	Equipment Rental Fund	2,134,388	1,835,676	2,861,100	1,025,424	55.9%
512	Leoff I Long-term Healthcare Reserve	40,000	40,000	40,000	0	0.0%
Subtotal - Internal Service Funds		2,174,388	1,875,676	2,901,100	1,025,424	54.7%
FIDUCIARY FUNDS						
611	Firemen's Pension and Relief Fund	110,500	101,060	117,000	15,940	15.8%
Subtotal - Fiduciary Funds		110,500	101,060	117,000	15,940	15.8%
TOTAL BUDGET - ALL FUNDS		47,249,005	48,460,656	52,228,415	3,767,759	7.8%

Fund #	City Fund	Fund Bal Dec 31, 2013	Estimates		Fund Balance Dec 31, 2014	Budget		Estimated Bal Dec 31, 2015	Fund Bal. Budgeted in 2015
			2014 Revenue	2014 Expenditures		2015 Revenue	2015 Expenditures		
001	Current Expense	3,755,499	19,952,600	20,167,206	3,540,893	21,401,955	21,820,561	3,122,287	418,606
101	City Street	181,617	1,312,933	1,347,543	147,007	1,302,506	1,332,358	117,155	29,852
103	Parks/Recreation	227,724	1,502,857	1,507,607	222,974	1,643,036	1,722,378	143,632	79,342
104	Library	131,802	1,128,672	1,161,181	99,293	1,177,718	1,191,718	85,294	14,000
102	Arterial Street	435,878	521,852	270,297	687,433	1,292,060	1,921,060	58,433	629,000
105	Paths and Trails	95,193	3,400	20,462	78,131	3,400	25,000	56,531	21,600
106	Tourism Promotion	210,154	243,100	297,300	155,954	236,500	350,000	42,454	113,500
107	Little Mountain Cap Res	67,406	32,000	36,531	62,875	77,000	103,250	36,625	26,250
109	Crime Prevention	499	22,457	4,000	18,956	15,000	19,000	14,956	4,000
110	Government Access TV	132,533	67,400	47,500	152,433	42,959	42,959	152,433	-
112	Criminal Justice Assistance	4,994	132,640	121,000	16,634	127,900	141,000	3,534	13,100
115	Parks Capital Reserve	190,826	92,000	104,894	177,932	67,000	191,275	53,657	124,275
118	Fiber Optics Fund	115,926	93,700	125,830	83,796	92,400	110,725	65,471	18,325
119	Critical Areas Enhancement	181,429	0	28,000	153,429	20,000	35,000	138,429	15,000
120	Lincoln Commercial Block	213,444	62,525	52,649	223,320	63,000	199,000	87,320	136,000
201	2009 UTGO Bonds	26,973	471,293	480,793	17,473	292,433	302,433	7,473	10,000
205	2009 LTGO Bonds	2,116	115,050	115,050	2,116	116,550	117,050	1,616	500
304	Capital Improvement-Reet I	184,002	367,800	359,650	192,152	504,800	565,575	131,377	60,775
311	Park Impact Fees	38,322	45,000	0	83,322	40,000	120,000	3,322	80,000
312	Fire Impact Fees	153,277	490,080	555,304	88,053	32,000	98,500	21,553	66,500
313	Transportation Impact Fees	42,125	40,000	0	82,125	10,000	70,000	22,125	60,000
314	Reet II - Streets	248,629	363,000	460,000	151,629	350,000	460,000	41,629	110,000
401	Wastewater Utility (WC)	4,241,627	8,813,500	8,332,369	4,722,758	8,775,000	8,605,597	4,892,161	(169,403)
402	Solid Waste Utility (WC)	1,508,491	5,015,500	4,698,283	1,825,708	5,151,600	5,069,424	1,907,884	(82,176)
403	Surface Water Utility (WC)	1,712,891	1,563,825	1,689,117	1,587,599	1,564,500	2,201,873	950,226	637,373
411	Sewer Facility Expansion	1,846,294	718,000	575,650	1,988,644	608,000	574,000	2,022,644	(34,000)
412	Sewer Capital Reserve	2,349,260	1,012,000	622,000	2,739,260	1,012,000	1,535,000	2,216,260	523,000
501	Equipment Rental (WC)	6,367,820	1,582,253	1,835,676	6,114,397	1,871,918	2,861,100	5,125,215	989,182
512	LEOFF I LT Healthcare Res	323,365	21,500	0	344,865	21,500	40,000	326,365	18,500
611	FR&P	656,240	39,193	104,525	590,908	39,000	117,000	512,908	78,000
Totals		25,646,356	45,826,131	45,120,417	26,352,070	47,951,735	51,942,836	22,360,969	3,991,101

