2014 Budget
City of Edmonds
Budget Overview

Context

- The information shared this evening is consistent with the aggregate forecast delivered to the Council in July.
- The budget picture for Edmonds has improved for 2014 because of:
  - Difficult decisions made in prior years to live within available resources.
  - A moderately improved economy.
- The future is still uncertain, however our circumstances are better than they have been in several years.

Economic Environment

- We are out of a period of what had become an annual decline in real resources.
- Inflation is under control – for now.
- The Puget Sound economy is one of the healthiest in the country.
- Home values are increasing and housing sales have rebounded.
- We anticipate stable, modest growth over the next few years.
- The possibility of economic volatility due to a broad variety of factors means that we need to continue to be cautious.

Decision Packages

- Changes in expenditures that employ policy decisions are expressed as decision packages.
- There are 51 decision packages.
- Funding for these decision packages is included in the budgets for each department and fund in the recommended budget.
- Decision Packages are listed on pages 31 and 32 of the budget book and also referenced in the narratives of departments they affect.

2014/2013-All Funds

- As you listen to presentations from departments today and next week you will see:
  - New expenditures tend to focus on Edmonds Strategic Plan priorities.
  - One-time investments address deferred operational or maintenance issues and improve systematic efficiency or effectiveness.
  - No fundamental changes in departmental priorities.
  - Caution in increasing expenditures with the recognition that the economy still can be volatile.
- We don’t want to have to make severe cuts in future years because we spend too much now.

Expenditure Comparison
All Funds

	2012	2013	2013	2014	Change 14-13	Change 14-13
	Actuals	Budget	Estimate	Budget	Estimate	Estimate
General Fund	35,040,490	34,830,213	33,978,978	39,461,132	5,482,154	16.13%
Special Revenue Funds	6,840,953	13,806,093	7,679,116	17,358,808	9,679,692	126.05%
Debt Service Funds	9,494,656	1,032,032	1,039,490	1,051,290	11,800	1.14%
Enterprise Funds	20,195,277	32,061,229	26,378,181	30,132,680	3,754,499	14.23%
Equipment Rental Fund	1,177,770	1,095,372	1,022,711	979,579	(43,132)	-4.22%
Firemen's Pension Fund	89,480	108,790	89,585	89,615	30	0.03%
	$72,838,626	$82,933,729	$70,188,061	$89,073,104	$18,885,043	26.91%

2013 - 2014 Comparison General Fund Revenues

- General Fund revenues are up by 7% or almost $2.4 million over projected year end revenues for 2013.
- Of that $2.4 million or 7%:
  - Over $700 thousand or 2% results from treating conservatively anticipated under-expenditures as a resource.
  - Increased fees revenues account for over $200 thousand or 0.6%
  - Reimbursements for two engineering services positions from the street and utility funds account for almost $200 thousand or 0.6%.
  - Increases in Emergency Medical Services property (which is still 77% of 2009 levels was about $200 thousand or another 0.6%.
- Thus the increases for all other areas amount to $1.1 Million or 2.8% increase over projected 2013 levels.

2014 GF Revenue Key Drivers

Revenue	2013 YE Est.	2014 Recomm.	Variance	%	Discussion
GENERAL PROPERTY TAX	9,781,109	9,902,273	121,164	1.2%	Assumes 2013 base and 1% levy increase.
EMS PROPERTY TAX	2,775,282	2,976,287	201,005	7.2%	Valuation Growth
LOCAL RETAIL SALES TAX	5,287,664	5,525,609	237,945	4.5%	Below current trend

2013 – 2014 Comparison General Fund Expenditures

- The 2014 General Fund Expenditure Budget is 16.2% larger than the 2013 estimated year end expenditure.
  - The 2014 budget includes anticipated under-expenditures – that has a 2% impact.
  - It includes transfers to increase 2014 year end risk management and contingency reserve fund balances to their required levels – that has a 3.5% impact.
  - It includes new dollars to address needs in our street funds – this has a 2.2% impact.
  - And the General Fund budget includes about $1.4 million in one-time projects – this has a 4.1% impact.
- Without the increases referenced above, the projected increase for General Fund expenditures over 2013 projected year end is 4.4%.
- We believe this is a prudent budget and the specific one-time new investments and ongoing increases that you will hear about today will make sense.

2011–2019 GF Financial Plan

- 2011–2019 Financial Plan is a combination of:
  - 2011 and 2012 history
  - 2013 projection
  - 2014 recommended budget
  - & 2015–2019 projections.
- The plan gives us a high level view of where we are and where we are going from a financial perspective if there are no major unanticipated changes in the economy, revenues or expenditures.
- It is on page 16 and 17 of the budget book.
- I will comment on the conclusions I see, but the Power Point font is awfully small.

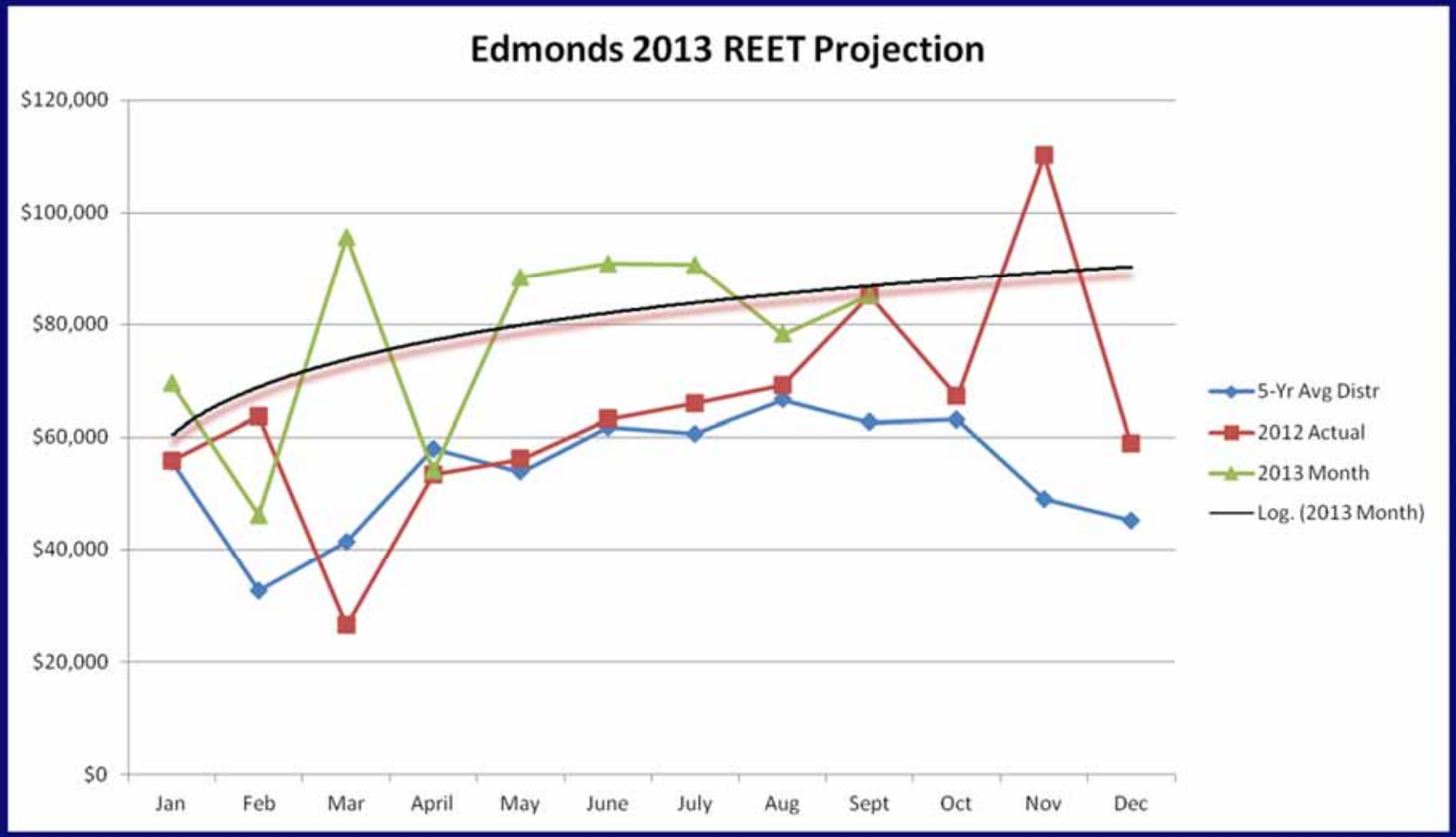
STRATEGIC OUTLOOK
CITY OF EDMONDS
TOTAL REVENUES & EXPENDITURES
2011-2019 Analysis

