



2019-2020 Biennial Budget

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Introduction and Overview



City Manager Letter

January 1, 2019

Honorable Mayor and Councilmembers
City of Mill Creek

SUBJECT: 2019-2020 Biennial Budget

I am pleased to present the adopted 2019-2020 Biennial Budget. This is a financial plan that allows us to carry out the City's Guiding Principles while maintaining high standards of service to the community. It was developed with three perspectives in mind: our situation today; our shared priorities; and our plan for the future.

The 2019-2020 Budget proposal was submitted to Council on November 1, 2018. Public hearings were held on November 6, November 13, and November 27, 2018. Additionally, Study Sessions were held on November 13 and November 27, 2018. Based on Council review, discussions and public testimony, Council adopted the 2019-2020 Budget on December 4, 2018.

The City's budget presents the overall plan for allocating resources to a variety of programs. These resources are necessary to protect the community's physical security, maintain the quality of life, and also provide for significant capital investments back into the community to enjoy and use for generations to come. This budget defines and carries forward capital investments and service levels to

create a lasting and positive legacy for our community.

This Budget serves as a financial planning and policy document for use by the community, staff and Council members. The staff's mission is to prepare the best information possible – including the detailed impact of choices related to fiscal issues, along with program costs and levels of service.

The Budget was developed based on Council's Desired Outcomes, as well as the City's 2019-2024 Capital Improvement Plan. Readers are encouraged to review the Desired Budget Outcomes, as well as the Departments' individual work programs and performance measurements, to gain a clearer understanding of the services the City is providing in 2019-2020.

The City's Budget is an operations guide prepared for Council, as well as for public examination and deliberation. It is one of the most important and comprehensive communication tools the City has to advance the community's vision and to offer a sound fiscal, operational and service delivery plan.



Budget Development Process

City management utilizes a collaborative, decentralized approach to budgeting, involving Council, staff and the community. See the full budget development calendar in **Appendix A**. This approach:

- exposes the broadest number of people to the process;
- encourages a strong sense of community; and
- allows all those involved to take ownership of the budget process, as well as the final adopted spending plan and its quarterly oversight.

The City recognizes its ethical and fiduciary responsibility to its citizens to carefully account for public funds, wisely manage municipal finances, and plan adequate funding for services and facilities desired and needed by the public.

Washington State law requires the City to adopt a balanced budget. Appropriations are therefore limited to the total estimated revenues for the upcoming biennium, plus any unencumbered fund balance estimated to be available at the close of the 2017-2018 fiscal biennium. In addition, State law requires that the Finance Director provide quarterly revenue and expenditure budget updates to the City Council. The Fiscal Policy used to develop the City's 2019-2020 Budget is detailed in **Appendix H**.

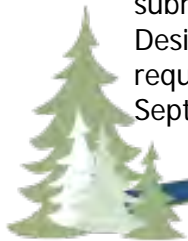
In August 2018, Department Directors were asked to submit their budget requests in recognition of the Council's Desired Budget Outcomes. Preliminary department budget requests were compiled and submitted for my review in September 2018.



During the months of September and October 2018, I worked with the department directors to refine and reduce expenditure requests in recognition of the City's available resources. Mill Creek is similar to most local governments as there is far greater need than resources. Initial department proposed expenditures (excluding new staff positions) exceeded available revenues by \$134,000. Adding the proposed new staff positions would raise the deficit in revenue to \$795,000.

New positions proposed but not currently supported in this budget included the following:

- Public Works Maintenance Worker (\$175,000 for the biennium);
- Police Officer (\$262,000 for the biennium); and
- Deputy City Clerk (\$175,000 for the biennium).





In the event that revenues exceed the City's projections at the mid biennium or a new or expanded revenue source is directed and authorized by Council (e.g., property tax levy increase), I recommend that the above staff positions be considered in the order listed.

It was also necessary to further adjust non-personnel related expenses to create a balance between revenues and expenses.

Readers are encouraged to review each Department's individual work programs and budget highlight sections to gain a more comprehensive understanding of services provided and which services have been modified from prior budgets.

Overview of 2019-2020 Biennial Budget

The 2019-2020 total General Fund revenues are projected at \$28,195,366 and the total General Fund operating expenditures are budgeted at \$28,181,353.

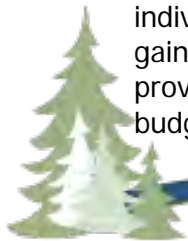
Revenue Assumptions and Key Changes

For the 2019-2020 Biennial Budget, General Fund revenues are projected to increase \$1,230,366 or 5% over the previous biennium. This increase is due to:

- Property and EMS taxes have increased \$172,000 due to new construction.
- Moving the Recreation Fund into the General Fund, which is a \$748,000 increase (though offset by regular Recreation expenses).
- An interfund loan repayment of \$344,000 from the Surface Water Utility for the Sweetwater Ranch emergency project.

In accordance with the City Council's Desired Budget Outcomes, the Budget does not include a regular property tax levy increase. Washington State law allows the City to increase its property tax levy up to one percent annually. If enacted in the future, one percent would generate approximately \$62,343 per year (based on 2019 estimates) in additional compounding revenue for the City. Over a six-year period, a 1% property tax levy increase each year would provide approximately \$1,300,000 in resources for desired City services. The City Council did enact a 1% increase to the City's Emergency Medical Services levy.

Based on the reasons for the revenue increases, it is clear that our revenues remain relatively flat. Therefore, the



City's expenditures must follow suit. While the operational costs will increase as inflation occurs, the City must carefully review programmatic elements and make decisions to ensure we provide a balanced budget.

Expenditure Assumptions and Key Changes

The City's General Fund expenditures have increased \$708,888 or 3% from the previous biennium.

Departmental budget proposals were reviewed critically against the City's Guiding Principles and the Council's Desired Budget Outcomes. The 2019-2020 Budget includes the following key expenses:

- Wages and benefit costs reflect a 15% increase over the previous biennium due to wage and benefit increases, and hiring two new employees.
- An increase of \$515,000 due to the fire service contract.
- Recreation expenses moved into the General Fund (\$715,821), though offset by Recreation revenue.
- The purchase of capital assets out of the Equipment Replacement Fund (\$325,155).
- Information technology needs, including server infrastructure and Police laptop replacements, increased software costs, and upgrading the wireless network in both buildings (\$328,201).
- A development feasibility study for the Dobson-Remillard property and the adjacent area estimated at \$50,000. This study will evaluate potential and desired land uses, including but not limited to

recreation, hospitality, retail, office and housing to advance the City's tourism and economic development interests.

- A new Project Engineer in Public Works, with an anticipated biennial cost of \$210,000 in wages and benefits (funded in the Capital Improvement Plan).
- A significant increase of \$9,342,108 (94.1%) in the Capital Improvement Plan due to a programmatic focus (**Appendix J**).
- Additionally, during budget deliberations, the Council added a one-time expense of \$2,500 from the Council Contingency Fund to support Senior Center activities.

Personnel Budget Changes

The 2019-2020 Biennial Budget includes the following key personnel changes:

- A **Support Services Supervisor** for the Police Department. This role will serve as a first-level supervisor to the record and property room technicians. It also will be able to help with administrative / executive support for the Administrative division, particularly as the Police Department undergoes transformation from a best-practices and accreditation standpoint. To accommodate this new position within available revenue sources, a vacant and authorized police officer position will not be filled.
- A **Project Engineer** to manage / deliver capital projects. This position is funded within the Capital Improvement Plan.



- A **Surface Water Engineer** is budgeted as a result of the Surface Water Utility rate increase to implement a Surface Water Plan that meets regulatory requirements and addresses capital project management related to aging surface water infrastructure.
- The **Human Resources Director** will retire in the first quarter of 2019. This reduces a 0.8 full-time equivalent budgeted position. At that time, I will evaluate departmental needs and organizational structure for any proposed changes to Council.
- **Finance Department** reorganization to reduce one of three existing Accountant positions (due to a resignation effective Oct. 31, 2018), as well as to reclassify the other two Accountant positions to a Senior Accountant position and a Accounting Technician position.

Overall, the 2019-2020 Biennial Budget includes 62.3 employees (excluding the planned reduction in Human Resources) as compared against the prior authorized 2017-2018 Budget amount of 62.2 employees.

Details about each department's goals and activities for the 2019-2020 biennium are included in the Departmental Overview section of this document (**Pg. 58**).

Total Budget – All Funds

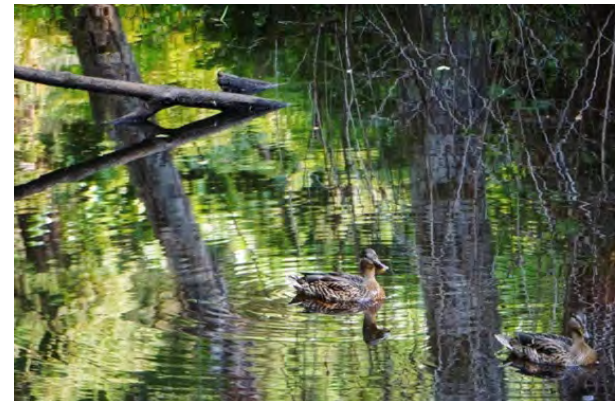
Total budgeted revenues, including the Capital Improvement Plan, are \$59,138,265 for 2019-2020, which is an increase of \$4,769,466 (11%) over the previous biennium. Total expenditures are \$59,138,265 for an

increase of \$8,025,162 (19%) over the previous biennium. See charts of *Revenues and Expenditures* are on **Pg. 14-15**.

A significant budget impact – in terms of both revenues and expenditures – relates to the Surface Water Utility. As the 2019-2020 Budget was being evaluated and discussed by Council, a surface water rate study was completed and a new rate was approved by the Council based on the operational and capital needs of the City. Prior to the rate increase, the City of Mill Creek's surface water rate has remained unchanged since 1999. The former fee was not enough to cover basic maintenance and operations along with the proposed improvements in the CIP.

The new surface water fee in 2019 is \$150, and increases to \$175 in 2020 and \$200 in 2021. Starting in 2022, the fee will increase by 3% each year through 2026.

A discussion of the funds, including fund balances and key impacts in the new biennium, is detailed below in the Biennial Budget section (starting on **Pg. 20**).



Policy Changes

For the 2019-2020 biennium, there are several policy changes that impact the City's financial operations.