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

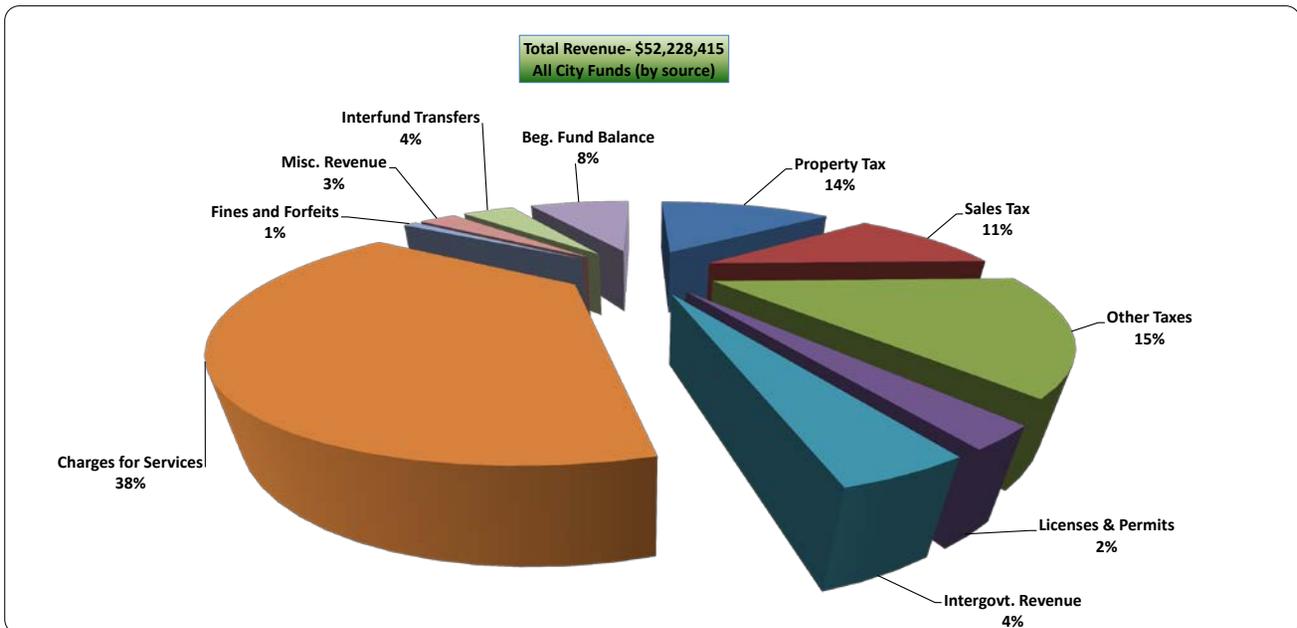
Budget Components



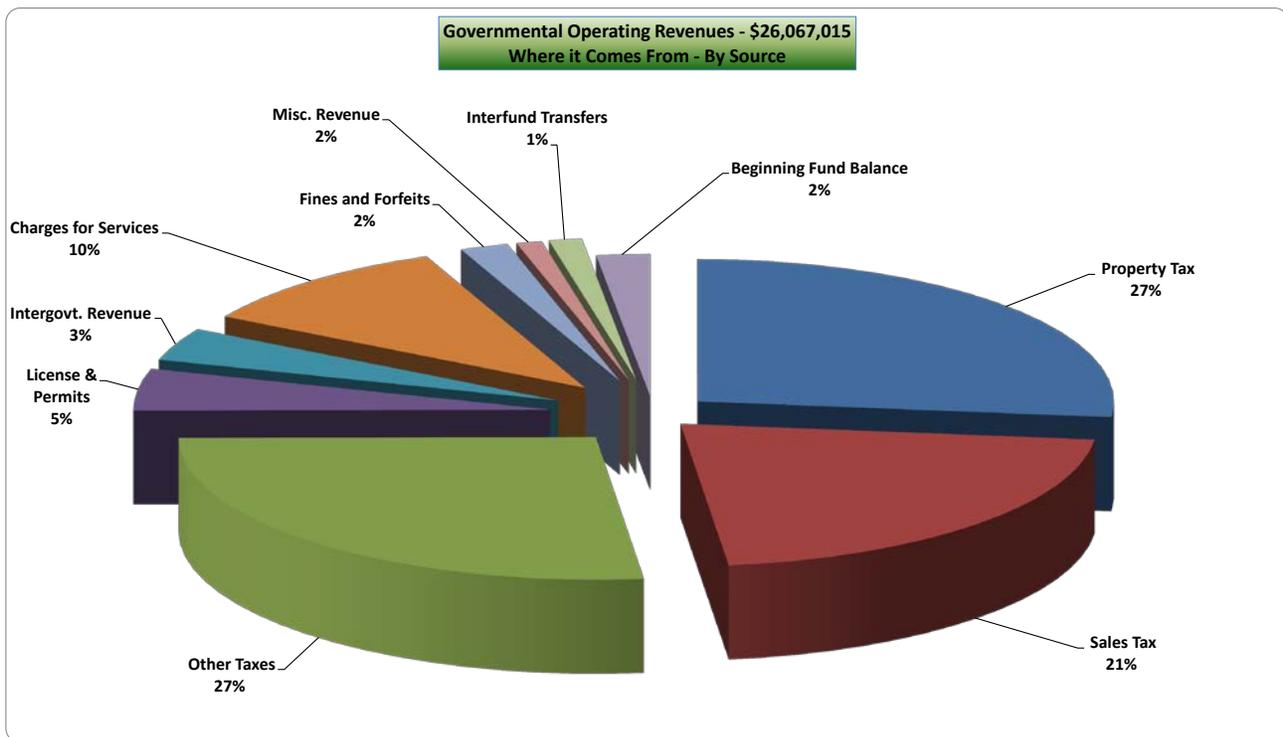
Funds:			
Governmental Operating	26,067,115	50%	
Capital Funds	5,697,660	11%	
Enterprise (Utilities)	16,128,473	31%	
Internal Service (ER)	2,901,100	6%	
Fiduciary (Firemen's Pension)	117,000	0%	
Debt Service	419,483	1%	
Other Special Revenue	897,684	2%	
Total Budget	52,228,515	100%	