	2011	2012	2013	2014	2015	2016	2017	2018	2019
	Actual	Actual	Projected	Budget	Outlook	Outlook	Outlook	Outlook	Outlook
Beginning General Operations Fund Balance	4,925,009	5,705,633	4,635,301	5,868,492	4,184,840	4,857,025	5,216,417	5,174,609	4,786,988
REVENUE									
Property Tax	13,436,557	13,464,310	13,487,424	14,007,402	14,233,677	14,463,295	13,693,183	13,918,906	14,146,886
Retail Sales Tax	4,690,244	5,007,511	5,287,664	5,525,609	5,774,261	6,034,103	6,305,638	6,589,392	6,885,914
Other Sales & Use Tax	520,527	550,394	573,465	598,967	625,613	653,455	682,546	712,944	744,706
Utility Tax	6,232,489	6,340,636	6,528,042	6,587,268	6,653,141	6,719,672	6,786,869	6,854,737	6,923,285
Other Taxes	280,162	281,009	290,084	295,887	301,805	307,841	313,998	320,278	326,683
Licenses/Permits/Franchise	1,137,177	1,270,263	1,239,027	1,313,364	1,326,498	1,339,762	1,353,160	1,366,692	1,380,359
Construction Permits	529,120	415,933	510,000	654,045	660,585	667,191	673,863	680,602	687,408
Grants	99,685	11,013	46,841	13,676	13,676	13,676	13,676	13,676	13,676
State Revenues	714,344	744,353	651,631	676,303	681,839	687,503	693,300	699,230	705,299
Intergov't Service Charges	221,343	220,140	248,765	329,360	337,594	346,034	354,685	363,552	372,641
Interfund Service Charges	1,401,380	1,582,601	1,524,459	1,499,280	1,536,762	1,575,181	1,614,561	1,654,925	1,696,298
Chgs. for Goods & Services	2,458,488	2,343,795	2,595,451	2,920,389	2,956,789	2,993,951	3,031,894	3,070,638	3,110,203
Fines & Forfeits	690,078	598,398	523,944	650,765	663,780	677,056	690,597	704,409	718,497
Misc Revenues	409,663	414,493	385,674	458,252	478,255	481,348	502,814	505,613	505,533
Anticipated Under-Expenditures	-	-	-	722,352	725,961	746,953	750,053	772,310	797,950
Total Revenue	**32,821,257**	**33,244,849**	**33,892,472**	**36,252,919**	**36,970,236**	**37,707,022**	**37,460,836**	**38,227,904**	**39,015,337**
Revenue Growth / (Decline)	-5.0%	1.3%	1.9%	7.0%	2.0%	2.0%	-0.7%	2.0%	2.1%
EXPENSES									
Salaries and Wages	12,429,499	12,440,255	12,538,779	13,727,909	14,003,085	14,353,162	14,711,991	15,079,791	15,456,786
Benefits	4,161,662	4,154,742	4,134,743	4,724,106	5,086,705	5,488,617	5,932,619	6,423,549	6,966,813
Supplies	474,292	574,192	438,261	571,017	496,650	508,073	519,759	531,713	543,943
Services	3,838,898	3,375,694	4,462,878	5,078,974	4,827,290	4,938,318	5,051,899	5,168,093	5,286,959
Intergov't	8,116,230	8,674,487	8,244,347	8,503,387	8,698,965	8,899,041	9,103,719	9,313,105	9,527,306
Capital	-	13,097	40,000	40,000	85,000	85,000	85,000	85,000	85,000
Debt Service	1,433,777	1,439,260	1,196,223	1,227,091	1,249,756	1,208,039	213,226	212,516	212,810
Transfers Including to Other GF Sub-Funds	612,035	3,039,419	1,402,250	3,864,087	1,646,600	1,659,299	1,672,188	1,585,271	1,597,050
Interfund	974,240	604,035	201,800	200,000	204,000	208,080	212,242	216,486	220,816
Total Expenses	**32,040,633**	**34,315,181**	**32,659,281**	**37,936,571**	**36,298,051**	**37,347,629**	**37,502,644**	**38,615,524**	**39,897,484**
Expense Growth / (Decline)	-5.1%	7.1%	-4.8%	16.2%	-4.3%	2.9%	0.4%	3.0%	3.3%
Change in Ending Fund Balance	780,624	(1,070,332)	1,233,191	(1,683,652)	672,185	359,392	(41,808)	(387,621)	(882,147)
Ending General Operations Fund Balance	**5,705,633**	**4,635,301**	**5,868,492**	**4,184,840**	**4,857,025**	**5,216,417**	**5,174,609**	**4,786,988**	**3,904,841**

STRATEGIC OUTLOOK
CITY OF EDMONDS
GENERAL FUND FUND BALANCE
2011-2019 Analysis

General Operations & Contingency Fund Balance	2011 Actual	2012 Actual	2013 Projected	2014 Budget	2015 Outlook	2016 Outlook	2017 Outlook	2018 Outlook	2019 Outlook
General Operations (001)	5,705,633	4,635,301	5,868,492	4,184,840	4,857,025	5,216,417	5,174,609	4,786,988	3,904,841
General Operations Contingency (012)	1,927,600	5,278,152	5,282,878	5,809,993	5,809,993	5,809,993	5,809,993	5,809,993	5,809,993
Subtotal - General Operations & Contingency	7,633,233	9,913,453	11,151,370	9,994,833	10,667,018	11,026,410	10,984,602	10,596,981	9,714,834

Other Specific General Fund Fund Balances:	2011 Actual	2012 Actual	2013 Projected	2014 Budget	2015 Outlook	2016 Outlook	2017 Outlook	2018 Outlook	2019 Outlook
Criminal Investigations Fund Balance (004)	2,500	-	-	-	-	-	-	-	-
Leoff Medical Insurance Fund Balance (009)	600,000	388,509	259,972	351,557	351,557	351,557	351,557	351,557	351,557
Risk Management Fund Balance (011)	114,000	114,000	120,060	723,918	723,918	723,918	723,918	723,918	723,918
Historic Preservation Gift Fund Balance (014)	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063
Multimodal Transportation Fund Balance (013)	55,859	55,859	55,859	55,859	55,859	55,859	55,859	55,859	55,859
Building Maintenance Fund Balance (016)	1,813	214,026	97,496	57,096	57,096	57,096	57,096	57,096	57,096
Subtotal - Other General Fund Fund Balances	775,235	773,457	534,450	1,189,493	1,189,493	1,189,493	1,189,493	1,189,493	1,189,493
Total General Fund Fund Balance	9,562,638	10,686,910	11,685,820	11,184,326	11,856,511	12,215,903	12,174,095	11,786,474	10,904,327
Fund Balance as a % of Current Year Revenue	*25.62%*	*32.15%*	*34.48%*	*30.85%*	*32.07%*	*32.40%*	*32.50%*	*30.83%*	*27.95%*


Edmonds 2013 REET Projection
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$0
Jan
Feb
Mar
April
May
June
July
Aug
Sept
Oct
Nov
Dec
5-Yr Avg Distr
2012 Actual
2013 Month
Log. (2013 Month)

Questions?

Edmonds Municipal Court 2014 Budget

2013 Accomplishments

- Worked through increased caseload with less staffing.
- Able to back fill loss of part-time position without increase in overall City budget.
- Begin exploring electronic file management system.
- Added back one day to passport processing.

Challenges

- Caseload increase if/when police positions are reinstated.
- Can the court integrate with laserfiche software as the platform for an electronic file management system?
- Balancing core functions while providing extra services, such as processing passport applications.
- Integrating new public defender standards.