1. The Recreation Fund has been moved into the General Fund. This will keep the entire Communications and Marketing revenues and expenditures within the General Fund, and will reduce some of the transfers occurring between funds, which complicated the ability to fully understand the entire departmental budget. However, the Recreation expenditures still will be reconciled as a division; Recreation revenue will only support Recreation expenditures.
2. The budget also reflects the unwinding of several funds, most notably the Equipment Replacement Fund with the CIP (see **Appendix H, Fiscal Policy**).
3. As approved as part of the 2019-2024 Capital Improvement Plan (**Appendix J**), there is a new two-fold policy change related to the City's General Fund Reserve. This reserve sets aside funds to be able to respond to economic fluctuations, cash flow needs and catastrophic events.
 - The City's previous policy was to maintain a General Fund Operating Reserve equal to at least 15% of the total annual General Fund budgeted revenue. The policy change increases this amount to 15% of the biennial General Fund budgeted revenue, which significantly increases the required reserve dollar value.
 - Further, 33% of all reserve funds anticipated at the end of 2018 above the General Fund Reserve minimum should be transferred to the CIP for capital project investment. The rationale for this transfer is to better align and allocate previous tax payer dollars or one-time funds associated with development toward a capital project providing community benefits to those who paid for the benefits within a reasonable time frame. This one-time transfer at the end of 2018 should be \$829,703. With this transfer, the General Fund Reserve is projected to be 21% of general fund budgeted revenue.
4. Similarly, in accordance with the adopted 2019-2024 CIP, this Budget also reflects the new policy to transfer one-time revenues into the Capital Improvement Plan Fund on an annual basis. One-time revenues are those which are not expected to reoccur, such as development related revenues (e.g., construction sales tax and permit fees). To implement this policy and transfer, management analyzed funds that are one time for inclusion in the CIP Fund, recognizing that the City receives a base and recurring amount of development related revenues that should be excluded from any transfer. The City transferred \$400,000 as one-time revenue into the adopted 2019-2024 CIP.
5. Finally, another policy change is creation of a "CIP Contingency Fund." As adopted by Council as part of the 2019-2024 CIP, a minimum of 10% of projected revenues from Real Estate Excise Tax (REET) should be designated as a CIP Contingency Fund to be used to support transportation, parks and trails, and



City facilities and equipment. REET revenue receipts fluctuate from year to year. Although staff projects revenues realistically, it is prudent to establish an adequate reserve as CIP Contingency Funds and not allocate these revenues until the funds are actually received. Only at Council discretion can these funds be appropriated toward currently unidentified projects or increases in planned projects.

Conclusion

Adopting and monitoring the budget to ensure fiscal stability is a major responsibility for the City of Mill Creek. The budget process affords the City the opportunity to balance the needs of the community against available resources. The budget does not constitute a mandate to spend – only the authority to do so. A conscientious effort has been made to evaluate all budget requests and set priorities that can be judiciously undertaken with available funding.

The notable budget highlights and key activities identified in this document are significant. Yet, these goals are only a portion of what the City will accomplish in the next biennium. Daily operations – such as responding to 9-1-1 calls, investigating crimes, making timely repairs to City infrastructure, responding to code complaints, maintaining landscaping, managing contracts, conducting recreational programming, communicating with diverse audiences, providing general customer service and handling public records requests – make up our basic operational services and are the bulk of what our budget funds.

Funding these basic operational functions in conjunction with new investments in capital improvement and still presenting a balanced budget is evidence of our efforts to be a fiscally responsible, receptive and proactive government. This Budget not only maintains basic services, it makes strategic investments into the City's future and helps preserve our infrastructure and previous investments as we carefully steward taxpayer dollars.

Overall, the City's fiscal position is sound, but service delivery demands, non-discretionary obligations and the Council's Desired Budget Outcomes place financial pressure on the City's resources. Therefore, the 2019-2020 Biennial Budget has been carefully developed to maximize services to the Mill Creek community.

Finally, I cannot conclude this budget message without thanking the many devoted employees who have worked countless hours preparing this budget. Without the expertise, professionalism and steadfast dedication of the staff, this comprehensive budget document could not have been developed. I also thank the Mill Creek City Council for its leadership as policy makers and the citizens of Mill Creek for their input and guidance during the development of this Budget.

Respectfully submitted,



Robert S. Stowe
Interim City Manager



Ordinance Adopting the Budget

ORDINANCE NO. 2018-842

AN ORDINANCE OF THE CITY OF MILL CREEK, WASHINGTON, ADOPTING BUDGETED REVENUES AND EXPENDITURES FOR THE FISCAL BIENNIUM COMMENCING JANUARY 1, 2019.

WHEREAS, the City of Mill Creek, Washington completed and placed on file with the City Clerk a proposed budget and estimate of the amount of moneys required to meet the public expenses, bond retirement and interest, reserve funds and expenses of government of the City for the fiscal biennium commencing January 1, 2019; and

WHEREAS, a notice was published that the City Council would meet on December 4, 2018 at 6:00 p.m., in the Council Chambers of City Hall for the purpose of making and adopting a budget for said fiscal year and giving taxpayers within the limits of the City an opportunity to be heard in a public hearing upon said budget; and

WHEREAS, the City Council held public hearings at that time and place and did then consider the matter of the proposed budget for the fiscal biennium commencing January 1, 2019; and

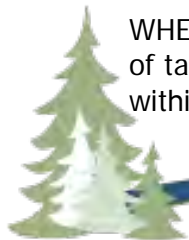
WHEREAS, the proposed budget does not exceed the limit of taxation allowed by law to be levied on the property within the City for the purposes set forth in the budget, and

the estimated expenditures set forth in the budget being all necessary to carry on the government of the City for the fiscal biennium commencing January 1, 2019 and being sufficient to meet the various needs of the City during that period.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MILL CREEK, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. In accordance with the provisions of RCW 35A.33.075 the appropriations budget of the City of Mill Creek for the years 2019-2020 in the aggregate amount of \$59,138,265 is hereby adopted.

Section 2. The totals of the budgeted revenues and appropriations for each separate fund are set forth in summary form in **Exhibit A and B**, and the aggregate totals for all such funds combined, for the 2019-2020 biennium.



Passed in open meeting this 4th day of December, 2018, by a vote of 7 for, 0 against, and 0 abstaining.

APPROVED:

ATTEST/AUTHENTICATED:

MAYOR PAM PRUITT

ACTING CITY CLERK GINA PFISTER

APPROVED AS TO FORM:

CITY ATTORNEY SCOTT MISSALL

FILED WITH THE CITY CLERK: 12/4/2018

PASSED BY THE CITY COUNCIL: 12/4/2018

PUBLISHED: 12/16/2018

EFFECTIVE DATE: 12/21/2018

ORDINANCE NO.: 2018-842



Exhibit A - Revenues (All Funds)

Fund	2019-2020 Adopted Budget Revenues
General Fund	28,195,366
Special Revenue Funds	
City Street	1,051,000
Council Contingency	-
Municipal Arts	23,000
Paths and Trails	4,000
Drug Buy	-
City Hall North	374,000
Debt Service Fund	
800 MHz	20,640
Local Revitalization Fund	100,000
Capital Funds	
REET	1,550,000
Capital Improvement	740,000
Parks & Open Space Improvement	2,951,000
Road Improvement	8,020,000
Enterprise Funds	
Storm & Surface Water	4,200,000
Internal Service Funds	
Equipment Replacement	262,449
Unemployment	-
Total Appropriation All Funds	47,491,455
Less Interfund Transactions	(5,306,000)
Total Revenue All Funds Less Transfers	42,185,455
Biennium Beginning Fund Balance	16,952,810
Total Appropriation Plus Ending Fund Balance	59,138,265

Exhibit B - Expenses (All Funds)

Fund	2019-2020 Adopted Budget Expenditures
General Fund	28,181,353
Special Revenue Funds	
City Street	1,079,047
Council Contingency	2,500
Municipal Arts	30,000
Paths and Trails	10,500
Drug Buy	-
City Hall North	817,441
Debt Service Fund	
800 MHz	34,632
Capital Funds	
REET	4,771,641
Capital Improvement	1,062,640
Parks & Open Space Improvement	2,980,000
Road Improvement	7,140,000
Enterprise Funds	
Storm & Surface Water	3,980,748
Internal Service Funds	
Equipment Replacement	375,155
Unemployment	20,000
Total Appropriation All Funds	50,485,657
Less Interfund Transactions	(5,306,000)
Total Expenditures All Funds Less Transfers	45,179,657
Biennium Ending Fund Balance	13,958,608
Total Appropriation Plus Ending Fund Balance	59,138,265

City Organization



Guiding Principles

VISION

Mill Creek will be a City where everyone works together to foster an exceptional community experience – a place where people are safe, the natural beauty is preserved, neighborhoods flourish, businesses thrive and recreational opportunities abound.

MISSION

Mill Creek's mission is to set the standard of excellence for local government. Through dynamic and innovative strategies, we provide outstanding public services in a fiscally responsible manner to promote a safe, active and vibrant City.

STAR VALUES

Service

Through continuous improvement, innovation, creativity, professional competence and hard work, we enthusiastically provide outstanding service to all customers, internal and external.

Teamwork

In order to support our shared goals and successes, we teach, learn from, collaborate and cooperate with others, while being flexible, adaptable and inclusive.

Accountability

We are responsible for our actions and decisions, and always portray honesty, integrity, transparency and leadership in our contributions.

Respect

We take pride in our work and accomplishments, and in the work and accomplishments of others. We support an environment that honors the value and dignity of all individuals.

GOALS

Fiscal Responsibility

To responsibly manage the City's financial resources to provide quality public services, cultivate economic prosperity, and maintain a sustainable budget.

Community Preservation

To support the development, maintenance and revitalization of public and private property to ensure the continuation of Mill Creek as a safe, clean and well-maintained community.

Civic Pride

To achieve strong community spirit by promoting active civic participation, public-private partnerships and transparency in government.

Customer Service

To provide excellent service to all who interact with the City by recruiting, training and retaining a skilled, innovative and dynamic workforce.

Recreational Opportunities

To facilitate diverse recreational opportunities for people of all ages.

Public Safety

To protect the life, health and property of residents, visitors and businesses through the delivery of community focused public safety services.

Economic Prosperity

To engage in proactive economic development efforts that result in a robust local economy and position the City as a destination of choice.

Leadership

To influence regional, state and national matters impacting our community through the engagement of staff and elected officials.

Long Term Planning

To maintain the City's special community character by carefully evaluating future opportunities for short and long term benefits in order to protect land use, infrastructure, economic development and service delivery standards.