Government Operating Funds by Department:			
Police	8,879,016	34%	
Fire	4,729,045	18%	
Other Public Safety/ Criminal Justice	1,832,621	7%	
Streets	1,332,358	5%	
Parks	1,722,378	7%	
Library	1,191,718	5%	
Comm Econ Dev	1,321,222	5%	
Other City Services	5,058,757	19%	
Total Govt Op Funds	26,067,115	100%	

2015 Revenue Estimates All City Funds (by source)											
Fund Name	Property Tax	Sales Tax	Other Taxes	License and Permits	Intergovt. Revenue	Charges for Services	Fines and Forfeits	Misc. Revenue	Interfund Transfers	Beg. Fund Balance	Total
Current Expense	4,543,040	5,575,000	6,291,500	1,235,000	971,185	2,014,974	268,500	237,756	265,000	418,606	21,820,561
City Streets	171,506	-	680,000	-	-	441,000	-	-	10,000	29,852	1,332,358
Parks and Recreation	1,179,036	-	-	-	-	215,000	191,000	-	58,000	79,342	1,722,378
Library	1,084,418	-	-	-	1,200	42,300	29,300	20,500	-	14,000	1,191,718
Arterial Streets	-	-	-	-	906,703	89,433	-	-	295,924	629,000	1,921,060
Paths and Trails	-	-	-	-	3,400	-	-	-	-	21,600	25,000
Hotel/Motel Tax	-	-	235,000	-	-	-	-	1,500	-	113,500	350,000
Little Mtn Park Impr.	-	-	-	-	-	-	-	67,000	10,000	26,250	103,250
Crime Prevention	-	-	-	-	-	-	-	15,000	-	4,000	19,000
Government Access	-	-	-	42,959	-	-	-	-	-	-	42,959
Criminal Justice Assist.	-	-	-	-	127,900	-	-	-	-	13,100	141,000
Parks Capital Impr.	-	-	-	-	-	-	-	67,000	-	124,275	191,275
Fiber Optics	-	-	-	-	-	92,400	-	-	-	18,325	110,725
Critical Area Enhance.	-	-	-	-	-	20,000	-	-	-	15,000	35,000
Lincoln Block	-	-	-	-	-	-	-	63,000	-	136,000	199,000
2009 UTGO Bonds	292,433	-	-	-	-	-	-	-	-	10,000	302,433
2009 LTGO Bonds	-	-	-	-	-	-	-	-	116,550	500	117,050
Capital Impr. (Reet 1)	-	-	350,000	-	-	-	-	154,800	-	60,775	565,575
Park Impact Fees	-	-	-	-	-	40,000	-	-	-	80,000	120,000
Fire Impact Fees	-	-	-	-	-	32,000	-	-	-	66,500	98,500
Transport. Impact Fees	-	-	-	-	-	10,000	-	-	-	60,000	70,000
REET II-Streets	-	-	350,000	-	-	-	-	-	-	110,000	460,000
Wastewater Utility	-	-	-	-	-	8,358,000	-	102,000	315,000	-	8,775,000
Solid Waste Utility	-	-	-	-	-	5,120,600	-	31,000	-	-	5,151,600
Surfacewater Utility	-	-	-	-	-	1,556,500	-	8,000	-	637,373	2,201,873
Wastewater Connections	-	-	-	-	-	-	-	608,000	-	-	608,000
Sewer Cap. Reserve	-	-	-	-	-	-	-	12,000	1,000,000	523,000	1,535,000
Equipment Rental	-	-	-	-	12,000	1,819,918	-	40,000	-	989,182	2,861,100
LEOFF 1 LT Healthcare Res	-	-	-	-	-	-	-	1,500	20,000	18,500	40,000
Firemen's Pension	-	-	-	-	36,000	-	-	3,000	-	78,000	117,000
TOTAL	\$ 7,270,433	\$ 5,575,000	\$ 7,906,500	\$ 1,277,959	\$ 2,058,388	\$ 19,852,125	\$ 488,800	\$ 1,432,056	\$ 2,090,474	\$ 4,276,680	\$ 52,228,415