Expenditures

Expenditures	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Professional Services (Security)	27,000	36,000	37,000	Increase is related to a decision to have court courtroom security at the video hearings
Interpreter Expense	20,000	17,000	18,000	2013 estimated decrease is due to grouping same language interpreters on special calendars 2014 increase is due expected increase in case filings with non-English speaking defendants.
Miscellaneous	18,000	15,000	36,000	Increase for Electronic File Management System (DP)

Revenue

Revenue	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Parking	35,790	55,550	50,228	The increase in revenue estimated to be collected for parking fines is directly related to the increase in written tickets. As of today there is a 7% increase from 2012
Infractions	260,199	351,476	303,000	The increase in revenue estimated to be collected for traffic infraction fines is directly related to the increase in written tickets. As of today there is a 44% increase from 2012

Decision Packages / Changes

- **DP # 6 - Electronic File Management System - $20,000**

Description

The electronic file management system will create an electronic file for each defendant. Increasing the court's time management skills and improving the court's case-flow management

The automation will include:

- Electronic documents (pleadings, filings, and orders)
- Records can be accessed by entering a case number , a party's name or displaying the judge's calendar
- Files will be separated into three categories, confidential, public record and financial balances
- All documents will be imaged as PDF and all required signatures will be recorded electronically.

Benefits

- The court's efficiency will increase as it relates to staff productivity and reduction in the expense for paper, pre-printed forms and other supplies

Decision Package Continued

- Improve efficiency and instant access to court documents for all judicial users and the general public
- Elimination for the need of additional file cabinets, storage area and office space

- **Existing Resources**

  The city receives funds from "Washington State Court Improvements Account". The funds are restricted and must to be used only for improving the court's efficiency. The balance in this account as of today is $50,519.

Questions?

City Clerk's Office 2014 Budget

2013 Accomplishments

- Laserfiche (document management system) installed; training of staff occurred and significant progress has been made in importing and scanning records.
- On going public records training – i.e., Public Works Department, City Council, regular public records tips
- New City Clerk recruited

Challenges

- Continued implementation of Laserfiche.
- Email Management - Citywide
- Resources for Public Records Disclosure
- Staffing/leave issues
- Management of Archive Centers

Expenditures

Expenditures	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Total	586,831	576,220	537,273	One-time $60,000 removed for Doc. Management System

Revenue

Revenue	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
General Business License	106,297	106,297	107,360	
Non Resident Business License	39,274	53,429	53,963	
Residential and Visitor Parking	4,600	4,600	13,300	Increase fee; see DP

Decision Packages / Changes

- DP #7
  - Increase annual fee for Residential and Visitor Parking Permits from $10 to $25

Questions?

Mayor's Office 2014 Budget

2013 Accomplishments

- Success in improving Edmonds financial position
- Progress in economic development in many areas of the city
- Improved function of Development Services and Engineering areas
- Continued success in pursuing and receiving grants for infrastructure and parks needs
- Improved communication with press releases, re-establishment of the newsletter, and State of the City presentation

Challenges

- Continued vigilance of Edmonds long-term financial needs
- Maintaining Edmonds commitment to long-term transportation needs
- Diversification of tax base
- Identifying a long-term vision to coordinate with the city's mission statement
- Continue to improve city communication with the public

Expenditures

Expenditures	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Total	240,638.00	240,638.00	251,085.00	

Questions?

Human Resources 2014 Budget

2013 Accomplishments

- Transition to new Health Insurance Plan
- Transition to new Medicare supplemental plan for LEOFF 1 retirees.
- Updated website, including all policies, CBA's, job descriptions, salary and wage information, benefit plans, contracts, etc.
- Completed Anti-harassment training for all employees

2013 Accomplishments

- Started transition for L & I claims management
- Completed draft of new Accident Prevention Program
- Recruitment and screening process for Finance Director and City Clerk
- Offered a City Health and Wellness Fair.
- Successful MEBT audit
- Hiring and training of HR analyst

Challenges

- Staffing capacity (decision package)
- Applications
- New systems requiring some:
  - Paperwork (i.e. LEOFF, Medical
  - Insurance, L & I claims)

Expenditures

Expenditures	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Human Resources	281,378	256,636	326,758	#2 -Applicant Tracking, #3 - Worker's Compensation Consultant, #4- Part-Time Employee

Revenue

Revenue	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Medical Benefits	300,000	300,000	150,000	
LEOFF Benefits	180,000	180,000	180,000	
L & I claims	20,000	20,000	100,000	

Decision Packages / Changes

- DP #2 - Applicant Tracking
  - $12,080. Offer online applications and tracking.
- DP #3 - Workers Compensation Consultant
  - $12,000. This will save approx. $100,000 in premium costs.

Decision Packages / Changes

- DP #4 - Part time Employee
  - $24,898 – Funds a .5FTE to process all paperwork connected to medical/LEOFF/and workers compensation changes.

- DP #5 - Longevity
  - $31,900 – Funds longevity incentives for non-represented employees, to be consistent with other employees in the city. This is reflected in non-departmental.

Community Services and Economic Development Department 2014 Budget

2013 Accomplishments

- Edmonds Downtown Business Improvement District (EDP Goal 2, Policy 2e)
- City of Edmonds Strategic Action Plan
- Comcast Franchise Agreement (revenue for CC Chamber equipment)
- Amendments to ECC 4.90 and ECDC Titles 16 and 20 (SAP 2a.2)
- Amendments to BD Zones (approved)
- Paint the Town (EDP Goal 2, Policy 2J)

Marketing	
Snohomish County Visitors Guide	AAA Journey (2 times) (includes editorial)
Seattle Visitor's Guide	Seattle Times/Portland Ad
Official Washington State Visitor's Guide	Seattle Times Insert and Print Ad
Alaska Air/Horizon Air Magazine	KPLU/KING Radio spots - Online Block Ads
Vancouver Magazine (BC)	Travel Host (includes editorial)
ECA Season Brochure	Tourism Video Underway

Challenges

- Implementation of Strategic Action Plan
- Recruitment / Retention / Expansion of Businesses
- Helping Edmonds Downtown Business Improvement District Transition to Self Sufficiency
- Diversifying the City's Tax Base
- Improving Communication with the Public (SAP - 5b.2)
- Improvement of Permitting Process (SAP - 5a.2)
- Highway 99 – Launching New Initiatives
- Westgate and Five Corners Special District Studies
- Securing Grants

Expenditures

Expenditures	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Comm Serv's Professional Services	44,044	35,670	40,224 (36,300) (+3,924)	Mike Doubleday Contract ($630) Past EG Grant not spent ($3,924)
Econ Dev't Professional Services	21,210	21,210	65,600 (20,800) (+40,000) (+4,800)	Half-time Contracted Position – DP#19 Contracted Position - Social Media – DP#18
Econ Dev't Advertising	24,000	24,000	39,000 (24,000) (+15,000)	Half-time Contracted Position – DP#19

Decision Packages / Changes

- DP #18 - $4,800
  - Contracting for Online Communication via Facebook, Google and You Tube
    - Ties to Strategic Action Plan - Action 5.b.2
- DP #19 - $55,000 ($40K contract - $15K Advertising)
  - Half-Time Contracted Person to Provide Information on City Economic Development and Arts for One Year
    - Ties to Strategic Action Plan - Actions 1d, 1d.1 & 2, 1e, 1e.1 -7, and 5.b.2

Questions?

Finance & Information Services Department 2014 Budget

2013 Finance Accomplishments

- The 2012 Annual Financial Report received no findings or management letters.
- Water, Storm, & Sewer Utilities were separated into their own funds. This was a complex adjustment that was not completed until September.
- The quality of the work done during the year is a reflection of the professionalism of the staff.
- The Finance Department transitioned through three directors in 2013 – and survived!
- Moved $10 million into Snohomish County Investment Pool increasing return to the City.

Finance Challenges

- A goal for 2014 will be to document operational procedures and guidelines within the Finance Department and for our internal customers.
- We intend to work in support of the Edmonds PFD in improving the caliber of their accounting and internal controls.
- We will also be looking at our automated budget system to determine if we can improve the efficiency of our budget process without significant cost.
- Such an improvement would allow the City to incorporate more innovative mechanisms and would help make possible outcome based budgeting.
- Keep up with workload!

2013 Information Systems Accomplishments

- Clerk's Document Management
- Redundancy for the WWTP systems
- Hosted Payment Solutions that meet legal and financial requirements.
- Improve Documentation to manage technology tools effectively.
  - Systems
  - Assets
  - Infrastructure

Information Systems Challenges

- Business Continuity – Make sure our systems are available and information is secure.
  - Security and threat protection
  - Disaster recovery
- Strategic Asset Planning
  - Leverage infrastructure vs new acquisition to assure that we invest in the right products and multiple users benefit whenever possible.
- Compliance with legal and other required levels of security.