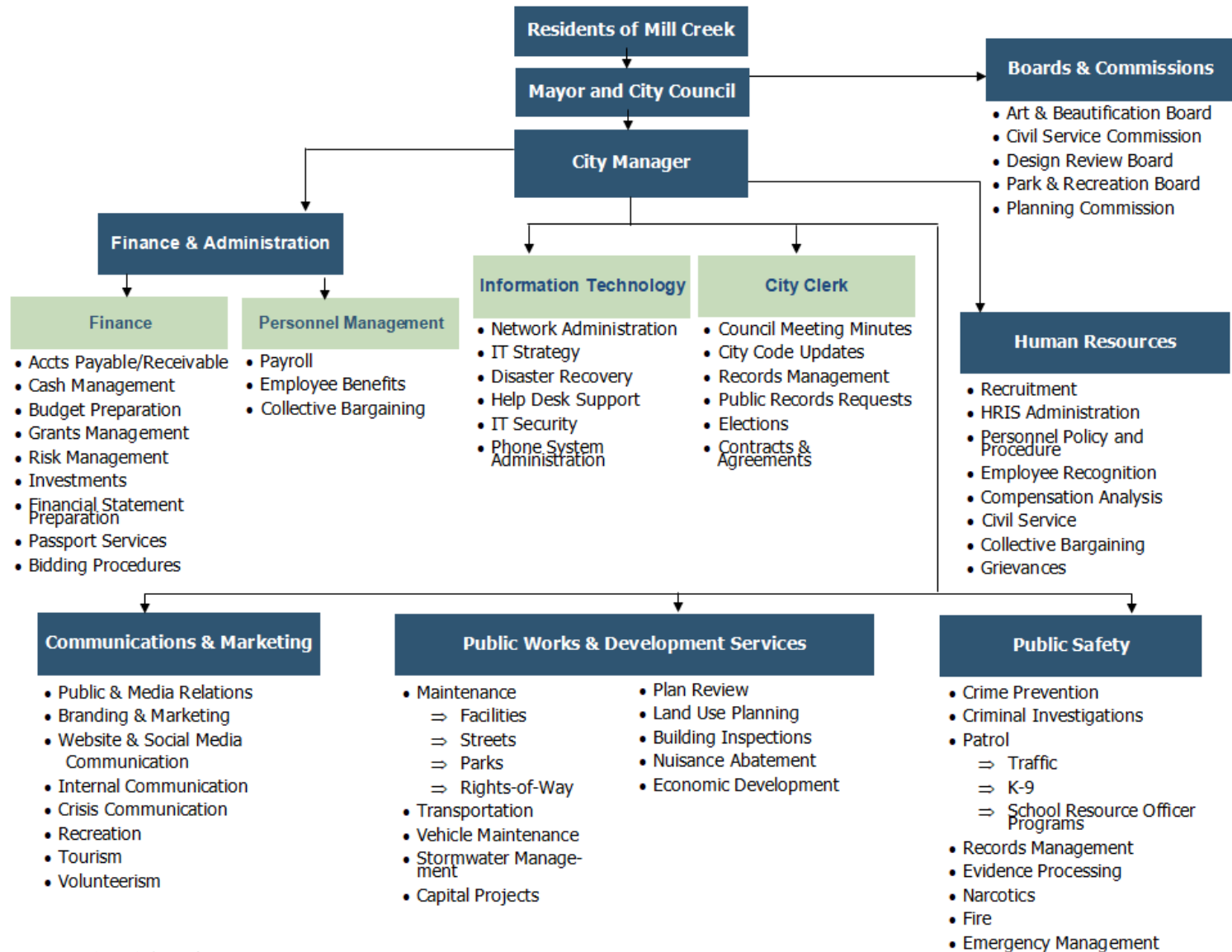
Desired Budget Outcomes

Based on a series of City Council brainstorming and work sessions in early 2018, the following Desired Budget Outcomes were created by the Council.

1. Develop a sustainable budget that aligns ongoing resources to ongoing expenses and one-time resources to one-time expenses.
2. Maintain the City's General Operating Reserves at a level equal to at least 15% of the total General Fund budgeted annual revenue, excluding the beginning fund balance and any significant one-time revenues.
3. Continue to limit the tax burden on Mill Creek's citizens by seeking operating efficiencies wherever possible.
4. Pursue economic development programs and initiatives to create sustainable revenue streams by evaluating and implementing the following:
 - Tourism (activities that draw people and create unique experiences).
 - Changes in development code to promote and incentivize development consistent with Mill Creek's vision.
 - Business recruitment and retention.
5. Continue to construct, maintain, and preserve capital investments as prescribed in the City's adopted CIP.
6. Evaluate and create recreation programs to meet demands and support revenue recovery goals.
7. Retain all existing park land.
8. Continue to grow public involvement, engagement, and volunteerism. Some examples include: officers in neighborhoods, neighborhood watch groups, citizen's academy/patrol, volunteer boards, budget and other topic specific issues of interest to the community.
9. Partner with schools and local groups to provide public safety education (e.g., gun safety, cybersecurity, opioid epidemic).
10. Obtain accreditation and ensure public safety practices protect the City from liability.
11. Ensure police and fire are properly staffed to meet service needs and respond to emergent situations (utilizing the Center for Public Safety Management study as a resource).
12. Develop a citizen satisfaction survey/index/poll via web and biennial mail/telephone survey of City services.



Organizational Structure



2019-2020 Biennial Budget



2019-2020 Biennial Budget Overview

Situational Overview

The City of Mill Creek continues to maintain a healthy financial position. As a result of the Council's strong financial policies, diligent financial management and conservative budget planning, the 2019-2020 Biennial Budget is balanced.

Projected Revenues/Expenditures

Across all funds, the City 2019-2020 biennium revenues are projected at \$47,491,455 (an increase of 11% over the last biennium) and expenditures are projected at \$50,485,657 (an increase of 19% over the previous biennium). A chart showing the projected revenue and expenditures is shown on page 27. A majority of these increases are due to investments in the Capital Improvement Plan (**Appendix J**).

The 2019-2020 total General Fund revenues are projected at \$28,195,366 (an increase of 5% over the last biennium) and the total General Fund operating expenditures are budgeted at \$28,181,353 (an increase of 3% over the previous biennium).

Economic Drivers

There are several budget drivers that are impacting financial decisions in other municipalities around Washington State. Economic, demographic and social trends are related to one another and, in turn, affect government policies on spending and taxation.

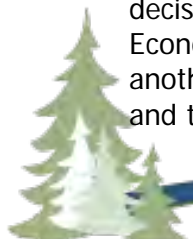
A strong economy, for example, attracts more people to the City, which in turn boosts sales tax collections. At the same time, however, increases in population also put additional pressure on such areas of responsibility as roads, maintenance of public right of ways and public safety initiatives. Following is a brief summary of such drivers and the specific impact on the City of Mill Creek.

Economic Forecast

The Washington economy is expanding at a rapid pace. Washington's unemployment rate reached an all-time low in August. The series extends back to 1976. Seattle home prices continue to rise, but growth may be slowing and recent housing construction has been below the June forecast. Washington exports are rising and manufacturing is growing. The Seattle area consumer price inflation is well above the national average due to the higher shelter cost inflation.

The September economic forecast for Washington State is generally higher than the forecast adopted in June. The State Economic and Revenue Forecast Council now expects Washington nonfarm payroll employment to grow 2.9% this year compared to 2.5% in the June forecast. It also expects employment growth to average 1.2% per year in 2019 through 2023, which is slightly stronger than the 1.1% per year expected in the June forecast.

In addition, the State Economic and Revenue Forecast Council expects building permits to average 42,800 in 2019 through



2023, up from 42,400 in the June forecast.

Inflation

According to the Bureau of Labor Statistics' Consumer Price Index, prices in 2018 were 11.78% higher than prices in 2013. The dollar experienced an average inflation rate of 2.28% per year during this period. Therefore, what \$100 could purchase in 2013 required \$111.78 in 2018.

The State Economic and Revenue Forecast Council expects the all-items Seattle Consumer Price Index (CPI) to rise on average 2.2% per year in 2019 through 2023.

Six-Year Forecast

According to the National League of Cities, General fund expenditures are outpacing revenues, a trend anticipated to continue into next year. Although revenues are not in decline, they grew only 1.25% in FY 2017, and are expected to stagnate in FY 2018. Expenditures grew 2.16% in FY 2017, with growth for FY 2018 budgeted at 1.97%.

Financial planning provides insight into the City's financial ability to meet current and future obligations. The charts on **Pg. 24** demonstrates the City's efforts toward achieving a minimum General Fund Reserve of 15%. By 2024, it is anticipated that the City's General Fund Reserve will be reduced to \$2,023,178 over the 15% threshold without consideration of a future property tax levy.

The forecast on **Pg. 25** displays a six-year outlook of projected revenues and expenditures. Over the long term, the expenditures will outpace revenues by just under \$1.1 million annually. This disparity between revenues and expenditures is attributable to operational costs increasing at a higher percent than revenue growth. Between now

and 2024, it will be important to review alternative revenue sources and monitor expenditures more closely.

The six-year forecast uses the following assumptions:

- The regular property tax levy is shown at both a 0% and a 1% increase.
- The EMS levy is assumed at a 1% increase.
- Wages are assumed at a 3% increase and benefits are assumed at a 5% increase annually, which provides for anticipated increases in collective bargaining agreements.
- Operations and maintenance is assumed at 2% annually.



Short-term Issues Impacting Budgetary Decisions

Some short-term factors that influenced the decisions made in development of the budget include:

- The pressing need for infrastructure repairs and replacement.
- The desire to minimize external consultants due to cost.
- Growing public safety concerns on traffic corridors.
- Snohomish County's exponential growth, which impacts the City's roadways.

Long-term Issues Impacting Budgetary Decisions

Following are some long-term issues facing Mill Creek, and potential solutions that the City is addressing incrementally through this budget.

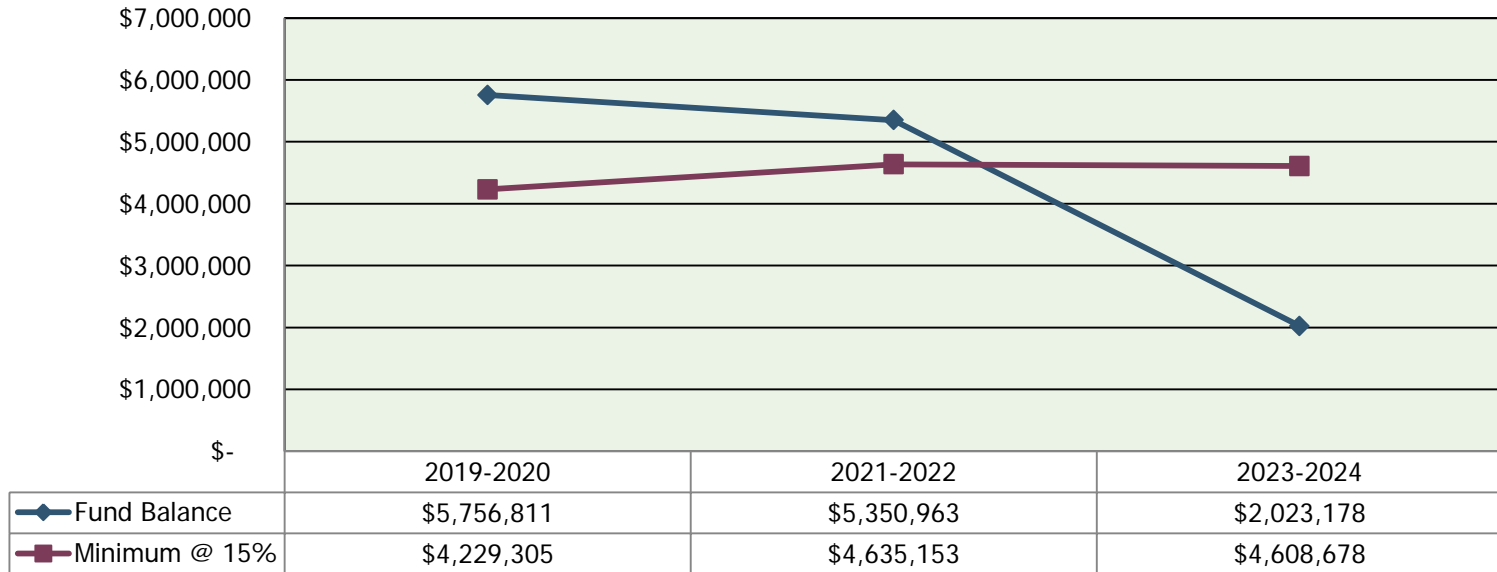
- **Transportation:** As a municipality adjacent to Interstate 5, along SR 527 and SR 96, and with high volumes of north/south traffic through Mill Creek on 35th Avenue SE, transportation issues are top of mind for our community. The City must plan for capacity-increasing projects. The City is impacted by significant growth immediately outside its boundaries; these are people who use Mill Creek roads, shop in our stores and enjoy City amenities. Among the factors impacting budget are traffic calming measures, implementing modern technology to help with traffic flow, investment in infrastructure along transportation corridors and pedestrian safety measures. Though some of these transportation projects have funding in the 2019-2024 CIP, more than \$40 million in unfunded projects have been identified for the next six years.

