



**2020 MAYOR'S  
RECOMMENDED  
BUDGET**



**THE ADVENTURE  
STARTS HERE!**



# City of Monroe, Washington

## Mayor

Geoffrey Thomas

## Council Members

Kevin Hanford – Mayor Pro Tem

Patsy Cudaback

Ed Davis

Jason Gamble

Jim Kamp

Jeff Rasmussen

Kirk Scarboro

## Executive Leadership

Deborah Knight – City Administrator

Jeff Jolley – Police Chief

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

September 24, 2019



Honorable City Councilmembers and Residents of Monroe:

I am pleased to present the 2020 Mayor's Recommended Budget. I am transmitting the 2020 Recommended Budget to you before the statutory November 1, 2019 deadline. This will provide additional time for the City Council and Monroe community to make any refinements to the preliminary budget before final adoption.

The 2020 Recommended Budget is built around the six strategic priorities discussed by the City Council at its workshop in January:

- |                                      |   |
|--------------------------------------|---|
| 1. Good government                   | 2. Safe and secure                        |
| 3. Building community                | 4. Managing growth                        |
| 5. Investing in economic development | 6. Improving utilities and transportation |

The recommended budget does not include a property tax increase. It is built on a conservative estimate of revenues. It matches up one-time construction sales tax revenues with one-time expenses and on-going revenues, such as property taxes, with on-going expenses. The recommended budget fully funds our reserve accounts and prepares for a slow-down in the regional economy.

Any growth in property tax revenue is due solely to new construction, which is estimated at over \$100,000,000 per the most recent Snohomish County figures. It is a conservative budget, assuming only 110 single family residential home permits (versus 140 for 2019) and a 1.26% growth in population related revenues, such as sales and utility taxes.

The recommended budget includes adding five new positions and backfilling an existing Police administrative position. The new positions include administrative help for Human Resources/ Finance programs, a Code Enforcement officer, and three Public Works maintenance staff to enhance the street maintenance program as well as comply with State environmental regulations regarding our sewer and stormwater programs.

Over the next two months, the City Council will review revenue sources, proposed expenditures, and proposed capital improvements. City staff and I look forward to working with you to finalize the budget and invest our limited resources wisely.

Sincerely,

*Geoffrey Thomas*

Mayor Geoffrey Thomas

## GOOD GOVERNMENT .....

- Fully fund reserves
- Payoff North Kelsey debt
- Support Street Fund and Stormwater Utility
- Design municipal campus renovations

While optimistic about our future revenues, the recommended budget is balanced on reasonable estimates of revenues and expenditures. The 2020 Recommended Budget fully funds the city's reserve accounts and makes the final \$2,908,728 payment on the North Kelsey debt.

General Fund. The General fund is the principal governmental fund of the city. The General Fund supports programs including: police; parks; finance; community and economic development; municipal court; records; and legal services. Total anticipated revenues in the General fund are approximately \$19,028,590. This is a decrease of 6.64% from the 2019 Budget. This decrease is attributed to two main factors: First, \$400,000 in sewer utility taxes will be reallocated to Fund 105 Street Operations and Maintenance to provide a long-term stable source of funding for street maintenance and repair; Second, the 2020 budget estimates 110 new single family residential permits, down from 140 estimated housing permits in 2019.

**The City's 2020 Recommended Budget is balanced without a property tax increase.** The recommended budget would "bank" the unused 1% property tax for potential future use. Overall, by adopting this recommended budget without a property tax increase, the City's property tax levy would decrease from \$1.23/\$1,000 of assessed value (AV) in 2019 to \$1.14/\$1,000 AV in 2020. The City would receive approximately \$3,275,000 in property tax revenue in 2020. This is about a \$74,000 increase over 2019 due solely to new construction.

While all taxes represent 13.5% of the \$100,086,615 2020 Recommended Budget, taxes in the \$19,028,590 General Fund are anticipated at 63.5%. Of this 63.5%, property taxes represent approximately 17.2% of General Fund revenues and sales taxes represent approximately 29.3% of the General Fund revenue. Sales tax is anticipated to increase from \$5,791,928 (2019 Budget) to \$5,932,554 in 2020. Sales tax revenues include an estimated \$450,554 in one-time revenues from construction sales tax. In addition to property taxes and sales taxes, the City would receive an estimated \$2,745,176 in utility taxes and \$138,900 in miscellaneous taxes including admissions tax, leasehold excise tax, and gambling taxes.

Street Fund. The City of Monroe budgets for the operations and maintenance of our existing streets and roadways in a special revenue fund, Fund 105. These services are supported by the state collected gas taxes, which are distributed on a per capita basis, and by our solid waste franchise fees. As with the general fund, the goal in the Street Fund is to be able to support our ongoing operations with ongoing revenues. While not required by policy, the 2020 Recommended Budget proposes paying the first \$400,000 in sewer utility taxes into Fund 105 as

an ongoing revenue source to this fund. These actions align with making Monroe a financially stable community.

## **A SAFE AND SECURE COMMUNITY....**

- Fund a full-time Code Enforcement officer
- Fund part-time social worker to assist homeless
- Fund recommendations to address homelessness
- Initiate an Unmanned Aerial Vehicle Program
- Update the Hazard Mitigation Plan
- Install Surveillance Cameras in parks

In 2013, Monroe residents voted in favor of a 0.1% sales tax to fund public safety. The money has been used to increase the number of patrol officers, target prolific criminals, address reoccurring issues, and fund the city's school resource officer in partnership with the Monroe School District.

New Code Enforcement Officer. In 2019 the City partnered with the State Auditor's Performance Center to evaluate the City's Code Enforcement program. The 2020 Recommended Budget includes adding a new full-time code enforcement officer consistent with the Performance Center's recommendations to increase support for zoning and building code compliance, water quality, and traffic enforcement.

Embedded Social Worker – Community Outreach Team. In 2017, the City hired a half-time social worker in partnership with Snohomish County to meet with homeless individuals, provide information for services, and assistance seeking treatment. The embedded social worker has been very successful. Since coming on board in 2017, the community outreach program, which partners an embedded social worker from Snohomish County and Monroe police personnel, has met with and assisted approximately 300 people. The recommended budget continues to fund the embedded social worker position 20 hours per week.

Recommendations to Address Homelessness. In 2019, with the City Council's support, the City initiated the Homelessness Policy Advisory Committee (HPAC). The committee has been meeting since April. HPAC is expected to deliver its recommendations in February 2020.

To make the right difference will require both time and funding from the City of Monroe. In terms of time, recommendations include the need to lobby and request better coordination from other levels of government and support for better coordination of resources and service delivery among governmental and non-governmental organizations, like Monroe's non-profits. In terms of funding, the recommended budget includes a \$100,000 placeholder for priority initiatives recommended by the City's Homelessness Policy Advisory Committee.

Unmanned Aerial Vehicle (UAV). The budget invests \$18,455 to purchase a UAV shared between public works, police and parks. The UAV will include a heat sensing, thermal image, infrared camera. The UAV will serve as a tool to enhance work done in the City's Public Works Department and enhance tourism and event promotion in the Parks and Recreation Department. The UAV will also be used to support Police Department activities to enhance officer safety, to improve community security, and to better identify publically owned areas where services should be deployed. Before a UAV is purchased, a UAV policy will be developed for Council's deliberation and consideration to adopt.

Hazard Management Plans. Given the recent natural disasters around our nation, it is important that the City have plans to respond to natural and man-made emergencies. Updating the City's emergency management plans and practicing our responses in cooperation with Fire District 7, Snohomish County, and other agencies is paramount. My budget supports funding for emergency preparedness.

## **MANAGING GROWTH...**

- Update City vision, mission, and core values
- Develop Affordable Housing Regulations
- Annex Urban Growth Areas

Vision, Mission and Core Values. In 2018 the City adopted its first six-year strategic plan. Council revisited the plan at the beginning of 2019. During the Council's annual goal setting workshop in 2019, Council discussed the need to update the City's vision, mission, and core values. These were last adopted over 20 years ago. The 2020 Recommended Budget includes \$75,000 to update the vision statement to set priorities for the City's 20-year comprehensive plan. The goal is to encourage engagement and spark the interest and excitement of residents, business owners, partners, visitors, City leaders, and staff in the future of our community. The process will include extensive, diverse, and effective engagement of Monroe's residents and key stakeholders. The outcome will help the City articulate what Monroe wants to be in the future and how Monroe can be positioned to achieve our community's future potential while retaining unique qualities.

Affordable Housing Regulations. Affordable housing continues to challenge cities of all sizes. In 2019, the Community Development Department and the Planning Commission reviewed the City's affordable housing regulations. The Planning Commission is expected to deliver a set of recommended code changes to the City Council in the second quarter of 2020.

### Annexations.

In 2019, City staff began working on establishing the future zoning designation of parcels located in the City's Urban Growth Area (UGA) in anticipation of future annexations. During the remainder of 2019, staff will be working toward the annexation of approximately 180 acres of the City's Urban Growth Area with an anticipated completion date of March 2020. The majority of this land is under development or is anticipated to be developed in 2020 and 2021. Early

estimates show this area can support 400 new single-family residential units and help the City meet its required growth targets.

## **BUILDING COMMUNITY...**

- Construct Lake Tye All Weather Fields
- Acquire property for “North Hill” neighborhood park
- Design Tjerne Place Phase III (Woods Creek to Old Owen Road)
- Support Partnerships

Park Improvements. Monroe has over 200 acres of parks, trails, open space and streetscapes. Residents and visitors value Monroe’s parks system and facilities. The 2020 Recommended Budget supports completing the all-weather fields at Lake Tye Park (\$4,900,000), acquiring property for a neighborhood park to serve the North Hill neighborhood, and updating the Park and Recreation Open Space (PROS) Plan.

Strategic Partnerships. The City of Monroe works best when we create partnerships. Many hands make light work. The 2020 Recommended Budget supports financial partnerships including:

- \$50,000 to provide Monroe residents free access to the pool at the YMCA and discount fees on special YMCA programs;
- \$5,000 to the YMCA from lodging taxes to support the annual Corks and Kegs event;
- \$55,349 to the Monroe Chamber for tourism operations and promotion from lodging taxes;
- \$14,874 to the Monroe Chamber for hosting Music in the Park, the Fair Days Parade, the ChooseMonroe.com website, and assisting with marketing the City outside the immediate region, again through lodging taxes;
- \$25,000 to support the Downtown Monroe Association programs;
- \$8,325 lodging taxes to various not-for-profit organizations to host events that bring visitors to Monroe for extended stays;
- \$15,000 to the Monroe Community Senior Center for the senior bus service;
- \$5,000 to Mt. Si Senior Center/Sky Valley Transit bus for a bus route into and through Monroe;
- \$544,720 for maintenance and repairs to the Boys and Girls Club; and
- \$1,030,000 to expand Boys and Girls Club facility for ECAP program.

## **INVESTING IN ECONOMIC DEVELOPMENT....**

- Design and install new gateway and wayfinding signs
- Support national sports events and promote tourism
- Assist local businesses and attract new businesses

Because the City's costs traditionally increase faster than "income," the City strives to contain costs as much as possible while working to build sustainable resources to support city programs. A strong and diverse economy is an important part of this equation. The 2020 Recommended Budget supports a three part approach to building the local economy:

Gateway and Wayfinding Signs. In 2019, Economic Development Advisory Board (EDAB) recommended new gateway and wayfinding signs as a priority project. The 2020 Recommended Budget includes funding to design new signs with public input, and install the first new gateway sign in Monroe since the 1980s.

Tourism Promotion and Marketing. Residents and visitors already know Monroe as a destination and base for "adventure." There is an effort underway, led by Snohomish County Tourism, to connect communities in the Sky Valley and develop a Sky Valley marketing coalition. Building on this identity is a natural way for Monroe to continue offering local outdoor activities and attract visitors to support Monroe's businesses.

The goal in 2020 is to develop tourism partnerships to cohesively market existing visitor experiences while building new assets such as the Skykomish-Snohomish water trail. Partners include the Monroe Chamber of Commerce, Downtown Monroe Association, Snohomish County Tourism, Sky Valley Chamber, and cities in the Sky Valley and Snoqualmie Valley.

Business Retention and Recruitment. The goals in 2020 are to focus the City's efforts on marketing and selling the North Kelsey properties, while also filling vacant storefronts such as the former Albertsons, exploring new commercial areas, and supporting existing businesses. Proposed initiatives include updating the City's business website to tell potential investors why Monroe is a great place to do business and working with Everett Community College and the Monroe School District to ensure skilled, trained workers are available to fill vacant positions.

## **IMPROVING UTILITIES AND TRANSPORTATION....**

- Support the #Finish522 Campaign
- Stabilize Utility Rates
- Blueberry Lane Stormwater Improvements

#Finish522 Campaign. In 2019 the City worked with the State Legislature and other stakeholders to fund the design phase for widening State Route 522. Thanks to our State Legislators in the 1<sup>st</sup> Legislative District and 39<sup>th</sup> Legislative District, and support from Senator Hobbs, the 2019-2020 State Transportation Budget includes \$12.8 million in the 2019-2021 biennium. Another \$10 million in Connecting Washington funds will be available in 2021. This project has not yet been funded for construction. There is \$10,000 in the 2020 Budget to continue the campaign to #Finish522 and work with other Stakeholders to secure funding for construction.

Stabilize Utility Rates. The City of Monroe manages three utilities or “enterprise funds,” which are Water, Sewer, and Stormwater. Best practices dictate that revenues collected from rate payers must be sufficient to fund personnel, operations, debt service, and capital improvements. The City plans its utility revenue needs over a six year horizon to minimize unexpected fluctuations to its operational needs. The recommended budget proposes a strategy that will reallocate rate adjustments among the three utilities to more appropriately fund each utility without exceeding the rate adjustments’ plan adopted in 2015 and amended in 2019 (see pages 97-98 for further information).

Blueberry Lane Stormwater Improvements. The City has been awarded approximately \$3.5 million in Department of Ecology funding for Blueberry Lane. This funding will help to correct the frequent flooding experienced in this area of the City. Design efforts started in 2018 and 2019 with construction scheduled for 2020, which is reflected in the 2020 Recommended Budget.



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STARTS HERE!**

# INTRODUCTION

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## 2020 Budget Process

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The 2020 Budget Process began with a Council study session on January 28, 2019. At this study session, Council considered long term funding for streets operations and maintenance (O&M) along with funding strategies for stormwater capital and operations. Council met again on April 30, 2019 to review big picture budgeting processes, six year utility projections, and the City's six year strategic plan and on July 30, 2019 to review the Finance and Human Resources work on the Six Year Utility projections and proposed streets O&M funding.

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

May 14, 2019 & July 16, 2019	Six year Utility fund projections
August 20, 2019	2020 Budget assumptions
August 14, 2018	Property Tax/Revenues Discussion
September 11, 2018	Parks & Recreation Reorganization

Along with all of Council's hard work, staff and I worked with the Homelessness Policy Advisory Committee (HPAC) to develop long range strategies to address homelessness; to develop specific deliverables for these recommendations; and to identify funding for these strategies and deliverables. This process began in January 2019 and will continue into early 2020. I have included some funding in this recommended budget in anticipation of the HPAC's suggested deliverables.

### **2020 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 should to be completed. This calendar serves as a suggested timeline by which the budget should be developed. Although dates can be changed (but still remain within statutory compliance), the 2020 Budget Calendar was accepted by the Council on February 12, 2019.

Per the calendar, the first public hearing on the 2020 Mayor's Recommended Budget will be held on October 8, 2019 and the first budget workshop with Council will be held on October 15, 2019. Based on feedback received at these two events, it is anticipated that we will actually adopt the budget earlier than originally anticipated. Currently, the adopting budget ordinance is scheduled for first reading on October 22, 2019 with final adoption on December 10, 2019. If there are no major changes suggested to the recommended budget at the public hearings and the budget workshops, the budget can and should be adopted on November 12, 2019. This recommended change is reflected in red on the following calendar:

## Economic Development Advisory Board Draft Recommendations

### 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
	<b>Subtotal Business Recruitment and Retention</b>	<b>\$570,000</b>	<b>\$170,000</b>	<b>\$80,000</b>	<b>\$80,000</b>	<b>\$80,000</b>	<b>\$80,000</b>	<b>\$80,000</b>

## 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
	<b>Subtotal Gateways</b>	<b>\$425,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,000</b>	<b>\$50,000</b>	<b>\$150,000</b>	<b>\$150,000</b>

### 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
	<b>Subtotal Housing</b>	<b>\$ 135,000</b>	<b>\$ 45,000</b>	<b>\$ -</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>	<b>\$ -</b>	<b>\$ -</b>

## 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
	<b>Subtotal Parks and Planning</b>	<b>\$ 2,750,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ 250,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>

### 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
	<b>Subtotal Sidewalks and Trails</b>	<b>\$ 2,900,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 700,000</b>	<b>\$ 350,000</b>	<b>\$ 550,000</b>	<b>\$1,300,000</b>

## Economic Development Advisory Board Draft Recommendations

### 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
<b>Subtotal Tourism Promotion and Marketing</b>		<b>\$165,000</b>	<b>\$45,000</b>	<b>\$30,000</b>	<b>\$22,500</b>	<b>\$22,500</b>	<b>\$22,500</b>	<b>\$22,500</b>

## 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
	<b>Subtotal Utilities</b>	<b>\$720,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ 100,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>

### 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		
	<b>Subtotal Wayfinding</b>	<b>\$455,000</b>	<b>\$ -</b>	<b>\$5,000</b>	<b>\$ 50,000</b>	<b>\$ 400,000</b>	<b>\$ -</b>	<b>\$ -</b>

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# Six Year Strategic Plan

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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 April 30, 2019 meeting, the City Council reviewed the prior year's strategic plan and updated it for the years 2020 through 2024. The Council also identified six core strategic priorities for the City, which will continue to inform the City's long term mission and goals:

- Safe and Secure
- Economic Development
- Manage Growth
- Utilities and Transportation
- Community Culture
- Good Government

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.

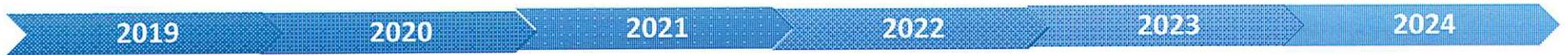
The Six-Year Strategic Plan on the next page was incorporated into the 2020 Mayor's Recommended Budget. The connection between the strategic plan and the City's financial resources, as outlined in the General Fund Six-Year Forecast (pages 68-69), insures a strong link between long-range comprehensive planning, mid-range strategic planning, and short-term implementation decisions included in the annual budget and reflected in department work plans.

# Strategic Priorities

Safe and Secure	Economic Development	Manage Growth	Utilities and Transportation	Parks and Recreation <u>Place-Making</u> <u>Community Culture</u>	Good Government
<ul style="list-style-type: none"> <li>• Court strategic plan</li> <li>• Homelessness/ Addiction strategic plan</li> <li>• Community Resource Center</li> <li>• Police Dept Assessment</li> <li>• Smart City</li> <li>• Code Enforcement</li> <li>• Emergency Management</li> </ul>	<ul style="list-style-type: none"> <li>• Implement Economic development priorities</li> <li>• Gateway/Wayfinding signs</li> <li>• Underground Utilities</li> <li>• Hotel Study</li> <li>• Festival Lot</li> </ul>	<ul style="list-style-type: none"> <li>• Vision 2050</li> <li>• Implement Economic development priorities</li> <li>• Update development regulations</li> <li>• Affordable housing strategic plan</li> <li>• Annex UGA (Incorporate)</li> </ul>	<ul style="list-style-type: none"> <li>• SR522 funding</li> <li>• US 2 Bypass</li> <li>• Blueberry Ln</li> <li>• Tjerne Place</li> <li>• 191<sup>st</sup> Street</li> <li>• Quiet train designation</li> <li>• RR Grade Separation</li> <li>• Water/Sewer Plan updates</li> <li>• SVT Transit</li> </ul>	<ul style="list-style-type: none"> <li>• Lake Tye Park</li> <li>• Cadman Reclamation</li> <li>• Cadman Park</li> <li>• North Hill Park</li> <li>• Centennial Trail</li> <li>• Downtown Art</li> <li>• Update Parks Plan</li> <li>• Al Borlin/ Lewis Street Master Plan</li> <li>• Trails Plan</li> <li>• Update Parks Plan</li> <li>• Community Center</li> <li>• Festival Lot</li> <li>• Chain Lake Trail</li> <li>• N. Kelsey Park</li> <li>• Stage (Bathrooms)</li> </ul>	<ul style="list-style-type: none"> <li>• City Campus Facilities rpt</li> <li>• City Campus Remodel</li> <li>• Document Management</li> <li>• N. Kelsey Debt Payment</li> <li>• Parks and Street funding</li> <li>• Utility Rate Studies</li> <li>• Evaluate Staffing Needs</li> <li>• IT Strategic Plan</li> <li>• Smart City</li> <li>• Diversity</li> <li>• Springbook upgrade/modules</li> </ul>

2020 Mayor's Recommended Budget  
09-24-19

# Strategic Plan 2020-2024



- ~~SR522 Funding Request~~
- ~~Tjerne Pl. Phase III Grant~~
- ~~191st Street Grant~~
- ~~Regional Transportation Improvement Dist (RTID)~~
- ~~City Hall Facilities Report~~
- ~~Design Wayfinding Signs/Select Locations~~
- Lake Tye Field Design
- ~~Cadman Pk Reclamation~~
- ~~Cadman Property Transfer~~
- Downtown Art Install
- Parks Department Reorg
- Quiet Train Designation Approved
- Implement EDAB Recommendations
- Monroe Court Strategic Plan
- IT Strategic Plan
- Parks/Street Funding Strategy(\$)
- Document Records Mngt software Implement (\$)
- Initiate "No Protest" Annexations
- Initiate Vision 2050

- Lake Tye All Weather Fields Construct
- N. Kelsey Debt Payment
- SR522 Design
- ~~Construct Design Tjerne Place Phase III~~
- ~~Construct Design 191st Street~~
- City Hall/Court Campus Design
- RCO Grant Lake Tye N. Hill
- Acquire N. Hill Park
- RR Crossings Evaluation
- Install Wayfinding Gateway Signs
- Voter Approved Park Bond/Levy
- Implement Homelessness/Addiction Strategic Plan (\$)
- Authorize two-year budget
- Implement IT Strategic Plan
- Implement EDAB Recommendations
- Prioritize Annexations
- Update Park Plan
- Finalize Vision 2050
- Evaluate Staffing Needs
- SR522 Funding Request
- Tjerne Pl. Phase III Grant
- 191st Street Grant
- Regional Transportation Improvement Dist (RTID)
- City Hall Facilities Report
- Design Wayfinding Signs/Select Locations
- Cadman Pk Reclamation
- Cadman Property Transfer
- Smart City
- Park Wayfinding/Gateway Signs
- Records Management Phase II
- Recodify MMC Gender Bias

- US 2 Bypass Funding Strategy
- City Hall/Court bond
- ~~Lake Tye All Weather Fields Construct~~
- ~~Cadman Construct~~
- Centennial Trailhead Acquisition
- N. Hill Park Design
- ~~Update Adopt Park Plan~~
- Al Borlin/Lewis St Parks Master Plan
- Train Station/Parallel Tracks
- Hotel Study
- Adopt two-year budget
- RR Grade Separation Strategy
- Install Wayfinding Signs
- Design/Construct Voter Approved Park Projects
- Initiate Annexations
- Water/Sewer Plan Update
- Utility Rate Studies
- Scope Comprehensive Plan
- Implement Vision 2050

- US 2 Bypass Funding Request
- Court/Council Chambers Construction
- N. Hill RCO Grant
- Centennial Trailhead Design
- Al Borlin/Lewis St Parks RCO Grant
- Funding for RR Grade Separation Design
- Evaluate Cost to Underground Utilities Downtown
- Install Wayfinding Signs
- Update Transportation Benefit District for Ballot
- Design/Construct Voter Approved Park Projects
- RCO Grant Cadman
- Cadman Construct

- N. Hill Park Construct
- Centennial Trailhead Construct
- Al Borlin/Lewis St Parks Construct
- ~~Update Adopt Comp Plan~~
- Citywide paved multi-use & on-street bicycle accommodations
- Funding RR Grade Separation Permits
- Funding Strategy to Underground Utilities
- TBD Ballot Measure

- Implement Comp Plan Priorities
- Funding RR Grade Separation
- Underground Utilities Phase I

2020 Mayor's Recommended Budget  
09-24-19



**THE ADVENTURE  
STARTS HERE!**

# BUDGET OVERVIEW

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# Budget Overview

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## 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 2020 Budget is the proposed plan for fiscal year 2020.