Expenditures

Expenditures	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Salaries	669,370	681,841	778,376	IS Staff & Intern DP & 12mos Dir.
Benefits	214,100	221,484	255,363	-
Supplies & Equipment	208,200	152,587	206,590	IS Equip DP
Repair & Maintenance	171,750	155,924	180,986	-
All other Charges	255,098	236,060	223,970	-
Total Budget	1,518,518	1,447,896	1,645,285	-

BT1

Information Systems Decision Packages / Changes

- Hosted Credit Card Systems #8
  - $5,500 removes credit cards from internal systems to meet legal requirements.
- GIS Web Maps#9
  - $16,400 web access for mapped information to map underground water pipes.
  - Partially funded with proposed fee increase.
  - Self-Service web portals support Edmonds Strategic Objective 5b.1: Public Access
- Part time to Full Time IT staff #10
  - $33,800 makes existing half-time position full time and will allow department to meet existing service level expectations.

Slide 55

BT1 Brian Tuley, 10/14/2013

Information Systems Decision Packages / Changes

- Police Department Monitoring#11
  - $10,000 add 2 cameras and video recording capacity at Police Department to meet capacity and security requirements.
- Secure Network Segment#12
  - $35,000 segregates web exposed systems from network to provide citizen self-service access to mapping data across City GIS systems.
  - Packages 11 and 12directly support Edmonds Strategic Action Plan 5c.1 Safe and secure environment
- Backup System #13
  - $21,000 hardware and software for data backup system will reduce risk to the City of major loss of data.

Financial Services Decision Packages / Changes

- No Major Changes in Financial Services 2014 Budget
- One Decision Package - Package #14:
  - College / Graduate Student Internship
  - $10,000 to Focus on documentation of Financial Services (as well as Information Services) Policies, Procedures and User Documentation.
  - Improve efficiency and reduce audit concerns.

Other Finance Managed Funds

- Finance is responsible for the budgets of several other small funds:
  - LEOFF Medical
  - Risk Management
  - Contingency Reserve
  - Employee Parking
    - Clerk's Processing Service Fee Adjustment
  - LID and Debt Service Funds
  - Fireman's Pension to Actuarial recommended level

NonDepartmental 2014 Budget

Non-Departmental Function

Non-Departmental is used to segregate all costs not directly identifiable to departments and those expenditures and services that are required by law or contract that are beneficial to all citizens.

The Finance Department provides oversight to the Non-Departmental budget.

2013 Estimated Expenditures are 97.4% of budget.

Key Programatic Expenditures

Expenditures	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Public Defender	270,000	135,000	170,000	Cost trended down
Liability & Property Ins.	396,193	396,193	379,784	WCIA Rates
Miscellaneous	55,156	55,156	455,708	Dec Pkg
Snocom/New World	817,064	817,064	888,768	
Debt Service	1,201,223	1,196,223	1,227,091	
EPFD Contingency Reserve	190,000	180,000	180,000	
Transfers to Other Funds	1,575,185	1,402,250	3,864,087	Reviewed Later
Other ND Expenditures	7,661,583	7,662,900	8,012,705	Questions – contact me.
Total Expenditures	**12,166,404**	**11,844,786**	**15,178,143**	

Transfers within General Fund

Expenditures	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Law Enforcement Medical (009)	350,000	350,000	594,646	Actuarial Report
Risk Management (011)	667,000	667,000	903,798	Targeted Balance
GF Contingency Reserve (012)	122,935	-	522,315	Targeted Balance
Building Maintenance (016)	56,600	56,600	589,800	Dec. Pkgs
Total GF Intrafund Transfers	1,196,535	1,073,600	2,610,559	

Key Transfers to otherFunds

Expenditures	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
REET (125)	12,000	12,000	-	
Debt Service (231)	216,650	216,650	214,163	
Cemetery Fund (130)	-	-	40,186	Dec. Pkg
Street Fund (111)	100,000	100,000	400,000	Dec. Pkg
Street Construction Fund (112)	50,000	-	450,000	Dec. Pkg
Fireman's Pension (617)	-	-	129,179	Actuarial Rec.
Municipal Arts Fund (117)	-	-	20,000	Dec. Pkg
Total to Other Funds	**378,650**	**328,650**	**1,253,528**	

Decision Packages / Changes

Most Non Departmental Decision Packages are elements of programs managed through other departments. Discussion of the expenditures and their relationship to the Strategic Plan are made by those departments and within those funds.

- DP #5: GF ($32K) Longevity Program proposed through Human Resources.
- DP #24: GF ($40K) - Parks support services for Cemetery.
- DP #25: GF ($20K) – Parks Arts Commission
- DP #36: REET I ($450k); REET II ($300K); & GF ($450K) -
  - Public Works Pavement Preservation Program
- DP #37: GF $300K - Road Operations Funding
- DP #38. 39 & 40: GF ($623K); Public Works Facilities Infrastructure Major Maintenance Projects.
- DP #46: GF ($400K); REET I ($200k); Reserves for Council Designated Projects.
- DP #47: GF ($725K); 2% Under-Expenditures Resource
- DP #48: Transfers to General Fund sub-funds detailed earlier.

Questions?

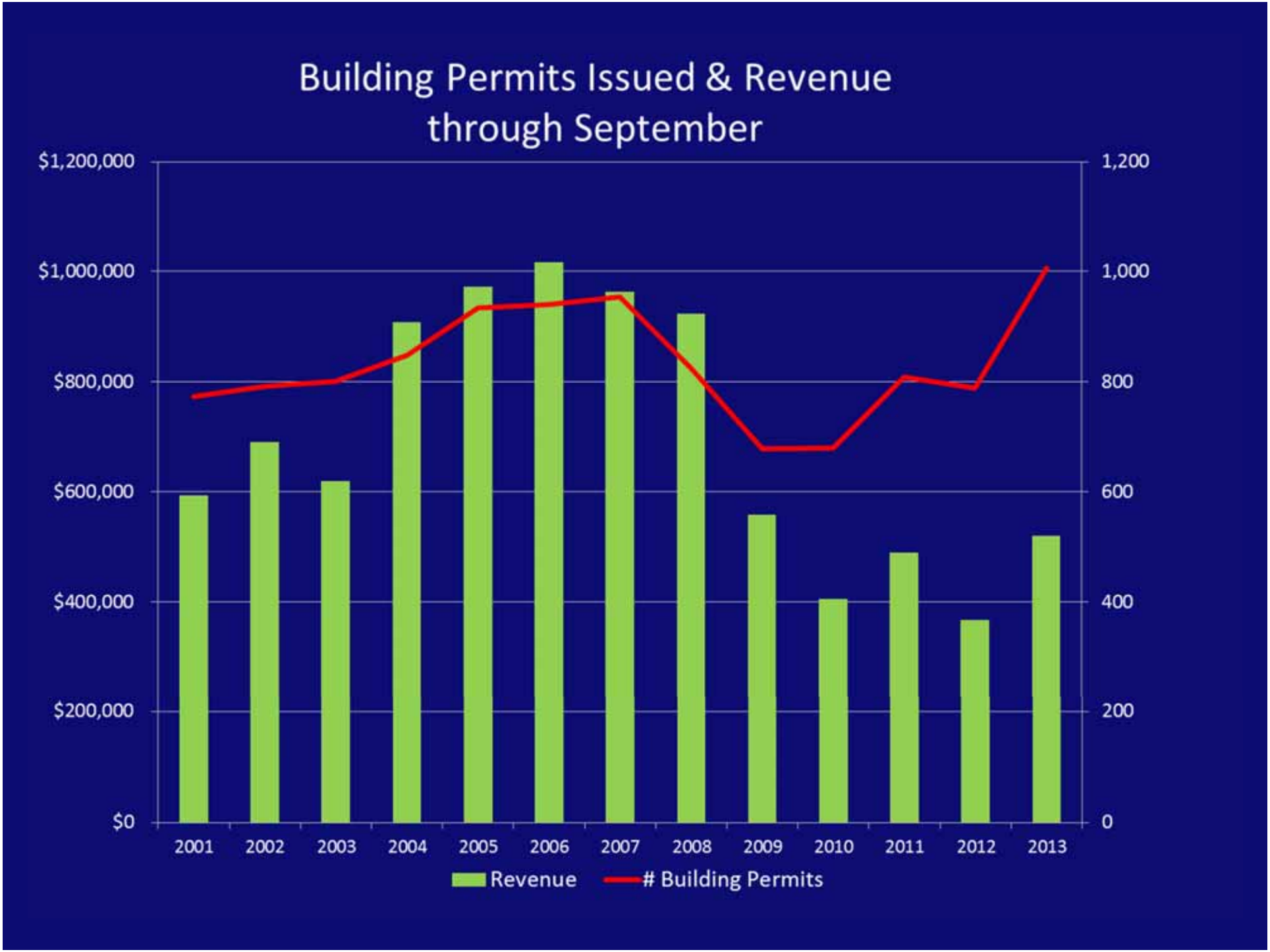
Development Services Department 2014 Budget