- **Infrastructure:** The City has entered an infrastructure rehabilitation and replacement phase, meaning that much of its infrastructure is starting to show wear and tear, leading to repair or replacement needs. In particular, this impacts pavement and subterranean infrastructure. The City is reinstituting a pavement preservation program to address critical needs. Further, surface water pipes need to be inspected, evaluated and scheduled for rehabilitation or replacement as needed. Significant funds are budgeted in the 2019-2024 Capital Improvement Plan to address these issues.

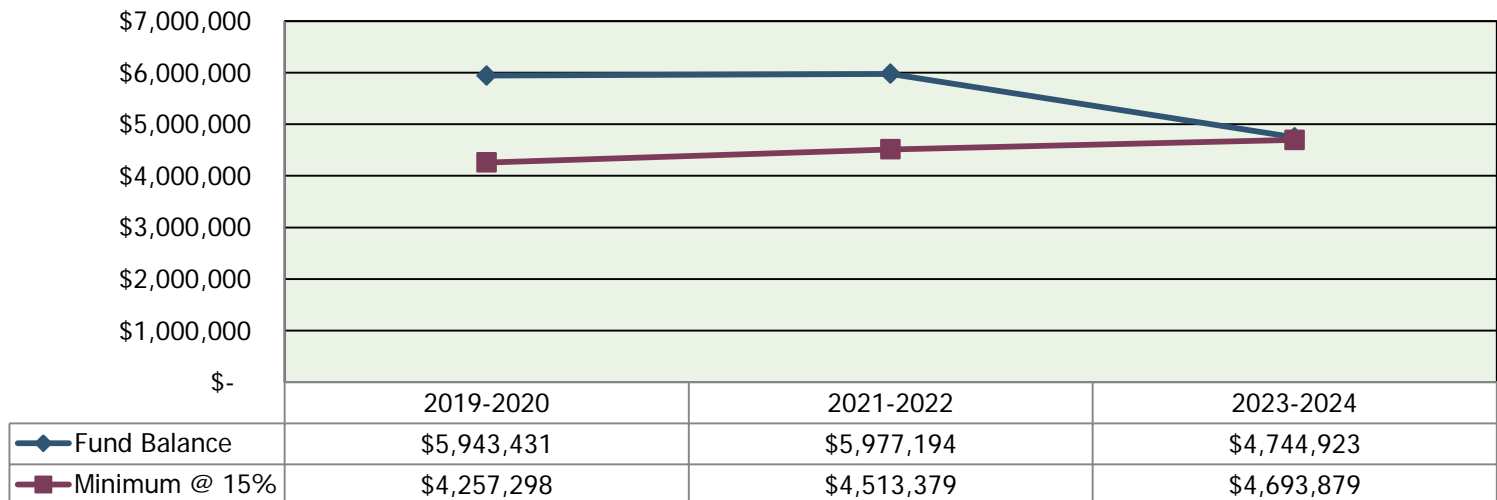
- **Environmental:** Preserving Mill Creek's green space and contributing to an environmentally friendly ethic is important for the City. As development opportunities become increasingly limited, the City must balance growth needs against preservation of key resources.



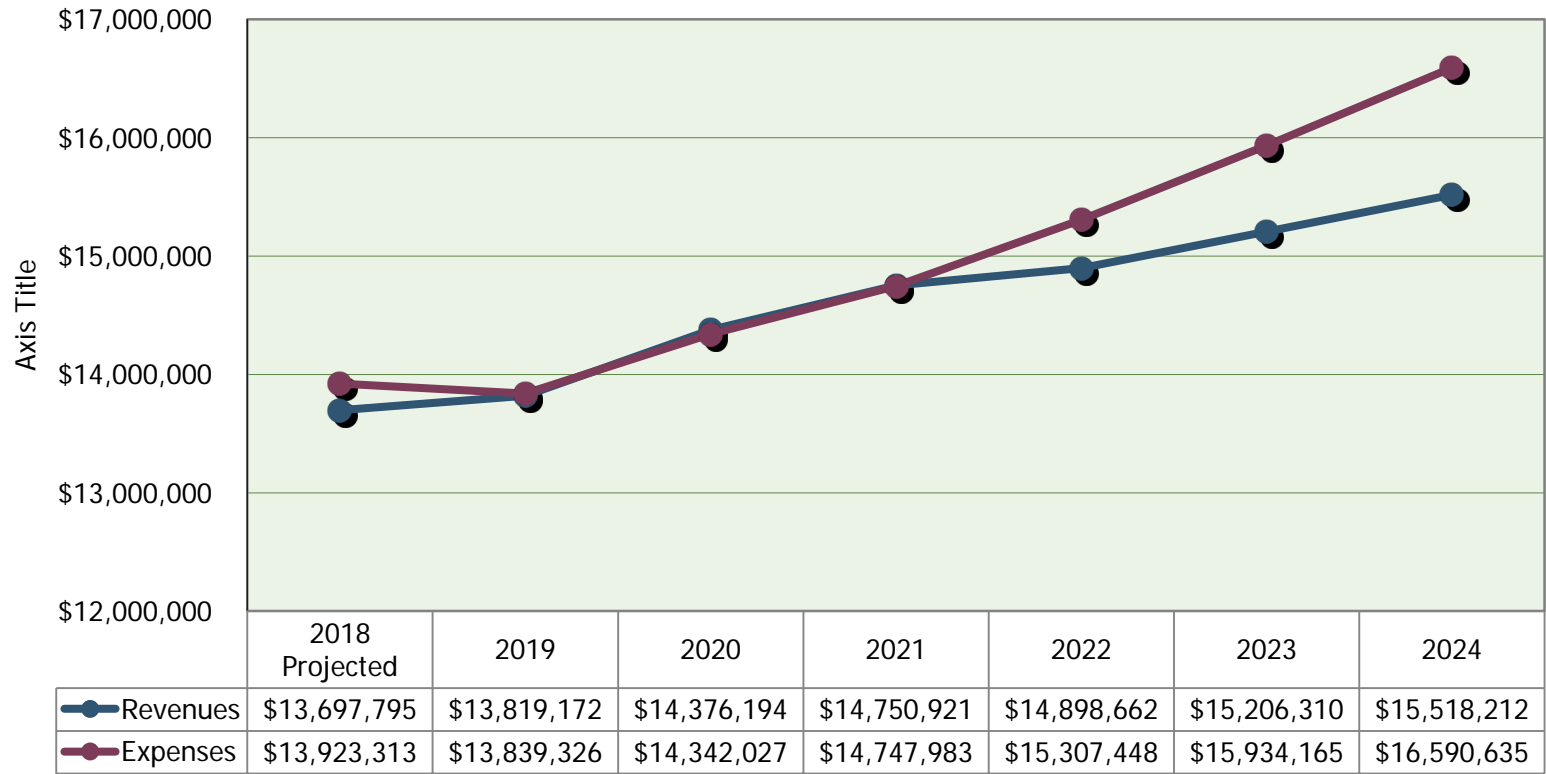
Six-Year Financial Forecast (Gen Fund) Without 1% Property Tax Levy



Six-Year Financial Forecast (Gen Fund) With 1% Property Tax Levy



Six-Year Financial Forecast - Revenues and Expenses (General Fund)



- **Development:** The City of Mill Creek is nearly built out. This provides the impetus for the City to be strategic in how it develops its remaining land. A Development Feasibility Study in this biennium will capture possibilities for strategic investment, particularly on lands surrounding the Dobson-Remillard property and along SR 527 in the northwestern quadrant of Mill Creek. The study's results will drive long-term plans for the area, which may require significant investment.
- **Business:** The business community is strengthening with the emergence of the Greater Mill Creek Chamber of Commerce. The City Council has discussed revisiting annexation discussions, which could provide opportunity to strengthen the City's business offerings. Annexation brings long-term costs, including service levels. The City must weigh long-term pros and cons against short-term impacts.



- **Public Safety:** A number of other related budget drivers can impact public safety levels and response times. An increase in population may require investment in personnel and equipment to ensure appropriate service levels. In addition, public safety work is directly impacted by the growing opioid crisis and issues of homelessness, resulting in impacts to training and service delivery costs.
- **Tourism:** Snohomish County's fourth largest industry is tourism. Mill Creek's proximity to I-5, its selection of dining options, unique shopping opportunities, community events and emphasis on active lifestyles with an eye toward sports tourism provides a strategic opportunity to bolster tourism efforts. The long-term budget impact is the need to stay current and fresh in its tourism offerings, the need to portray a consistent and alluring message, and meet the needs and desires of those who come to Mill Creek to partake of what it has to offer.



2019-2020 Revenues

Revenues - All Funds (Includes operating transfers and interfund transactions)

Fund	2015-2016 Actuals	2017-2018 Modified Budget	2019-2020 Budget	\$ Incr/(Decr) over Last Biennium	% Incr/(Decr) Over Last Biennium
General Fund	25,086,716	26,965,000	28,195,366	1,230,366	5%
Special Revenue Funds					
City Street	972,245	1,016,446	1,051,000	34,554	3%
Council Contingency	14	-	-	-	0%
Municipal Arts	9,904	7,822	23,000	15,178	100%
Paths and Trails	4,002	4,000	4,000	-	200%
Drug Buy	35,830	4,264	-	(4,264)	300%
City Hall North	342,854	384,239	374,000	(10,239)	-3%
Debt Service Fund					
800 MHz	71,004	66,218	20,640	(45,578)	-69%
Local Revitalization	35,023	91,000	100,000	9,000	10%
Capital Funds					
REET	2,944,172	3,490,000	1,550,000	(1,940,000)	-56%
Capital Improvement	805,017	1,245,000	740,000	(505,000)	-41%
Parks & Open Space Improvement	1,459,967	170,000	2,951,000	2,781,000	1636%
Road Improvement	2,612,888	5,777,000	8,020,000	2,243,000	39%
Enterprise Funds					
Storm & Surface Water	1,447,387	1,926,000	4,200,000	2,274,000	118%
Recreation	1,206,628	1,225,000	-	(1,225,000)	-100%
Proprietary Funds					
Equipment Replacement	301,371	310,000	262,449	(47,551)	-15%
Unemployment Comp	3	40,000	-	-	-100%
Total Appropriations All Funds	37,335,026	42,721,989	47,491,455	4,769,466	11%
Less Interfund Transactions	\$ (3,020,265)	\$ (5,942,905)	\$ (5,306,000)	636,905	-11%
Total Appropriations All Funds Less Transfers	34,314,761	36,779,084	42,185,455	5,406,371	15%
Biennium Beginning Fund Balance	\$ 15,762,961	\$ 17,488,683	\$ 16,952,810	(535,873)	-3%
Total Appropriations Plus Beginning Fund Balance	50,077,722	54,267,767	59,138,265	4,870,498	9%

Revenue Discussion

The City's 2019-2020 total revenues are projected at \$47,491,455. Revenues come from taxes, fees and charges, grants and intergovernmental revenues. For the 2019-2020 Biennial Budget, General Fund revenues are projected at \$28,195,366 which is an increase \$1,230,366 or 5% over the previous biennium.