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 31 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 2020, the anticipated ending balance in the contingency fund of \$1,081,899 represents full funding for the contingency fund based on the 2020 preliminary City assessed valuation 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.

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# Budget Overview

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## 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 North 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.

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# Budget Overview

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## 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 proposed 2020 Budget across all funds is \$100,086,615. Exclusive of beginning fund balance, the largest revenue stream is charges for services at \$25,107,544 or 25.1% with taxes being the third largest revenue stream at \$13,471,630 or 13.5% of the overall budget. All revenues, exclusive of beginning fund balances and transfers in, total \$56,490,825. In contrast, total expenditures across all funds, exclusive of ending fund balances, reserves, capital and debt service, are \$40,440,789. The difference between these two figures, \$16,050,036, supports our debt service and capital programs along with transfers in and beginning fund balances. Total anticipated ending fund balances, inclusive of reserves, is \$30,253,743.

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 (2020 anticipated is projected to increase by 8.71% over 2019 budget) is attributable to steady development and increased utility accounts. 2020 anticipated taxes include property taxes on new construction estimated at \$100,886,000 per Snohomish County's preliminary figures published on September 19, 2019.

As noted earlier, total expenditures for the City, exclusive of capital, debt service, transfers out, and ending fund balance, is \$40,440,789. 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 2020, it is anticipated that personnel costs (salaries and benefits) will be \$17,297,184 over all funds of the City. This represents 42.8% of the \$40,440,789 expenditure total but represents 17.3% of the overall \$100,086,615 budget.

Exclusive of ending fund balance, capital is the next largest expenditure category at \$23,496,093. This represents 23.5% of the overall \$100,086,615 and is an increase of \$11,429,160 from 2019. 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 2020.

## 2020 EXPENDITURE SOURCES - ALL FUNDS

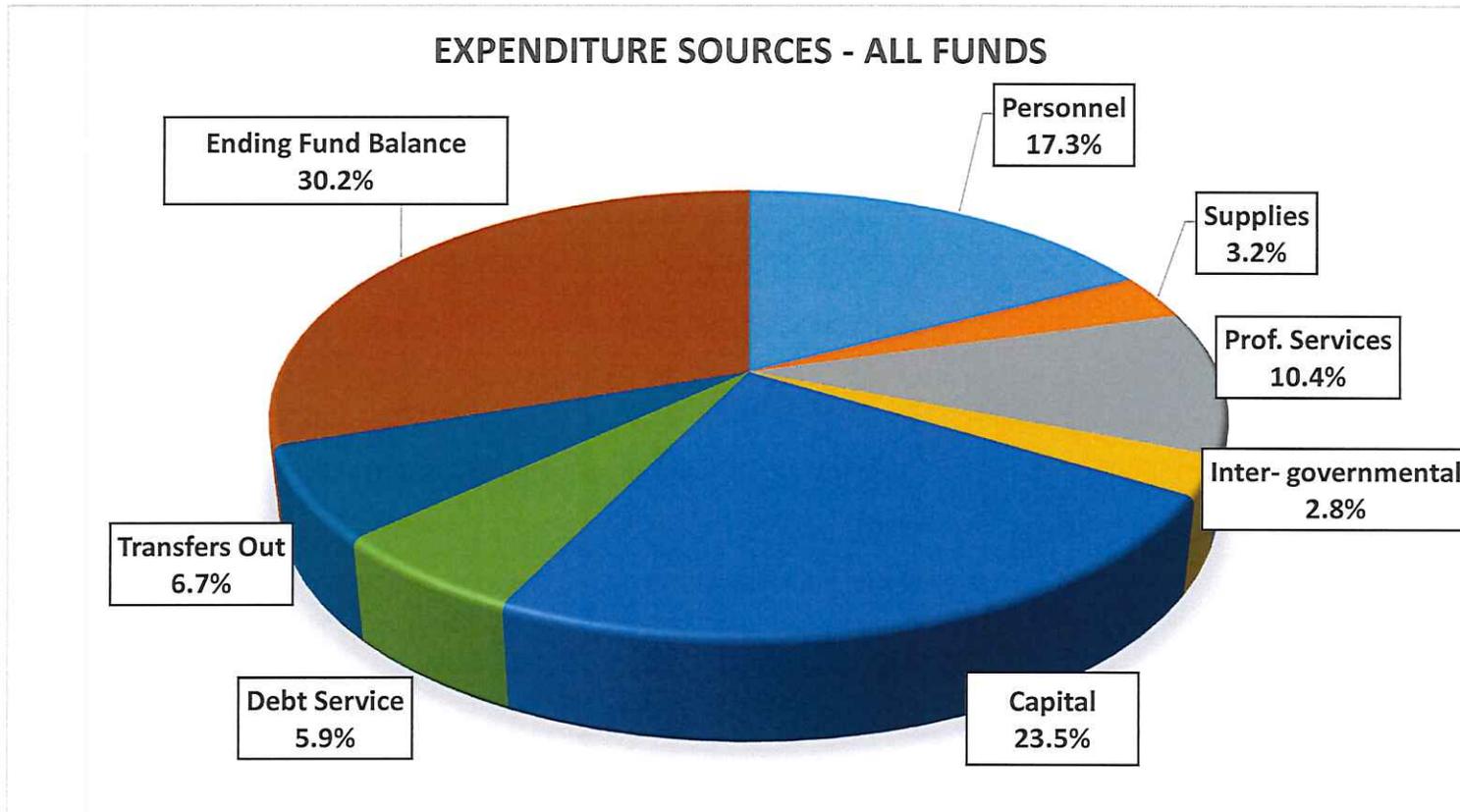
Fund	Personnel	Supplies	Prof. Services	Inter- governmental	Capital	Debt Service	Transfers Out	Ending Fund Balance	Totals
<b><u>General Funds</u></b>									
General Govt Fund (001)									
Non-departmental							620,450	2,697,693	3,318,143
Executive	415,375	15,000	432,933	23,305					886,613
Finance	532,615	6,500	123,147						662,262
Human Resources	225,214	1,000	49,031						275,245
Police	6,570,259	128,651	1,344,563	36,218	3,691				8,083,382
Legislative (Council)	72,722	1,200	184,200	18,500					276,622
Legal			738,000						738,000
City Clerk	148,719	500	45,250						194,469
Municipal Court	404,511	3,000	67,302						474,813
Parks	1,145,321	122,861	450,618	250	3,691				1,722,741
Jail & Dispatch				698,184					698,184
Community Development	1,348,068	22,986	306,678						1,677,732
Emergency Mngt	5,589	4,575	10,220						20,384
Total General Fund	10,868,393	306,273	3,751,942	776,457	7,382	-	620,450	2,697,693	19,028,590
<b><u>Other General Type Funds</u></b>									
Contingency Fund (002)								1,081,899	1,081,899
Donation Fund (008)		7,075						4,750	11,825
<b>Total All Gen. Type Funds</b>	10,868,393	313,348	3,751,942	776,457	7,382	-	620,450	3,784,342	20,122,314
<b><u>Special Revenue Funds</u></b>									
Street Fund (105)	607,026	117,084	386,342				1,737	361,099	1,473,288
Lodging Tax Fund (109)			120,000					25,246	145,246
Narcotics Fund (114)			15,600					19,947	35,547
REET Fund (117)							307,380	4,092,765	4,400,145
<b>Total All Spec. Rev. Funds</b>	607,026	117,084	521,942	-	-	-	309,117	4,499,057	6,054,226
<b><u>Debt Service Fund</u></b>									
Debt Service Fund (203)						3,047,108		3,461	3,050,569

## 2020 EXPENDITURE SOURCES - ALL FUNDS

Fund	Personnel	Supplies	Prof. Services	Inter-governmental	Capital	Debt Service	Transfers Out	Ending Fund Balance	Totals
<b><u>Capital Funds</u></b>									
General CIP Fund (307)					1,574,720				1,574,720
Parks CIP Fund (317)	233,665		143,849		7,214,000			260,495	7,852,009
Street CIP Fund (318)	231,869		30,378		5,382,181			267,752	5,912,180
No. Kelsey Dev Fund (319)			78,836				2,908,728		2,987,564
<b>Total All Capital Funds</b>	<b>465,534</b>	<b>-</b>	<b>253,063</b>	<b>-</b>	<b>14,170,901</b>	<b>-</b>	<b>2,908,728</b>	<b>528,247</b>	<b>18,326,473</b>
<b><u>Enterprise Funds</u></b>									
Water O&M Fund (411)	1,201,601	1,808,659	1,014,421	664,109	3,691	754,146	1,312,738	653,152	7,412,517
Water CIP Fund (412)	392,291		122,398	92,593	4,523,977			2,345,461	7,476,720
Sewer O&M Fund (421)	1,459,308	358,309	2,053,574	1,041,257	88,335	1,877,617	1,493,589	814,808	9,186,797
Sewer CIP Fund (422)	243,315		178,509	96,974	342,064			9,080,132	9,940,994
Stormwater O&M Fund (431)	1,007,429	84,809	689,813	130,868	86,335	217,119		248,149	2,464,522
Stormwater CIP Fund (432)	269,836		52,939		3,138,657			478,926	3,940,358
Rev. Bond Reserve Fund (450)							10,464	2,819,445	2,829,909
<b>Total All Enterprise Funds</b>	<b>4,573,780</b>	<b>2,251,777</b>	<b>4,111,654</b>	<b>2,025,801</b>	<b>8,183,059</b>	<b>2,848,882</b>	<b>2,816,791</b>	<b>16,440,073</b>	<b>43,251,817</b>
<b><u>Internal Service Funds</u></b>									
Info. Technology Fund (510)	162,757	105,000	549,787					83,431	900,975
Fleet & Equipment Fund (520)	322,729	281,000	303,201		1,034,751		42,699	4,839,931	6,824,311
Facilities Fund (530)	296,965	153,700	930,064		100,000			75,201	1,555,930
<b>Total All Internal Svc Fund</b>	<b>782,451</b>	<b>539,700</b>	<b>1,783,052</b>	<b>-</b>	<b>1,134,751</b>	<b>-</b>	<b>42,699</b>	<b>4,998,563</b>	<b>9,281,216</b>
<b>TOTAL ALL FUNDS</b>	<b>17,297,184</b>	<b>3,221,909</b>	<b>10,421,653</b>	<b>2,802,258</b>	<b>23,496,093</b>	<b>5,895,990</b>	<b>6,697,785</b>	<b>30,253,743</b>	<b>100,086,615</b>

## 2020 EXPENDITURE SOURCES - ALL FUNDS

	Personnel	Supplies	Prof. Services	Inter-governmental	Capital	Debt Service	Transfers Out	Ending Fund Balance	Totals
<b>TOTAL ALL FUNDS</b>	<b>\$ 17,297,184</b>	<b>\$ 3,221,909</b>	<b>\$ 10,421,653</b>	<b>\$ 2,802,258</b>	<b>\$ 23,496,093</b>	<b>\$ 5,895,990</b>	<b>\$ 6,697,785</b>	<b>\$ 30,253,743</b>	<b>\$ 100,086,615</b>
	17.3%	3.2%	10.4%	2.8%	23.5%	5.9%	6.7%	30.2%	



## 2020 REVENUE SOURCES - ALL FUNDS

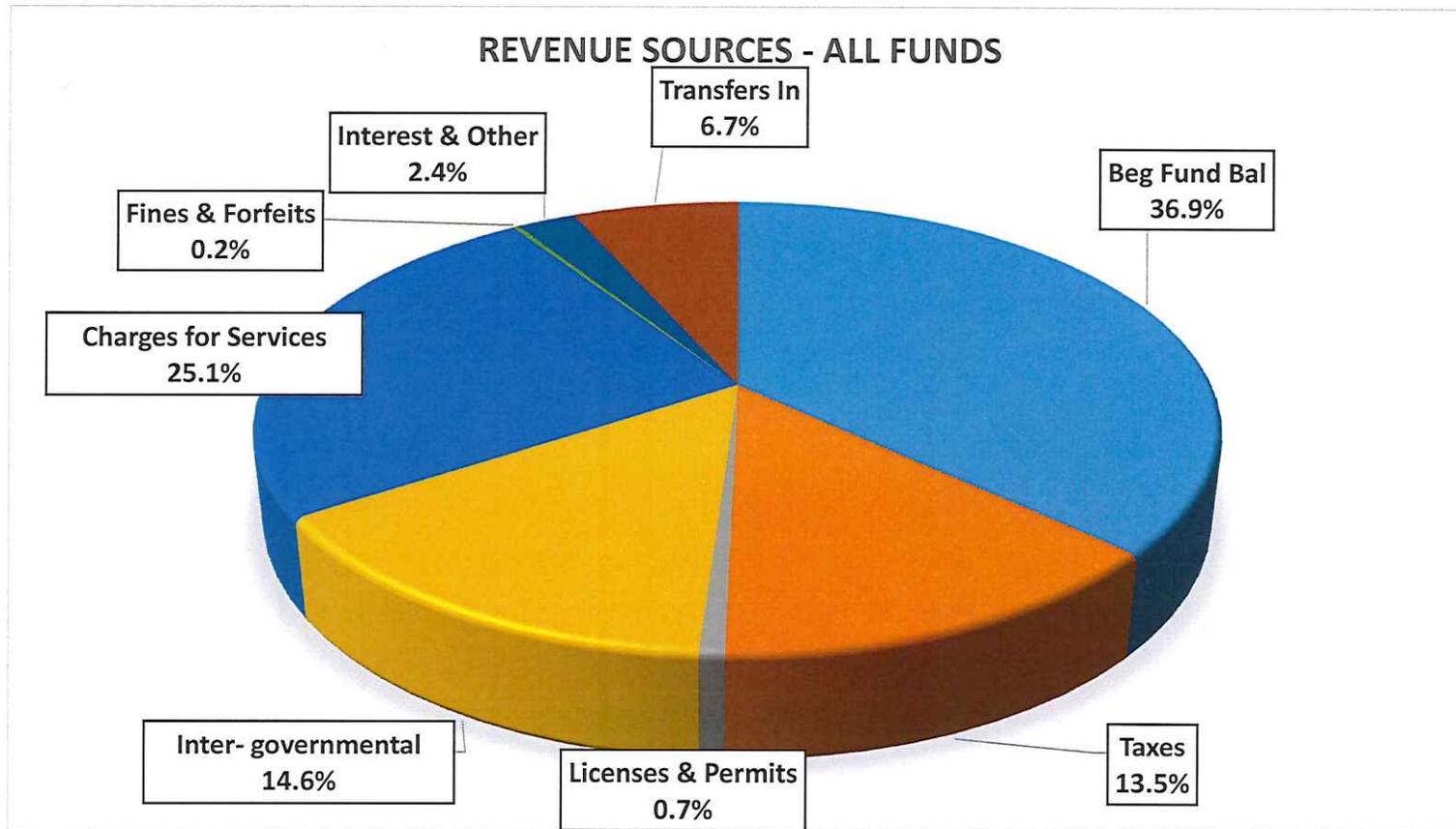
Fund	Beg. Fund Balance	Taxes	Licenses & Permits	Inter-governmental	Charges for Services	Fines & Forfeits	Interest & Other	Transfers In	Totals
<b><u>General Funds</u></b>									
General Govt Fund (001)									
Non-departmental	3,966,802	11,229,730	189,350	112,000	4,850		76,697	40,209	15,619,638
Executive				20,500	384,959				405,459
Finance					307,163		350		307,513
Human Resources					57,782		150		57,932
Police		861,900	12,500	369,596	58,306		2,000		1,304,302
Legislative (Council)					181,050				181,050
Legal					176,703				176,703
City Clerk					88,243				88,243
Municipal Court						213,400	80		213,480
Parks				20,760	39,125		1,500		61,385
Jail & Dispatch									-
Community Development			319,000		293,565		300		612,865
Emergency Mngt							20		20
Total General Fund	3,966,802	12,091,630	520,850	522,856	1,591,746	213,400	81,097	40,209	19,028,590
<b><u>Other General Type Funds</u></b>									
Contingency Fund (002)	973,386						13,063	95,450	1,081,899
Donation Fund (008)	5,975						5,850		11,825
<b>Total All Gen. Type Funds</b>	4,946,163	12,091,630	520,850	522,856	1,591,746	213,400	100,010	135,659	20,122,314
<b><u>Special Revenue Funds</u></b>									
Street Fund (105)	373,541	400,000	200,000	435,243	57,500		7,004		1,473,288
Lodging Tax Fund (109)	64,246	80,000					1,000		145,246
Narcotics Fund (114)	35,469						78		35,547
REET Fund (117)	3,446,875	900,000					53,270		4,400,145
<b>Total All Spec. Rev. Funds</b>	3,920,131	1,380,000	200,000	435,243	57,500	-	61,352	-	6,054,226
<b><u>Debt Service Fund</u></b>									
Debt Service Fund (203)	3,413						48	3,047,108	3,050,569

## 2020 REVENUE SOURCES - ALL FUNDS

Fund	Beg. Fund Balance	Taxes	Licenses & Permits	Inter-governmental	Charges for Services	Fines & Forfeits	Interest & Other	Transfers In	Totals
<b><u>Capital Funds</u></b>									
General CIP Fund (307)				1,574,720					1,574,720
Parks CIP Fund (317)	1,287,752			6,105,000	272,690		55,830	130,737	7,852,009
Street CIP Fund (318)	1,026,613			2,473,217	2,382,250		30,100		5,912,180
No. Kelsey Dev Fund (319)	2,553,517						34,047	400,000	2,987,564
<b>Total All Capital Funds</b>	<b>4,867,882</b>	-	-	<b>10,152,937</b>	<b>2,654,940</b>	-	<b>119,977</b>	<b>530,737</b>	<b>18,326,473</b>
<b><u>Enterprise Funds</u></b>									
Water O&M Fund (411)	667,746				6,726,053		15,054	3,664	7,412,517
Water CIP Fund (412)	5,238,061						925,921	1,312,738	7,476,720
Sewer O&M Fund (421)	1,397,789				7,751,100		30,455	7,453	9,186,797
Sewer CIP Fund (422)	7,477,672						969,733	1,493,589	9,940,994
Stormwater O&M Fund (431)	284,529				2,171,466		6,690	1,837	2,464,522
Stormwater CIP Fund (432)	431,724			3,500,000			8,634		3,940,358
Rev. Bond Reserve Fund (450)	2,789,385						40,524		2,829,909
<b>Total All Enterprise Funds</b>	<b>18,286,906</b>	-	-	<b>3,500,000</b>	<b>16,648,619</b>	-	<b>1,997,011</b>	<b>2,819,281</b>	<b>43,251,817</b>
<b><u>Internal Service Funds</u></b>									
Info. Technology Fund (510)	228,106				591,333		6,536	75,000	900,975
Fleet & Equipment Fund (520)	4,533,260				2,219,442		71,609		6,824,311
Facilities Fund (530)	112,144				1,343,964		9,822	90,000	1,555,930
<b>Total All Internal Svc Fund</b>	<b>4,873,510</b>	-	-	-	<b>4,154,739</b>	-	<b>87,967</b>	<b>165,000</b>	<b>9,281,216</b>
<b>TOTAL ALL FUNDS</b>	<b>36,898,005</b>	<b>13,471,630</b>	<b>720,850</b>	<b>14,611,036</b>	<b>25,107,544</b>	<b>213,400</b>	<b>2,366,365</b>	<b>6,697,785</b>	<b>100,086,615</b>

## 2020 REVENUE SOURCES - ALL FUNDS

	Beg Fund Bal	Taxes	Licenses & Permits	Inter-governmental	Charges for Services	Fines & Forfeits	Interest & Other	Transfers In	Totals
<b>TOTAL ALL FUNDS</b>	<b>\$ 36,898,005</b>	<b>\$ 13,471,630</b>	<b>\$ 720,850</b>	<b>\$ 14,611,036</b>	<b>\$ 25,107,544</b>	<b>\$ 213,400</b>	<b>\$ 2,366,365</b>	<b>\$ 6,697,785</b>	<b>\$ 100,086,615</b>
	36.9%	13.5%	0.7%	14.6%	25.1%	0.2%	2.4%	6.7%	



## Transfers In and Out

Fund	Amount In	Amount Out
General Fund 001		\$ 95,450 To Contingency Fund 002
General Fund 001		\$ 400,000 To No. Kelsey Dev. Fund 319
General Fund 001		\$ 75,000 To IT Fund 510
General Fund 001		\$ 50,000 To Facilities Fund 530
General Fund 001	\$ 40,209	From Fleet Fund 520
Contingency Reserve Fund 002	\$ 95,450	From General Fund 001
Street O&M Fund 105		\$ 1,737 To Parks CIP Fund 317
REET Fund 117		\$ 138,380 To Debt Service Fund 203
REET Fund 117		\$ 129,000 To Parks CIP Fund 317
REET Fund 117		\$ 40,000 To Facilities Fund 530
Debt Service Fund 203	\$ 2,908,728	From No. Kelsey Dev. Fund 319
Debt Service Fund 203	\$ 138,380	From REET Fund 117
Parks CIP Fund 317	\$ 129,000	From REET Fund 117
Parks CIP Fund 317	\$ 1,737	From Street O&M Fund 105
No Kelsey Dev. Fund 319	\$ 400,000	From General Fund 001
No Kelsey Dev. Fund 319		\$ 2,908,728 To Debt Service Fund 203
Water O&M Fund 411		\$ 1,312,738 To Water CIP Fund 412
Water O&M Fund 411	\$ 2,834	From Rev. Debt Reserve Fund 450
Water O&M Fund 411	\$ 830	From Fleet Fund 520
Water CIP Fund 412	\$ 1,312,738	From Water O&M Fund 411
Sewer O&M Fund 421		\$ 1,493,589 To Sewer CIP Fund 422
Sewer O&M Fund 421	\$ 6,623	From Rev. Debt Reserve Fund 450
Sewer O&M Fund 421	\$ 830	From Fleet Fund 520
Sewer CIP Fund 422	\$ 1,493,589	From Sewer O&M Fund 421
Stormwater O&M Fund 431	\$ 1,007	From Rev. Debt Reserve Fund 450
Stormwater O&M Fund 431	\$ 830	From Fleet Fund 520
Rev. Debt Reserve Fund 450		\$ 2,834 To Water O&M Fund 411
Rev. Debt Reserve Fund 450		\$ 6,623 To Sewer O&M Fund 421
Rev. Debt Reserve Fund 450		\$ 1,007 To Stormwater O&M Fund 431
Information Technology Fund 510	\$ 75,000	From General Fund 001
Fleet & Equipment Fund 520		\$ 42,699 To General Fund 001
Facilities Fund 530	\$ 40,000	From REET Fund 117
Facilities Fund 530	\$ 50,000	From General Fund 001
Totals:	<u>\$ 6,697,785</u>	<u>\$ 6,697,785</u>



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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.

### General Fund - Revenues

	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Taxes	\$ 9,374,990	\$10,922,890	\$11,187,505	\$12,400,214	\$12,797,176	\$12,091,630
Licenses & Permits	837,034	806,563	943,596	631,183	726,500	520,850
Intergovernmental	622,953	616,418	584,359	520,815	543,331	522,856
Charges for Services	1,349,768	1,095,781	1,439,399	1,570,810	1,575,374	1,591,696
Fines & Forfeitures	295,620	283,176	238,974	240,624	219,587	213,400
Interest & Other Rev	57,609	77,170	104,561	70,571	99,499	81,147
Transfers In	100,000	446,953	122,351	-	-	40,209
Beginning Fund Balance	2,943,177	3,383,932	4,548,625	4,422,551	4,422,551	3,966,802
Total	\$15,581,152	\$17,632,883	\$19,169,371	\$19,856,768	\$20,384,018	\$19,028,590

Total anticipated revenues for 2020 in the General Fund, without consideration of the beginning fund balance, is a decrease of \$372,429 from the 2019 Budget. This decrease is attributable to the to the use of \$400,000 of the sewer utility tax for Fund 105 Streets Operations and Maintenance, which will be posted directly to Fund 105.