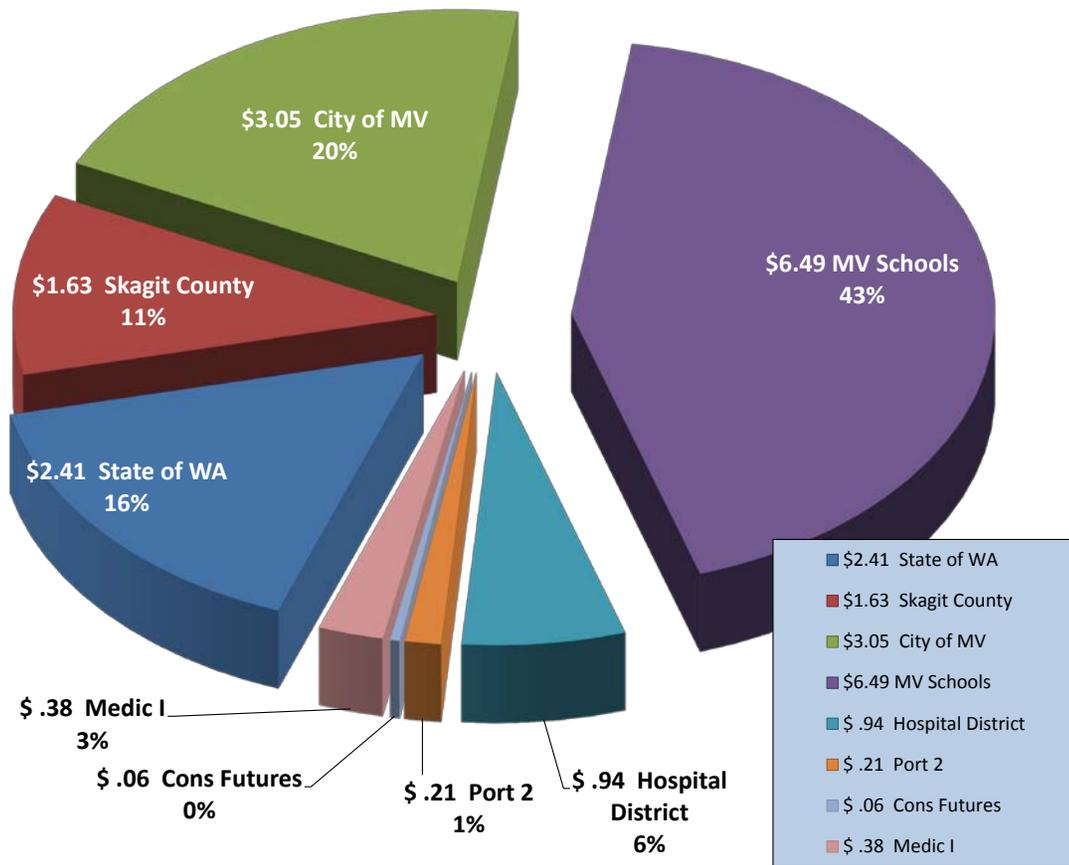
2015 Revenue Estimates											
Governmental Operating Funds Only											
Fund Name	Property Tax	Sales Tax	Other Taxes	License and Permits	Intergovt. Revenue	Charges for Services	Fines and Forfeits	Misc. Revenue	Interfund Transfers	Beginning Fund Balance	Total
Current Expense	4,543,040	5,575,000	6,291,500	1,235,000	971,185	2,014,974	268,500	237,756	265,000	418,606	21,820,561
City Streets	171,506	-	680,000	-	-	441,000	-	-	10,000	29,852	1,332,358
Parks and Recreation	1,179,036	-	-	-	-	215,000	191,000	-	58,000	79,342	1,722,378
Library	1,084,418	-	-	-	1,200	42,300	29,300	20,500	-	14,000	1,191,718
TOTAL	\$ 6,978,000	\$ 5,575,000	\$ 6,971,500	\$ 1,235,000	\$ 972,385	\$ 2,713,274	\$ 488,800	\$ 258,256	\$ 333,000	\$ 541,800	\$ 26,067,015



2014 Property Tax Distribution in Mount Vernon

A City of Mount Vernon property owner pays property tax to 8 different taxing jurisdictions.