This revenue increase is due to:

- Property and EMS taxes have increased \$172,000 due to new construction.
- Moving the Recreation Fund into the General Fund, which is a \$748,000 increase (though offset by regular Recreation expenses).
- An interfund loan repayment of \$344,000 from the Surface Water Utility for the Sweetwater Ranch emergency project.

The City relies on three major revenue streams to fund services for its citizens: property tax, sales tax, and charges for services. These revenue streams make up 79% of the City's overall revenues and 88% of its General Fund revenues.

Sales Tax

The Puget Sound Economic Forecaster, a prominent local journal which features economic forecasts, analysis and commentary for the greater Seattle area, projects taxable retail sales to increase approximately 4% in 2019 and 5% in 2020. We expect Mill Creek's sales tax to slightly increase

in accordance with regional expectations due to the City's revitalization investment and continued private investment.

The City's population increased slightly from 19,900 in 2016 to 20,470 in 2018 (2.8% growth). This positively impacts the City in terms of sales tax revenue. Mill Creek has one of the highest sales tax rates in the state at 10.5% (effective 4/1/2019, as voters approved an additional .1% for emergency communication systems).

However, the City only receives 1.1% of the 10.5% tax. Most of the tax revenue goes to the state, which assesses a 6.5% tax. Snohomish County receives .3%, and 2.6% is imposed by transit districts.

Property Tax

The City receives a majority of its revenue from property tax, or 58%. Currently, the City only receives 18% of the property tax assessed. The remaining property tax dollars go to Everett School District (46%), State of Washington (24%), Snohomish County (7%), Library (3%) and the Transit Authority (2%). The table below shows the levy percentages since 2015.

Levy Increases Since 2015

	2015	2016	2017	2018	2019
Regular Property Tax Levy	2.00%	3.00%	0.95%	1.00%	0%
EMS Tax Levy	12.29%	1.00%	31.00%	1.00%	1%



State law limits Mill Creek's annual regular property tax levy to 1%. For 2019, Mill Creek will have a 0% property tax levy and will bank this capacity for sometime in the future.

The City's bank capacity in 2019 is \$93,436 as of the end of 2018. This is the amount available for tax year 2019, which is the difference between the highest lawful levy that could have been assessed and the actual levy that was imposed for 2019.

In 2019, the City's assessed value increased by 11.4% to 4,129,395,362. Based on a 0% increase, the City assessed a regular property tax levy of \$6,294,021.

The Council has determined that the City of Mill Creek requires an EMS levy in 2019, which is a one percent (1%) increase from the previous year.

An increase in the Emergency Medical Service tax levy was authorized for the 2019 levy in the amount of \$1,716,763. A 1% increase from the previous year amounts to \$16,802.

Fire services for 2019 is \$3,930,745. The difference between the fire service contracted amount and the EMS tax levy of \$1,716,763, leaves a burden of \$2,213,982 that the General Fund will have to absorb in its operating budget.



Real Estate Excise Tax

Real Estate Excise Tax (REET) is a tax levied on the sale of real estate as measured by the full selling price. The City of Mill Creek collects REET funds at the maximum amount allowed by law, which is 0.5% on real estate sales in Mill Creek. REET receipts are subject to variations due to volatility in the local housing market.

State law restricts the first and second one-quarter percent (0.25%) of REET funds to the following uses: planning, acquisition, construction, re-construction, repair, replacement, rehabilitation or improvement of: streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water system and storm and sanitary sewer systems; and planning, construction, reconstruction, repair, rehabilitation or improvement of park and recreation facilities.

State law allows the first one-quarter percent (0.25%) to also be used for: acquisition of parks and recreation



facilities; and Planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation or improvement of: law enforcement or fire protection facilities, trails, libraries and administrative and judicial facilities.

Interest

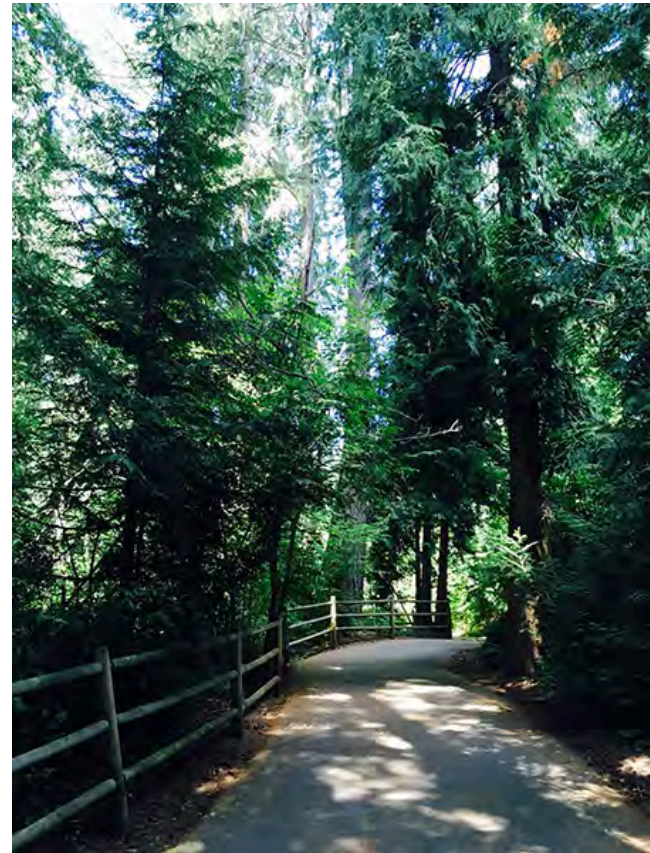
The City invests in U.S. Government Securities and the Local Government Investment Pool (LGIP). Investment interest has outperformed expectations in the previous biennium as a result of steadily climbing interest rates in LGIP. The City's net interest earning rate was 2.0612% compared to .5057% in December 2016.

Charges for Services

Citywide charges for service fees are expected to exceed \$8 million in 2019-2020. The City charges for services such as recreation programs, development services, passport fees and impact fees.

Grants and State Shared Revenue

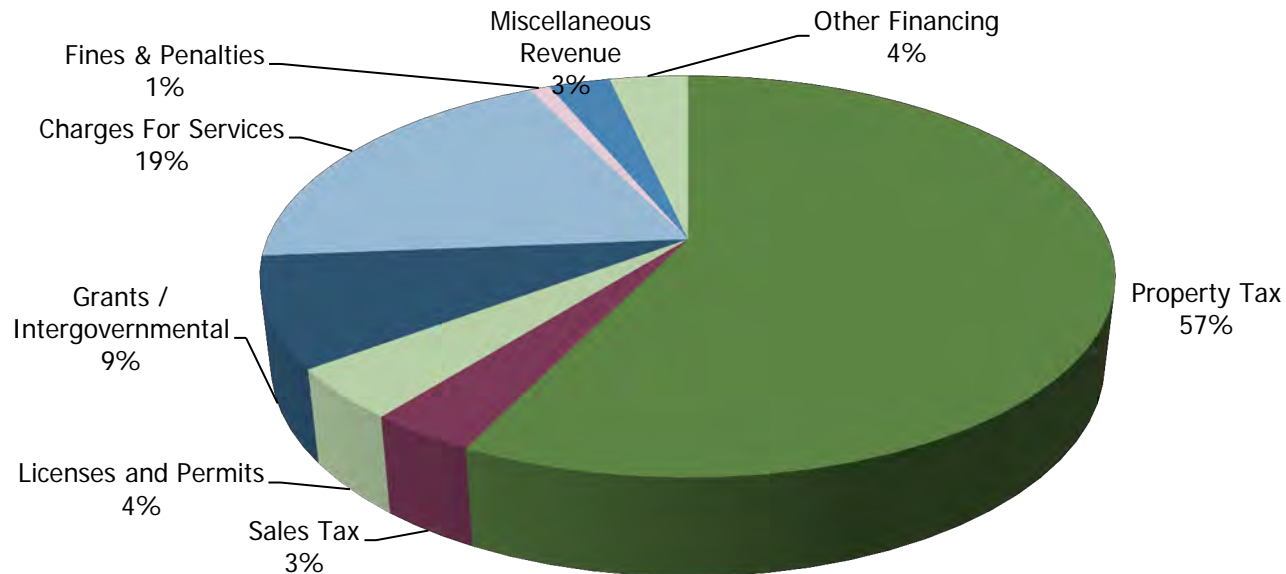
Federal, state and local grants are projected to make up approximately \$2,249,208 of citywide revenues in the 2019-2020 biennium. Nearly all the City's grant funding is allocated for capital projects. A comprehensive listing of 2019-2020 capital projects is included within the Expenditure Section, where the funding source for each project is also presented.