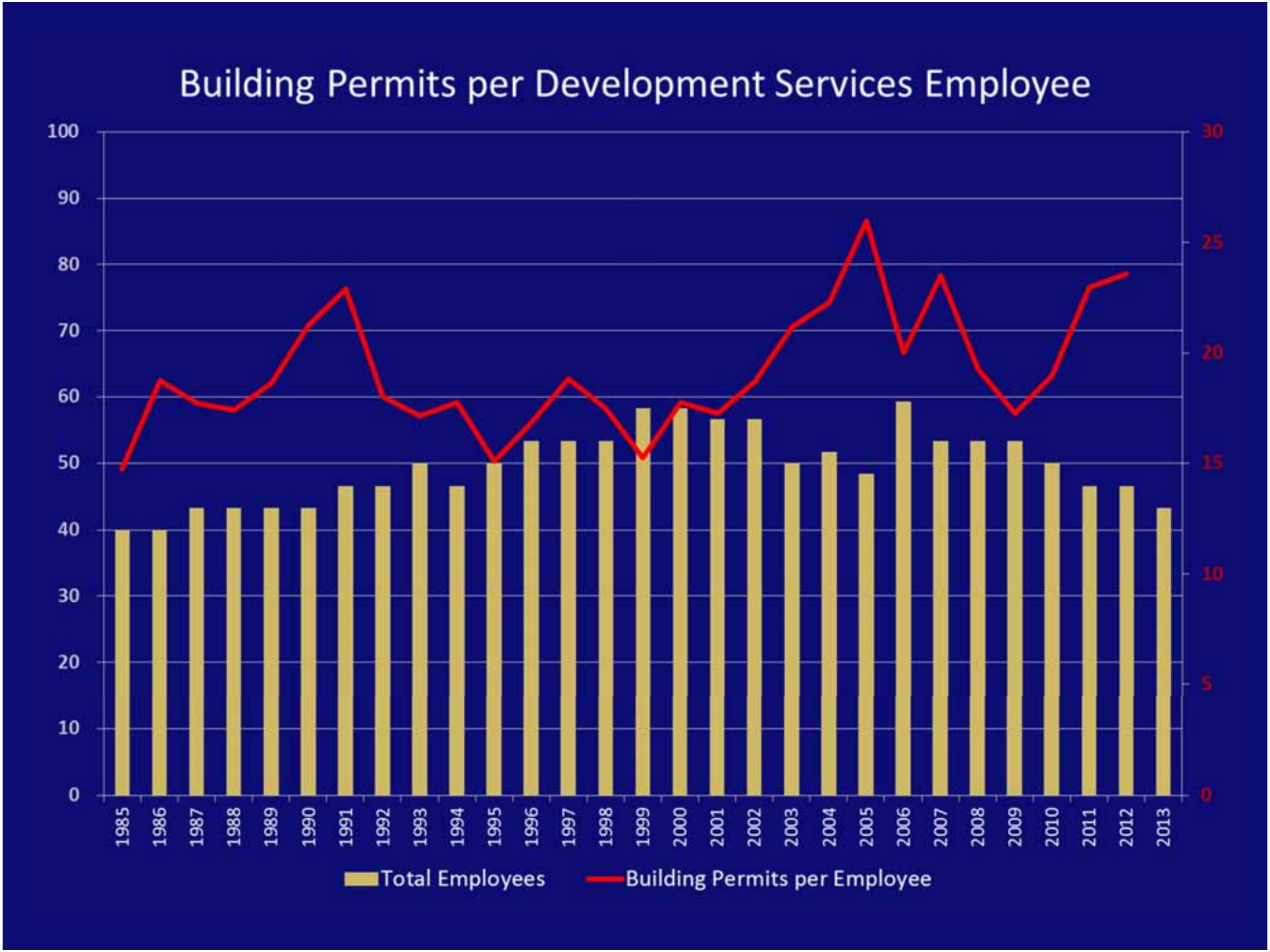
2013 Accomplishments

- Permit activity – i.e. number of building permits – is at an all-time high.
- Permit revenue is below the peak years of 2004-2007, but is rebounding from recession levels.
- Significant projects will elevate permit revenue over the next year, primarily related to Swedish-Edmonds.
- The budget includes proposed fee increases, based on a more thorough analysis of direct and overhead costs. The result improves cost recovery and moves fee levels to be more in line with other cities.
- With reduced staffing, continuing to support strategic plan initiatives and Council, board & commission work.

Challenges

- Code re-organization project is proceeding, but is still challenging to devote sufficient staff time to complete (decision packages attempt to address this challenge).
- Permit activity per employee is at an all time high. This is not sustainable at current staffing levels (decision packages attempt to address this challenge).
- At lowest staffing level since 1990. Staff downsizing for 2013 has resulted in slower permit review times (decision packages attempt to address this challenge).


Building Permits Issued & Revenue through September
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
1,200
1,000
800
600
400
200
0
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
Revenue
Building Permits


Building Permits per Development Services Employee
100
90
80
70
60
50
40
30
20
10
0
30
25
20
15
10
5
0
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
Total Employees
Building Permits per Employee

Expenditures

Expenditures	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Salaries	1,032,549	997,094	1,255,706	#41, 21, 23
Benefits	358,465	348,186	459,602	“
			+324,294	
Total Dept	1,653,042	1,565,133	1,938,960	
			+285,918	

Revenue

Revenue	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Construction Permit	430,000	510,000	654,045	Swedish+
Permit Fees (net Δ)	--	--	+183,185	#20

Decision Packages / Changes

DP#41 – New Development Services Director

- Ongoing… $198,221 in 2014 ($178,221 in 2015+)

DP#20 – Adjustments to Development Fees

- Ongoing revenue, $183,185 in 2014+

DP#21 – Hire a Plan Check/Inspector in Building

- Ongoing… $68,170 in 2014+

DP#22 – GMA Critical Areas Ordinance

- Two-year study: $40,000 in 2014, $40,000 in 2015

DP#23 – Building plan coordinator hiring overlap

- One-time… $12,055 in 2014

Questions?

Parks, Recreation and Cultural Services Department 2014 Budget

2013 Accomplishments

- Replacement of Playground area at Mathay Ballinger Park
- Edmonds Marsh Feasibility Study
- SR 99 International District Enhancements
- Edmonds Arts Summit

2013 Accomplishments

- Installation of 13 new flower posts with artwork
- Main street Lighting and landscaping project
- Yost pool heat exchanger replacement
- Installation of grant funded interpretive signs at Marsh

2013 Accomplishments

- Adopt a flower basket and corner park program
- Write on the Sound writer's conference
- Grant funded concert series Hazel Miller Plaza
- Health and Fitness Expo

2013 Accomplishments

- Park Impact Fees
- MPD/Park Levy Exploratory
- Richard F. Anway Park naming
- Public art project for 5 corners
- 5,227 volunteer hours, or 2.5 FTE

Challenges

- Staffing capacity
- Yost Pool
- Park maintenance
- Park projects
- Cemetery Fund

Expenditures

Expenditures	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Administration	473,795	454,027	408,211	
Recreation	907,879	914,975	1,090,134	2014 Staff reorg from Admin to Rec DP: 25/26/27
Programs	578,168	509,056	590,945	Increased programming
Park Maintenance	1,461,984	1,456,633	1,631,615	DP: 28/30/31/33/43
Flower Program	20,691	20,323	50,211	DP:29
Total Dept Budget	3,442,517	3,355,014	3,771,116	

Revenue

Revenue	2013 Modified Budget	2013 YE Estimate	2014 Recomm	Discussion
Aquatics	126,100	132,583	134,250	
Program Fees	895,500	836,580	877,825	Increased programming
Rentals	145,500	155,900	158,700	
Leases	143,000	157,445	159,335	
Parks Donations	4,300	9,900	9,100	
Total	1,314,400	1,292,408	1,339,210	

Decision Packages / Changes

- DP #24 - General Fund Subsidy to Cemetery Fund
  - $40,186 (ongoing) – This will support the service level at the cemetery.
- DP #25 - Support for Arts Commission
  - $20,000 – This will add intern support for the arts commission projects.
- DP #26 - Recreation Manager – Interim Asst Parks Director
  - $6,418 – This will assist Parks Director with large park projects (PROS, City Park).