## REVENUES

The majority of the General Fund revenues are taxes. For the 2020 proposed budget, tax revenue represents 63.5% 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 8.4% 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 table below outlines the various revenue categories anticipated in 2020 for the General Fund.

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## General Fund Overview

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### 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 years 2017 and 2019. 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. In fiscal year 2019, the City used \$450,000 of this remaining banked capacity, specifically to hire two positions for its Parks Department and to help fund some of the Economic Development Advisory Board's recommendations. For fiscal year 2020, the budget recommends foregoing the statutorily allowed 1% property tax increase. Any growth in property taxes would be solely from new construction.

The following chart details the historical rate per thousand assessed for City taxes since 2013:

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Historical City Assessed Valuation, General Property Tax Levied, and City Property Tax Rate

**\*\*2020 rates are preliminary estimates**

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Year	Assessed Value	Revenue	per \$1,000
2020**	\$ 2,885,062,587	\$ 3,275,000	\$ 1.14
2019	\$ 2,600,459,852	\$ 3,201,628	\$ 1.23
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

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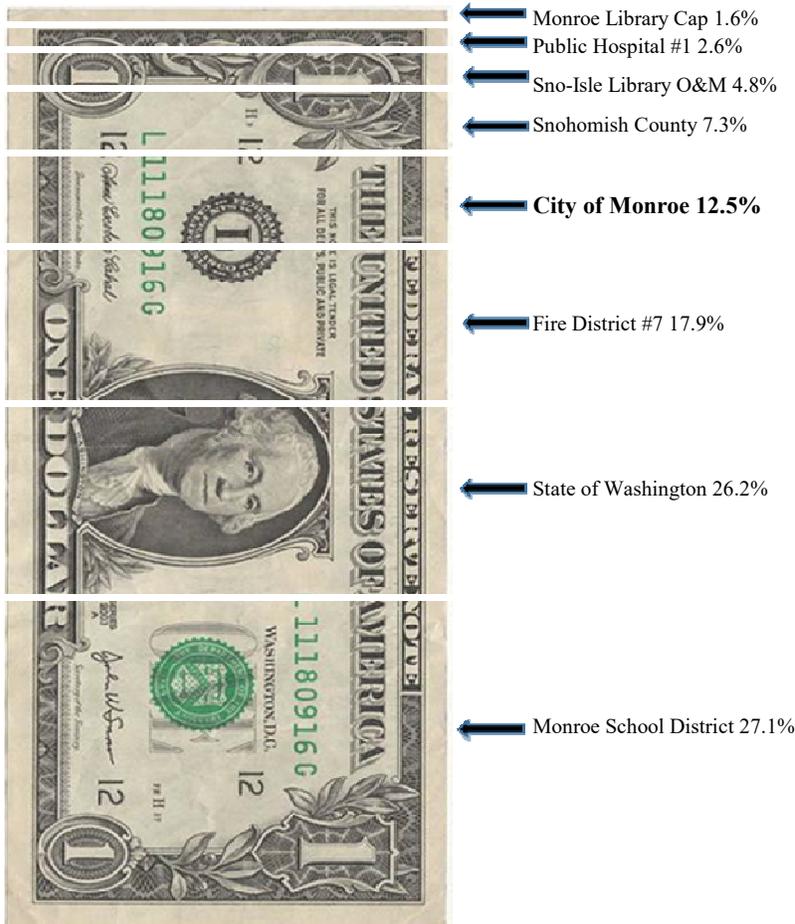
# General Fund Overview

## Property Taxes continued:

Snohomish County has indicated that estimated increases to assessed values for property in Monroe will be on average 8.18%. By not assessing the 1% increase to property taxes allowed by law, the City of Monroe's portion of the property tax bill should remain the same (slight difference due to rounding). The following table illustrates this:

Taxes calculated by taking assessed value/1,000 times tax rate

2019 Home Value	2020 Estimated Home Value 8.18% Increase	2019 City Tax Rate	2019 City Tax	2020 Estimated City Tax Rate	2020 Estimated City Tax	Difference Year of Year
\$ 250,000	\$ 270,450	\$ 1.23	\$ 307.79	\$ 1.14	\$ 307.77	\$ (0)
\$ 300,000	\$ 324,540	\$ 1.23	\$ 369.35	\$ 1.14	\$ 369.33	\$ (0)
\$ 400,000	\$ 432,720	\$ 1.23	\$ 492.47	\$ 1.14	\$ 492.44	\$ (0)
\$ 500,000	\$ 540,900	\$ 1.23	\$ 615.59	\$ 1.14	\$ 615.54	\$ (0)
\$ 600,000	\$ 649,080	\$ 1.23	\$ 738.71	\$ 1.14	\$ 738.65	\$ (0)



The property tax rates illustrated above are for the City of Monroe's portion only of the overall tax bill. For the majority of residents, the property tax bill also includes taxes to the state, Fire District #7, the library, schools, hospital, and county. The graphic to the left illustrates how much of each dollar paid in property taxes goes to each jurisdiction. For 2019, the City of Monroe's portion represented 12.5% of the total bill. The total property tax bill on a house with an assessed value of \$433,200 in 2019 is \$4,251 (total tax rate is \$9.82 for this property). The City receives \$533 of this \$4,251, with the remainder going to other agencies.

# General Fund Overview

Property taxes continued:



While all taxes represent 63.5% of the 2020 General Fund budget, property taxes alone represent just 17.2% of the anticipated General Fund revenues (\$3,275,000 of the \$19,028,590 anticipated revenue). The largest source of anticipated taxes to the 2020 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 9.3%. Of this rate, 6.5% goes to the state, 1.5% to other agencies, and the remaining 1.3% stays here locally. For 2020, the anticipated Monroe portion of general sales taxes represent 26.9% of the overall General Fund budget (\$5,110,554 of the \$19,028,590 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 9.3%) 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 \$472,000 which is 2.5% of the overall anticipated General Fund budget. This \$472,000 represents 5.8% of the Police department 2020 proposed expenditure budget.

Remaining 2020 anticipated sales taxes are the state shared taxes for Criminal Justice at 1.8% or \$350,000 of the overall anticipated General Fund revenues. This again is restricted resources for public safety, and represents 4.3% of the Police Department's 2020 proposed expenditure budget.

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# General Fund Overview

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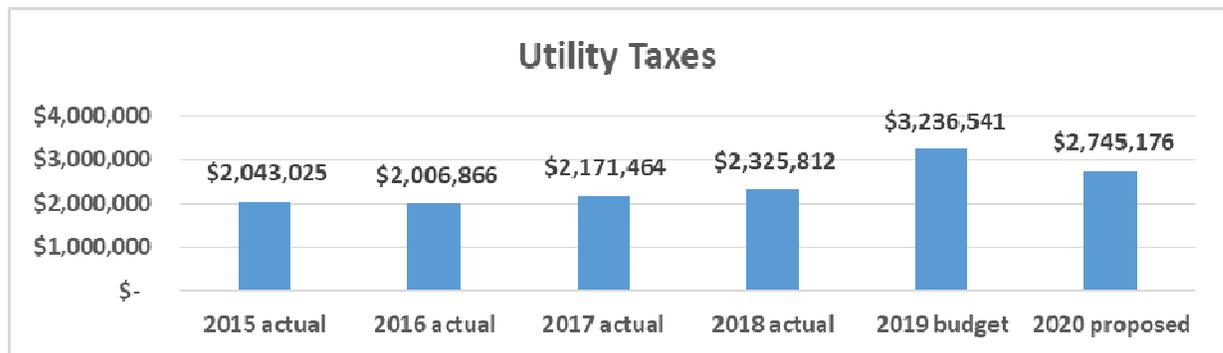
## Utility Taxes

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 O&M.)

Beginning in 2019, the City assesses a 10% utility tax on its sewer utility, similar to what is assessed on our water utility. This tax is estimated to generate over \$925,000 in revenue. For 2020, the first \$400,000 of this tax will be receipted into Fund 105 Street O&M to support its operations. The remaining estimated \$475,128 will be revenue to the General Fund.

Utility taxes are our third largest revenue source to the General Fund, behind sales and property taxes but exclusive of beginning fund balance. 2020 anticipated utility taxes represent 14.4% of the General Fund anticipated revenues (\$2,745,176 of the \$19,028,590 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, 2020 utility taxes are anticipated to increase over 2019 before consideration of the \$400,000 to be receipted in the Fund 105 Streets O&M. Actual estimated utility tax revenue to the General Fund will see a slight decrease in 2020.



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# General Fund Overview

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## Other Taxes

The remaining 2020 taxes are derived from Admissions Taxes, Leasehold Excise Taxes, and Gambling Taxes. These taxes represent 0.73% or \$138,900 of the overall 2020 General Fund revenues. The largest portion of these remaining taxes is the admissions tax (\$95,000), which had been declining in recent years.

## 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, \$319,000 of the \$520,850 total expected. These are the fees assessed against new housing starts. The City is estimating a conservative 110 new housing permits for 2020, which is a decrease from the 140 anticipated in 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 2020, Monroe's official population is 19,250. This is a 2.06% increase over the 2019 figure of 18,860. Intergovernmental revenues represent 2.75% of the total anticipated General Fund revenue (\$522,856 of the \$19,028,590). This is a slight increase (0.39%) from 2019 Budget.

## 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 2020 anticipated charges for services revenues make up 8.36% of the General Fund anticipated revenues. The majority of the fees in this category are generated by planning services and plan review fees and overhead/fixed cost recovery fees.

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# General Fund Overview

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## Fines & Forfeitures

Fines and forfeitures represent traffic citations and other fines imposed through enforcement of local ordinances and state statutes. 2020's projected revenue is a decrease from 2019 budget by \$27,224 or 11.3%. These revenues are hard to anticipate as they are dependent on specific enforcement actions.

## Interest and Other Revenues

Interest and other revenues represents the interest earned on the City's investments and other miscellaneous 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. 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, as allowed by state 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 \$10,576 over 2019 budget, mostly due to longer term investments that were reinvested during 2019 at higher interest yields.

## 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 is one anticipated transfer in from Fund 520 Fleet and Equipment for \$40,209. Because charges to Fund 520 occur on a two year look back (2020 Budget is based on 2018 actuals), recalculation of rates has generated a rebate from Fund 520 back to the General Fund.

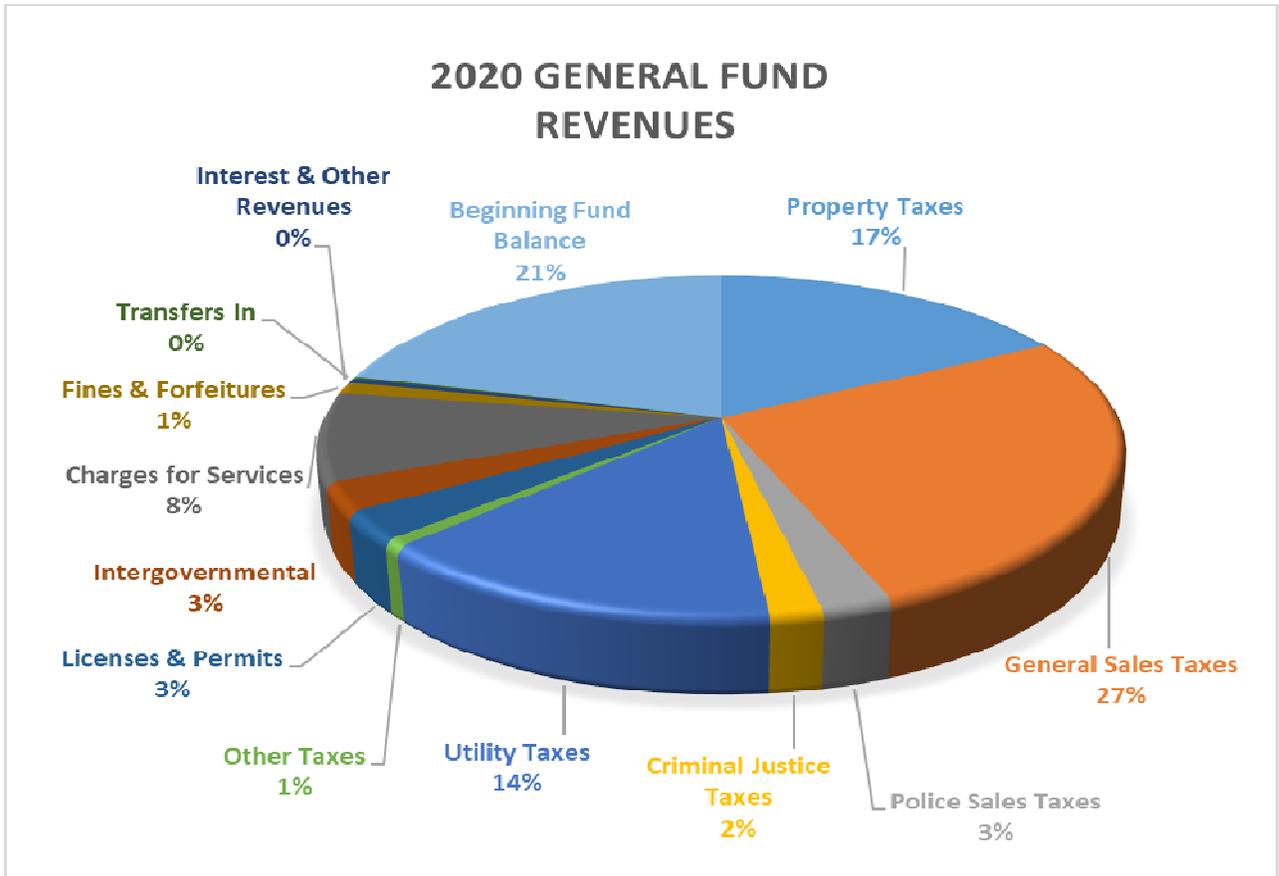
## Beginning Fund Balance

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 exceed the budget. The City's practice is to reserve 17% of anticipated expenditures from the beginning fund balance to insure we have a proper reserve for cash flow purposes and other unanticipated needs.

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# General Fund Overview

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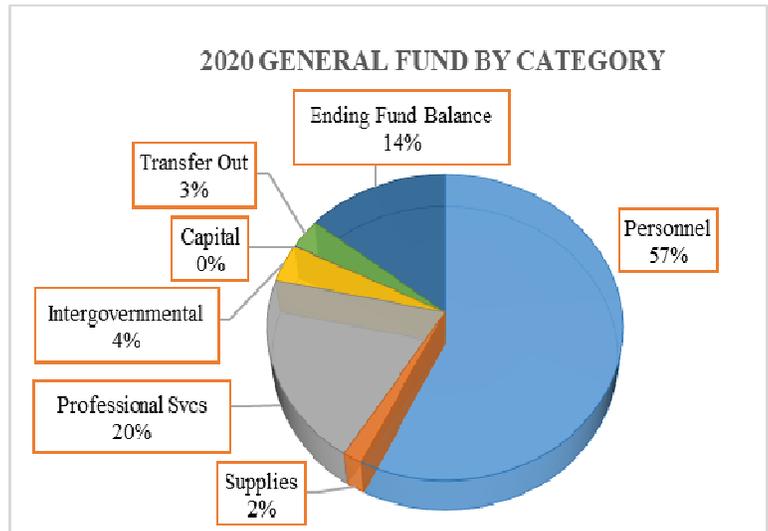
# General Fund Overview

## EXPENDITURES

Total 2020 proposed General Fund expenditures is \$19,028,590. This is in balance with total anticipated General Fund revenues. Without ending fund balance, General Fund expenditures total \$16,330,897. This is a 4.6% decrease from 2019 budget. The majority of this decrease is attributable transfers out from the General Fund. Transfers out decreased from \$1,979,405 to \$620,450. The 2019 Budget included the North Kelsey Debt payment needs.

Personnel costs (salaries and benefits) are the largest category of costs to the General Fund at 57.1% of the budget inclusive of ending fund balance (\$10,868,393). Without consideration of ending fund balance, personnel costs represent 66.6% of the approved budget. Professional services, at 19.7% or \$3,751,942 is the second largest category of costs. Without consideration of ending fund balance, professional services is 23.0% of budget.

2020 Proposed General Fund		
Personnel	\$10,868,393	57.1%
Supplies	\$ 306,273	1.6%
Professional Svcs	\$ 3,751,942	19.7%
Intergovernmental	\$ 776,457	4.1%
Capital	\$ 7,382	0.0%
Transfers Out	\$ 620,450	3.3%
Ending Fund Balance	\$ 2,697,693	14.2%
<b>Total</b>	<b>\$19,028,590</b>	<b>100%</b>



The following General Fund budget pages provide cost breakdowns for each department along with the department's 2019 accomplishments and 2020 budget goals.

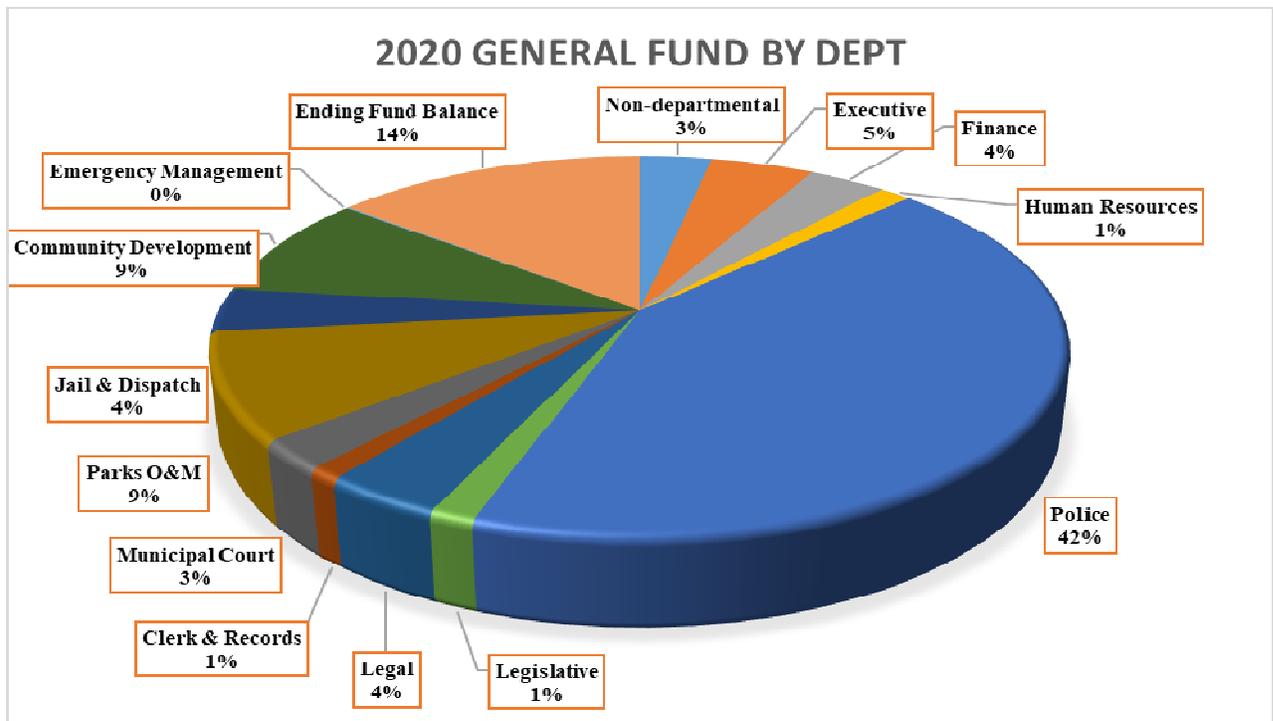
As you review individual costs center histories within the General Fund, you will notice that some expenditures have moved from one cost center to another. For example, legal costs associated with prosecution were formerly charged to Jail & Dispatch and legal costs associated with land use issues were 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Non-departmental	\$ 154,956	\$ 259,292	\$ 1,123,739	\$ 1,979,405	\$ 1,923,848	\$ 620,450
Executive (formerly Admin)	469,070	649,443	691,523	794,655	754,662	886,613
Finance	527,389	568,025	524,931	567,917	563,255	662,262
Human Resources	147,637	152,414	194,917	218,762	215,979	275,245
Police	6,747,024	7,004,650	7,276,020	7,887,945	7,537,030	8,083,382
Legislative	190,552	187,380	158,209	276,757	216,261	276,622
Legal	578,593	528,602	614,057	728,000	683,000	738,000
Clerk & Records	210,673	134,672	149,284	174,941	193,960	194,469
Municipal Court	326,001	343,494	367,499	414,783	418,147	474,813
Parks O&M	1,129,368	1,319,057	1,368,704	1,773,793	1,656,281	1,722,741
Jail & Dispatch	721,123	734,096	777,360	771,000	673,862	698,184
Community Development	981,948	1,185,932	1,458,324	1,509,673	1,559,281	1,677,732
Emergency Management	22,400	15,945	17,505	26,870	21,651	20,384
Ending Fund Balance	3,383,932	4,549,880	4,447,297	2,732,267	3,966,803	2,697,693
<b>Total</b>	<b>\$15,590,666</b>	<b>\$17,632,883</b>	<b>\$19,169,371</b>	<b>\$19,856,768</b>	<b>\$20,384,018</b>	<b>\$19,028,590</b>



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## 000 - Non Departmental

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This cost center accounts for the budgeted transfers the general fund makes to other funds of the City. The four budgeted transfers for 2020 include \$95,450 to Fund 002 Contingency Fund to increase this fund based on the City's estimated assessed value, \$75,000 to Fund 510 IT for City wide accounting system (Springbrook) update and City wide electronic document management software, \$50,000 to Fun 530 Facilities to upgrade the City's key card entry system for campus security, and \$400,000 to Fund 319 North Kelsey.

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### 000 - Non-Departmental

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	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Salaries (10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits (20)	-	-	-	-	-	-
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	-	-	-	-	-	-
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	154,956	259,292	1,123,739	1,979,405	1,923,848	620,450
Total	\$ 154,956	\$ 259,292	\$ 1,123,739	\$ 1,979,405	\$ 1,923,848	\$ 620,450

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### Full Time Equivalents History

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This cost center does not have assigned staff.

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## 000 – Non Departmental

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### 2019 Accomplishments

- Increased the transfer to the North Kelsey Fund from \$1,015,000 to \$1,528,728 to reserve funds for the 2020 Debt Service payment (\$2,908,728). Estimated reserves for this payment at the end of 2019 is \$2,553,518.

### 2020 Major Goals and Objectives

- Transfer \$95,450 to Fund 002 – Contingency Fund to fully fund the contingency based on the City's projected 2020 assessed value.
- Transfer \$60,000 to Fund 510 Information Technology to fund upgrading the City's Springbrook general ledger software program to the most recent version.
- Transfer \$15,000 to Fund 510 Information Technology to fund the continued City wide Electronic Document Management System program.
- Transfer \$50,000 to Fund 520 Facilities to upgrade the City's key card entry system to current technology to improve City campus security.
- Transfer \$400,000 to Fund 319 North Kelsey to reserve funds for the 2020 North Kelsey debt payment (\$2,908,728).