2019-2020 Revenue Summary – All Funds

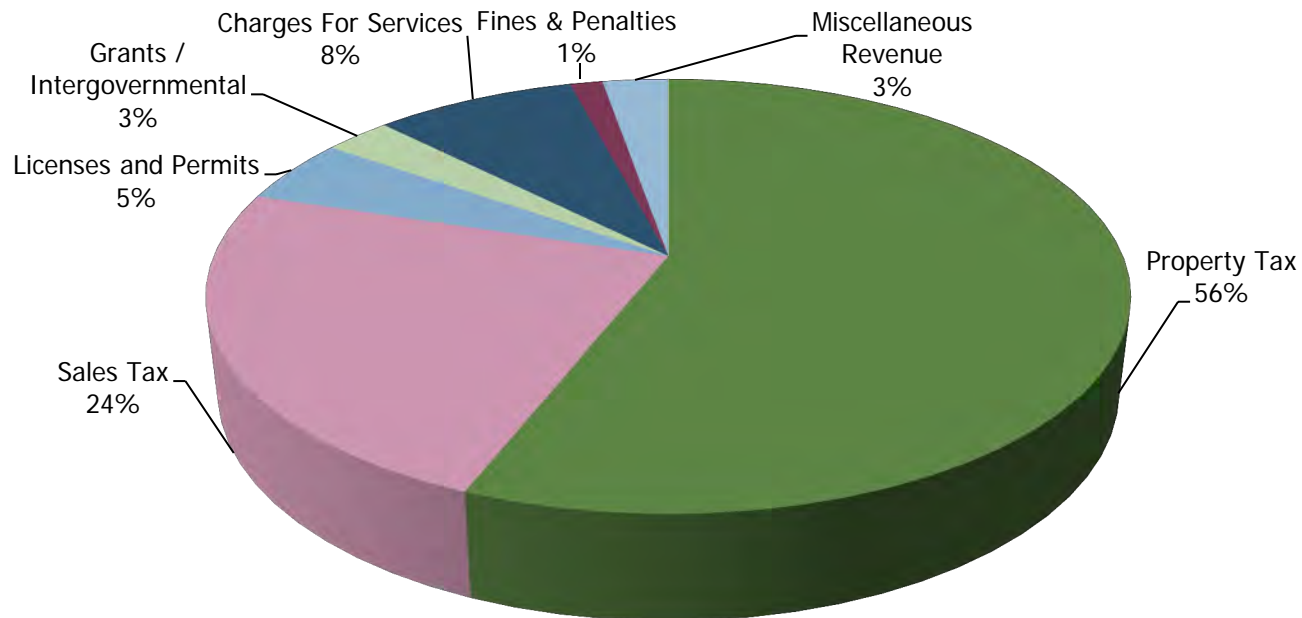
Source	2019-2020 Revenue	% of Revenue
Property Tax	\$ 24,149,000	57%
Sales Tax	\$ 1,456,000	3%
Licenses and Permits	\$ 1,738,600	4%
Grants / Intergovernmental	\$ 3,739,800	9%
Charges For Services	\$ 8,057,949	19%
Fines & Penalties	\$ 382,000	1%
Miscellaneous Revenue	\$ 1,171,466	3%
Other Financing	\$ 1,490,641	4%
Total Revenue	\$ 42,185,456	100%

Total Excludes non-revenue, operating transfers and interfund transactions



2019-2020 Revenue Summary – General Funds

Source	2019-2020 Revenue	% of Revenue
Property Tax	15,800,000	56%
Sales Tax	6,715,000	24%
Licenses and Permits	1,366,000	5%
Grants / Intergovernmental	788,400	3%
Charges For Services	2,369,500	8%
Fines & Penalties	382,000	1%
Miscellaneous Revenue	774,466	3%
Total Revenue	\$ 28,195,366	100%



2019-2020 Expenditures

Expenditures - All Funds (Includes operating transfers and interfund transactions)

Fund	2015-2016 Actuals	2017-2018 Modified Budget	2019-2020 Budget	\$ Incr/(Decr) over Last Biennium	% Incr/(Decr) Over Last Biennium
General Fund	25,351,657	27,472,465	28,181,353	708,888	3%
Special Revenue Funds					
City Street	1,042,768	1,116,000	1,079,047	(36,953)	-3%
Council Contingency	14,000	3,000	2,500	(500)	-17%
Municipal Arts	2,580	25,000	30,000	5,000	20%
Paths and Trails	327	500	10,500	10,000	2000%
Drug Buy	20,735	45,000	-	(45,000)	-100%
Beautification Fund	-	7,822	-	(7,822)	-100%
City Hall North	609,483	511,243	817,441	306,198	60%
35th Avenue Reserve	191,860	-	-	-	-
Debt Service Fund					
800 MHz	66,955	66,218	34,632	(31,586)	-48%
Capital Funds					
REET	2,093,606	3,046,032	4,771,641	1,725,609	57%
Capital Improvement	488,533	300,000	1,062,640	762,640	254%
Parks & Open Space Improvement	19,368	1,000,000	2,980,000	1,980,000	198%
Road Improvement	2,020,371	5,160,000	7,140,000	1,980,000	38%
Enterprise Funds					
Storm & Surface Water	2,095,266	2,248,735	3,980,748	1,732,013	77%
Recreation	1,213,764	1,225,000	-	(1,225,000)	-100%
Internal Service Funds					
Equipment Replacement	355,816	206,210	375,155	168,945	82%
Unemployment	22,214	27,270	20,000	(7,270)	-27%
Total Appropriation All Funds	35,609,304	42,460,496	50,485,657	8,025,162	19%
Less Interfund Transactions	(3,020,265)	(5,145,539)	(5,306,000)	(160,462)	3%
Biennium Ending Fund Balance	17,488,683	16,952,810	13,958,608	(2,994,202)	-18%
Total Appropriation Plus Ending Fund Balance	50,077,722	54,267,767	59,138,265	4,870,498	9%

Expenditures Discussion

City management and staff recognize the importance of continuously exploring and implementing cost and process efficiencies that help reduce government spending and prevent unnecessary increases in taxation. Mill Creek takes a serious and proactive approach to managing the continuously escalating cost of maintaining citizen's desired service levels, and also understands that this must be accomplished without jeopardizing the City's long-term fiscal stability.

In 2018, the City Council identified 12 Desired Budget Outcomes. These were used by departments to determine their program service levels, staffing and operating needs, and ultimately their budget requests for the 2019-2020 biennium. Based on this, City General Fund expenditures for the new biennium are budgeted at \$28,181,353. The chart of the previous page identifies expenditures across all funds.

The City Manager used Council's priority directives to weight department budget requests, and to prepare a comprehensive spending plan that focuses City resources towards achieving City Council's 2019-2020 goals.

Expenditures in the General Fund are broken out into maintenance and operations, personnel, and capital.

Maintenance and Operations Expenditures

Maintenance and operations are the general services provided by the City in the course of its daily operations.

The expenditures cover the programmatic efforts of the City as detailed in the **Departmental Expenditures section** (starting on Pg. 50).

Maintenance and operations accounts for \$13,566,372. This represents 49% of the General Fund biennial budget.

Personnel Expenditures

The City's largest expenditure in the General Fund is related to personnel, which accounts for \$14,312,393.

The City's population has grown 10.14% in the last five years. In the same period, the City's personnel, measured in Full Time Equivalents (FTE), has decreased 8.13%. The number of FTEs does not include preschool, seasonal maintenance aides, any paid interns, or the seasonal basketball program employees (gym supervisor and referees).



The *Change in FTE Relative to Population* chart at right reflects that in 2012, 66.5 employees provided services for 18,450 people, or 1 FTE per 277.44 residents. In 2018, a lower number of employees (59.0) is service to a higher population (20,470), or 1 FTE to 346.95 residents.

While the number of FTEs has decreased in the last several years, expenditures have continued to increase. This is due to a number of factors.

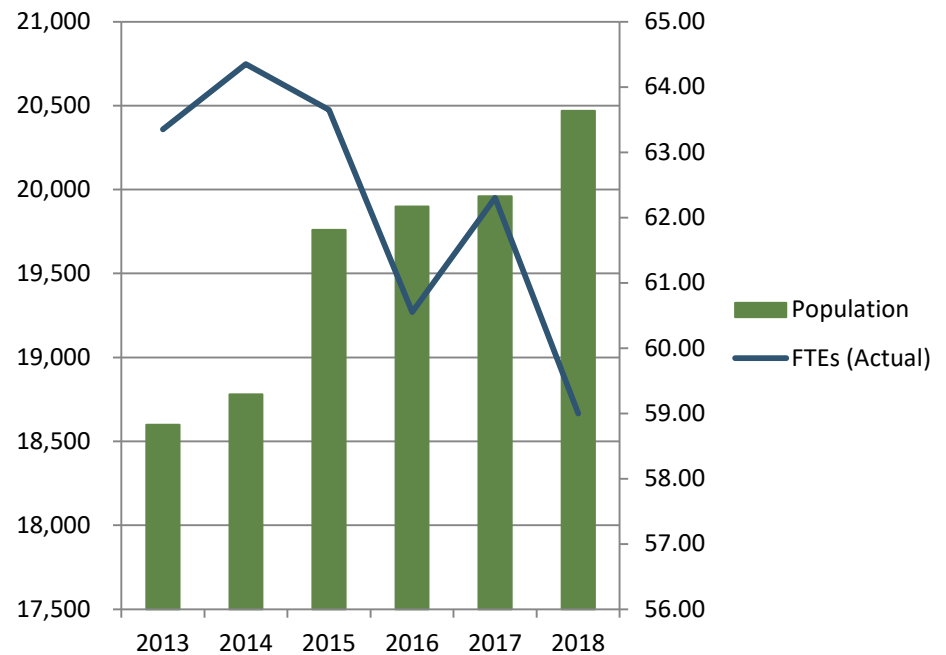
Wages and Benefits

Nationally, employee wages (88%), public safety (78%) and infrastructure (71%) are the most common areas for which cities increased spending. Fewer cities this year are contracting or privatizing city services and more are increasing spending on personnel and workforce expansion.

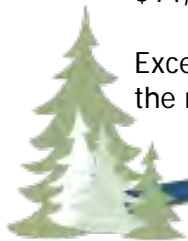
In the previous biennium, the City of Mill Creek focused on maintaining the same level of service with relatively fewer positions. This budget identifies some personnel needs due to increased service expectations. Therefore, the 2019-2020 Biennial Budget includes a 5.35% increase in salaries and benefits (a total of \$15,239,289 across all funds, with \$14,312,393 coming from the General Fund).

Except for a brief period in the mid-1990s and during the recession in 2008, health care costs have grown

Change in FTEs Relative to Population



much faster than general inflation. Beginning in 2002, cost shifts from employers to employees resulted in much of the decrease in growth of employer medical costs. More recent employer cost control efforts have included generic drug preferences, care management incentives, high-deductible consumer-directed health plans and health savings accounts (HSAs). Health care, including employee health insurance and medical assistance, is nearly 7% of the City's General Fund budget. The size of the health care budget, combined with rapid growth in per capital health care costs, make this a prime operational impact.



Reorganization for Efficiency

Related, as the City matures, its personnel needs have shifted slightly.

In the last biennium, this led to restructuring of departments to create a single Public Works and Development Services department. Personnel needs have shifted from development services to engineering and public works. This reflects a change from a heavy building period to one of preserving the City's existing infrastructure and meeting growth-related needs.