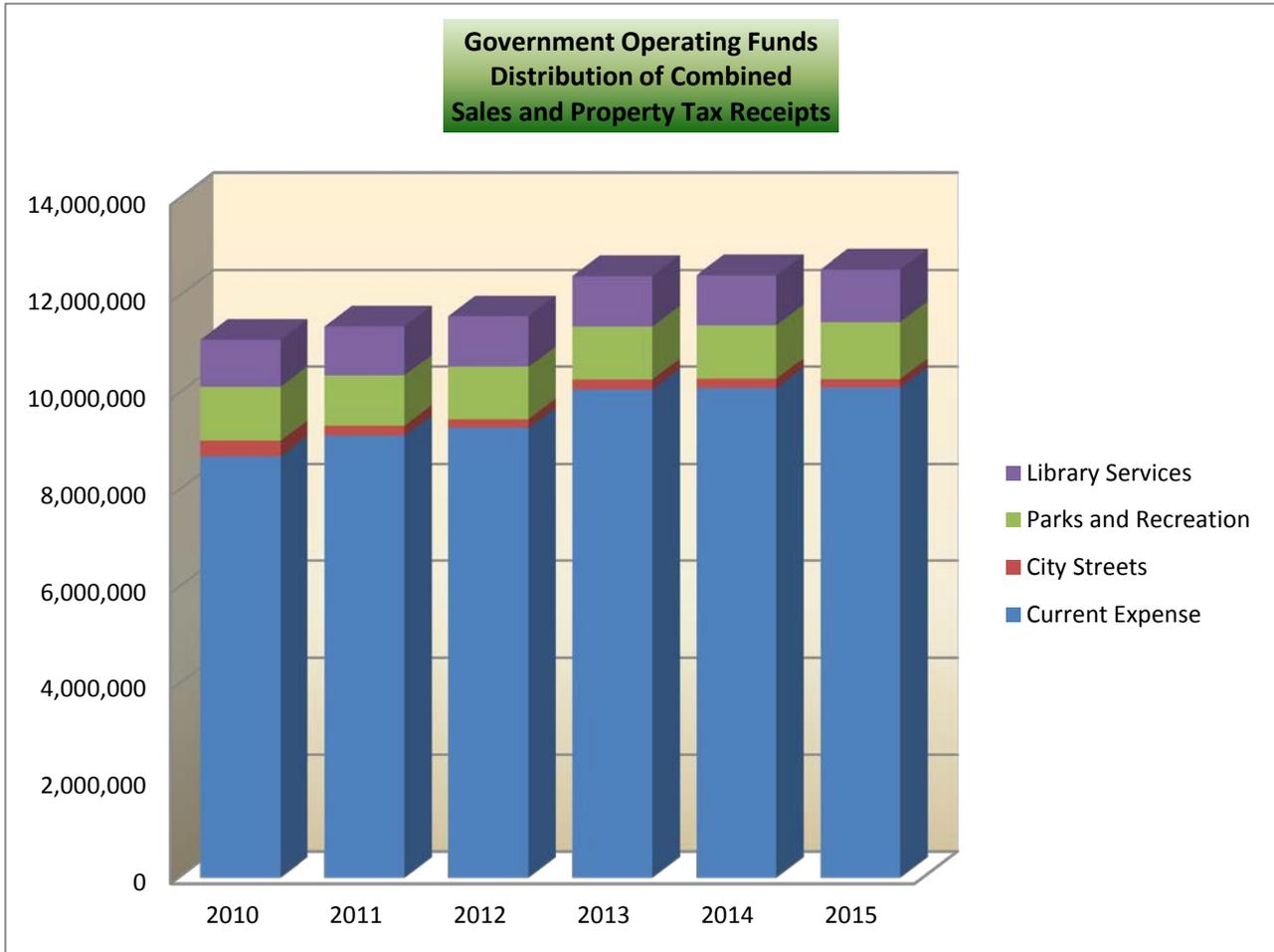
The aggregate or total levy rate is \$15.15 for 2014, of which 20% of the total goes to the City of Mount Vernon.



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

Example using 2014 levy rates:

Assessed value of home:	<u>\$200,000</u>	<u>\$400,000</u>
Total property tax bill	\$3,031	\$6,062
Amount paid to City (20%)	\$609	\$1,218

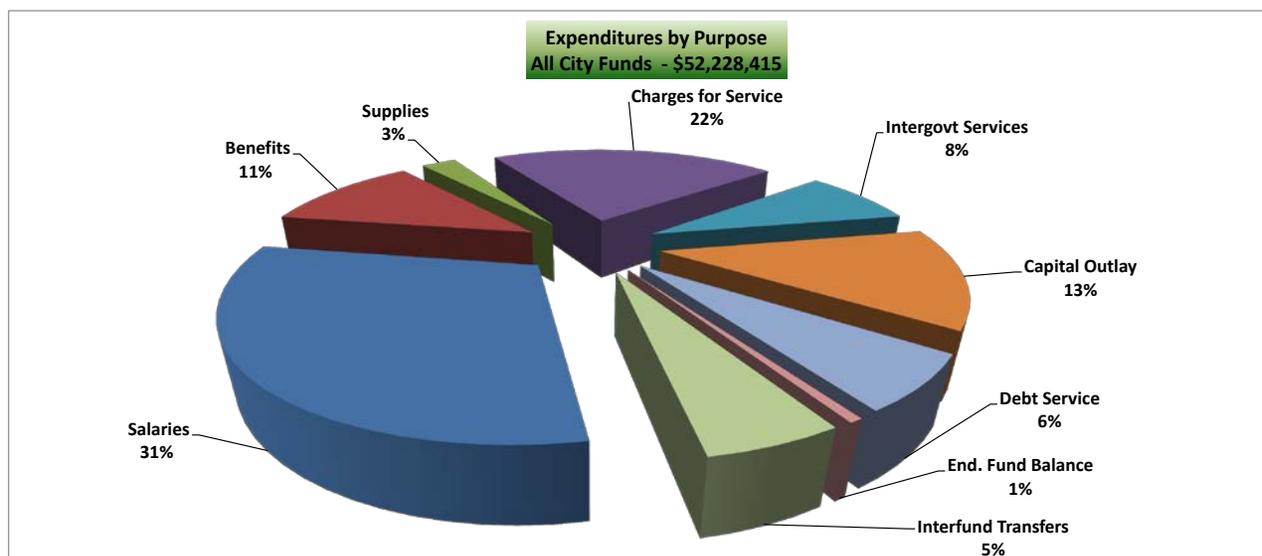


Combined Sales and Property Tax Revenue						
Government Function	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Estimate 2014	Projection 2015
Current Expense	8,698,430	9,123,506	9,289,306	10,076,053	10,108,129	10,118,040
City Streets	319,067	214,645	179,863	206,312	188,733	171,506
Parks and Recreation	1,113,396	1,030,152	1,074,185	1,091,256	1,105,629	1,179,036
Library Services	975,621	1,006,215	1,045,062	1,043,062	1,031,509	1,084,418
Totals	11,106,514	11,374,518	11,588,416	12,416,683	12,434,000	12,553,000
Growth Rate	-2.4%	2.4%	1.9%	7.1%	0.1%	1.0%