## 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Salaries (10)	\$ 155,690	\$ 125,639	\$ 267,528	\$ 283,021	\$ 282,558	\$ 298,660
Benefits (20)	50,613	58,159	95,982	112,905	108,905	116,715
Supplies (30)	5,925	6,858	7,667	7,500	9,673	15,000
Professional Svcs (40)	236,143	419,426	298,734	348,185	311,074	432,933
Intergovernmental (50)	23,200	39,361	21,611	23,044	22,452	23,305
Capital (60)	-	-	-	20,000	20,000	
Debt Service (70-80)	-	-	-	-	-	
Other (90)	-	-	-	-	-	
Total	\$ 471,570	\$ 649,443	\$ 691,523	\$ 794,655	\$ 754,662	\$ 886,613

Full Time Equivalents History						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Mayor	0.00	0.00	1.00	1.00	1.00	1.00
City Administrator	1.00	1.00	1.00	1.00	1.00	1.00
Admin Support	0.00	1.00	1.00	1.00	1.00	1.00
Total	1.00	2.00	3.00	3.00	3.00	3.00

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## 001 – Executive

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### 2019 Accomplishments

- Entered into a Letter of Intent for the North Kelsey properties.
- Obtain \$500,000 Land and Water Conservation Futures grant funding for East Monroe.
- Support work with the Chamber on visitor website upgrade.
- Built stakeholder coalition for SR 522 and US 2 capacity improvements. Created marketing campaign - #Finish522.
- Secured \$12 million in funding for design and advanced \$10 million from Connecting Washington package to Finish 522.
- Secured Council approval to develop a City Vision 2050 statement.
- Supported process improvement efforts for Code Enforcement.
- Worked with Parks and Economic Development Board to select consultant to design gateway and wayfinding signs.
- Worked with East County Parks and Recreation District on bond and levy measures.
- Developed sustainable funding strategy for Street Operations & Maintenance fund.
- Recommended Municipal Campus improvements which improves efficiencies and maintains taxpayer assets.
- Create and staff the City's Homelessness Policy Advisory Board.

### 2020 Major Goals and Objectives

- Complete the development of a City vision, mission, and core values.
- Complete the design and develop a funding strategy for the Municipal Campus improvements.
- Establish the process to begin developing a bi-annual City budget, to begin for fiscal years 2021-2022.
- Implement Homelessness/Addiction Strategic Plan.
- Install Gateway Signs.
- Payoff North Kelsey debt.
- Implement IT Strategic Plan.
- Implement Economic Development Advisory Board Recommendations.
- Update Economic Development website.
- Evaluate staffing needs.

## 002 - Finance

The City of Monroe Finance Department is both an internal service department and an external customer service department. For our resident 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Salaries (10)	\$ 283,823	\$ 315,453	\$ 301,004	\$ 308,553	\$ 310,113	\$ 367,656
Benefits (20)	125,641	136,931	135,070	142,140	137,376	164,959
Supplies (30)	5,512	8,599	7,425	5,500	5,388	6,500
Professional Svcs (40)	112,413	107,042	81,432	111,724	110,379	123,147
Intergovernmental (50)	-	-	-	-		
Capital (60)	-	-	-	-		
Debt Service (70-80)	-	-	-	-		
Other (90)	-	-	-	-		
Total	\$ 527,389	\$ 568,025	\$ 524,931	\$ 567,917	\$ 563,255	\$ 662,262

### Full Time Equivalents History

	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Director	1.00	1.00	1.00	1.00	1.00	1.00
Accountant		1.00				
Admin Tech Lead	1.00	1.00	1.00	1.00	1.00	1.00
Admin Support	2.35	2.35	1.29	1.29	1.29	1.79
Total	4.35	5.35	3.29	3.29	3.29	3.79

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## 002 – Finance

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### 2019 Accomplishments

- **Developed 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.**
- **Identified a funding strategy to foster financial sustainability for the City's street operations and maintenance programs.**
- **Assisted with the development of a Parks Capital bond funding strategy in partnership with the City's Parks Department and the East County Parks and Recreation District and help with the voter informational marketing of the bond.**
- **Implemented the renegotiated credit card fee relationship between Key Bank and the permitting payments which will save the City approximately \$120,000 per year.**
- **Identified and implemented the funding strategy to reserve the appropriate resources for the 2020 North Kelsey debt payment (\$2.9 million).**

### 2020 Major Goals and Objectives

- **Review, and if needed, update the City's reserve policy, travel policy, and credit card policy.**
- **Develop a formal Six Year Capital Improvement Program document to include identification of appropriate revenue sources.**
- **Develop a six year strategic projection for the Real Estate Excise Taxes and Streets and Parks Capital Funds.**
- **Assist the Information Technology department with the Springbrook upgrade from version 7.16 to version 7.18.**
- **Establish the process to begin developing a bi-annual City budget, to begin for fiscal years 2021-2022.**

## 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Salaries (10)	\$ 95,165	\$ 99,984	\$ 106,454	\$ 135,183	\$ 134,917	\$ 162,805
Benefits (20)	36,173	37,723	40,022	43,786	44,314	62,409
Supplies (30)	-	-	1,955	2,300	500	1,000
Professional Svcs (40)	16,299	14,706	46,485	37,493	36,248	49,031
Intergovernmental (50)	-	-	-	-		
Capital (60)	-	-	-	-		
Debt Service (70-80)	-	-	-	-		
Other (90)	-	-	-	-		
Total	\$ 147,637	\$ 152,414	\$ 194,917	\$ 218,762	\$ 215,979	\$ 275,245

### Full Time Equivalents History

	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Director	0.95	0.80	0.80	0.80	0.80	0.80
Admin support						0.50
Total	0.95	0.80	0.80	0.80	0.80	1.30

The Human Resources department is adding a staff person, split with the Finance Department, in 2020 to perform the daily tasks associated with Human Resources management. These include items such as benefits management, new employee onboarding, and staffing the civil service board.

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## 003 – Human Resources

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### 2019 Accomplishments

- **Implemented City-wide Intern Program**
- **On boarded 8 new full time employees**
- **Completed City-wide Compensation Study**
- **Updated Civil Service Rules**

### 2020 Major Goals and Objectives

- **Implement pre-employment testing**
- **Continue City-wide Intern Program**
- **Implement Employee Self Service (paperless timecards)**

## 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Salaries (10)	\$ 4,123,618	\$ 4,223,319	\$ 4,284,735	\$ 4,626,363	\$ 4,463,258	\$ 4,724,318
Benefits (20)	1,500,231	1,567,816	1,575,969	1,810,070	1,632,383	1,845,941
Supplies (30)	58,462	74,665	109,105	99,405	101,948	128,651
Professional Svcs (40)	1,038,085	1,080,277	1,238,226	1,328,928	1,320,941	1,344,563
Intergovernmental (50)	22,070	15,361	21,027	23,179	18,500	36,218
Capital (60)	4,558	43,213	46,958			3,691
Debt Service (70-80)	-	-	-	-		
Other (90)	-	-	-	-		
Total	\$ 6,747,024	\$ 7,004,650	\$ 7,276,020	\$ 7,887,945	\$ 7,537,030	\$ 8,083,382

### Full Time Equivalents History

	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</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	7.00	7.00	7.00	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	8.00	8.00	8.00	8.50	8.00	8.00
Total	43.00	43.00	44.00	44.50	44.00	44.00

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## 004 – Police

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### 2019 Accomplishments

- Evidence room – Public works remodeled existing shop buildings for a new evidence room. Evidence room completely inventoried, boxed and moved for better security and control of materials.
- City Campus Security – City received \$20,000 risk management grant from WCIA to be used for a camera security system in public areas across campus.
- MATRIX Staffing & Organization Assessment of the police department; final recommendations have been delivered.
- Community Outreach Team – Officer Springer assigned full-time to the team.
- Less Lethal Weapons Program – fully deployed.
- Community Events – National Night Out, Coffee with a Cop, Special Olympics fundraising, Miracle League, Walk You Kids to School, Fair Day Parades, etc.
- Online Trespass Notice System for businesses.
- The City received a new Rescue vehicle through a grant through the Department of Defense. The vehicle which is \$575,000 new, will be on loan to the City until it is deemed inoperable or the need no longer exists

### 2020 Major Goals and Objectives

- Begin Safe City Program – install two POD camera systems.
- Expand Problem Oriented Policing program.
- Work towards State Accreditation, meeting “best practice” standards in policing.
- Implement policy and training on Citywide Unmanned Aerial Program.
- Fully implement PlanIt Scheduling Software – Consolidates complex schedule in to web based system that employees can electronically access from multiple devices.
- Youth Academy – biennial program, introduced in 2018, this will be the second, week-long academy that the department has offered.
- Explore the need and use of additional volunteer programs in the police department.
- Implement recommendations from Police Department assessment.

## 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Salaries (10)	\$ 110,400	\$ 110,400	\$ 67,200	\$ 67,200	\$ 67,298	\$ 67,200
Benefits (20)	8,952	8,942	5,396	14,057	5,397	5,522
Supplies (30)	-	-	6,031	-	1,200	1,200
Professional Svcs (40)	52,235	51,529	62,110	176,500	125,604	184,200
Intergovernmental (50)	18,965	16,510	17,472	18,500	16,762	18,500
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 190,552	\$ 187,380	\$ 158,209	\$ 276,257	\$ 216,261	\$ 276,622

Full Time Equivalents History						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Mayor	1.00	1.00	0.00	0.00	0.00	0.00
Councilmembers	7.00	7.00	7.00	7.00	7.00	7.00
Total	8.00	8.00	7.00	7.00	7.00	7.00

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## 005 – Legislative

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### 2019 Accomplishments

- Continued the reservation of resources needed to pay the 2020 \$2.9 million North Kelsey debt obligation.
- Rebalanced utility rate structure to provide additional funding for Stormwater without raising utility base rates.
- Adopt Unified Development Code and Shoreline Master Plan.
- Revised MMC 2.23 Board and Commissions Code. Removed term limits.
- Approved contract with FCS Group for building and land use permit fees.
- Discontinued 191<sup>st</sup> Street project due to improved neighborhood connectivity.
- Supported formation of the #Finish522 coalition and marketing campaign.
- Award contract to Enviroissus to update City vision, mission and core values.
- Evaluated facility assessment to develop plan to replace or remodel city hall, police, and municipal court facilities.
- Adopted policy to require annexation of land prior to extension of sewer utility.
- Adopted Resolution 018/2019 expressing concerns with Snohomish County Southwest UGA Study.
- Adopted an Ordinance to collected sales tax revenue under HB1406 for rental assistance and affordable housing.

### 2020 Major Goals and Objectives

- Payoff North Kelsey debt
- Approve purchase and sale agreement for N. Kelsey property
- Update the City's vision, mission and core values
- Update the City's travel policies
- Update the City's purchasing policies
- Update building and land use fees based on adopted recovery policies
- Implement recommendations from municipal court strategic plan
- Implement recommendations from the IT strategic plan
- Approve contract to update the city's Park and Recreation Open space Plan
- Adopt Property Maintenance Code
- Adopt new International Building Code
- Award contract to replace or remodel city hall, police and municipal court facilities
- Secure Right of Way for Tjerne Place Phase III
- Award construction contract for Chain Lake Road

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## 006 - Legal

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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.

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### 006 - Legal

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	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Salaries (10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits (20)	-	-	-	-	-	-
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	578,593	528,602	614,057	728,000	638,000	738,000
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 578,593	\$ 528,602	\$ 614,057	\$ 728,000	\$ 638,000	\$ 738,000

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### Full Time Equivalents History

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This cost center does not have assigned staff.

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## 006 – Legal

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### 2019 Accomplishments

- Non-applicable to this cost center.

### 2020 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Salaries (10)	\$ 137,184	\$ 85,056	\$ 90,240	\$ 96,557	\$ 96,357	\$ 102,951
Benefits (20)	66,649	37,425	39,354	42,734	41,583	45,768
Supplies (30)	196	174	381	1,000	500	500
Professional Svcs (40)	6,643	12,017	19,310	34,650	55,520	45,250
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 210,673	\$ 134,672	\$ 149,284	\$ 174,941	\$ 193,960	\$ 194,469

### Full Time Equivalents History

	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00
Admin Support	1.00	0.00	0.00	0.00	0.00	0.00
Total	2.00	1.00	1.00	1.00	1.00	1.00

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## 007 – Clerk and Records

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### 2019 Accomplishments

- Facilitation of Open Public Meetings Act, Public Records Act, and Records Retention training/staff orientation.
- Implementation of Electronic Content Management System – Laserfiche Phase 1.
- Public Records Disposition/Relocation (to PW Shop) Project Facilitation (January).
- Adoption and Dissemination of Updated Public Records Disclosure Policy.
- Submission of WSA Document Imaging Grant Application (March).
- Quality Indigent Defense (QID) Evaluation Project Management (January-July).
- Internship Program Facilitation for Boards, Commissions, & Committees Code Consolidation Project and Summer Clerk/Records Projects.
- Adoption of Boards, Commissions, & Committees Code Consolidation Project.
- Facilitation of Municipal Code Migration to Modern Platform Project.
- Submission of Washington State Office of Public Defense Quality Indigent Defense Grant Application (August).
- Ongoing Facilitation of Cross Departmental Collaboration Teams: Records Management Liaisons; Public Disclosure Liaisons; Public Records Officers; and Laserfiche Initiative Team.

### 2020 Major Goals and Objectives

- Creation and Adoption of Records Management Policy.
- Evaluation of Electronic Signatures Policy and Procedures and potential software purchase.
- Contract Routing and Finalization Process Improvement Initiative.
- Facilitation of Quality Indigent Defense (QID) Evaluation Recommendations.
- Expansion of Public Disclosure Tracking Software Features (Invoice Module Creation & Implementation; Develop SOPs, Templates, & FAQ/website features).
- Implementation of Electronic Content Management System – Laserfiche Phase 2 (additional users onboarding and system population) & 3 (public portal).
- Request for Proposals Process for Conflict/Back-Up Public Defense Contracts.
- Facilitation of City of Monroe Large format Drawings Digital Imaging Project.
- Departmental Webpage Update Initiative.
- Facilitation of Municipal Code Recodification Project.

## 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 2016	Actual 2017	Actual 2018	Budget 2019	Projected 2019	Proposed 2020
Salaries (10)	\$ 158,052	\$ 171,141	\$ 185,320	\$ 195,467	\$ 195,471	\$ 284,809
Benefits (20)	69,716	73,549	78,003	84,445	92,584	119,702
Supplies (30)	3,279	1,163	1,718	2,700	2,500	3,000
Professional Svcs (40)	94,953	97,641	102,459	132,171	127,592	67,302
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 326,001	\$ 343,494	\$ 367,499	\$ 414,783	\$ 418,147	\$ 474,813

Full Time Equivalent History						
	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Projected 2019	Proposed 2020
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

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## 009 – Municipal Court

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### 2019 Accomplishments

- **Assisted City Clerk with gathering information for the quality indigent defense evaluation. Evaluator determined that our court was most efficient court he had visited.**
- **Used alternative sentencing options such as community service, electric home monitoring, and SCRAM program to help reduce jail costs.**
- **Participated in summer intern program.**

### 2020 Major Goals and Objectives

- **Work with the other two branches of City government to evaluate feasibility of Homelessness Policy Advisory Committee recommendations and potential Municipal Court involvement.**
- **Continue to expand jail alternatives, both pre-conviction and post-conviction.**
- **Explore electronic storage options for completed case files.**
- **Explore sentencing alternatives for defendants with mental health issues.**
- **Facilitate an external assessment of Municipal Court processes.**

## 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Salaries (10)	\$ 511,478	\$ 572,066	\$ 603,736	\$ 913,900	\$ 738,200	\$ 751,280
Benefits (20)	247,731	281,701	296,395	343,758	394,416	394,041
Supplies (30)	47,847	63,274	67,147	95,750	120,837	122,861
Professional Svcs (40)	321,960	401,821	401,219	420,135	402,579	450,618
Intergovernmental (50)	352	196	209	250	250	250
Capital (60)	-	-	-	-	-	3,691
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,129,368</b>	<b>\$ 1,319,057</b>	<b>\$ 1,368,704</b>	<b>\$ 1,773,793</b>	<b>\$ 1,656,281</b>	<b>\$ 1,722,741</b>

### Full Time Equivalents History

	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Director	0.65	0.65	0.65	0.65	0.65	0.65
Planner	0.00	0.00	0.00	0.50	0.50	0.50
Admin Support	1.00	1.00	1.00	2.00	2.00	2.00
Supervisor	0.65	0.65	0.80	0.80	0.80	0.80
O&M Employees	4.60	4.60	5.52	5.52	5.52	5.52
<b>Total</b>	<b>6.90</b>	<b>6.90</b>	<b>7.97</b>	<b>9.47</b>	<b>9.47</b>	<b>9.47</b>

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## 010 – Parks Operations & Maintenance

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### 2019 Accomplishments

- Processed an estimated 170 park shelter reservations & 50 special event applications including the World Wake Board Association's National Wake Championships and USA Olympic Distance TriMonroe Triathlon at Lake Tye Park
- Expended 167 labor hours conducting weekly monitoring emphasis on unmarked trails in City parks to identify and resolve, in cooperation with our Police Department, 42 unlawful encampments including removal of 109 bags of litter
- Awarded \$350,000 RCO state grant, \$150,000 Snohomish County appropriation, and \$800,000 state appropriation for Lake Tye synthetic turf fields project
- Conducted annual Arbor Day tree planting, Heritage Trees recognition and living Christmas tree planting programs
- Became recognized as a Tree City USA
- Initiated outreach with East County Park & Recreation District, Snohomish County to identify & address long-range park & recreation level of service delivery challenges, resulting in ECPRD November 2019 bond measure to include improvements to Monroe parks
- Awarded DNR grant for urban forestry maintenance performed by Puget SoundCorps team at various parks – completed 5/19
- Implemented new City donation policy and amended art policy to establish a formal process for acceptance of donations and make memorial public art considerations
- Applied for and awarded \$20,000 Forterra grant to purchase and install river water safety/wayfinding signage at public water access along Skykomish River
- Foothills Wetland Preserve named by students of Monroe School District as condition of awarded \$109,000 State Conservation Commission grant project
- Monroe City Council commissioned new public art sculpture to be installed in the downtown titled: "Guardian of the Mountain Pass" – to be completed 12/19

### 2020 Major Goals and Objectives

- 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
- Purchase and install river water safety/wayfinding signage at public water access along Skykomish River through awarded \$20,000 Forterra grant
- Install East Main Street gateway sign
- Purchase and install cameras for park security
- Purchase parks facility reservation software to improve user access and staff efficiencies

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## 011 - Jail and Dispatch

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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.

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011 - Jail and Dispatch						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Salaries (10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits (20)	-	-	-	-	-	-
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	-	-	-	-	-	-
Intergovernmental (50)	721,123	734,096	777,360	771,000	673,862	698,184
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 721,123	\$ 734,096	\$ 777,360	\$ 771,000	\$ 673,862	\$ 698,184

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### Full Time Equivalents History

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This cost center does not have assigned staff.

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## 011 – Jail and Dispatch

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### 2019 Accomplishments

- Non-applicable to this cost center.

### 2020 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Salaries (10)	\$ 594,853	\$ 680,126	\$ 768,554	\$ 826,686	\$ 850,234	\$ 925,974
Benefits (20)	247,213	300,613	340,602	374,207	366,113	422,094
Supplies (30)	7,889	5,073	3,106	6,700	5,400	22,986
Professional Svcs (40)	131,993	200,121	346,062	302,080	337,533	306,678
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 981,948	\$ 1,185,932	\$ 1,458,324	\$ 1,509,673	\$ 1,559,281	\$ 1,677,732

Full Time Equivalents History						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</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	4.00	4.00	5.00	5.00	5.00	5.00
Code Enforcement Officer	0.00	0.00	0.00	0.00	0.00	1.00
Admin Support	1.96	1.96	1.80	1.80	1.80	1.80
Total	7.96	7.96	8.80	8.80	8.80	9.80

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# 110 – Community Development

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## 2019 Accomplishments

- **Adoption of the Unified Development Regulations (UDR)**
  - Revised permit checklists and flowcharts associated with the UDR
- **Adoption of the City's Shoreline Master Program (SMP)**
  - Awarded SMP grant saving the City \$20,340
- **Processed: 92 single family permits, 186 multifamily units and conducted 2,080 building inspections**
- **Affordable Housing Committee**
- **Continued to develop the online permit submittal/review process by establishing a new online payment option.**
  - Approximately 95 percent of permits are now processed electronically
- **Archived and digitized hundreds of files and plans**
- **Established a LEAN code enforcement working group**
- **Initiated the development of an affordable housing code for potential adoption**
- **Pre-zoned the City's Urban Growth Area in anticipation of annexations**
- **Initiated analysis of the City's development fees**
- **Initiated update to the North Kelsey Design and environmental review**

## 2020 Major Goals and Objectives

- **Complete re-write of code enforcement chapter and adopt IPMC (potential 2019)**
- **Complete development fee analysis and present finding to Council**
- **Adopt new State Building Codes with any local amendments**
- **Continue to improve the electronic permit process with the potential of joining Mybuildingpermit.com**
- **Develop customer handouts to streamline permitting process**
- **Analyze potential benefits of bringing electrical permitting under City authority**
- **Annex approximately 170 acres of the City's Urban Growth Area**
- **Working with Snohomish County in preparation for the 2021 buildable lands update**
- **Complete the update to the North Kelsey Design and environmental review**
- **Implement HPAC recommendations for affordable housing.**

## 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Salaries (10)	\$ 3,386	\$ 3,533	\$ 3,612	\$ 7,744	\$ 3,860	\$ 4,119
Benefits (20)	1,161	1,210	1,261	3,287	1,363	1,470
Supplies (30)	145	294	3,783	4,525	4,500	4,575
Professional Svcs (40)	17,663	10,908	8,849	11,314	11,927	10,220
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	44	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Total	\$ 22,400	\$ 15,945	\$ 17,505	\$ 26,870	\$ 21,651	\$ 20,384

### Full Time Equivalents History

	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Public Works Director	0.03	0.03	0.03	0.03	0.03	0.03
Total	0.03	0.03	0.03	0.03	0.03	0.03

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## 190 – Emergency Management

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### 2019 Accomplishments

- **Outfitted new Monroe Coordination Center.**
- **Conducted active shooter training.**
- **Participated in South Whidbey Island Fault functional exercise.**
- **Participated in planning for Dam Emergencies/Evacuation and Shelter-in-Place Collaborative Technical Assistance program.**

### 2020 Major Goals and Objectives

- **Update Hazard Mitigation Plan with Snohomish County.**
- **Update Comprehensive Emergency Management Plan.**
- **Develop Evacuation and Shelter-in-Place Plan.**

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## Six Year General Fund Forecast

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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, (reaffirmed at the April 30, 2019 Council Meeting and the August 20, 2019 Finance/HR Committee 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
110 new housing starts for FY 2020 and 2021, then tapering off by 20 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 2020	Flat amount decrease beginning 2020

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

- For revenues, the 2020 Proposed column represents the numbers recommended in the 2020 Mayor's Proposed Budget. This includes decreasing the expected sewer utility taxes by \$400,000, which will be a new revenue stream to the Street Operations and Maintenance Fund 105.

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## Six Year General Fund Forecast cont.