The City also created a Communications and Marketing department to overcome significant weaknesses identified in a Marketing Solutions study in 2016. The PIO position

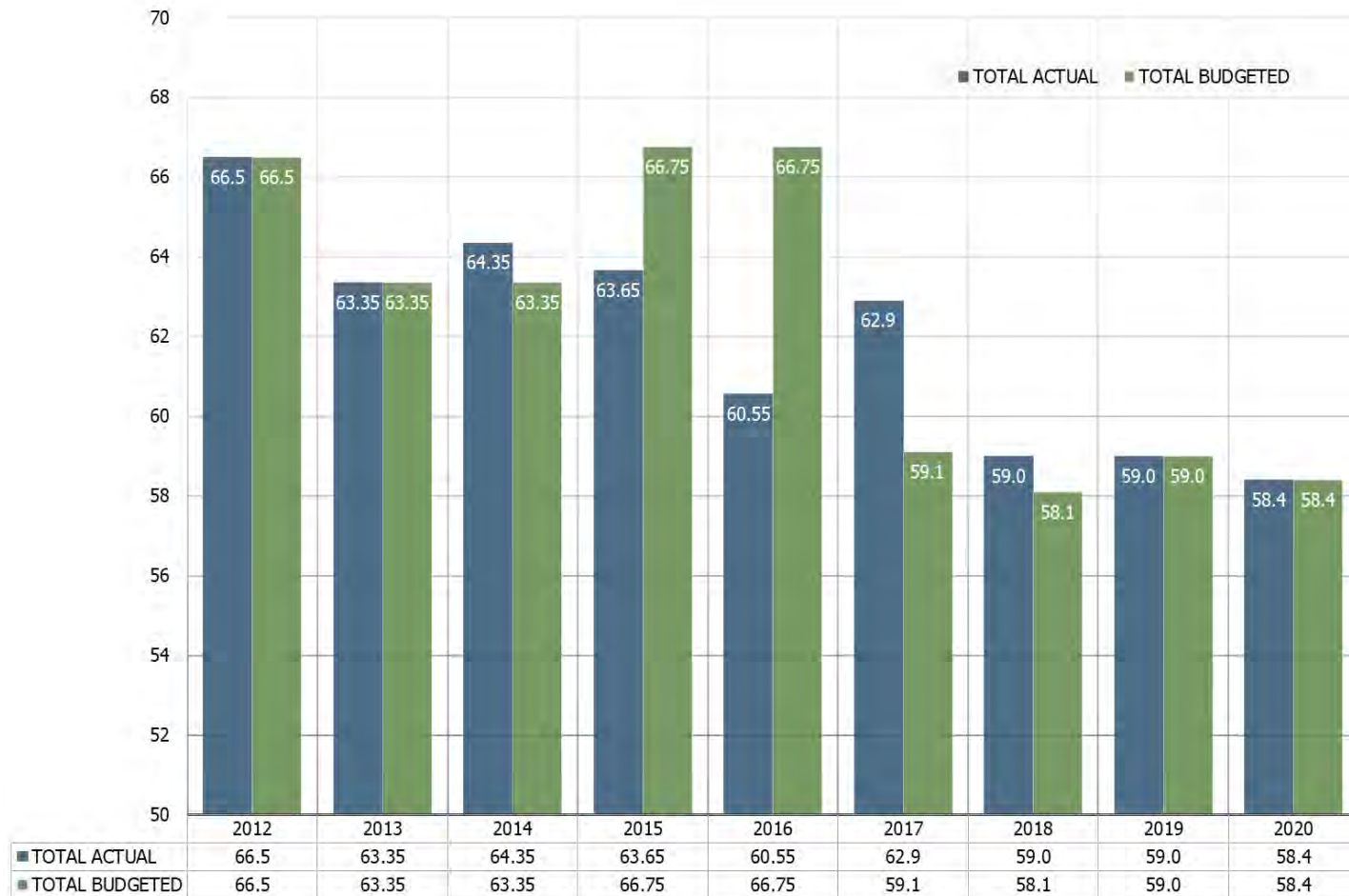
was reclassified to a Director position. The Recreation division was also folded into the department to include a robust community engagement effort focused on developing civic pride, tourism and volunteerism, and maximizes the City's public-facing efforts. As part of the reorganization, a Recreation Manager position was eliminated. A Marketing and Communications Coordinator was hired to fill a vacant Recreation Coordinator role.

Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. The City does not accrue accumulated unpaid vacation and associated employee-related costs when earned by the employee. The value of these absences as of September 30, 2018, was \$579,315.



2012-2020 Regular FTE Summary



*This does not include seasonal and irregular positions (e.g., preschool teachers, gym supervisors, basketball referees and seasonal maintenance workers). Lists of all positions budgeted in the 2017-2018 Biennial Budget and 2019-2020 Biennial Budget are provided in **Appendix E**.*

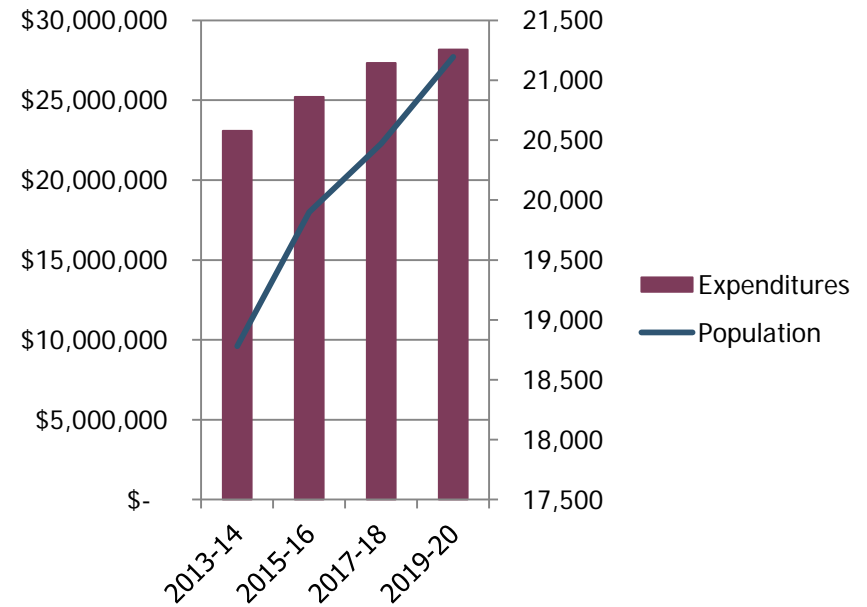
Notable Expenditure Highlights in the Budget

Though for several years, the City's expenditures have grown at a higher rate than population increase after the downturn of the economy between 2007 and 2013, the trend is now smoothing out the increase of expenditures in proportion to the population of Mill Creek (shown in the chart at right).

There are several areas of increased spending in the 2019-2020 biennium over the previous biennium. Notable expenditures supporting the Council's Desired Budget Outcomes.

- Wages and benefit costs reflect a 15% increase over the previous biennium due to wages and benefits increases, and hiring two new employees.
- An increase of \$515,000 due to the fire service contract.
- The Communications and Marketing department's focus on public engagement adds a comprehensive communication resource, *City Connection*. The publication will include the Recreation Guide in 2019. The added cost of the publication is partially offset by advertising revenue.
- Recreation expenses moved into the General Fund (\$716,000), though offset by Recreation revenue.

Expenditures vs. Population Increase



- The purchase of capital assets out of the Equipment Replacement Fund (\$325,155), as noted on page 42.
- Information technology needs, including a server infrastructure and Police laptop replacements, totaling \$328,201.
- A development feasibility study for the Dobson-Remillard property and the adjacent area estimated at \$50,000.
- A new Project Engineer in Public Works, with an anticipated biennial cost of \$210,000 in wages and benefits (funded by Capital Improvement funds).



Notable Budget Highlights

Following are key budget highlights for the next biennium as they pertain to the Council-identified Desired Budget Outcomes. Key activities in 2019-2020 that support each of the Desired Budget Outcomes are identified, along with the City Goal(s) they support, the department(s) responsible, the benefits and the budgetary impact.

Desired Budget Outcomes	Departmental Sponsor	Supports City Goal(s)	Initiative	Benefit	Budget Impact
Develop a sustainable budget that aligns ongoing resources to ongoing expenses and one-time resources to one-time expenses.	City Clerk	Fiscal Responsibility	Public Disclosure Page Development	Once the public disclosure landing page is published on the City's website, we will be able to collect fees established by Ordinance 2018-826.	Additional Revenue \$1500
	Public Works & Development Services	Fiscal Responsibility	Raise Surface Water Utility rate	Provides ongoing funding for ongoing infrastructure repair and replacement needs for the utility	TBD
	Public Works & Development Services	Fiscal Responsibility	Increase traffic mitigation fees	Provides funding for traffic mitigation programs	TBD
Maintain the City's General Operating Reserves at a level equal to at least 15% of the total General Fund budgeted annual revenue, excluding the beginning fund balance and any significant one-time revenues.	Finance & Administration	Fiscal Responsibility	Implement policies to preserve General Fund Reserve minimum balance while establishing one-time and opportunity funds	Responsibly stewards tax-payer dollars while funding capital improvement projects.	Additional \$830,000 in funding available for CIP projects; reserves 10% of REET for unanticipated needs
Continue to limit the tax burden on Mill Creek's citizens by seeking operating efficiencies wherever possible.	Communications and Marketing	Fiscal Responsibility	Consolidation of City publications into City Magazine	Reduces the cost to insert the Recreation Guide into another publication; enhances advertising revenue potential.	Reduces costs by \$17,629 and provides about \$16,000 in advertising revenue opportunities
	Communications and Marketing	Fiscal Responsibility	Move recreation budget under the General Fund	By bringing recreation dollars into the General Fund for accounting purposes, we are able to eliminate inefficiencies caused by transferring funds between accounts.	Cost neutral
	Police	Fiscal Responsibility	Consolidate three positions into a Support Services Supervisor role.	Serve as a first-level supervisor to the record and property room technicians, helps with administrative / executive support for the Administrative division, including implementation of best-practices and accreditation initiatives.	Expected cost of wages and benefits is \$211,651 and is offset by the retirement of one employee and reassignment of another in the last biennium.