Decision Packages / Changes

- DP #27 - Training
  - $5,000 – This will support staff with ongoing professional training to stay current and provide best practices to citizens of Edmonds.
- DP #28 - Parks Ballfield Irrigation
  - $15,000 – This restores the irrigation at area ballfields.
- DP #29 - Parks Seasonal Flower program
  - $30,337 – This is offset by flower donation program. Total is $8,550.
- DP #30 - Replace downtown trash cans
  - $16,000 – Enhances downtown area.

Decision Packages / Changes

- DP #31 - Parks Seasonal Laborers
  - $45,559 – Restores summer seasonal laborers to mow, pick up trash, clean restrooms.
- DP #32 - PROS plan
  - $62,500 – Completes the PROS and Community Cultural Plan.
- DP #33 - City Park Spray water costs
  - $25,000 – This will support the new Spray Park.
- DP #43 - One Cemetery Seasonal
  - $15,186 - Provides for mowing, edging, landscape maintenance during peak times.

Questions?

Police Department 2014 Budget

2013 Accomplishments

- Re-Accredited by Washington Association of Sheriffs and Police Chiefs
- Policy Manual Updated and Posted on Webpage
- Two Police Officers completed FTO and two Police Officers hired to fill vacancies
- Filled Domestic Violence Coordinator vacancy
- Continued Integration of North Sound SWAT – Kirkland
- Hosted Fraud/Burglary Awareness Meeting on June 20
- Hosted Edmonds Night Out on July 30 – Police Foundation
- Purchased Replacement Police Dog – Police Foundation

Challenges

- Staffing – Assistant Chief and Police Officer
- Radio Replacement – 2020 – Mobiles and Portables
- Attrition and Turnover – Aging Workforce
- Complexity of Criminal Investigations – Expectations of Prosecution, Defense, Judge, Juries
- Technology is expensive – DNA, Fingerprints, Trace Evidence, Virtual Crime Scene Replication
- Expectations of the Public for Level of Service, On-Line Reporting, On-Line Records Requests
- State mandated training requirements increased

Recent Highlights

2012 Activities

- Part 1 Crimes Solved - 30.7%
- Felony Filings - 237
- Traffic Citations and Infractions - 4,180
- DUI Arrests - 121
- Total Misdemeanor Arrests - 1,148
- Animal Control Incidents - 1,242
- Parking Citations - 1,113
- Firearms Related Requests (CPL, Transfers) - 963
- Public Disclosure Requests - 1,865
- Traffic Collisions Investigated - 707

Expenditures

Expenditures	2013 Modified Budget	2013 YE Estimate	2014 Recom-mended	Discussion
Salaries, benefits	$7,133,316	$7,074,582	$7,427,044	Staffing DP #16, 49
Overtime	$400,000	$401,091	$402,456	No change to operational OT
Supplies/Equip.	$155,810	$142,018	$160,310	Supplies for staff in DP #16, 49
Prof. Services	$95,200	$135,911	$114,287	$7k for towing; Licensing DP #15
Other	$119,682	$97,545	$118,682	
Intergovernmental	$9,998	$10,088	$10,237	
Interfund Rental	$568,344	$568,344	$590,688	Radio DP #17
Total Budget	$8,482,350	$8,429,579	$8,823,704	

Revenue

Revenue	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Intergovernmental	$46,921	$51,821	$44,600	
Special Events	$37,615	$41,000	$38,300	
Animal License & Adoptions	$19,821	$19,821	$47,156	Licensing DP #15
Grants	$17,191	$12,841	$13,676	
Other	$9,587	$11,308	$9,775	
Total	$131,135	$136,791	$153,507	

Decision Packages / Changes

- DP # 16 - Assistant Chief of Police
  - This position was cut mid-year 2012. Has resulted in periods without command staff availability; difficulty balancing schedules, workflows, meeting of critical deadlines; reassignment of workload; important from personnel and risk management standpoint.

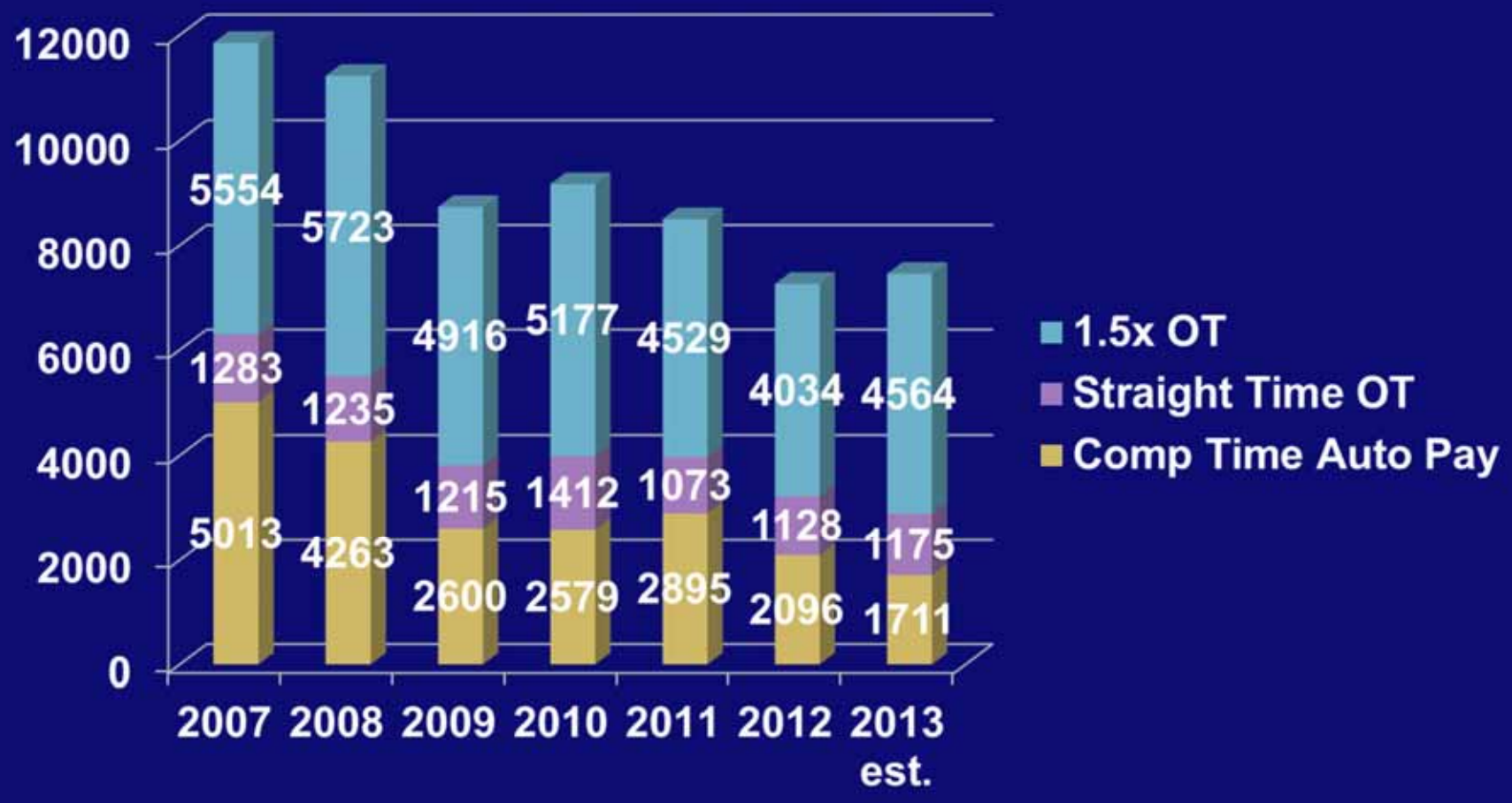
- DP # 17 - Radio Replacement Fund
  - Due to budgetary shortfalls, there was a partial contribution to the fund in 2009 and none in 2012. The entire 800mHz public safety infrastructure in Snohomish County is set for *mandatory* replacement by 2020. Increased contributions will be required to ensure sufficient funding for EPD mobile and portable replacement.