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- The 2020 Proposed expenditures include one last transfer of \$400,000 for the North Kelsey Debt payment.
- 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 2020 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	2020 Proposed	2021	2022	2023	2024	2025
Beginning Fund Balance	\$3,966,802	\$2,697,693	\$1,406,594	(\$805,311)	(\$3,809,956)	(\$7,773,383)
Ongoing Revenues	\$14,611,234	\$14,749,875	\$14,835,694	\$14,949,568	\$15,057,061	\$15,143,156
Subtotal Revenues	\$18,578,036	\$17,447,568	\$16,242,288	\$14,144,257	\$11,247,105	\$7,369,773
Less Ongoing Expenditures	\$15,313,936	\$16,192,205	\$17,094,578	\$18,057,013	\$19,084,183	\$20,181,165
Subtotal rev over/under exp	\$3,264,100	\$1,255,363	(\$852,290)	(\$3,912,756)	(\$7,837,078)	(\$12,811,392)
One time revenue	\$450,554	\$456,231	\$461,979	\$467,800	\$473,695	\$479,663
One time expenditures	\$1,016,961	\$305,000	\$415,000	\$365,000	\$410,000	\$320,000
Subtotal one time resources	(\$566,407)	\$151,231	\$46,979	\$102,800	\$63,695	\$159,663
Ending Fund Balance	\$2,697,693	\$1,406,594	(\$805,311)	(\$3,809,956)	(\$7,773,383)	(\$12,651,729)

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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 2020 Recommended 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 2016	Actual 2017	Actual 2018	Budget 2019	Projected 2019	Proposed 2020
Beginning Fund Balance	\$ 327,604	\$ 275,762	\$ 964,429	\$ 856,744	\$ 856,745	\$ 973,386
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	1,945	6,420	14,667	17,121	14,080	13,063
Transfers In	-	772,247	-	102,562	102,562	95,450
Total	\$ 329,549	\$ 1,054,429	\$ 979,096	\$ 976,427	\$ 973,387	\$ 1,081,899

Expenditures						
	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Projected 2019	Proposed 2020
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	8,348	-	-	-	-	-
Professional Svcs (40)	45,439	-	-	-	-	-
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	90,000	122,351	-	-	-
Ending Fund Balance	275,762	964,429	856,745	976,427	973,387	1,081,899
Total	\$ 329,549	\$ 1,054,429	\$ 979,096	\$ 976,427	\$ 973,387	\$ 1,081,899

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## Fund 002 – Contingency

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### 2019 Accomplishments

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

### 2020 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>	
Beginning Fund Balance	\$ 5,325	\$ 5,194	\$ 4,733	\$ 4,802	\$ 4,803	\$ 5,975	
Taxes	-	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	-	
Intergovernmental	-	-	-	-	-	-	
Charges for Services	-	-	-	-	-	-	
Fines & Forfeitures	-	-	-	-	-	-	
Interest & Other	4,465	4,050	4,648	4,050	6,356	5,850	
Transfers In	-	-	-	-	-	-	
Total	\$ 9,790	\$ 9,244	\$ 9,381	\$ 8,852	\$ 11,159	\$ 11,825	

Expenditures							
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies (30)	-	-	-	-	-	-	
Professional Svcs (40)	4,596	4,511	4,578	6,020	5,183	7,075	
Intergovernmental (50)	-	-	-	-	-	-	
Capital (60)	-	-	-	-	-	-	
Debt Service (70-80)	-	-	-	-	-	-	
Other (90)	-	-	-	-	-	-	
Ending Fund Balance	5,194	4,733	4,803	2,832	5,975	4,750	
Total	\$ 9,790	\$ 9,244	\$ 9,381	\$ 8,852	\$ 11,159	\$ 11,825	

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## Fund 008 – Donations

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### 2019 Accomplishments

- Received \$1,650 for the Community Egg Hunt from the following organizations:
  - Windermere Real Estate
  - Rotary Club of Monroe
  - Sky Valley Academy
  - Natural Factors
  - Park Place Community Church
- Received in kind donations valued at \$1,000 for the Community Egg Hunt from:
  - Fred Meyers
  - Walmart
- Received \$2,000 from Republic Services for Movies Under the Moon.
- Received \$800 for the Community Flower Baskets from the following:
  - Republic Services
  - Monroe Garden Club
- Received \$1,000 from Rotary Club of Monroe for Cribs for Kids.
- Received \$250 from Monroe Garden Club for a crimson maple tree at Lake Tye Park
- Received a live Christmas Tree for parks from Kimberly Massey valued at \$40
- Received \$650 for the JVM Memorial Garden from the following:
  - Don & Joie Worthen
  - Monroe Garden Club
  - Richard & Dianne Forth
  - Staci Cogar

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

### 2020 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 over 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.

Revenues in this fund include state shared gas taxes, solid waste franchise fees, inspection and road planning fees, and interest earnings. Beginning with the 2020 Recommended Budget, this fund will receive the first \$400,000 of the sewer utility tax to help support street operations and maintenance.

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

Revenues						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 287,548	\$ 323,762	\$ 344,107	\$ 402,037	\$ 402,038	\$ 373,541
Taxes	-	-	-	-	-	400,000
Licenses & Permits	178,817	199,141	215,115	202,520	186,100	200,000
Intergovernmental	404,578	432,214	440,104	439,627	405,433	435,243
Charges for Services	102,779	132,377	76,222	84,100	58,100	57,500
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	5,928	6,853	8,409	6,864	8,815	7,004
Transfers In	-	-	-	87,000	87,000	-
Total	\$ 979,650	\$ 1,094,347	\$ 1,083,957	\$ 1,222,148	\$ 1,147,486	\$ 1,473,288

Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ 289,091	\$ 312,809	\$ 317,652	\$ 412,068	\$ 402,519	\$ 607,026
Supplies (30)	14,754	5,537	60,592	106,760	93,400	117,084
Professional Svcs (40)	341,291	406,354	293,616	264,991	253,789	386,342
Intergovernmental (50)	9,167	23,704	7,704	35,000	22,500	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	1,586	1,728	1,796	1,737	1,737	1,737
Ending Fund Balance	323,762	344,215	402,597	401,592	373,541	361,099
Total	\$ 979,651	\$ 1,094,347	\$ 1,083,957	\$ 1,222,148	\$ 1,147,486	\$ 1,473,288

Full Time Equivalents History						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Director	0.15	0.15	0.15	0.15	0.15	0.15
Supervisor/Leads	0.59	0.64	0.74	0.74	0.74	0.91
Admin Support	0.10	0.10	0.10	0.10	0.10	0.10
O&M Employees	1.93	1.80	1.70	1.70	1.70	3.70
Total	2.77	2.69	2.69	2.69	2.69	4.86

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## Fund 105 – Streets O&M

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### 2019 Accomplishments

- Complete more than 400 hours of asphalt patching
- Re-marked 6 crosswalk locations
- Completed 240 hours of crack sealing asphalt surfaces
- Repaired 15 sections of off-set sidewalk trip hazards
- Completed 740 hours of roadside and ditch vegetation maintenance

### 2020 Major Goals and Objectives

- Complete 400 hours of asphalt patching
- Remark 10 crosswalk locations
- Complete 240 hours of crack sealing asphalt surfaces
- Complete 700 hours of roadside vegetation maintenance

## 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 65,792	\$ 76,897	\$ 87,297	\$ 82,672	\$ 82,672	\$ 64,246
Taxes	83,512	83,861	88,063	80,000	87,000	80,000
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	408	737	1,495	750	1,000	1,000
Transfers In	-	-	-	-	-	-
Total	\$ 149,711	\$ 161,495	\$ 176,856	\$ 163,422	\$ 170,672	\$ 145,246
Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel						
Supplies (30)						
Professional Svcs (40)	72,814	74,198	94,183	106,426	106,426	120,000
Intergovernmental (50)						
Capital (60)						
Debt Service (70-80)						
Other (90)						
Ending Fund Balance	76,897	87,297	82,672	56,996	64,246	25,246
Total	\$ 149,711	\$ 161,495	\$ 176,856	\$ 163,422	\$ 170,672	\$ 145,246

This fund does not have assigned staff.

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## Fund 109 – Lodging Tax

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### 2019 Accomplishments

- Continued outreach regarding Lodging Tax program to increase potential applicants and awards. Received 15 applications.
- Hosted two open houses for potential applicants to answer questions and to educate regarding the Lodging Tax program.

### 2020 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 \$70,223 to Monroe Chamber of Commerce for:
  - Tourism Promotion
  - [www.ChooseMonroe.com](http://www.ChooseMonroe.com)
  - Monroe Fair Days Parade
  - Music in the Park
- Award \$2,325 to Monroe Historical Society for marketing and promotion.
- Award \$3,000 to Sky Valley Trout Unlimited for Kid's Fishing Day at Lake Tye.
- Award \$3,000 to Sky Performing Arts event costs for two performances.
- Award \$5,000 to Sky Valley YMCA for Corks and Kegs.
- Award \$15,500 to City of Monroe Parks & Recreation Department for:
  - Destination Event Brochure
  - Nautique WWA National Wakeboard
  - USA Triathlon TriMonroe
- Award \$20,500 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 2020 goals/2019 accomplishments associated with its proposal.

Revenues						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 28,561	\$ 27,104	\$ 28,754	\$ 53,882	\$ 53,883	\$ 35,469
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	4,119	10,481	27,496	10,000	187	78
Transfers In	-	-	-	-	-	-
Total	\$ 32,681	\$ 37,585	\$ 56,250	\$ 63,882	\$ 54,070	\$ 35,547

Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	5,577	8,831	2,368	25,600	18,600	15,600
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	27,104	28,754	53,883	38,282	35,470	19,947
Total	\$ 32,681	\$ 37,585	\$ 56,250	\$ 63,882	\$ 54,070	\$ 35,547

This fund does not have assigned staff.

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## Fund 114 – Narcotics

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### 2019 Accomplishments

- Non-applicable to this cost center.

### 2020 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 577,702	\$ 1,165,923	\$ 1,920,795	\$ 3,037,267	\$ 3,037,267	\$ 3,446,875
Taxes	947,562	1,622,215	1,358,005	900,000	1,120,000	900,000
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	5,658	15,850	44,584	58,182	55,800	53,270
Transfers In	-	-	-	-	-	-
Total	\$ 1,530,923	\$ 2,803,988	\$ 3,323,384	\$ 3,995,449	\$ 4,213,067	\$ 4,400,145

Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	-	-	-	-	-	-
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	365,000	883,193	286,116	766,192	766,192	267,380
Ending Fund Balance	1,165,923	1,920,795	3,037,267	3,229,257	3,446,875	4,132,765
Total	\$ 1,530,923	\$ 2,803,988	\$ 3,323,384	\$ 3,995,449	\$ 4,213,067	\$ 4,400,145

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

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## Fund 117 – Real Estate Excise Tax

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### 2019 Accomplishments

- Non-applicable to this cost center.

### 2020 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>	
Beginning Fund Balance	\$ 1,571	\$ 4,100	\$ 3,307	\$ 3,363	\$ 3,363	\$ 3,413	\$ 3,413
Taxes	-	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-
Interest & Other	173	34	56	40	50	48	48
Transfers In	95,000	223,193	1,528,698	206,870	206,870	3,047,108	3,047,108
Total	\$ 96,744	\$ 227,327	\$ 1,532,061	\$ 210,273	\$ 210,283	\$ 3,050,569	\$ 3,050,569
Expenditures							
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	-	-	-	-	-	-
Professional Svcs (40)	-	-	-	-	-	-	-
Intergovernmental (50)	-	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-	-
Debt Service (70-80)	92,643	224,020	1,528,698	206,870	206,870	3,047,108	3,047,108
Other (90)	-	-	-	-	-	-	-
Ending Fund Balance	4,100	3,307	3,363	3,403	3,413	3,461	3,461
Total	\$ 96,744	\$ 227,327	\$ 1,532,061	\$ 210,273	\$ 210,283	\$ 3,050,569	\$ 3,050,569

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

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## Fund 203 – Debt Service

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### 2019 Accomplishments

- Non-applicable to this cost center.

### 2020 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 2020, the lone capital project in this fund is the improvements to the Boy's and Girls Club building (city-owned).

Revenues						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 441,415	\$ 6,451,859	\$ 6,252,996	\$ 1,357,912	\$ 1,357,912	\$ -
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,574,720
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	6,090,070	59,658	79,384	27,158	11,267	-
Transfers In	-	-	148,246	-	-	-
Total	\$ 6,531,485	\$ 6,511,517	\$ 6,480,626	\$ 1,385,070	\$ 1,369,178	\$ 1,574,720
Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	-	-	-	-	-	-
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	251,491	5,107,631	935,070	878,737	1,574,720
Debt Service (70-80)	79,626	7,030	-	-	-	-
Other (90)	-	-	15,083	450,000	490,441	-
Ending Fund Balance	6,451,859	6,252,996	1,357,912	-	-	-
Total	\$ 6,531,485	\$ 6,511,517	\$ 6,480,626	\$ 1,385,070	\$ 1,369,178	\$ 1,574,720

There are no staff associated with this fund.

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## Fund 307 – General CIP

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### 2019 Accomplishments

- Relocated City records, Monroe Coordination Center, and Public Works Operations to new facility
- Completed rehabilitation of the Police Evidence Room
- Constructed new Police Impound Yard

### 2020 Major Goals and Objectives

- Coordinate with the Monroe Boys & Girls Club (BGC) to improve the building occupied by the BGC.

## 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 1,096,949	\$ 976,378	\$ 1,079,091	\$ 952,548	\$ 952,548	\$ 1,287,752
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	90,676	29,324	-	-	-	6,105,000
Charges for Services	352,023	385,895	480,926	347,060	594,379	272,690
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	9,092	14,714	16,755	16,237	17,675	55,830
Transfers In	66,586	251,728	1,796	350,737	350,737	130,737
Total	\$ 1,615,326	\$ 1,658,038	\$ 1,578,568	\$ 1,666,582	\$ 1,915,339	\$ 7,852,009

Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ 122,903	\$ 128,588	\$ 139,072	\$ 150,624	\$ 173,545	\$ 233,665
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	24,739	115,564	99,300	236,542	202,542	143,849
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	491,306	334,795	387,647	553,000	251,500	7,214,000
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	976,378	1,079,091	952,548	726,416	1,287,753	260,495
Total	\$ 1,615,326	\$ 1,658,038	\$ 1,578,568	\$ 1,666,582	\$ 1,915,339	\$ 7,852,009

Full Time Equivalents History						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Director	0.35	0.35	0.35	0.35	0.35	0.35
Supervisor	0.20	0.20	0.20	0.20	0.20	0.20
Planner	-	-	-	0.50	0.50	0.50
O&M Employees	0.40	0.60	0.60	0.48	0.48	0.48
Total	0.95	1.15	1.15	1.53	1.53	1.53

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## Fund 317 – Parks CIP

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### 2019 Accomplishments

- **Playground renovation – Lewis Street Park – completed 6/19**
- **Awarded \$350,000 RCO state grant, \$150,000 Snohomish County appropriation, accompanying \$800,000 state appropriation to fund Lake Tye synthetic turf fields project**
- **Renovate natural grass athletic fields – Sky River Park – completed 3/19**
- **Replace/enhance fencing and gates at Wiggly Field Dog Park – completed 3/19**
- **Water service & fountain at Wiggly Field Dog Park – to be completed Fall/2019**
- **Signed letter of intent to acquire parkland for new neighborhood park in growing North Hill area**
- **Design/install drought-tolerant landscape gateway improvement at east Main Street – Fall/2019**
- **Initiated outreach with East County Park & Recreation District, Snohomish County to identify & address long-range park & recreation level of service delivery challenges, resulting in ECPRD November 2019 bond measure to include capital improvements to Monroe parks**
- **Design phase - Lake Tye synthetic fields project – to be completed 12/19**

### 2020 Major Goals and Objectives

- **Park Planning-Cadman site restoration/property transfer.**
- **Playground renovation – Currie View Park.**
- **Rotary Field enhancements – outfield netting protection, ADA automatic restroom doors assist**
- **Trail system repairs/design estimate for US2 bypass trail corridor**
- **Construct lighted, synthetic turf multi-purpose fields at Lake Tye Park**
- **Acquire parkland for new neighborhood park in growing North Hill area**
- **Update Parks, Recreation & Open Space Plan (PROS)**

## 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. 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 678,219	\$ 857,413	\$ 1,677,594	\$ 2,065,161	\$ 2,065,161	\$ 1,026,613
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	3,452,655	286,085	1,185,386	718,725	113,809	2,473,217
Charges for Services	725,918	1,673,819	1,483,728	2,086,500	2,380,000	2,382,250
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	255,744	13,433	34,739	25,628	34,522	30,100
Transfers In	200,000	672,892	-	102,050	102,050	-
Total	\$ 5,312,535	\$ 3,503,642	\$ 4,381,446	\$ 4,998,064	\$ 4,695,542	\$ 5,912,180

Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ 222,514	\$ 251,698	\$ 266,161	\$ 293,844	\$ 283,299	\$ 231,869
Supplies (30)	-	3	-	-	-	-
Professional Svcs (40)	77,307	64,271	25,304	27,559	27,559	30,378
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	4,155,301	1,510,076	2,024,820	3,606,449	3,358,070	5,382,181
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	857,412	1,677,594	2,065,161	1,070,212	1,026,614	267,752
Total	\$ 5,312,535	\$ 3,503,642	\$ 4,381,446	\$ 4,998,064	\$ 4,695,542	\$ 5,912,180

Full Time Equivalents History						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Director	0.05	0.05	0.05	0.05	0.05	0.05
Supervisor/Leads	1.34	1.34	1.34	1.49	1.49	1.04
Admin Support	0.50	0.50	0.50	0.50	0.50	0.40
O&M Employees	0.45	0.45	0.45	0.30	0.30	0.20
Total	2.34	2.34	2.34	2.34	2.34	1.69

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## Fund 318 – Streets CIP

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### 2019 Accomplishments

- **Kelsey/Blueberry Intersection – completed improvements**
- **Chain Lake Road Phase 2a Trail – finished design and began right-of-way acquisition**
- **Perform approximately \$1.6M in road preservation and sidewalk ADA ramp upgrades on Main Street, Fryelands Boulevard, Monroe Street, 149th Street, 179th Ave, Park St, Puke St, King St, Tester Rd, Alden Ave, Polk Ln, Lawrence St, Tye St, and Kirby Dr.**
- **Updated road condition ratings**
- **Begin the ADA Transition Plan process by collecting data on the City's 75 miles of sidewalks and over 1,300 ADA ramps**
- **Continued right-of-way acquisition efforts for the future Tjerne Place Phase III (Oaks Street)**
- **Upgrade the signal at 179th Ave / Main Street to include left turn phase on 179th Ave, thereby improving traffic operations during peak school hour activity**

### 2020 Major Goals and Objectives

- **Complete the ADA Transition Plan**
- **Construct the Chain Lake Trail from Rainier View Rd to Brown Rd**
- **Begin design efforts on widening Chain Lake Rd from the roundabout to 197th Ave SE**
- **Work toward creating a railroad Quiet Zone throughout Monroe**
- **Design a new sidewalk along US2 and the Monroe Fairgrounds**
- **Design a new sidewalk extension along 179th Ave SE north of 154th St**
- **Perform approximately \$1.3M in street preservation work as part of the City's Annual Road Maintenance CIP**

## 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 1,500,339	\$ 1,397,086	\$ 1,286,113	\$ 908,488	\$ 908,488	\$ 2,553,517
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	8,845	12,509	20,539	281,029	281,030	34,047
Transfers In	-	-	1,015,000	1,528,728	1,528,728	400,000
Total	\$ 1,509,184	\$ 1,409,595	\$ 2,321,652	\$ 2,718,245	\$ 2,718,246	\$ 2,987,564
Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	17,098	33,482	22,336	96,000	96,000	78,836
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	95,000	90,000	1,390,828	68,728	68,728	2,908,728
Ending Fund Balance	1,397,086	1,286,113	908,488	2,553,517	2,553,518	-
Total	\$ 1,509,184	\$ 1,409,595	\$ 2,321,652	\$ 2,718,245	\$ 2,718,246	\$ 2,987,564

There are no staff associated with this fund.

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## Fund 319 – North Kelsey

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### 2019 Accomplishments

- **Increased the transfer from the General Fund to the North Kelsey Fund from \$1,078,728 to \$1,528,728 to reserve funds for the 2020 Debt Service payment (\$2,908,728). Estimated reserves for this payment at the end of 2019 is \$2,553,517.**

### 2020 Major Goals and Objectives

- **Receive transfer of \$400,000 from the General Fund to reserve funds for the 2020 North Kelsey debt payment (\$2,908,728). Payment will be made in full and on time in September 2020.**



**THE ADVENTURE  
STARTS HERE!**

# UTILITY FUNDS

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## Utilities Overview

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The City operates three utilities: Water, Sewer, and Stormwater. Each utility has costs associated with operations, maintenance, capital development, and debt service. The City manages the finances of the utilities through the use of seven funds. They are: Fund 411 Water Operations and Maintenance; Fund 412 Water Capital; Fund 421 Sewer Operations and Maintenance; Fund 422 Sewer Capital; Fund 431 Stormwater Operations and Maintenance; Fund 432 Stormwater Capital; and Fund 450 Utility Revenue Debt Reserve.

During 2018, the City developed a six year projection model for its sewer operations. This model projects the operational and capital needs of the utility for a six year horizon, to include projecting cash for appropriate reserves, strategic bonding to pay for capital, targeted staffing increases to maintain the system to state and federal regulatory standards, and anticipated rate needs over the six years. This model allowed the City to decrease sewer rates by 2.5% for 2019 and increase the low income senior and low income disabled discount from 30% to 40%.

During 2019, the City developed six year projections for the water and stormwater utilities to work in conjunction with the sewer model. By analyzing the three utilities together, the City was able to take a holistic approach regarding the utilities for its operations, capital, debt, staffing, and rate needs. This analysis was presented to the Finance/Human Resources Committee on May 14, 2019 and July 16, 2019 and presented to the Council at its retreat on July 30, 2019 (July 30, 2019 Agenda Bill attached as Appendix 3). Based on this analysis, scheduled rate adjustments to the water and stormwater utilities adopted in 2015 will be adjusted to better reflect the needs of both utilities. The sewer rate will not change. Because the City bills the three utilities on one bill, overall impact of the adjusted increases results in a \$0.05 cent **decrease** from the currently adopted scheduled rate adjustments for households that use the base rate of water.

The rate study adopted in 2015 currently has water increasing by 7.5%, stormwater by 4%, with sewer remaining the same for an overall bill of \$130.97 per month for a residential bill using the base rate of water. Based on the long range utility models, water is proposed to increase by 3%, stormwater by 12.5%, with sewer remaining the same for an overall bill of \$130.92. This results in a \$0.05 decrease on the aggregate bill from the original scheduled increase. By shifting the increase from water to stormwater, both utilities are better able to meet operational and capital needs into the near future.

The following page illustrates the impacts of the 2020 proposed rate adjustments.

	2020	2021	2022	2023	2024	2025
<b>CURRENT STRUCTURE</b>						
Monthly Storm rate per ERU	\$12.77	\$13.28	\$13.81	\$14.37	\$14.94	\$15.54
Monthly water base rate	\$26.05	\$28.00	\$30.10	\$32.36	\$34.79	\$37.39
Monthly sewer rate	\$92.15	\$92.15	\$92.15	\$92.15	\$92.15	\$92.15
Total Rate	<u>\$130.97</u>	<u>\$133.43</u>	<u>\$136.06</u>	<u>\$138.87</u>	<u>\$141.88</u>	<u>\$145.08</u>
<b>ALTERNATE SCENARIO</b>						
Monthly Storm rate per ERU	12.50% \$13.82	12.50% \$15.54	12.50% \$17.48	10.00% \$19.23	10.00% \$21.16	10.00% \$23.27
Monthly water base rate	3.00% \$24.96	3.00% \$25.71	3.00% \$26.48	3.00% \$27.27	3.00% \$28.09	3.00% \$28.93
Monthly sewer rate	0.00% \$92.15	0.00% \$92.15	0.00% \$92.15	0.00% \$92.15	0.00% \$92.15	0.00% \$92.15
Total Rate	<u>\$130.92</u>	<u>\$133.40</u>	<u>\$136.11</u>	<u>\$138.65</u>	<u>\$141.40</u>	<u>\$144.35</u>
Current rate structure	\$130.97	\$133.43	\$136.06	\$138.87	\$141.88	\$145.08
Alternate scenario	\$130.92	\$133.40	\$136.11	\$138.65	\$141.40	\$144.35
difference	<u>(\$0.05)</u>	<u>(\$0.04)</u>	<u>\$0.05</u>	<u>(\$0.22)</u>	<u>(\$0.48)</u>	<u>(\$0.73)</u>
yearly increase current structure	\$2.31	\$2.46	\$2.63	\$2.81	\$3.00	\$3.21
yearly increase alt scenario	\$2.26	\$2.48	\$2.71	\$2.54	\$2.74	\$2.96
difference	<u>(\$0.05)</u>	<u>\$0.01</u>	<u>\$0.08</u>	<u>(\$0.27)</u>	<u>(\$0.26)</u>	<u>(\$0.25)</u>

## 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 with the exception of one fifth the cost of the UAV. 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 2016	Actual 2017	Actual 2018	Budget 2019	Projected 2019	Proposed 2020
Beginning Fund Balance	\$ 2,658,150	\$ 3,696,326	\$ 4,681,476	\$ 1,242,170	\$ 1,242,171	\$ 667,746
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	5,488,619	6,693,165	6,488,889	6,535,405	6,488,377	6,726,053
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	83,563	2,960,327	71,806	56,700	41,910	15,054
Transfers In	13,848	-	-	34,937	34,937	3,664
Total	\$ 8,244,180	\$ 13,349,817	\$ 11,242,172	\$ 7,869,212	\$ 7,807,395	\$ 7,412,517

Expenditures						
	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Projected 2019	Proposed 2020
Personnel	\$ 798,530	\$ 855,883	\$ 871,926	\$ 937,639	\$ 883,842	\$ 1,201,601
Supplies (30)	1,599,298	1,594,928	1,672,511	1,790,285	1,686,000	1,808,659
Professional Svcs (40)	838,401	893,188	798,522	937,509	1,024,064	1,014,421
Intergovernmental (50)	605,190	902,512	1,009,918	959,289	944,423	664,109
Capital (60)	40	-	-	-	-	3,691
Debt Service (70-80)	659,802	799,897	697,611	694,940	694,940	754,146
Other (90)	42,182	3,641,001	4,949,513	1,911,191	1,906,379	1,312,738
Ending Fund Balance	3,700,736	4,662,410	1,242,171	638,359	667,747	653,152
Total	\$ 8,244,180	\$ 13,349,817	\$ 11,242,172	\$ 7,869,212	\$ 7,807,395	\$ 7,412,517

Full Time Equivalents History						
	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Projected 2019	Proposed 2020
Director	0.18	0.18	0.18	0.18	0.18	0.18
Supervisor/Leads	1.11	1.56	1.56	1.66	1.66	2.06
Admin Support	0.98	1.21	1.21	1.20	1.20	1.25
O&M Employees	4.96	4.45	4.45	4.35	4.35	6.05
Total	7.23	7.40	7.40	7.39	7.39	9.54

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## Fund 411 – Water O&M

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### 2019 Accomplishments

- Operated 90% of isolation valves and fire hydrants.
- Flush clean 90% of water mains to maintain water quality.
- Maintained system compliance with WAC 246-290.
- Completed pump replacement project at both Lord Hill and Springhill Pump Stations.
- Installed emergency back-up power generator connection at Lord Hill Pump Station.
- Facilitated DCVA installation for service to Marbello Water System.