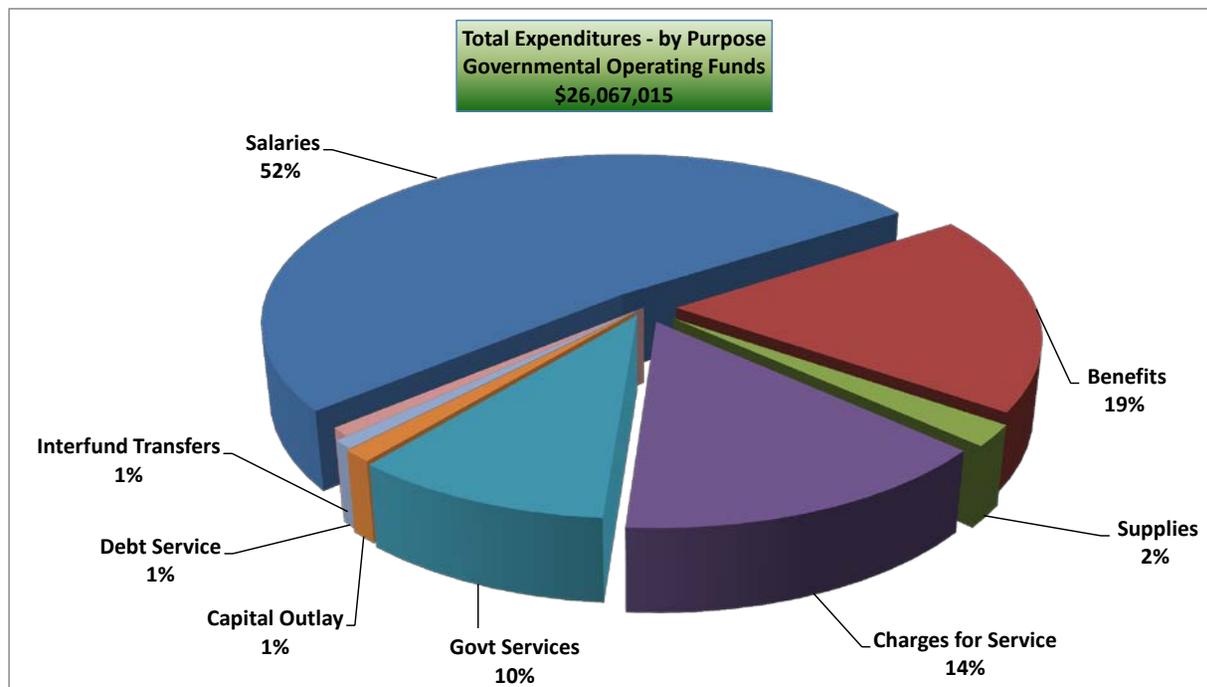
Notes:

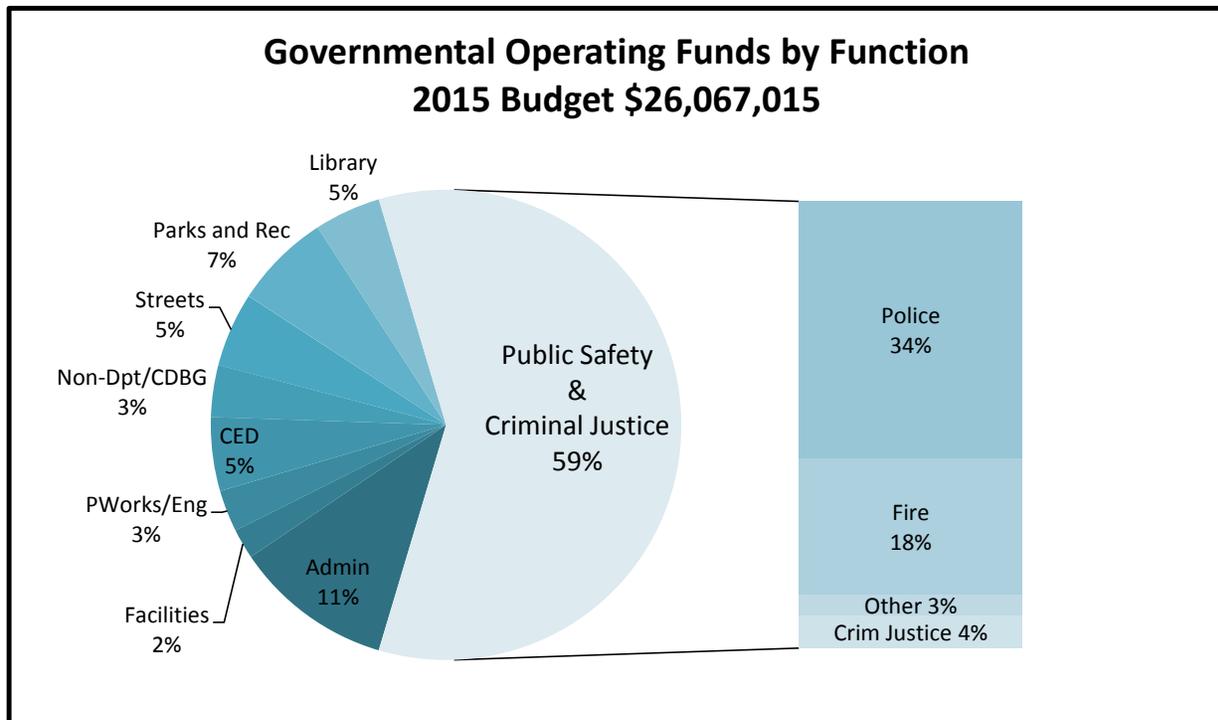
1. Only growth in property tax revenue for 2005 through 2012, & 2014 to 2015 comes from new construction.
2. City has not taken lawfully allowed 1% increase in prop tax for 10 years, except in 2013, took 1.8% or \$120,000.
3. **Sales tax:** grew 4% in 2007; declined 9% in 2008, declined 10% in 2009, declined 7% in 2010, declined 0.4% in 2011; increased 3.7% in 2012; increased 10.3% in 2013 and estimated to increase 3.4% in 2014.
4. 2015 sales tax estimated at 0.5% growth compared to 2014 estimates.
5. Sales tax: comparing 2007 to 2014 estimate, sales tax revenues are \$670,000 lower than 2007 levels, 11% lower.