Decision Packages / Changes

- DP #49 - Police Officer – Entry Level
  - This is one of four FTE cut during 2012. Goal will be to utilize this FTE as a way of restarting Street Crimes Unit in 2015.

- DP #15 - Animal Licensing
  - Calls for utilization of an outside vendor animal licensing and an increase in current fee structure. Issuing under current structure costs approximately $1,700/year. With new structure, approximately $29,880/year of new net revenue could be generated.

Overtime Hours Paid 2007-2013



Police Overtime 2007-2013 in Thousands

Questions?

Public Works & Utilities Department 2014 Budget

Streets • Facilities • Water
Sewer • Admin • Stormwater
Engineering • WWTP • Fleet

2013 Accomplishments

- Main Street Project $1.4 million
- Treatment Plant Upgrades $1.3 million
- Sewer Comprehensive Plan Update $120k
- Highway 99 Decorative Lighting Project $385k
- 5th Ave Overlay Project $987k

2013 Accomplishments

- 9 Lift Station Rehabs $4.5 million
- Vehicle Fleet Propane Conversion $110k
- FAC Locker Room Improvements $148k
- 37 New Recycling Stations for Parks & Downtown $16k

2013 Accomplishments

- Ops Center Stormwater Structure Install $50k
- 2013 Water main Replacement $1.57 million
- 224th Sewer & Water main Replacement $367k
- 228th Corridor Improvements $2.71 million

2014 Construction Projects

- 5 Corners Roundabout $2.9 million
- Signal Cabinet Improvements $266k
- SR99 Lighting Phase 3 $592k
- 3rd Ave ADA curb ramps $90k

2014 Construction Projects

- 238th St. Walkway & Storm Drain Improvements (100th Ave-104thAve) $1.385 million
- 15th St. SW Walkway (Edmonds Way – 8th Ave) $364k
- 236th St. SW Walkway (Edmonds Way-Madrona Elementary) $494k

2014 Construction Projects

- 10,000 ft of Water main Replacement $2.67 million
- 2,000 lineal ft of Water main overlays $250k
- 6,500 ft of sewer main replacement $2.8 million
- 1,500 ft of CIPP sewer rehabilitation $520k
- 2014 Pavement Preservation Program $1.2million

Revenue

Revenue	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion
Motor Vehicle Fuel Tax	$770,000	$766,000	$760,000	Flat state tax/gal.
TBD Annual Registration Fees	$645,000	$645,000	$645,000	No change in fee or # of cars
Water Sales	$5,945,698	$6,051,066	$6,048,981	No rate increase
Sewer Sales	$6,752,279	$6,846,390	$6,929,578	No rate increase
Stormwater Sales	$3,207,600	$3,239,500	$3,255,698	No rate increase
Rental Leases	$62,500	$63,104	$63,014	Tower leases, Good Hope pond house
Operations Grants	$260,300	$199,503	$231,652	DOE Storm grants, etc.

Expenditures

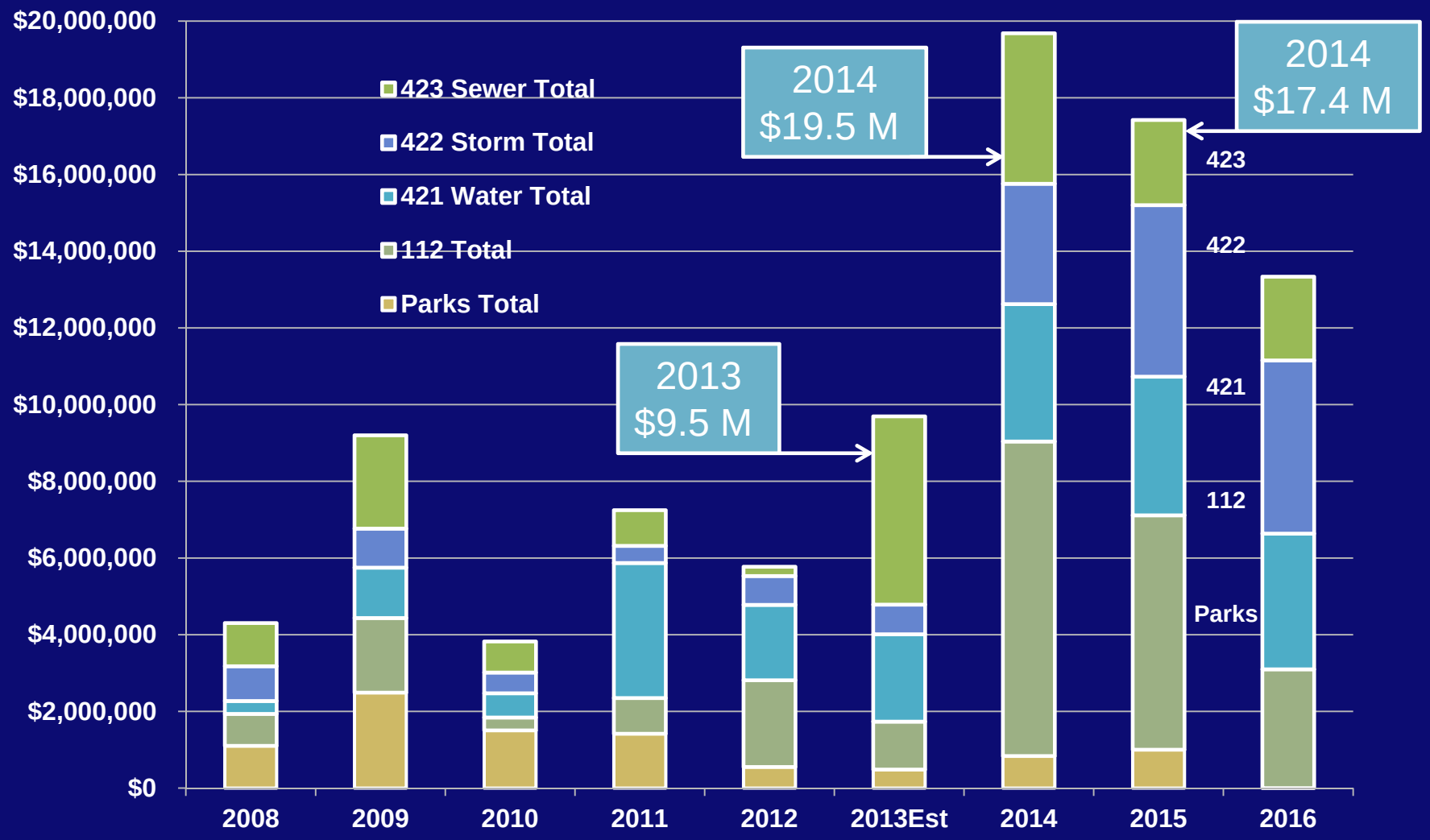
Expenditures	2013 Budget	2013 YE Estimate	2014 Recomm.	Discussion
General Fund	$3,063,134	$3,036,146	$3,419,551	Re-budgeting an existing CPM and adding another CPM DP 34,35
Street Fund	$1,557,715	$1,515,509	$1,595,810	DP 37 = $300k
Water Utility Fund	$9,313,991	$7,935,187	$9,462,171	EZ-Valve ($49k) and 5 corners ($700k) not included in 2013 YE Est.
Sewer Utility Fund	$18,161,466	$14,560,719	$13,906,720	Delayed $3.2M in sewer line replacements in 2013
Storm Utility Fund	$4,585,772	$3,609,620	$5,922,973	Dayton Street, Marsh, Perrinville
ER&R Fund	$1,095,372	$1,022,711	$979,579	Propane fuel savings