### 2020 Major Goals and Objectives

- Operate 90% of isolation valves and fire hydrants.
- Flush clean 90% of water mains to maintain water quality.
- Maintain compliance with WAC 246-290.
- Replace 5 obsolescent fire hydrants.

## 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. The identified water-related CIP projects 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 5,872,694	\$ 2,802,534	\$ 3,100,611	\$ 7,179,695	\$ 7,179,696	\$ 5,238,061
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	995,627	801,645	955,808	641,316	750,000	820,160
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	30,605	30,464	70,536	71,000	82,800	105,761
Transfers In	-	750,000	4,734,873	1,901,566	1,901,566	1,312,738
Total	\$ 6,898,927	\$ 4,384,643	\$ 8,861,828	\$ 9,793,577	\$ 9,914,062	\$ 7,476,720

Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ 286,572	\$ 257,678	\$ 272,292	\$ 300,453	\$ 292,055	\$ 392,291
Supplies (30)	210	-	87	-	75	-
Professional Svcs (40)	42,468	56,988	160,405	75,277	75,277	122,398
Intergovernmental (50)	-	-	100,347	71,231	83,280	92,593
Capital (60)	3,767,143	969,366	1,149,001	4,930,408	4,225,314	4,523,977
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	2,802,534	3,100,611	7,179,696	4,416,208	5,238,061	2,345,461
Total	\$ 6,898,927	\$ 4,384,643	\$ 8,861,828	\$ 9,793,577	\$ 9,914,062	\$ 7,476,720

Full Time Equivalents History						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Director	0.10	0.10	0.10	0.10	0.10	0.05
Supervisor/Leads	1.34	1.34	1.34	1.49	1.49	1.69
Admin Support	0.50	0.50	0.50	0.50	0.50	0.60
O&M Employees	0.45	0.45	0.45	0.30	0.30	0.55
Total	2.39	2.39	2.39	2.39	2.39	2.89

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## Fund 412 – Water CIP

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### 2019 Accomplishments

- Replace 3,640 feet of aging water main along 132nd Street SE.
- Replace 3,100 feet of aging water main in the Graden neighborhood located off of Ingraham Road.
- Install 1,820 feet of new water main along Cascade View Drive.
- Replace 750 feet of aging water main and 182nd Ave SE.
- Replace 450 feet aging water main as part of the emergency sewer repair under Taft Lane.
- Replace 300 feet of new water main as part of the emergency water main repair along Tester Road.
- Began design of Department of Corrections Reservoir #2.
- Began design of water main replacement along N. Madison Street.

### 2020 Major Goals and Objectives

- Replace aging water main in Adams Lane.
- Construct Department of Corrections Reservoir #2.
- Design replacement of aging water main in Woods Creek Road.
- Install new water pressure reducing valve station in Rainier View Road.
- Complete the design to replace aging water main along N. Madison Street.

## 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 2,135,275	\$ 2,512,798	\$ 2,403,717	\$ 1,101,589	\$ 1,101,589	\$ 1,397,789
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	7,463,056	7,750,935	7,895,664	7,428,000	7,651,200	7,751,100
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	62,684	6,358,752	71,011	27,264	42,086	30,455
Transfers In	42,684	-	-	94,930	94,930	7,453
Total	\$ 9,703,699	\$ 16,622,485	\$ 10,370,392	\$ 8,651,783	\$ 8,889,805	\$ 9,186,797

Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ 1,340,394	\$ 1,429,706	\$ 1,456,392	\$ 1,561,851	\$ 1,462,577	\$ 1,285,940
Supplies (30)	248,854	262,382	326,079	412,385	349,594	358,309
Professional Svcs (40)	1,439,165	1,480,889	1,669,631	1,909,967	1,877,985	2,053,574
Intergovernmental (50)	158,664	255,965	303,202	1,130,243	1,030,206	1,041,257
Capital (60)	40	-	14,225	10,000	10,000	88,335
Debt Service (70-80)	1,963,312	2,013,345	1,945,582	1,941,763	1,941,763	1,877,617
Other (90)	2,051,872	8,799,610	3,436,668	837,629	819,891	1,687,761
Ending Fund Balance	2,501,398	2,380,588	1,218,612	847,945	1,397,789	794,004
Total	\$ 9,703,699	\$ 16,622,485	\$ 10,370,392	\$ 8,651,783	\$ 8,889,805	\$ 9,186,797

Full Time Equivalents History						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Director	0.18	0.18	0.18	0.18	0.18	0.18
Supervisor/Leads	1.99	2.04	2.04	2.14	2.14	1.86
Admin Support	0.98	1.20	1.20	1.20	1.20	1.11
O&M Employees	9.87	9.41	9.41	8.29	8.29	7.95
Total	13.01	12.83	12.83	11.81	11.81	11.10

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## Fund 421 – Sewer O&M

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### 2019 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.
- Completed Wastewater Treatment Plant (WWTP) Energy Conservation Project Phase III.
- Initiated WWTP Engineering Report.
- Completed rebuild of influent screens.

### 2020 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.
- Complete WWTP Engineering Report/Mixing Zone Analysis.

## 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. 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 4,498,563	\$ 4,558,793	\$ 6,049,060	\$ 7,621,514	\$ 7,621,515	\$ 7,477,672
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	1,167,197	1,230,240	1,476,288	1,163,136	1,300,000	820,160
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	142,917	45,193	110,585	134,691	110,510	149,573
Transfers In	2,000,000	2,500,000	2,792,520	722,152	722,152	1,493,589
Total	\$ 7,808,677	\$ 8,334,226	\$ 10,428,452	\$ 9,641,493	\$ 9,754,177	\$ 9,940,994

Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ 231,606	\$ 261,179	\$ 275,905	\$ 304,381	\$ 296,312	\$ 243,315
Supplies (30)	0	3	68	-	100	-
Professional Svcs (40)	59,895	53,792	133,719	237,374	107,590	178,509
Intergovernmental (50)	-	-	-	-	141,051	96,974
Capital (60)	2,958,384	1,970,192	2,397,247	1,358,226	1,731,452	342,064
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	4,558,792	6,049,060	7,621,515	7,741,512	7,477,672	9,080,132
Total	\$ 7,808,677	\$ 8,334,226	\$ 10,428,452	\$ 9,641,493	\$ 9,754,177	\$ 9,940,994

Full Time Equivalents History						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Director	0.10	0.10	0.10	0.10	0.10	0.10
Supervisor/Leads	1.34	1.34	1.34	1.49	1.49	0.94
Admin Support	0.50	0.50	0.50	0.50	0.50	0.40
O&M Employees	0.45	0.45	0.45	0.30	0.30	0.20
Total	2.39	2.39	2.39	2.39	2.39	1.64

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## Fund 422 – Sewer CIP

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### 2019 Accomplishments

- Replaced 400 feet of failing sewer main as part of the emergency sewer repair under Taft Lane.
- Began design of new street drainage system in North Madison Street to separate stormwater from the sanitary sewer system.

### 2020 Major Goals and Objectives

- Complete the design of North Madison Street that will separate stormwater from the City's sanitary sewer system.
- Replace aging sewer under Adams Lane.
- Design new sewer main under South Taft Lane.

## 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, with the exception of specialized equipment needs. 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 2016	Actual 2017	Actual 2018	Budget 2019	Projected 2019	Proposed 2020
Beginning Fund Balance	\$ 257,717	\$ 457,649	\$ 685,520	\$ 325,679	\$ 325,680	\$ 284,529
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	25,000	-	30,000	50,000	-
Charges for Services	1,663,806	1,798,366	1,818,279	1,928,656	1,909,749	2,171,466
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	3,788	808,703	11,707	7,741	7,780	6,690
Transfers In	3,468	-	-	12,646	12,646	1,837
<b>Total</b>	<b>\$ 1,928,779</b>	<b>\$ 3,089,718</b>	<b>\$ 2,515,506</b>	<b>\$ 2,304,722</b>	<b>\$ 2,305,855</b>	<b>\$ 2,464,522</b>

Expenditures						
	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Projected 2019	Proposed 2020
Personnel	\$ 657,895	\$ 729,273	\$ 840,939	\$ 905,097	\$ 885,229	\$ 1,007,429
Supplies (30)	8,068	16,022	30,119	26,439	51,025	84,809
Professional Svcs (40)	571,642	521,214	535,855	647,625	636,117	689,813
Intergovernmental (50)	127,790	132,609	133,654	184,094	150,068	130,868
Capital (60)	52	-	-	27,846	27,846	86,335
Debt Service (70-80)	104,835	205,671	198,476	198,713	198,713	217,119
Other (90)	7,720	803,269	450,783	76,130	72,327	-
Ending Fund Balance	450,777	681,659	325,680	238,778	284,530	248,149
<b>Total</b>	<b>\$ 1,928,779</b>	<b>\$ 3,089,718</b>	<b>\$ 2,515,506</b>	<b>\$ 2,304,722</b>	<b>\$ 2,305,855</b>	<b>\$ 2,464,522</b>

Full Time Equivalents History						
	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Projected 2019	Proposed 2020
Director	0.18	0.18	0.18	0.18	0.18	0.18
Supervisor/Leads	0.92	1.37	1.47	1.47	1.47	1.51
Admin Support	0.98	1.25	1.25	1.25	1.25	1.15
O&M Employees	4.23	3.71	4.61	4.63	4.63	5.50
<b>Total</b>	<b>6.30</b>	<b>6.50</b>	<b>7.50</b>	<b>7.52</b>	<b>7.52</b>	<b>8.34</b>

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## Fund 431 – Stormwater O&M

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### 2019 Accomplishments

- **Maintained compliance with NPDES stormwater discharge permit.**
- **Completed community outreach at numerous public events including National Night Out Against Crime, Community Easter Egg Hunt.**
- **Inspected over 2,100 catch basins and stormwater control structures.**
- **Cleaned porous concrete in the downtown area using partnership with Pierce County Public Works.**
- **Received \$50,000 in grant funding from the Washington State Department of Ecology.**
- **Developed 6 Year Financial Plan to insure long term funding sustainability.**

### 2020 Major Goals and Objectives

- **Maintain compliance with NPDES stormwater discharge permit.**
- **Develop updated Stormwater Management Program & Plan to ensure NPDES compliance.**
- **Update stormwater business inspection program.**
- **Apply for \$50,000 in grant funding from the Washington State Department of Ecology to support porous cleaning operations.**
- **Clean downtown area porous concrete minimum 3 times.**

## 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 1,287,746	\$ 1,008,491	\$ 698,887	\$ 724,472	\$ 724,473	\$ 431,724
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	3,500,000
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	7,214	8,348	10,372	14,141	9,329	8,634
Transfers In	-	-	321,108	518,524	518,524	-
<b>Total</b>	<b>\$ 1,294,960</b>	<b>\$ 1,016,839</b>	<b>\$ 1,030,368</b>	<b>\$ 1,257,137</b>	<b>\$ 1,252,326</b>	<b>\$ 3,940,358</b>

Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ 222,512	\$ 251,697	\$ 266,160	\$ 293,844	\$ 285,832	\$ 269,836
Supplies (30)	-	3	68	-	-	-
Professional Svcs (40)	51,807	45,077	39,594	43,390	43,390	52,939
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	12,149	21,175	73	550,080	491,380	3,138,657
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	1,008,491	698,887	724,473	369,823	431,724	478,926
<b>Total</b>	<b>\$ 1,294,960</b>	<b>\$ 1,016,839</b>	<b>\$ 1,030,368</b>	<b>\$ 1,257,137</b>	<b>\$ 1,252,326</b>	<b>\$ 3,940,358</b>

Full Time Equivalents History						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Director	0.05	0.05	0.05	0.05	0.05	0.05
Supervisor/Leads	1.34	1.34	1.34	1.34	1.34	1.04
Admin Support	0.50	0.50	0.50	0.50	0.50	0.50
O&M Employees	0.45	0.45	0.45	0.45	0.45	0.30
<b>Total</b>	<b>2.34</b>	<b>2.34</b>	<b>2.34</b>	<b>2.34</b>	<b>2.34</b>	<b>1.89</b>

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## Fund 432 – Stormwater CIP

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### 2019 Accomplishments

- **Awarded \$3.5 Million in Department of Ecology grants and loans to fix the flooding issues on Blueberry Lane. Began design efforts.**
- **Began design of new storm system along North Madison Street to separate the stormwater from the sanitary sewer system.**

### 2020 Major Goals and Objectives

- **Reconstruct the stormwater infiltration facility and relieve flooding along Blueberry Lane.**
- **Restore stormwater treatment facilities at the south end of Lake Tye.**
- **Complete design of new storm system along N. Madison Street to separate the stormwater from the sanitary sewer system.**

## 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 1,983,629	\$ 1,935,851	\$ 1,953,800	\$ 2,886,573	\$ 2,886,574	\$ 2,789,385
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	12,222	17,949	40,811	55,984	45,325	40,524
Transfers In	-	-	891,963	-	-	-
Total	\$ 1,995,851	\$ 1,953,800	\$ 2,886,574	\$ 2,942,557	\$ 2,931,899	\$ 2,829,909

Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (30)	-	-	-	-	-	-
Professional Svcs (40)	-	-	-	-	-	-
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	-	-	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	60,000	-	-	142,513	142,513	10,464
Ending Fund Balance	1,935,851	1,953,800	2,886,574	2,800,044	2,789,386	2,819,445
Total	\$ 1,995,851	\$ 1,953,800	\$ 2,886,574	\$ 2,942,557	\$ 2,931,899	\$ 2,829,909

This fund does not have assigned staff.

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## Fund 450 – Revenue Bond Reserves

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### 2019 Accomplishments

- Non-applicable to this cost center.

### 2020 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 216,225	\$ 259,778	\$ 306,012	\$ 306,352	\$ 306,352	\$ 228,106
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	452,309	486,079	556,075	630,529	646,070	591,333
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	4,038	5,734	10,364	9,133	7,681	6,536
Transfers In	-	-	-	-	-	75,000
Total	\$ 672,572	\$ 751,590	\$ 872,451	\$ 946,014	\$ 960,103	\$ 900,975

Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ 133,222	\$ 138,899	\$ 146,680	\$ 154,710	\$ 156,277	\$ 162,757
Supplies (30)	29,885	9,654	56,087	86,450	64,450	105,000
Professional Svcs (40)	249,688	262,044	355,394	557,215	506,833	549,787
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	7,942	-	4,436	-
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	259,778	306,012	306,348	147,639	228,107	83,431
Total	\$ 672,572	\$ 716,610	\$ 872,451	\$ 946,014	\$ 960,103	\$ 900,975

Full Time Equivalents History						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Human Resources Director	0.05	0.20	0.20	0.20	0.20	0.20
Support Technician	1.00	1.00	1.00	1.00	1.00	1.00
Total	1.05	1.20	1.20	1.20	1.20	1.20

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## Fund 510 – Information Technology

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### 2019 Accomplishments

- **Started IT Strategic Plan.**
- **Upgrade to Windows 10 operating system City wide.**
- **Replaced Open Eye system at the Police Department.**
- **Assisted with GIS upgrade.**
- **Assisted Police Department with campus security cameras installation.**
- **Assisted with the installation of a point to point Wide Area Network for the new Public Works building.**
- **Upgrade the City network servers.**

### 2020 Major Goals and Objectives

- **Manage the Springbrook upgrade in cooperation with the Finance Department.**
- **Assist parks with implementation of Recreation Facility software.**
- **Finish IT Strategic Plan.**
- **Assist City Clerk with expansion of Electronic Content Management System.**
- **Upgrade physical and virtual servers.**
- **Replace firewalls.**
- **Replace switches.**
- **Continue workstation upgrades.**

## 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 2,796,336	\$ 3,619,260	\$ 3,758,957	\$ 4,285,865	\$ 4,285,865	\$ 4,533,260
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	1,658,165	1,793,309	1,659,069	1,790,542	1,806,947	2,219,442
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	48,416	65,285	126,846	90,488	106,479	71,609
Transfers In	75,545	-	-	-	-	-
Total	\$ 4,578,462	\$ 5,477,854	\$ 5,544,873	\$ 6,166,895	\$ 6,199,291	\$ 6,824,311

Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ 232,891	\$ 240,119	\$ 243,846	\$ 255,699	\$ 254,002	\$ 322,729
Supplies (30)	101,201	112,696	244,630	291,000	234,000	281,000
Professional Svcs (40)	265,886	291,576	243,510	151,002	230,502	303,201
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	359,222	1,073,968	525,791	947,527	947,527	1,034,751
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	42,699
Ending Fund Balance	3,619,261	3,759,494	4,287,096	4,521,667	4,533,261	4,839,931
Total	\$ 4,578,462	\$ 5,477,854	\$ 5,544,873	\$ 6,166,895	\$ 6,199,291	\$ 6,824,311

Full Time Equivalents History						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Director	0.15	0.15	0.15	0.15	0.15	0.00
Supervisor	0.35	0.35	0.35	0.35	0.35	0.75
Admin Support	0.15	0.15	0.15	0.15	0.15	0.10
O&M Employees	1.45	1.45	1.45	1.45	1.45	1.70
Total	2.10	2.10	2.10	2.10	2.10	2.55

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## Fund 520 – Fleet & Equipment

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### 2019 Accomplishments

- **Completed ordinary maintenance and repair for over 140 pieces of fleet vehicles and equipment.**
- **Placed 8 new units into service.**

### 2020 Major Goals and Objectives

- **Complete ordinary maintenance and repair for over 140 pieces of fleet vehicles and equipment.**
- **Fabricate custom metal boxes for Lake Tye water quality monitoring device and Wastewater Treatment Plant.**

## 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>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Beginning Fund Balance	\$ 75,450	\$ 86,746	\$ 41,860	\$ 8,818	\$ 8,818	\$ 112,144
Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	1,249,845	1,199,869	1,251,465	1,206,400	1,206,403	1,343,964
Fines & Forfeitures	-	-	-	-	-	-
Interest & Other	12,905	12,026	9,052	9,230	11,231	9,822
Transfers In	-	-	50,000	377,000	377,000	90,000
Total	\$ 1,338,200	\$ 1,298,641	\$ 1,352,376	\$ 1,601,448	\$ 1,603,452	\$ 1,555,930

Expenditures						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Personnel	\$ 295,049	\$ 324,011	\$ 315,840	\$ 356,235	\$ 340,027	\$ 296,965
Supplies (30)	121,896	71,346	129,640	163,000	160,338	153,700
Professional Svcs (40)	834,520	861,040	896,919	852,505	887,443	930,064
Intergovernmental (50)	-	-	-	-	-	-
Capital (60)	-	-	-	103,500	103,500	100,000
Debt Service (70-80)	-	-	-	-	-	-
Other (90)	-	-	-	-	-	-
Ending Fund Balance	86,735	42,245	9,978	126,208	112,144	75,201
Total	\$ 1,338,200	\$ 1,298,641	\$ 1,352,376	\$ 1,601,448	\$ 1,603,452	\$ 1,555,930

Full Time Equivalents History						
	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Budget <u>2019</u>	Projected <u>2019</u>	Proposed <u>2020</u>
Director	0.05	0.05	0.05	0.05	0.05	0.05
Supervisor/Leads	0.49	0.49	0.49	0.49	0.49	0.75
Admin Support						0.10
O&M Employees	2.51	2.39	2.39	2.39	2.39	1.50
Total	3.05	2.93	2.93	2.93	2.93	2.40

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## Fund 530 – Facilities

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### 2019 Accomplishments

- **Completed facility assessment for Municipal Campus.**
- **Replaced Police Station roof.**

### 2020 Major Goals and Objectives

- **Begin architectural and civil design process for Municipal Campus facilities.**
- **Replace Wastewater Treatment Plant roof.**
- **Replace obsolete campus security card reader system.**
- **Update Police Station locker room.**



**THE ADVENTURE  
STARTS HERE!**

# APPENDICES

## 2020 Full Time Equivalent (FTEs)

Fund/Dept	Page #	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Approved	2019 Budget	2020 Budget
<b>General Fund</b>								
Executive	43	2.00	1.00	1.00	2.00	2.00	2.00	2.00
Econ Development	n/a	-	-	-	-	-	-	-
Finance	45	3.59	4.35	4.35	5.35	3.29	3.29	3.79
Human Resources	47	1.00	1.00	0.95	0.80	0.80	0.80	1.30
Police	49	43.00	42.00	43.00	43.00	44.00	44.50	44.00
City Clerk	55	1.00	1.00	2.00	1.00	1.00	1.00	1.00
Municipal Court	57	1.00	2.20	2.20	2.20	2.20	2.20	2.20
Parks O&M	59	7.09	7.24	6.90	6.90	7.97	9.47	9.47
Community Dev.	63	7.30	8.00	7.96	7.96	8.80	8.80	9.80
Emergency Mngt	65	0.10	0.10	0.03	0.03	0.03	0.03	0.03
<b>General Fund Total</b>		<b>66.08</b>	<b>66.89</b>	<b>68.39</b>	<b>69.24</b>	<b>70.09</b>	<b>72.09</b>	<b>73.59</b>
Street O&M	76	2.27	2.33	2.77	2.69	2.69	2.69	4.86
Parks CIP	90	0.46	0.88	0.95	1.15	1.15	1.53	1.53
Street CIP	92	1.50	1.69	2.34	2.34	2.34	2.34	1.69
Water O&M	99	7.57	6.72	7.22	7.40	7.40	7.39	9.54
Water CIP	101	1.55	1.74	2.39	2.39	2.39	2.39	2.89
Sewer O&M	103	13.01	13.12	13.01	12.83	12.83	11.81	11.10
Sewer CIP	105	1.55	1.74	2.39	2.39	2.39	2.39	1.64
Stormwater O&M	107	6.61	6.02	6.30	6.50	7.50	7.52	8.34
Stormwater CIP	109	1.50	1.69	2.34	2.34	2.34	2.34	1.89
Solid Waste	n/a	0.38	0.68	0.93	-	-	-	-
Information Technology	114	1.00	1.00	1.05	1.20	1.20	1.20	1.20
Fleet & Equipment	116	1.80	2.07	2.10	2.10	2.10	2.10	2.55
Facilities	118	2.75	2.93	3.05	2.93	2.93	2.93	2.40
<b>Totals</b>		<b>108.03</b>	<b>109.50</b>	<b>115.23</b>	<b>115.50</b>	<b>117.35</b>	<b>118.72</b>	<b>123.22</b>