2015 Expenditures by Category - All City Funds										
Fund/Department	Salaries	Benefits	Supplies	Charges for Service	Intergovt Services	Capital Outlay	Debt Service	End. Fund Balance	Interfund Transfers	Total
City Council	50,400	4,190	6,400	44,273	86,364	-	-	-	-	191,627
Municipal Court	-	-	7,000	60,600	337,324	-	-	-	-	404,924
Mayor	267,117	79,775	2,500	10,400	-	500	-	-	-	360,292
Finance	521,621	171,237	7,200	64,437	-	500	-	-	-	764,995
City Attorney	317,757	118,523	19,000	33,510	-	200	-	-	-	488,990
Human Resources	143,892	487,259	1,275	31,610	-	-	-	20,000	-	684,036
General Facilities	95,511	48,799	23,515	436,076	-	58,000	-	-	-	661,901
Police	4,880,232	1,639,064	106,037	768,703	1,422,902	62,078	-	-	-	8,879,016
Fire	3,349,767	946,001	128,855	294,722	-	9,700	-	-	-	4,729,045
P. Works/Engineering	530,993	174,226	5,000	35,164	-	500	-	-	-	745,883
Comm Econ Development	791,421	308,735	8,650	212,416	-	-	-	-	-	1,321,222
TV 10	106,260	35,284	500	27,795	-	-	-	-	-	169,839
Information Services	352,955	121,209	1,000	143,435	-	25,600	-	-	-	644,199
CDBG Entitlement Grant	-	-	-	16,400	298,501	-	217,500	-	-	532,401
Non-Departmental	-	-	800	650,169	391,222	-	-	-	200,000	1,242,191
Total Current Expense	11,407,926	4,134,302	317,732	2,829,710	2,536,313	157,078	217,500	-	220,000	21,820,561
City Street	475,416	184,150	117,700	524,592	30,000	500	-	-	-	1,332,358
Parks and Recreation	907,731	360,495	70,350	383,802	-	-	-	-	-	1,722,378
Library	744,020	224,212	20,000	58,486	-	145,000	-	-	-	1,191,718
Arterial Street	-	-	-	-	-	1,409,060	-	-	512,000	1,921,060
Paths and Trails	-	-	-	-	-	25,000	-	-	-	25,000
Tourism Promotion	-	-	-	350,000	-	-	-	-	-	350,000
Little Mtn Improvement	-	-	-	2,000	-	101,250	-	-	-	103,250
Crime Prevention	-	-	4,600	400	-	14,000	-	-	-	19,000
Government Access	-	-	5,000	2,959	30,000	-	-	-	5,000	42,959
Criminal Justice Assistance	-	-	-	-	-	-	-	-	141,000	141,000
Parks Capital Improvements	-	-	-	30,000	-	81,275	-	-	80,000	191,275
Fiber Optics	-	-	-	30,725	-	50,000	-	-	30,000	110,725
Critical Areas Enhancement	-	-	5,000	20,000	-	10,000	-	-	-	35,000
Lincoln Commercial Bldg	-	-	29,000	-	-	160,000	-	-	10,000	199,000
2009 UTGO Bond Fund	-	-	-	-	-	-	302,433	-	-	302,433
2009 LTGO Bond Fund	-	-	-	-	-	-	117,050	-	-	117,050
REET I - Cap Improvements	-	-	-	-	-	230,000	119,025	-	216,550	565,575
Park Impact Fees	-	-	-	-	-	-	-	-	120,000	120,000
Fire Impact Fees	-	-	-	-	-	98,500	-	-	-	98,500
Transportation Impact Fees	-	-	-	70,000	-	-	-	-	-	70,000
REET II - Streets	-	-	-	-	-	450,000	-	-	10,000	460,000
Wastewater Utility	1,173,756	481,558	246,600	3,191,557	36,000	71,400	2,404,726	169,403	1,000,000	8,775,000
Solid Waste Utility	813,634	346,996	24,050	2,229,744	1,562,000	93,000	-	82,176	-	5,151,600
Surfacewater Utility	145,690	48,236	20,850	1,451,314	-	360,800	174,983	-	-	2,201,873
Wastewater Connection Fees	-	-	-	9,000	-	250,000	-	34,000	315,000	608,000
Sewer Capital Reserve	-	-	-	250,000	-	1,285,000	-	-	-	1,535,000
Equipment Rental	209,464	87,436	498,200	244,704	-	1,821,296	-	-	-	2,861,100
LEOFF 1 LT Healthcare Res	-	40,000	-	-	-	-	-	-	-	40,000
Firemen's Pension	-	17,000	-	8,000	-	-	-	-	92,000	117,000
TOTAL	15,877,637	5,924,385	1,359,082	11,686,993	4,194,313	6,813,159	3,335,717	285,579	2,751,550	52,228,415