Challenges

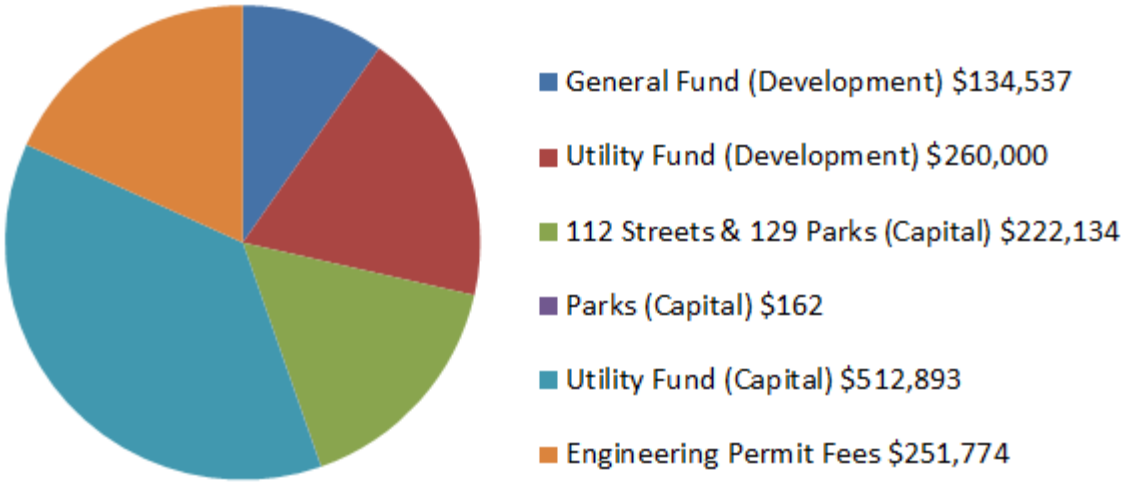
- Sustainable funding for street maintenance and operations, approx. $300k/yr. – Strategic Objective 4a.1
- Sustainable Funding for Pavement Repair/Preservation – $1.2 million proposed - Strategic Objective 4a.1
- BNSF Railroad conflicts/Public Safety response/Ferry operations – Strategic Objective 4a.1
- Stormwater at SR-104 and Dayton St – Strategic Objective 2a.3

Challenges

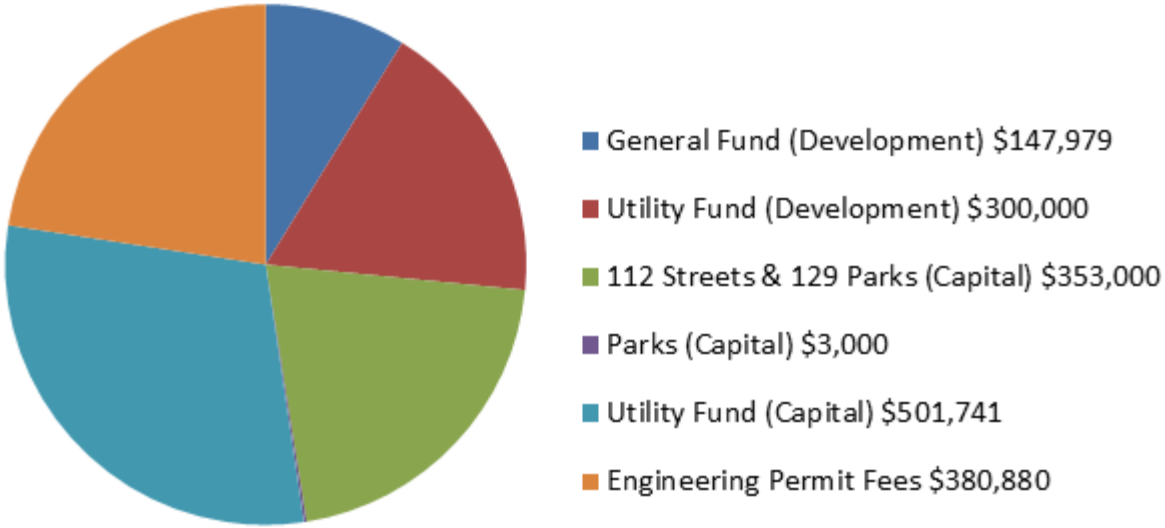
- Staffing Capacity for Capital Project delivery



2013 Engineering Division - $1,381,500



2014 Engineering Budget - $1,686,600



Challenges – Utility Rates

Based on 10 ccf/Mo.

City	Current	2016 Projected at 3%/year
Seattle	$200.24	$ 218.81
Shoreline	$159.63	$ 174.43
Kirkland	$155.86	$ 170.31
Lake Forest Park	$140.46	$ 153.48
Woodinville	$135.81	$ 148.40
Arlington	$129.77	$ 141.80
Redmond	$106.92	$ 116.83
Mukilteo	$106.35	$ 116.21
Edmonds	$ 80.74	$ 103.15
Everett	$ 78.24	$ 85.49
Lynnwood	$ 74.81	$ 87.17

Decision Packages / Major Changes

- Streets Support
  - General Fund contribution to Street Fund 111 to meet current expenditures and maintain service levels. $300k/yr.
- Pavement Preservation Program
  - $1.2M to begin a pavement preservation program
- Utility Rate adjustments
  - Stormwater – 4.5% (three years)
  - Sewer – 9.5% (three years)
  - Water – 9.0% (three years)

Decision Packages / Major Changes

35	PW - Engineering	New Capital Project Manager to GF from Utilities	N	$ 97,286	$ 98,324	$ 97,286
36	PW - Streets	Edmonds Pavement Preservation Program	N	$ 1,200,000	$ 1,200,000	$ -
37	PW - Streets	Road Operations Funding from GF, REET I and II	N	$ 300,000	$ 350,000	$ -
38	PW - Facilities	Transfer for ESCO III project.	Y	$ 280,200	$ -	$ -
39	PW - Facilities	Transfer for LED fixtures to streetlights and improve Library HVAC systems.	Y	$ 300,000	$ -	$ 90,000
40	PW - Facilities	Transfer for HW and SW on Public Safety HVAC digital control system.	Y	$ 43,000	$ -	$ -
44	PW - Utilities	Updated Water Meter Fees	N	$ -	$ -	$ 64,470
45	PW - ER&R	Automotive diagnostic scan tool	Y	$ 9,767	$ -	$ -

Questions?

Puget Sound Starts Here
Please,
Only Rain
Down Our
Storm Drains
VACTOR 2100 Series
Puget Sound Starts Here

PublicWorks/Utilities Department 2014 Budget

Roads
Administration Facilities
Maintenance ER&R
Engineering

2013 Accomplishments

- Main Street Project
- Treatment Plant Upgrades
- Sewer Comprehensive Plan Update
- Highway 99 Decorative Lighting Project

2013 Accomplishments

- 9 Lift Station Rehabs
- Vehicle Fleet Propane Conversion
- 5th Ave Overlay Project
- FAC Locker Room Improvements

2013 Accomplishments

- Ops Center Stormwater Structure Install (pic)
- 2013 Water main Replacement
- 224th Sewer & Water main Replacement (pic)

2014 Construction Projects

- 5 Corners Roundabout (pic)
- 2014 Pavement Preservation Program
- Signal Cabinet Improvements
- 228th Corridor Improvements
- SR99 Lighting Phase 3 (pic)

2014 Construction Projects

- 238th St. Walkway & Storm Drain Improvements (100th Ave-104thAve) (pic)
- 15th St. SW Walkway (Edmonds Way – 8th Ave) (pic)
- 236th St. SW Walkway (Edmonds Way-Madrona Elementary) (pic)

2014 Construction Projects

- 3rd Ave ADA curb ramps
- 10,000 ft of Water main Replacement
- 2,000 lineal ft of Water main pavement overlays
- 6,500 ft of sewer main replacement
- 1,500 ft of CIPP sewer rehabilitation

Challenges

- Sustainable Funding for Pavement Repair/Preservation – Strategic Objective 4a.1
- BNSF Railroad/Ferry Crossing – Strategic Objective 4a.1
- Stormwater at SR-104 and Dayton St – Strategic Objective 2a.3
- Staffing Capacity for Capital Project delivery

Challenges

- Sustainable Funding for Pavement Repair/Preservation – Strategic Objective 4a.1
- Staffing Capacity

Challenges

- Stormwater at SR-104 and Dayton St – Strategic Objective 2a.3

Expenditures

Expenditures	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion

Revenue

Revenue	2013 Modified Budget	2013 YE Estimate	2014 Recomm.	Discussion

Decision Packages / Major Changes

- Streets Support
  - General Fund contribution to Street Fund 111to meet current expenditures and maintain service levels.
- Pavement Preservation Program
  - $1.2M to begin street repaving
- Utility Rate adjustments
  - Stormwater – 4.5% (three years)
  - Sewer – 9.5% (three years)
  - Water – 9.0% (three years)

Questions?

Puget Sound Starts Here
Please, Only Rain Down Our Storm Drains
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