# 2020 Capital

Item	Fund/Cost Center	Amount	Page #
• Unmanned Aerial Vehicle	General Fund - Police	\$ 3,691	49
• Unmanned Aerial Vehicle	General Fund - Parks	\$ 3,691	59
• Boys & Girls Club bldg improvements	General CIP	\$ 1,574,720	88
• Synthetic Turf Groomer	Parks CIP	\$ 15,000	90
• Trails Planning and Repair	Parks CIP	\$ 38,000	90
• North Hill park land acquisition	Parks CIP	\$ 1,307,000	90
• Lake Tye All-weather Fields	Parks CIP	\$ 4,200,000	90
• Wayfinding/Gateway signage	Parks CIP	\$ 95,000	90
• Snohomish River Interpretive Signs	Parks CIP	\$ 25,000	90
• Rotary Field improvements	Parks CIP	\$ 34,000	90
• Neighborhood parks improvements	Parks CIP	\$ 1,500,000	90
• Chain Lake Road Phase IIA multi-purpose	Street CIP	\$ 3,241,350	92
• Chain Lake Road Phase IIB	Street CIP	\$ 347,288	92
• TIB/TBD supported road preservation/ overlay projects	Street CIP	\$ 1,241,415	92
• Annual Sidewalk Improvements	Street CIP	\$ 440,063	92
• ADA Transition Plan	Street CIP	\$ 68,153	92
• North Madison	Street CIP	\$ 25,000	92
• Railroad Crossing/Tracks	Street CIP	\$ 100,000	92
• US Hwy 2 Non-motorized Shared Path	Street CIP	\$ 150,781	92
less Street CIP Salaries & Benefits	Street CIP	\$ (231,869)	92
• Unmanned Aerial Vehicle	Water O&M	\$ 3,691	99
• SCADA PLC Replacement (N Hill PS, Trombley PS, Ingraham)	Water CIP	\$ 92,610	101
• Trombley Reservoir Fire Flow Upside	Water CIP	\$ 65,000	101
• Rainier View Rd PRV	Water CIP	\$ 277,830	101
• Adams Lane Utility Replacement	Water CIP	\$ 335,951	101
• DOC Storage	Water CIP	\$ 3,810,705	101
• Device flushing - dead ends	Water CIP	\$ 11,576	101
• North Madison Utility replacement	Water CIP	\$ 25,000	101
• Woods Creek Rd - US2 to Tjerne	Water CIP	\$ 297,596	101
• less Water CIP Salaries & Benefits	Water CIP	\$ (392,291)	101
Subtotal 2020 Capital page 122		<u>\$ 18,705,951</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

# 2020 Capital

Item	Fund/Cost Center	Amount	Page #
• Unmanned Aerial Vehicle	Sewer O&M	\$ 3,691	103
• Computer upgrades	Sewer O&M	\$ 2,000	103
• Closed Circuit TV pipe inspection camera	Sewer O&M	\$ 82,644	103
• Adams Lane Utility Replacement	Sewer CIP	\$ 335,951	105
• Waste Water Treatment Plant repairs/ capital replacments	Sewer CIP	\$ 127,628	105
• WWTP Engineering Reports	Sewer CIP	\$ 80,000	105
• North Madison Utility replacement	Sewer CIP	\$ 25,000	105
• South Taft Lane 6'/8' concrete main replace	Sewer CIP	\$ 16,800	105
• less Sewer CIP Salaries & Benefits	Sewer CIP	\$ (243,315)	105
• Unmanned Aerial Vehicle	Stormwater O&M	\$ 3,691	107
• Closed Circuit TV pipe inspection camera	Stormwater O&m	\$ 82,644	107
• Blueberry/Kelsey Infiltration	Stormwater CIP	\$ 1,000,000	109
• Blueberry Lane Infiltration	Stormwater CIP	\$ 2,131,000	109
• Lake Tye Bio-Swale Design	Stormwater CIP	\$ 277,493	109
• less Storm CIP Salaries & Benefits		\$ (269,836)	109
• Police Dept vehicles replacement	Fleet & Equipment	\$ 357,994	116
• General Govt vehicles & equipment replacement	Fleet & Equipment	\$ 181,757	116
• Public Works vehicles & equipment replacement	Fleet & Equipment	\$ 495,000	116
• Municipal Campus Fence/Gate repair	Facilities	\$ 10,000	118
• Municipal Campus Card Key readers	Facilities	\$ 50,000	118
• Police Station locker room upgrades	Facilities	\$ 40,000	118
	Subtotal 2020 Capital page 123	\$ 4,790,142	
	Subtotal 2020 Capital page 122	\$ 18,705,951	
	Total 2020 Capital	<u>\$ 23,496,093</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
- TIB - Washington Transportation Improvement Board



# MONROE CITY COUNCIL

## Agenda Bill No. 19-159

<b>SUBJECT:</b>	<b><i>Fund 105 Streets Operations Sustainable Funding and Six Year Financial Projections – Water, Sewer, and Stormwater Utilities</i></b>
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<b>DATE:</b>	<b>DEPT:</b>	<b>CONTACT:</b>	<b>PRESENTER:</b>	<b>ITEM:</b>
07/30/2019	Finance	Becky Hasart	Becky Hasart	Discussion Items #1

**Discussion:** 01/28/2019; 04/30/2019; 07/30/2019  
Finance/HR Committee: 05/14/2019; 07/16/2019

- Attachments:**
1. AB 19-020 cover page (without referenced attachments) from 1/28/2019 Long Term Street O&M/Stormwater Funding
  2. FHR AB Six Year Utilities Financial Forecasts cover page from 07/16/19 (without referenced attachments)
  3. Updated proposed six year utilities capital facilities plan
  4. Recommended utility aggregate rate structure
  5. Utility Rates and Charges page 153 of Municipal Research Services Center's (MRSC) Revenue Guide for Washington Cities and Towns

**REQUESTED ACTION:** None at this time (information only). Based on discussions with the City Council Finance/HR Committee and the July 30<sup>th</sup> retreat, recommendations for Fund 105 Streets Operations & Maintenance Funding and for the Water, Sewer, and Stormwater Utilities' funding and rate structures will be included in the 2020 Mayor's Proposed Budget.

### POLICY CONSIDERATION

*The Council is responsible for adopting the City's budget, which sets the policy for staffing and program levels of service (RCW 35A.33.080), to include capital projects and appropriate user fees.*

*During 2018, the Mayor and City Administrator worked with the Council to adopt a Six-Year Strategic Plan. The Six-Year Strategic Plan identified Street Funding Strategies as one of the initiatives for discussion during 2019. Because Streets and Stormwater are closely related (with many overlapping activities), staff recommends that any discussion regarding street operations and maintenance should include stormwater funding also.*

*Any City that has an established utility must set an appropriate rate to recover costs (RCW 35.92 and 35A.80). The City operates three utilities: water, sewer, and stormwater. A best practice to determine appropriate rates is to project a rolling six year forecast to include capital and staffing needs that best supports regulatory requirements and the City's accepted levels of service.*

### DESCRIPTION/BACKGROUND

On January 28, 2019, a high level introductory discussion regarding stormwater and street operations funding was presented to Council (see Attachment 1).

Additionally on January 28, 2019, staff committed to the following:

*Beginning in March (sooner if workloads allow), the Finance Director will be performing a forward looking assessment for both the water and stormwater funds similar to what was done for the sewer fund in 2018. The Finance Director will also reassess the sewer fund. These assessments will review rate sufficiency versus O&M and will include capital financing options and how they relate to the overall health of the utility, again similar to what was done for the sewer fund in 2018.*

Discussion continued at the April 30, 2019, Council Retreat, at which time Council assigned further analysis to the City Council Finance and Human Resources (FHR) committee.

At both the May 14, 2019, and July 16, 2019, FHR meetings, the committee reviewed the six year rate models developed by staff for the water, sewer, and stormwater utilities. Analysis included discussion regarding the proposed six year capital needs for the three utilities along with the staffing adjustments needed for the utilities and streets operations.

### STREETS

As part of the analysis for the utilities, Public Works staffing was reviewed and adjusted to actual time spent in various functional areas. The result is that time charged to the sewer and stormwater funds would decrease as time spent on street operations and maintenance (O&M) would increase. This results in the need for an additional approximately \$400,000 in revenue to the street O&M fund.

Council adopted the ten percent sewer utility tax which was effective on January 1, 2019. The adoption of this tax equalized the treatment of the sewer system to what is experienced by the water system and our brick and motor businesses in the City. The resultant revenues were identified to help fund the final bond payment associated with the North Kelsey properties, help fund recommendations from the Economic Development Advisory Board, and eventually help fund the street O&M needs. The monies needed for the North Kelsey Bond have been collected faster than was originally anticipated, allowing the City the ability to begin supporting Fund 105 Street O&M in fiscal year 2020 versus fiscal year 2021. The following table (Table 1) was first introduced on January 28, 2019. Table 2 has been updated to include actuals for fiscal year 2018, projections for 2019, and a first draft proposed 2020 inclusive of \$400,000 from the utility tax.

Table 1: Fund 105 Street O&M revenue over/under expenditures (January 28, 2019)

	A	B	C	D	E	F	G
1		2014	2015	2016	2017	2018 B	2019 B
2	SW Franchise Fees	218,965.10	176,754.77	178,816.90	199,140.79	190,875.00	202,520.00
3	Gas Taxes	361,187.09	372,131.10	398,408.39	411,477.31	424,437.00	439,627.00
4	Other	22,298.83	98,941.18	114,877.44	159,967.22	79,345.00	90,964.00
5	Total Resources	602,451.02	647,827.05	692,102.73	770,585.32	694,657.00	733,111.00
6	Total Expenditures	831,135.94	641,447.56	655,888.72	750,132.36	749,114.00	733,556.00
7	Resources over/under	(228,684.92)	<b>6,379.49</b>	<b>36,214.01</b>	<b>20,452.96</b>	<b>(54,457.00)</b>	<b>(445.00)</b>
8	Fund Balance	509,852.96	281,168.04	287,547.53	323,761.54	344,107.00	293,246.00
9	Remaining/carry over	281,168.04	287,547.53	323,761.54	344,214.50	289,650.00	292,801.00
10	suggested reserve (17%)	141,293.11	109,046.09	111,501.08	127,522.50	127,349.38	124,704.52
11	actual over target	<b>139,874.93</b>	<b>178,501.44</b>	<b>212,260.46</b>	<b>216,692.00</b>	<b>162,300.62</b>	<b>168,096.48</b>

Table 2: Fund 105 Street O&M revenue over/under expenditures updated

	H	I	J	K	L	M
12		2017	2018	2019 B	2019 P	2020 PB
13	SW Franchise Fees	199,140.79	215,115.42	202,520.00	186,100.00	200,000.00
14	Gas Taxes	411,477.31	427,552.67	439,627.00	409,163.52	439,627.00
15	Other	159,967.22	97,181.99	90,964.00	153,415.15	66,024.00
16	Utility Tax	0.00	0.00	0.00	0.00	400,000.00
17	Total Resources	770,585.32	739,850.08	733,111.00	748,678.67	1,105,651.00
18	Total Expenditures	750,132.36	681,359.92	733,556.00	774,515.86	1,004,856.00
19	Resources over/under	20,452.96	58,490.16	(445.00)	(25,837.19)	100,795.00
20	Fund Balance	323,761.54	344,107.25	293,246.00	402,037.86	376,201.00
21	Remaining/carry over	344,214.50	402,597.41	292,801.00	376,200.67	476,996.00
22	suggested reserves (17%)	127,522.50	115,831.19	124,704.52	131,667.70	170,825.52
23	actual over target	216,692.00	286,766.22	168,096.48	244,532.97	306,170.48

Table 3: Fund 105 Street O&M FTE counts

	A	B	C	D	E	F	G
1		2017	2018	2019 P	2020 Adj	2020 New	2020 Total
2	F105 Streets O&M	2.690	2.690	2.785	1.595	0.730	5.110

Table 3 illustrates the staffing recommendations associated with the first draft of the 2020 Fund 105 budget proposal. 2019's budget included 2.785 full time equivalent (FTE) position (column D). Based on fiscal year 2018 usage, the FTE levels will be adjusted for an additional 1.595 for fiscal year 2020 to better reflect actual staffing time (column E). Column F represents the prorated portion of a new Public Works staff member, which will be shared with the water utility, for a total proposed staffing level of 5.110 funded by streets O&M (column G).

Use of the sewer utility tax to support the streets O&M budget would be an on-going, sustainable revenue source which would help fund our on-going operational needs in the street O&M fund.

### UTILITIES

During the Stormwater discussion on the January 28, 2019, Council Retreat, the following tables were presented and reviewed (Attachment 2):

Table 4: Fund 432 Stormwater Capital revenue over/under expenses

	A	B	C	D	E	F	G
1		2014	2015	2016	2017	2018 B	2019 B
2	Beginning Fund Balance	1,216,297.12	1,505,819.13	1,287,745.98	1,008,491.03	698,887.00	707,084.00
3	Transfer In from O&M	515,000.00	165,000.00	0.00	0.00	321,108.00	83,500.00
4	Remaining revenues	1,308,383.96	895,804.66	7,213.58	8,347.71	7,083.00	272,214.00
5	Total Resources	3,039,681.08	2,566,623.79	1,294,959.56	1,016,838.74	1,027,078.00	1,062,798.00
6	Total Expenses	1,533,861.95	1,278,877.81	286,468.53	317,951.32	928,293.00	887,314.00
7	Ending Fund Balance	1,505,819.13	1,287,745.98	1,008,491.03	698,887.42	98,785.00	175,484.00

Table 5: Stormwater 6 Year Capital Improvement Plan versus estimated available resources

	A	B	C	D	E	F	G
1		2019	2020	2021	2022	2023	2024
5	Total Resources	1,062,798.00	175,484.00	(3,658,620.00)	(5,353,999.00)	(5,545,031.00)	(6,156,663.00)
6	Total Projected Capital	887,314.00	3,834,104.00	1,695,379.00	191,032.00	611,632.00	103,600.00
7	Difference	175,484.00	(3,658,620.00)	(5,353,999.00)	(5,545,031.00)	(6,156,663.00)	(6,260,263.00)

Since January, these numbers have been updated as new information became available, specifically with the timing of anticipated capital projects.

Any discussion regarding fiscal sustainability for the Stormwater fund should include discussion of the Water and Sewer funds, as Public Works staffing levels are distributed among all three utilities and the City bills for all three utilities on one bill.

Staff developed a six year projection model for all three City utilities (Water, Sewer, and Stormwater) which includes consideration of capital, staffing needs, debt service needs, and rate adjustments. This model is an interactive model which has been vetted with the FHR committee. Specific items of note include an updated six year Capital Improvement Plan – Proposed (attachment 4) for the utilities along with updated six year Public Works staffing levels, which corresponds with the FTE needs in Fund 105 Streets O&M (Table 6 below):

Table 6: Public Works Full-Time Equivalents (except General Fund)

	A	B	C	D	E	F	G
1		2017	2018	2019 P	2020 Adj	2020 New	2020 Total
2	F105 Streets O&M	2.690	2.690	2.785	1.595	0.730	5.110
3	F318 Streets Capital	2.340	2.340	2.535	1.495	0.580	4.610
4	F411 Water O&M	7.400	7.400	7.685	1.180	0.710	9.575
5	F412 Water Capital	2.390	2.390	2.390	0.400	0.000	2.790
6	F421 Sewer O&M	12.830	12.830	12.105	(1.250)	1.060	11.915
7	F422 Sewer Capital	2.390	2.390	2.390	(0.750)	0.000	1.640
8	F431 Storm O&M	6.500	7.500	7.820	0.005	1.410	9.235
9	F432 Storm Capital	2.340	2.340	2.340	(0.450)	0.000	1.890
10	F520 Equipment	2.100	2.100	2.100	0.350	(0.050)	2.400
11	F530 Facilities	2.930	2.930	2.930	(0.430)	(0.150)	2.350
12	Public Works Total	43.910	44.910	45.080	2.145	4.290	51.515

Table 6 columns D, E, F, and G include part-time summer help. As with Fund 105 Streets O&M, column E represents the adjustments to actuals, column F represents new proposed staffing, and column G is the 2020 proposed FTE budget.

As will be illustrated this evening, the proposed capital and staffing needs were considered as part of the six year utilities model. The result of the modeling produced a recommended rate structure for all three utilities to be considered for the 2020 fiscal year (Attachment 4). The recommended rates will allow the stormwater operations to be fiscally sustainable without creating undue burden to the overall utility bill for our rate payers.



# ATTACHMENT 1

Excerpt from AB19-020 from January 28, 2019, Council Retreat

## DESCRIPTION/BACKGROUND

During the development of the Monroe Six-Year Strategic Plan, it was determined that a holistic approach to funding street operations and maintenance (O&M) would be appropriate to address during fiscal year 2019. A holistic approach would include stormwater funding consideration, given the close relationship and frequent overlap between streets O&M and stormwater activities.

## STREETS

Street Capital has a number of funding options available, such as Real Estate Excise Taxes, Transportation Impact Fees (as appropriate), Transportation Benefit District taxes, Grants, bonding, etc. Many of these capital items cannot be used for operations and maintenance. Currently, the City's primary revenue sources for Streets O&M are the per capita state shared gas taxes and the solid waste franchise fees. Remaining resources are derived from interest earnings on investment and miscellaneous right-of-way permits/road plan review fees.

The following table illustrates the resources available for Street O&M versus the expenditures since fiscal year (FY) 2014:

	A	B	C	D	E	F	G
		2014	2015	2016	2017	2018 B	2019 B
1							
2	SW Franchise Fees	218,965.10	176,754.77	178,816.90	199,140.79	190,875.00	202,520.00
3	Gas Taxes	361,187.09	372,131.10	398,408.39	411,477.31	424,437.00	439,627.00
4	Other	22,298.83	98,941.18	114,877.44	159,967.22	79,345.00	90,964.00
5	<b>Total Resources</b>	<b>602,451.02</b>	<b>647,827.05</b>	<b>692,102.73</b>	<b>770,585.32</b>	<b>694,657.00</b>	<b>733,111.00</b>
6	<b>Total Expenditures</b>	<b>831,135.94</b>	<b>641,447.56</b>	<b>655,888.72</b>	<b>750,132.36</b>	<b>749,114.00</b>	<b>733,556.00</b>
7	<b>Resources over/under</b>	<b>(228,684.92)</b>	<b>6,379.49</b>	<b>36,214.01</b>	<b>20,452.96</b>	<b>(54,457.00)</b>	<b>(445.00)</b>
8	Fund Balance	509,852.96	281,168.04	287,547.53	323,761.54	344,107.00	293,246.00
9	Remaining/carry over	281,168.04	287,547.53	323,761.54	344,214.50	289,650.00	292,801.00
10	suggested reserve (17%)	141,293.11	109,046.09	111,501.08	127,522.50	127,349.38	124,704.52
11	<b>actual over target</b>	<b>139,874.93</b>	<b>178,501.44</b>	<b>212,260.46</b>	<b>216,692.00</b>	<b>162,300.62</b>	<b>168,096.48</b>

Table 1: Fund 105 Street O&M revenue over/under expenditures

As illustrated in the above table, expenditures exceeded revenues in fiscal years 2014, 2018 Budget, and 2019 Budget. (FY2018 actuals are not yet available.) Each of these years used fund balance to cover the difference. Also, beginning fund balance in FY2014 was higher than usual due to a one time transfer in to the street fund in FY2013 of \$151,096 from the contingency fund.

Other items of note regarding the street O&M fund:

- Although The Street Fund has used fund balance to cover operations in FY2014, 2018, and 2019 (anticipated), the remaining fund balance continues to exceed the suggested reserve balance of 17 percent. Fund 105 Street O&M is not one of the funds identified by the City's Reserve Policy. However, best practice is to target a reserve similar to the General Fund, which is 17 percent of expected ongoing expenditures.
- Street light utility bills are paid from the Facilities Fund (Fund 530), then charged back to the Street Fund on a two year look back process, per our internal service fund policy adopted by Resolution No. 013/2014 and reviewed by the State Auditor. The "look back" process means that fees that are charged to other funds/departments are recovered on a two year lag. Our street light utility bills have been increasing, due to new lights added to the system (Lake Tye pathway) and increases in electric utility rates. These are fixed costs that will continue to challenge the Street O&M Fund.

- With the exception of the FY2013 transfer in, street O&M activities are limited to the available resources currently assigned to this fund, inclusive of its fund balance. To continue to stay within the available resources as our fixed costs rise, staff must continue to limit or roll back O&M activities, such as updating crosswalk markings, basic sidewalk maintenance, street sign reflectivity checks, etc. Some programs, such as street sweeping and ditch maintenance, are stormwater funded activities.

### STORMWATER

As identified earlier in this briefing, a holistic review of Street O&M funding would include discussion regarding stormwater funding.

Stormwater O&M are accounted for separately than Stormwater Capital in the City's budget (Funds 431 and 432 respectively). Unlike the Streets O&M, Stormwater O&M and its related capital are supported by rates, not taxes. The last rate study the City conducted (in 2015) identified a regular four percent yearly increase through 2021. These rates are meant to fund both O&M and capital. 2019's single family stormwater rate is \$12.28 per month. Other stormwater revenues include interest earnings, development review fees, and grants when available, etc. The current rate structure has been sufficient to cover operations and maintenance needs, but continues to fall short regarding capital needs.

	A	B	C	D	E	F	G
1		2014	2015	2016	2017	2018 B	2019 B
2	Beginning Fund Balance	361,954.82	55,892.94	257,717.27	457,649.09	685,519.00	337,055.00
3	Rate Revenue	1,526,777.43	1,555,259.41	1,629,830.18	1,717,661.05	1,773,200.00	1,885,056.00
4	Non-rate Revenue	72,344.92	139,556.27	41,231.19	914,408.27	11,100.00	63,987.00
5	Total Resources	1,961,077.17	1,750,708.62	1,928,778.64	3,089,718.41	2,469,819.00	2,286,098.00
6	Total Expenditures	1,390,184.23	1,327,991.35	1,478,001.86	2,408,059.31	1,932,385.00	1,967,420.00
7	Resources over/under	<b>570,892.94</b>	<b>422,717.27</b>	<b>450,776.78</b>	<b>681,659.10</b>	<b>537,434.00</b>	<b>318,678.00</b>
8	Transfer to Capital F432	515,000.00	165,000.00	0.00	0.00	321,108.00	83,500.00
9	Ending Fund Balance	55,892.94	257,717.27	450,776.78	681,659.10	216,326.00	235,178.00
10	suggested reserve (12%)	166,822.11	159,358.96	177,360.22	288,967.12	215,664.00	235,178.00
11	actual over target	<b>(110,929.17)</b>	<b>98,358.31</b>	<b>273,416.56</b>	<b>392,691.98</b>	<b>662.00</b>	<b>0.00</b>

Table 2: Fund 431 Stormwater Operations & Maintenance

Stormwater capital is primarily funded by a sweep from the stormwater O&M fund. After O&M expenses, any revenue above the twelve percent target reserve per the City's reserve policy and utility management best practices is transferred to the capital fund. This "sweep" is then held in the capital fund until such time as the balance can cover the costs of the identified capital projects. A secondary revenue stream for stormwater capital would be grants, when available. The City's last significant grant for stormwater was in 2015 for Lewis Street.