2015 Expenditures - Governmental Operating Funds Only									
Fund/Department	Salaries	Benefits	Supplies	Charges for Service	Govt Services	Capital Outlay	Debt Service	Interfund Transfers	Total
City Council	50,400	4,190	6,400	44,273	86,364	-	-	-	191,627
Municipal Court	-	-	7,000	60,600	337,324	-	-	-	404,924
Mayor	267,117	79,775	2,500	10,400	-	500	-	-	360,292
Finance	521,621	171,237	7,200	64,437	-	500	-	-	764,995
City Attorney	317,757	118,523	19,000	33,510	-	200	-	-	488,990
Human Resources	143,892	487,259	1,275	31,610	-	-	-	20,000	684,036
General Facilities	95,511	48,799	23,515	436,076	-	58,000	-	-	661,901
Police	4,880,232	1,639,064	106,037	768,703	1,422,902	62,078	-	-	8,879,016
Fire	3,349,767	946,001	128,855	294,722	-	9,700	-	-	4,729,045
P. Works/Engineering	530,993	174,226	5,000	35,164	-	500	-	-	745,883
Comm Econ Development	791,421	308,735	8,650	212,416	-	-	-	-	1,321,222
TV 10	106,260	35,284	500	27,795	-	-	-	-	169,839
Information Services	352,955	121,209	1,000	143,435	-	25,600	-	-	644,199
CDBG Entitlement Grant	-	-	-	16,400	298,501	-	217,500	-	532,401
Non-Departmental	-	-	800	650,169	391,222	-	-	200,000	1,242,191
Total Current Expense	11,407,926	4,134,302	317,732	2,829,710	2,536,313	157,078	217,500	220,000	21,820,561
City Street	475,416	184,150	117,700	524,592	30,000	500	-	-	1,332,358
Parks and Recreation	907,731	360,495	70,350	383,802	-	-	-	-	1,722,378
Library	744,020	224,212	20,000	58,486	-	145,000	-	-	1,191,718
Total	13,535,093	4,903,159	525,782	3,796,590	2,566,313	302,578	217,500	220,000	26,067,015





<u>Summary of Public Safety & Criminal Justice Budgets:</u>		
	<u>Amount</u>	<u>%</u>
Police Department	8,879,016	34%
Fire Department	4,729,045	18%
Other Public Safety:		
Police/Fire Leoff 1 retirees medical	245,214	
Leoff 1 retirees LT care reserve	20,000	
Police and Fire general facilities	125,625	
Skagit County Dept of Emergency Mgmt	37,000	
Skagit 911 Dispatch	<u>287,822</u>	
	715,661	3%
Criminal Justice:		
Municipal Court	404,924	
Public Defense	518,800	
Prosecution	<u>193,236</u>	
	1,116,960	4%
Total Public Safety and Criminal Justice Budgets	15,440,682	59%

Employee History											
Department	2015		2014		2013		2012		2011	2010	2009
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	FTE	FTE	FTE
	Prelim	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Current Expense											
Mayor	3	0	3	0	3	0	3	0	3	3	3
Municipal Court	0	0	0	0	0	0	0	0	0	3	4
Finance	7	3	7	3	7	3	7	2	7	7	7
City Attorney	4	1	4	0	4	0	3	0	3	3	3
Human Resources	2	0	2	0	1	2	1	1	1	1	1
General Facilities Maintenance	2	0	2	0	2	0	2	0	2	2	2
Police	57	1	57	0	56	0	56	0	56	58	58
Fire	37	1	37	1	37	0	37	0	37	38	38
Public Works/Engineering	6.25	1	6.25	0	6.25	0	6.25	0	6.5	6.5	7.5
Commun. Econ. Development	10	3	10	3	10	2	10	1	10	11.5	12
TV-10	1	2	1	2	1	2	1	2	1	1	1
Information Services	4	1	4	0	4	0	4	0	3	3	3
Total Current Expense	133.25	13	133.25	9	131.25	9	130.25	6	129.5	137	139.5
City Street	8	1	8	1	8	1	8	1	8	8	9
Parks/Recreation	13	15	11	17	11	17	12	16	12	12	12
Library	10	16	10	17	10	17	9	16	9	9	10
Wastewater Utility	16	4	15	4	15	3	15	2	15	15	15
Solid Waste Utility	13	3	13	3	13	3	13	3	13	13	13
Surfacewater Utility	1.75	1	0.75	2	0.75	2	0.75	1	0.5	0.5	0.5
Equipment Rental	3	0	3	0	3	0	3	0	3	3	3
Total-All Funds	198	53	194	53	192	52	191	45	190	197.5	202