The following two tables illustrates the resources available for stormwater capital after funding O&M needs:

	A	B	C	D	E	F	G
1		2014	2015	2016	2017	2018 B	2019 B
2	Beginning Fund Balance	1,216,297.12	1,505,819.13	1,287,745.98	1,008,491.03	698,887.00	707,084.00
3	Transfer In from O&M	515,000.00	165,000.00	0.00	0.00	321,108.00	83,500.00
4	Remaining revenues	1,308,383.96	895,804.66	7,213.58	8,347.71	7,083.00	272,214.00
5	Total Resources	3,039,681.08	2,566,623.79	1,294,959.56	1,016,838.74	1,027,078.00	1,062,798.00
6	Total Expenses	1,533,861.95	1,278,877.81	286,468.53	317,951.32	928,293.00	887,314.00
7	Ending Fund Balance	<b>1,505,819.13</b>	<b>1,287,745.98</b>	<b>1,008,491.03</b>	<b>698,887.42</b>	<b>98,785.00</b>	<b>175,484.00</b>

Table 3: Fund 432 Stormwater Capital revenue over/under expenses

	A	B	C	D	E	F	G
1		2019	2020	2021	2022	2023	2024
5	Total Resources	1,062,798.00	175,484.00	(3,658,620.00)	(5,353,999.00)	(5,545,031.00)	(6,156,663.00)
6	Total Projected Capital	887,314.00	3,834,104.00	1,695,379.00	191,032.00	611,632.00	103,600.00
7	Difference	175,484.00	(3,658,620.00)	(5,353,999.00)	(5,545,031.00)	(6,156,663.00)	(6,260,263.00)

Table 4: Stormwater 6 Year Capital Improvement Plan versus estimated available resources.

As illustrated in Table 2, the revenue sweep from the stormwater O&M fund is volatile and does not occur each year (line 3). Other items of note regarding the stormwater capital funding include:

- The 2019 capital expenditures budget is for design only for Blueberry Lane infiltration, Blueberry/Kelsey infiltration, and the Lake Tye Bio-swale. Capital construction for these three projects are scheduled for 2020 and 2021, pending availability of funds.
- Table 3 represents the cost estimates identified for stormwater capital in the City's Six-Year Capital Improvement Plan for years 2019 through 2024. These costs are netted against the anticipated fund balance carry overs year to year. The fund balances do not yet include any future revenue sweeps from stormwater O&M, any potential grant funding, or any potential revenue bond proceeds.

## FUNDING ALTERNATIVES

### STREETS

For the Street O&M Fund, early estimates indicate that the fund will need an ongoing revenue source of a minimum of \$500,000 to maintain the existing level of service within the next two years. Various potential sources of revenue to explore can include:

- Banked property tax capacity. The City used \$450,000 of its 2018 \$673,459 banked capacity in 2019 to fund the two new positions in the Parks Department and to help support the Economic Development Advisory Board (EDAB) recommendations. This leaves \$223,459 as the current balance. This balance will continue to grow each year if the City does not utilize its tax increase authority.
- Divert a portion of the new sewer utility tax from the general fund to the street fund, specifically after the 2020 North Kelsey debt obligation is paid. The new sewer utility tax is anticipated to generate approximately \$999,133 in FY2019. This revenue has been earmarked to support the debt service associated with the 2020 North Kelsey debt payment and to help fund the EDAB recommendations, both of which have an anticipated end date.
- Divert another revenue source from the General Fund to the Street O&M Fund, such as sales or existing property tax receipts. Any diversion of a revenue source outside of the sewer utility tax would require an offsetting expenditure decrease to general fund supported programs. This is a common practice in other jurisdictions.
- Currently, all utilities are assessed a utility tax with one exception, the Stormwater Utility. A utility tax on stormwater similar to what is assessed against water and sewer can potentially generate approximately \$175,000 per year in new revenue. This revenue could then be dedicated to the street fund, similar to the Solid Waste Franchise Fees.

All four alternatives listed above would be considered ongoing revenue sources for the Street O&M Fund. Again, diverting an existing revenue source from the General Fund would be the most disruptive to existing City programs. If the City were to explore implementing a stormwater utility tax, there are additional considerations to include relative to the capital funding needs in the stormwater system.

## STORMWATER

As discussed in the background section of this agenda bill, the Stormwater Capital identified in the City's Six-Year Capital Improvement Plan requires significant resources within the next two years. The main revenue source for this utility is rate driven, not tax drive. As such, most, but not all, options available to obtain these resources are rate related. Options can include:

- Evaluate a stormwater utility rate to cover the cost of proposed capital improvements (Table 4). Raising the utility rate while maintaining existing levels of O&M service should increase the available resources which can be transferred into the capital fund. The evaluation would include prioritizing a six year Stormwater Capital Improvement Plan.
- Decrease the O&M levels of service to allow additional resources to be swept into the capital fund without adjusting existing rates. This option would be difficult. Many of the activities associated with the stormwater utility are mandated by state and federal regulations. Those items that could be absorbed back into street O&M would increase the challenges faced by that fund.
- Adopt a general facility charge (GFC) for stormwater similar to what is assessed for the water and sewer utilities. In the past, it was determined that the stormwater utility did not have the economy of scale to support the need for a general facility charge. As we continue to grow, this may no longer apply. However, a GFC would take time to grow to a level significant enough to help support capital needs.
- Continue to aggressively pursue grant opportunities and delay capital construction until grants are available and awarded. Pursuing grants are an ongoing effort by the Public Works department.
- Issue revenue bonds to cover capital needs. During 2018, the City adopted a formal debt policy, which includes guidance on when and how to issue revenue bonds. If issuing bonds, rate revenue must be sufficient to accommodate the increase to the utilities debt payment obligations.

## CONCLUSION

Beginning in March (sooner if workloads allow), the Finance Director will be performing a forward looking assessment for both the water and stormwater funds similar to what was done for the sewer fund in 2018. The Finance Direct will also reassess the sewer fund. These assessments will review rate sufficiency versus O&M and will include capital financing options and how they relate to the overall health of the utility, again similar to what was done for the sewer fund in 2018. For the stormwater assessment, the options detailed in the Funding Alternatives section of this agenda bill can be incorporated, including the assessment of the utility tax to help support street operations and maintenance.



# ATTACHMENT 2

Excerpt from AB for July 16, 2019, FHR Meeting

## DESCRIPTION/BACKGROUND

At the January 28, 2019, Council Workshop, Mayor Thomas and city staff outlined alternative funding sources for the Street and Stormwater Funds. This is part of the Six-Year Strategic Plan to develop a holistic approach for funding street operations and maintenance. The holistic approach includes stormwater funding consideration, given the close relationship and frequent overlap between street operations and maintenance and stormwater activities.

The City Council reviewed the resources available for street operations and maintenance versus the expenditures since 2014. Staff is continuing to develop recommendations for the Street Fund as part of the Mayor's 2020 Recommended Budget.

The City Council also reviewed resources available for the Stormwater Utility. As discussed on January 28, 2019, the Stormwater Capital identified in the City's Six-Year Capital Improvement Plan (CIP) requires significant resources for the Blueberry Lane infiltration (\$2.8 million), Blueberry/Kelsey infiltration (\$1.2 million), and the Lake Tye Bio-swale (\$132,000).

As discussed in January, city staff performed a forward looking assessment for both Stormwater (Attachment 1) and Water (Attachment 2). Staff also reassessed the Sewer Fund (Attachment 3).

### Stormwater Operations and Maintenance

Stormwater O&M are accounted for separately than Stormwater Capital in the City's budget (Funds 431 and 432 respectively). Unlike the streets O&M, stormwater O&M and its related capital are supported by rates, not taxes. The last rate study the City conducted (in 2015) identified a regular four percent (4%) yearly increase through 2021. These rates are meant to fund both O&M and capital. 2019's single family stormwater rate is \$12.28 per month. Other stormwater revenues include interest earnings, development review fees, grants when available, etc. The current rate structure has been sufficient to cover operations and maintenance needs, but continues to fall short regarding capital needs.

### Stormwater Capital

Stormwater capital is primarily funded by a sweep from the stormwater O&M fund. After O&M expenses, any revenue above the twelve percent (12%) target reserve per the City's reserve policy and utility management best practices is transferred to the capital fund. This "sweep" is then held in the capital fund until such time as the balance can cover the costs of the identified capital projects. A secondary revenue stream for stormwater capital would be grants, when available. The City's last significant grant for stormwater was in 2015 for Lewis Street.

The following two tables illustrates the resources available for stormwater capital after funding O&M needs:

Table 2: Fund 432 Stormwater Capital revenue over/under expenses

	A	B	C	D	E	F	G
1		2014	2015	2016	2017	2018 B	2019 B
2	Beginning Fund Balance	1,216,297.12	1,505,819.13	1,287,745.98	1,008,491.03	698,887.00	707,084.00
3	Transfer In from O&M	515,000.00	165,000.00	0.00	0.00	321,108.00	83,500.00
4	Remaining revenues	1,308,383.96	895,804.66	7,213.58	8,347.71	7,083.00	272,214.00
5	Total Resources	3,039,681.08	2,566,623.79	1,294,959.56	1,016,838.74	1,027,078.00	1,062,798.00
6	Total Expenses	1,533,861.95	1,278,877.81	286,468.53	317,951.32	928,293.00	887,314.00
7	Ending Fund Balance	<b>1,505,819.13</b>	<b>1,287,745.98</b>	<b>1,008,491.03</b>	<b>698,887.42</b>	<b>98,785.00</b>	<b>175,484.00</b>

Table 3: Stormwater 6 Year Capital Improvement Plan versus estimated available resources.

	A	B	C	D	E	F	G
1		2019	2020	2021	2022	2023	2024
5	Total Resources	1,062,798.00	175,484.00	(3,658,620.00)	(5,353,999.00)	(5,545,031.00)	(6,156,663.00)
6	Total Projected Capital	887,314.00	3,834,104.00	1,695,379.00	191,032.00	611,632.00	103,600.00
7	Difference	<b>175,484.00</b>	<b>(3,658,620.00)</b>	<b>(5,353,999.00)</b>	<b>(5,545,031.00)</b>	<b>(6,156,663.00)</b>	<b>(6,260,263.00)</b>

As illustrated in Table 2, the revenue sweep from the stormwater O&M fund is volatile and does not occur each year (line 3). Other items of note regarding the stormwater capital funding include:

- The 2019 capital expenditures budget is for design only for Blueberry Lane infiltration, Blueberry/Kelsey infiltration, and the Lake Tye Bio-swale. Capital construction for these three projects are scheduled for 2020 and 2021, pending availability of funds.
- Table 3 represents the cost estimates identified for stormwater capital in the City's 6 Year Capital Improvement Plan for years 2019 through 2024. These costs are netted against the anticipated fund balance carry overs year to year. The fund balances do not yet include any future revenue sweeps from stormwater O&M, any potential grant funding, or any potential revenue bond proceeds.

#### Alternatives

The attached Utility Fund assessments review rate sufficiency versus operations and maintenance as well as current and future capital needs. For the Stormwater Fund, the options listed below, and reviewed at the meeting on January 28, 2019, were evaluated, including the assessment of the utility tax to help support street operations and maintenance:

- Evaluate a stormwater utility rate to cover the cost of proposed capital improvements (Table 4). Raising the utility rate while maintaining existing levels of O&M service should increase the available resources which can be transferred into the capital fund. The evaluation would include prioritizing a six year Stormwater Capital Improvement Plan.
- Decrease the O&M levels of service to allow additional resources to be swept into the capital fund without adjusting existing rates. This option would be difficult. Many of the activities associated with the stormwater utility are mandated by state and federal regulations. Those items that could be absorbed back into street O&M would increase the challenges faced by that fund.
- Adopt a general facility charge (GFC) for stormwater similar to what is assessed for the water and sewer utilities. In the past, it was determined that the stormwater utility did not have the economy of scale to support the need for a general facility charge. As we continue to grow, this may no longer apply. However, a GFC would take time to grow to a level significant enough to help support capital needs.
- Continue to aggressively pursue grant opportunities and delay capital construction until grants are available and awarded. Pursuing grants are an ongoing effort by the Public Works department.
- Issue revenue bonds to cover capital needs. During 2018, the City adopted a formal debt policy, which includes guidance on when and how to issue revenue bonds. If issuing bonds, rate revenue must be sufficient to accommodate the increase to the utilities debt payment obligations.

At the April 30, 2019 Council Retreat, Council assigned the utilities rate forecasting to the Finance Committee. For tonight, the Finance Committee will work with the forecasting models developed by staff to determine an appropriate recommendation to make to the Mayor and Council for consideration with the 2020 City Budget.

Project	Budget		2020	2021	Estimate				Project Total
	2019 (S&B)	2019 (Capital)			2022	2023	2024	2025	
Water Utility									
132nd Street Watermain Replacement	\$ 51,210	\$ 1,010,018							\$ 1,061,228
134th SE/133rd St/208th SE/209th SE (Graden) Watermain Replacement	65,000	643,625							\$ 708,625
177th PS/Replace Equip & PLC/SCADA				1,220,517					\$ 1,220,517
182nd-154th to 150th (Under SR522)	61,960	555,000		30,000	298,667				\$ 945,627
4" Servicing fire hydrant replacement					8,041	80,406	84,426	88,647	\$ 261,520
Asbestos Cement Pipe Replacement							28,142	191,617	\$ 219,759
Adams Lane Utility Replacement	16,390	11,463	335,951						\$ 363,804
Cascade View Drive Water Main	47,460	850,599							\$ 898,059
Circle Drive 2" galvanized main replace							45,000		\$ 45,000
Circle Drive to Sumac main replacement						16,801	129,453		\$ 146,254
Dickinson Utility Replacement Project				448,671					\$ 448,671
DOC Storage	30,000	455,333	3,810,705						\$ 4,296,038
Flow Meters install					19,144				\$ 19,144
Flushing Devices at dead ends			11,576						\$ 11,576
Lewis/Blakely/Fremont/McDougal parallel alley WMR						23,117	186,089		\$ 209,206
Lord Hill PS-Pump Replacement	8,000	32,000							\$ 40,000
Lord Hill-Generator	1,500	20,000							\$ 21,500
Madison/Sams/McDougal/Pike alley WMR						26,132	210,362		\$ 236,494
Main/Ferry/N Blakely/N Madison parallel alley WMR						57,289	461,177		\$ 518,466
North Madison Utility Replacement		40,000	25,000	408,324					\$ 473,324
Orr to Kelsey-abandon line under houses						10,051	80,908		\$ 90,959
Replace Asbestos Cement Watermain (171st/173rd 161st north of West Main Street)					26,000	147,000			\$ 173,000
Replace 4" Asbestos Cement Watermain (Main St behind Monroe Shopping Center)						27,300	154,350		\$ 181,650
SCADA PLC Replacement (North Hill PS, Trombley PS, Ingraham)			92,610						\$ 92,610
Short Columbia Watermain Replacement				24,614	198,143				\$ 222,757
South Taft Lane Watermain Replacement	2,500	141,115							\$ 143,615
Spring Hill PS-Pump Replacement	8,000	32,000							\$ 40,000
Strawberry Lane Watermain Replacement				82,418	1,312,000				\$ 1,394,418
Sump Pumps install (Foothills Pressure reducing valve & Trombley Reservoir)							42,213		\$ 42,213
Tester Rd Emergency Water Main Repair	5,000	70,456							\$ 75,456
Trombley Hill Reservoir to Airport/179th SE WMR					402,029	3,236,331			\$ 3,638,360
Trombley Reservoir 12" Watermain Fire Flow Upside		65,000	65,000						\$ 130,000
Wilson Lane Watermain Replacement						16,584	133,499		\$ 150,083
Rainier View Rd PRV			277,830						\$ 277,830
Install 8" along I27th						19,096	153,726		\$ 172,822
Thrive Alley Replacement							27,966	225,127	\$ 253,093

APPENDIX 3

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Destination Alley						32,715	263,356	\$ 296,071	
Woods Cr Road - US2 to Tjerne		297,596	1,249,905					\$ 1,547,501	
Woods Cr Road - Tjerne to Ingraham Rd			312,476	1,312,400				\$ 1,624,876	
Woods Cr Road - Ingraham Rd to Ingraham Reservoir				656,200	2,756,041			\$ 3,412,241	
Replace 6" along Old Owen Rd			45,581	366,931				\$ 412,512	
<b>Total Water Utility Capital</b>	<b>\$ 297,020</b>	<b>\$ 3,926,609</b>	<b>\$ 4,916,268</b>	<b>\$ 3,822,506</b>	<b>\$ 4,599,555</b>	<b>\$ 6,416,148</b>	<b>\$ 1,770,026</b>	<b>\$ 768,747</b>	<b>\$ 26,516,879</b>

<b>Sewer Utility</b>									
Computer upgrades (O&M) capital		\$ 10,000							\$ 10,000
Adams Lane Utility Replacement	16,390	10,000	335,951						362,341
Cates PS Upgrades					191,422	804,057			995,479
Dickinson Utility Replacement				318,897					318,897
North Madison Utility Replacement		40,000	25,000	1,920,305					1,985,305
Pipe Replacement Projects					500,000	670,048	703,550	738,728	2,612,326
Sayer Street Porous Concrete Driveway Access									0
South Taft Lane 6'/8' Concrete Main Replacement			16,800	64,999					81,799
South Taft Emergency Sewer Repair	2,500	269,336							271,836
Valley View PS (179tj)& Force Main Upgrades						670,048	4,924,851		5,594,899
West Main Pump Station Upgrades					191,442	804,057			995,499
WWTP Engineering Reports	35,000	348,226	80,000						463,226
WWTP Ph control				364,652	2,105,865				2,470,517
WWTP capital maintenance			127,628	134,010	140,710	147,746	155,133	162,890	868,117
Ops & Dewatering Roof Replacement				303,877					303,877
Fryelands PS & FM upgrades							387,832	4,316,571	4,704,403
South Fryelands PS upgrades								254,560	254,560
Old Owen Rd PS upgrades							77,566	651,558	729,124
WWTP NPDES Liquid Stream/Nutrient Limit				765,769	1,000,000	3,422,316			5,188,085
WWTP Biosolids Treatment Modifications				500,000	1,000,000	1,000,000	2,500,000		5,000,000
WWTP energy efficiency upgrades	10,000	1,000,000							1,010,000
<b>Total Sewer Utility Capital</b>	<b>\$ 63,890</b>	<b>\$ 1,677,562</b>	<b>\$ 585,379</b>	<b>\$ 4,372,509</b>	<b>\$ 5,129,439</b>	<b>\$ 7,518,272</b>	<b>\$ 8,748,932</b>	<b>\$ 6,124,307</b>	<b>\$ 34,220,290</b>

<b>Stormwater Utility</b>									
Blueberry/Kelsey Infiltration		\$ 130,000	\$ 1,000,000						\$ 1,130,000
Blueberry Lane Infiltration	37,380	250,000	2,131,000						2,418,380
Crystalwood Drainage						125,634	70,355	1,061,921	1,257,910
Dickinson Utility Replacement				756,176					756,176
Lake Tye Bio-Swale Design	12,000	62,000	277,493	559,133					910,626
Monroe Street & Kelsey Street				113,954	917,327				1,031,281
Monroe Street & Park Street					28,716	231,166			259,882
Park Street & Roberts Street					28,716	231,166			259,882
Stormwater retrofits						250,000	250,000	250,000	750,000
<b>Total Stormwater Utility Capital</b>	<b>\$ 49,380</b>	<b>\$ 442,000</b>	<b>\$ 3,408,493</b>	<b>\$ 1,429,263</b>	<b>\$ 974,759</b>	<b>\$ 837,966</b>	<b>\$ 320,355</b>	<b>\$ 1,311,921</b>	<b>\$ 8,774,137</b>

APPENDIX 3

# Attachment 4

	2019 Projected	2020	2021	2022	2023	2024	2025	Notes
<b>CURRENT STRUCTURE</b>								
Monthly Storm rate per ERU	\$12.28	\$12.77	\$13.28	\$13.81	\$14.37	\$14.94	\$15.54	4.00% Scheduled annual increase
Monthly water base rate	\$24.23	\$26.05	\$28.00	\$30.10	\$32.36	\$34.79	\$37.39	7.50% Scheduled annual increase
Monthly sewer rate	\$92.15	\$92.15	\$92.15	\$92.15	\$92.15	\$92.15	\$92.15	0.00% Scheduled annual increase
<b>Total Rate</b>	<b>\$128.66</b>	<b>\$130.97</b>	<b>\$133.43</b>	<b>\$136.06</b>	<b>\$138.87</b>	<b>\$141.88</b>	<b>\$145.08</b>	
<b>ALTERNATE SCENARIO</b>								
Monthly Storm rate per ERU	\$12.28 <sup>12.50%</sup>	\$13.82 <sup>12.50%</sup>	\$15.54 <sup>12.50%</sup>	\$17.48 <sup>12.50%</sup>	\$19.23 <sup>10.00%</sup>	\$21.16 <sup>10.00%</sup>	\$23.27 <sup>10.00%</sup>	12.50% Scheduled annual increase
Monthly water base rate	\$24.23 <sup>3.00%</sup>	\$24.96 <sup>3.00%</sup>	\$25.71 <sup>3.00%</sup>	\$26.48 <sup>3.00%</sup>	\$27.27 <sup>3.00%</sup>	\$28.09 <sup>3.00%</sup>	\$28.93 <sup>3.00%</sup>	3.00% Scheduled annual increase
Monthly sewer rate	\$92.15 <sup>0.00%</sup>	0.00% Scheduled increase						
<b>Total Rate</b>	<b>\$128.66</b>	<b>\$130.92</b>	<b>\$133.40</b>	<b>\$136.11</b>	<b>\$138.65</b>	<b>\$141.40</b>	<b>\$144.35</b>	
Current rate structure	\$128.66	\$130.97	\$133.43	\$136.06	\$138.87	\$141.88	\$145.08	
Recommended scenario	\$128.66	\$130.92	\$133.40	\$136.11	\$138.65	\$141.40	\$144.35	
<b>difference</b>	<b>\$0.00</b>	<b>(\$0.05)</b>	<b>(\$0.04)</b>	<b>\$0.05</b>	<b>(\$0.22)</b>	<b>(\$0.48)</b>	<b>(\$0.73)</b>	
yearly increase current structure		\$2.31	\$2.46	\$2.63	\$2.81	\$3.00	\$3.21	
yearly increase alt scenario		\$2.26	\$2.48	\$2.71	\$2.54	\$2.74	\$2.96	
<b>difference</b>	<b>\$0.00</b>	<b>(\$0.05)</b>	<b>\$0.01</b>	<b>\$0.08</b>	<b>(\$0.27)</b>	<b>(\$0.26)</b>	<b>(\$0.25)</b>	

APPENDIX 3

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## Utility Rates and Charges

### Quick Summary

- Any city that has established a utility must set an appropriate rate to recover cost.
- Revenues must be used for specified utility purpose.

**RCW: 35.92 RCW, 35A.80 RCW**

Cities and towns frequently own and manage their own water and sewer utility systems, and some also have stormwater, electric, or garbage utilities. Each of these utilities is considered a "proprietary" activity, which is to say that it functions as a business activity separate from the general governmental activities. (See chapter 35.92 RCW and chapter 35A.80 RCW regarding municipal utilities.)

This guide is not intended to address the complexities of proper rate-setting but only to speak to the overarching concepts of utility rates and charges.

### Utility Rate Setting

Ideally, all utility rates, system charges, and service fees should be set to recover the cost of operating the systems, in addition to charging for replacing equipment and adding or expanding facilities to meet regulations, future service demands, and setting aside for unforeseen events such as natural disasters.<sup>68</sup> Revenues for fees and charges must meet the expenses of the system, in addition to setting aside reserves.

Careful and accurate rate and service fee setting will assure that the utility operates in a fiscally responsible manner. Consideration should be given to the following areas when setting rates:

- Operating costs (wages, benefits, engineering fees, office supplies, chemicals, lighting, heat, repairs, and other daily operations);
- Insurance;
- State and local taxes;
- Debt service (principal and interest);
- Planning and engineering;
- Reserves for improvements, expansions, and upgrades; and
- Reserves for unforeseen events such as natural disasters.

Utility rates should also incorporate the utility's portion of indirect or "overhead" costs incurred by the city, such as payroll administration, human resources, information technology, and shared facilities and equipment. See MRSC's webpage on **Cost Allocation** for more guidance on overhead costs.

### Use of Revenues

Utility rates and charges are restricted to the use by the utility for its operations, including all of those costs listed above.

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<sup>68</sup> See *Uhler v. Olympia*, 87 Wash. 1 (1915); *Carstens v. Public Utility District No. 1*, 8 Wn.2d 136 (1941)

# Glossary

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## 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 1<sup>st</sup>. 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

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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.

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## **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

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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

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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.

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## **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.