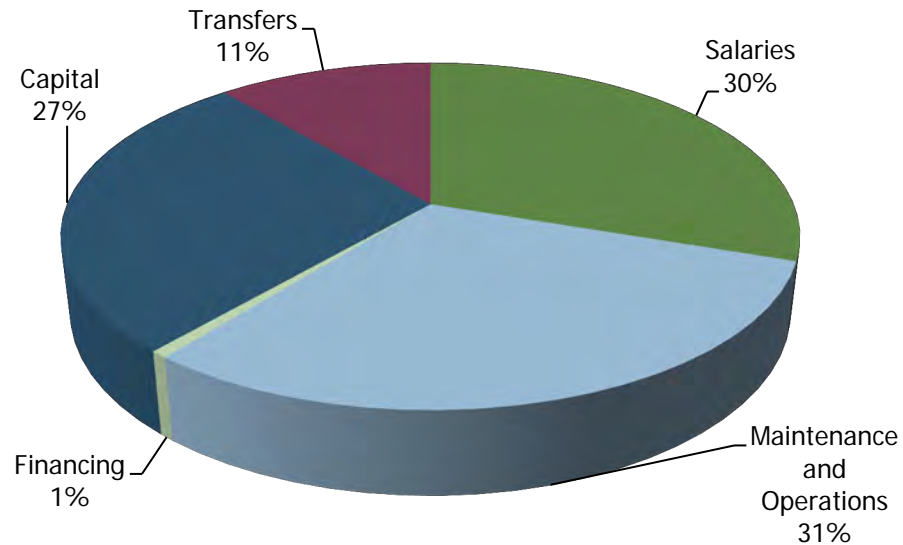
Desired Budget Outcomes	Departmental Sponsor	Supports City Goal(s)	Initiative	Benefit	Budget Impact
Continue to limit the tax burden on Mill Creek's citizens by seeking operating efficiencies wherever possible.	Public Works & Development Services	Fiscal Responsibility	Hire a Project Engineer instead of contracting out.	Reduces costs associated with project delivery over the biennium.	The full biennial cost (wages and benefits) is \$210,000. The cost is included in the CIP and is offset by a reduction in consulting fees.
Pursue economic development programs and initiatives to create sustainable revenue streams by evaluating and implementing tourism, changes in development code to promote and incentivize development, and business recruitment and retention.	Communications and Marketing	Community Preservation, Economic Prosperity, Long-Term Planning	Conduct a development feasibility study	Determines the opportunities for the Dobson-Remillard property.	Study cost is \$50,000
	Communications and Marketing	Community Preservation, Economic Prosperity, Long-Term Planning	Advertising to support tourism efforts	Highlights the City's signature events, which encourages more spending and thus more sales tax revenue.	Increased advertising funds by \$11,000
	Communications and Marketing	Community Preservation, Economic Prosperity, Long-Term Planning	Make improvements to the Farmers Market to grow customers and vendors	A self-supporting, revenue-generating program, the Farmers Market also provides a highly desirable community amenity.	Nets \$15,000 in revenue
Continue to construct, maintain, and preserve capital investments as prescribed in the City's adopted CIP.	Public Works & Development Services	Community Preservation, Economic Prosperity, Long-Term Planning	CIP transportation, parks and trails, and facilities projects	Helps preserve the City's infrastructure and cultivate economic prosperity.	\$19,270,140
Evaluate and create recreation programs to meet demands and support revenue recovery goals.	Communications and Marketing	Recreational Opportunities	Mill Creek Sports Park rate increases	Rate increases for Mill Creek Sports Park field rentals and light use. This increase aligns with regional market rates and provides some additional revenue.	Projected revenue increase of \$12,805
	Communications and Marketing	Recreational Opportunities	Conduct recreational program analysis and develop new recreational programming	Ensures programming is cost effective and doesn't compete with other community offerings; provides enhanced opportunities for underserved age groups; and generates new revenue.	Neutral budget impact, as some programs are cut and new programs are added
Retain all existing park land.	Executive	Community Preservation, Recreational Opportunities, Long-Term Planning	Conduct a development feasibility study	Determines the opportunities for sports tourism at the Dobson-Remillard property.	Cost included above
Continue to grow public involvement, engagement, and volunteerism.	Communications and Marketing	Civic Engagement, Leadership	Build volunteerism program	Creates civic engagement opportunities.	Cost neutral
Partner with schools and local groups to provide public safety education	Police	Civic Engagement, Public Safety	Continue with School Resource Officer program; work with Communications and Marketing to add and publicize public safety community programs; work with local civic organization to offer educational opportunities	Bolsters relationships with the school district and community groups while providing public safety education.	Cost neutral
Obtain accreditation and ensure public safety practices protect the City from liability.	Police	Public Safety	Continue to execute on recommendations provided in CPSM study	Demonstrates the Police Department's commitment to enhanced public safety and contributes to a safer community.	Cost neutral

Desired Budget Outcomes	Departmental Sponsor	Supports City Goal(s)	Initiative	Benefit	Budget Impact
Obtain accreditation and ensure public safety practices protect the City from liability.	Police	Public Safety, Fiscal Responsibility, Customer Service	Hire a Support Services Supervisor.	This individual will help with the creation of policies and practices that are necessary for accreditation, and will help implement supporting activities across the department.	Cost included above
Ensure police and fire are properly staffed to meet service needs and respond to emergent situations (utilizing the Center for Public Safety Management study as a resource).	Police	Public Safety, Customer Service	Hire a Support Services Supervisor.	Helps meet service needs, including working with the record and property room technicians, helps with administrative / executive support for the Administrative division, including implementation of best-practices and accreditation initiatives.	Cost included above
Develop a citizen satisfaction survey/index/poll via web and biennial mail/telephone survey of City services.	Communications and Marketing	Civic Engagement	Implement resident survey tools	Utilize existing resources to conduct resident satisfaction surveys to understand perceived benefit of City services.	Cost neutral



2019-2020 Expenditures – All Funds

Source	Total All Funds	% of Expenses
Salaries	\$ 15,239,289	30%
Maintenance and Operations	\$ 15,422,219	31%
Financing	\$ 325,805	1%
Capital	\$ 13,827,437	27%
Transfers	\$ 5,670,907	11%
Total Expenditures	\$ 50,485,657	100%



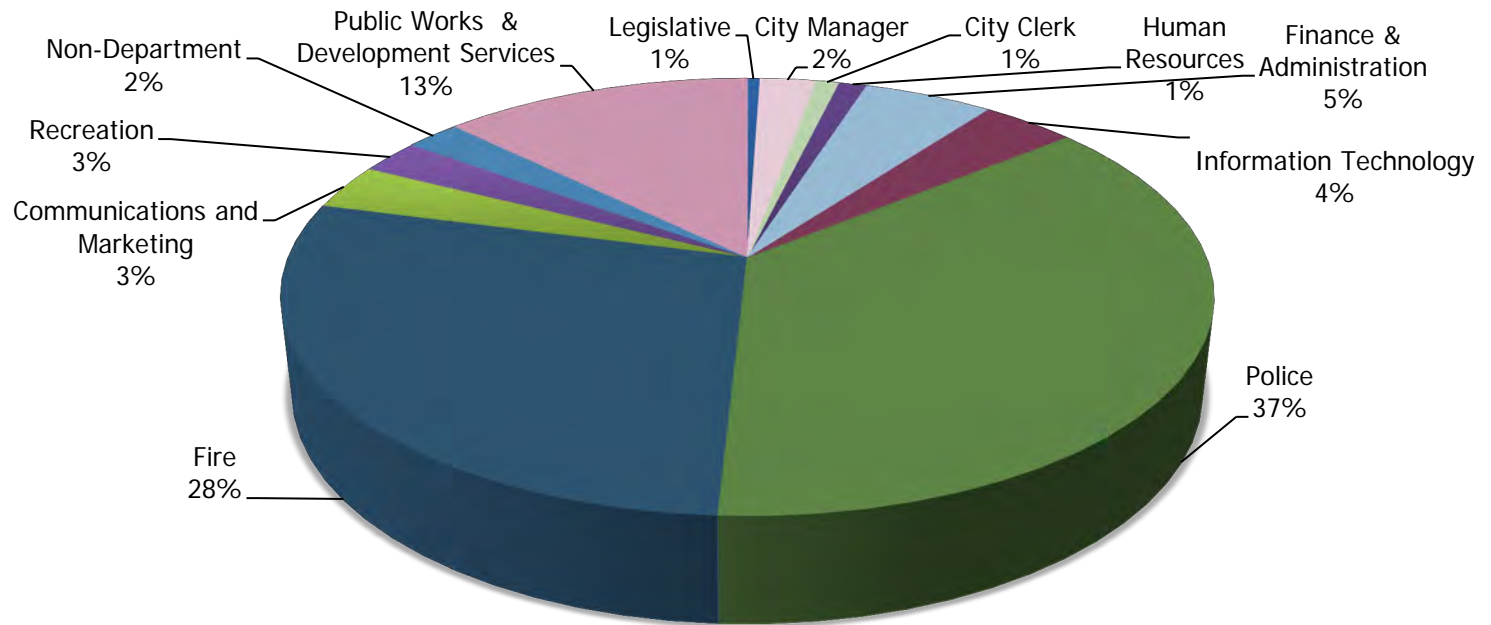
Expenditures Summary by Department (General Fund)

Expenditures	Actual 2015-2016	Modified Budget 2017-2018	Budget 2019-2020	\$ Incr/(Decr) over Last Biennium	% Incr/(Decr) Over Last Biennium
Legislative	141,431	445,897	148,102	(297,795)	-66.79%
City Manager	1,480,818	1,632,915	641,960	(990,955)	-60.69%
City Clerk	-	-	270,057	270,057	-
Human Resources	-	-	330,388	330,388	-
Finance & Administration	1,430,338	1,409,405	1,489,353	79,948	5.67%
Information Technology	-	834,375	1,099,698	265,323	31.80%
Police	9,694,994	9,940,092	10,349,517	409,425	4.12%
Fire	7,534,260	7,583,900	7,959,759	375,859	4.96%
Communication and Marketing	-	-	954,538	954,538	-
Recreation	-	-	715,822	715,822	-
Non-Department	1,231,257	2,459,449	636,560	(1,822,889)	-74.12%
Public Works & Development Services	2,206,045	3,166,432	3,585,599	419,167	13.24%
Total Expenditures	23,719,143	27,472,465	28,181,353	708,888	2.58%



General Fund Expenditures by Source and Department

Source	General Fund	% of Expenses
Salaries	\$ 14,312,393	51%
Maintenance and Operations	\$ 13,566,372	48%
Capital	\$ 302,588	1%
Total Expenditures	\$ 28,181,353	100%



Equipment Replacement Fund

2019-2020 Items Budgeted for Replacement

Fund	Dept	Asset Description	2019	2020	Project Funding
509 Equipment Replacement					
Police		Ford Utility AWD Explorer	61,055	-	Replacement
		Ford Utility AWD Explorer	42,500	-	Replacement
		Tahoe PPV 4WD	64,600	-	Replacement
		F150 Truck	52,000	-	Replacement
		F150 Truck	52,000	-	Replacement
			272,155	-	
General Fund		Ford Escape	23,000	-	Replacement
			23,000	-	
City Streets		Bucket Truck	30,000	-	Replacement
			30,000	-	
Grand Total			325,155	-	



Schedule of Long-Term Debt

Schedule of Current Long-Term Debt Payments

Description	Date of Issue	Date of Final Maturity	Interest Rates	Amount of Original Issue	Balance 1/1/2019	Balance 12/31/2019	Due Within One Year
Governmental Activities							
MHZ Bond	10/29/1999	12/1/2019	3.0-5.25%	\$ 382,268	\$ 31,519	\$ -	\$ 31,519
PWTF Loan	4/12/2006	7/1/2026	0.50%	\$ 921,500	\$ 388,000	\$ 339,500	\$ 48,500
Total				\$ 1,303,768	\$ 419,519	\$ 339,500	\$ 80,019

Debt Limit Capacities

State law dictates that City debt cannot be incurred in excess of the following taxable percentages: 1.5% without a vote of the people; 2.5% with a vote of the people, provided the indebtedness in excess of 2.5% is for utilities, parks or open space development. The 2019 the preliminary assessed value is projected at \$4,129,395,362.

Schedule of Long-Term Debt Through 2020

Year	2019		2020		Totals
	Principal	Interest	Principal	Interest	
Governmental Activites					
PWTF Loan	\$ 48,500	\$ 1,940	\$ 48,500	\$ 1,698	\$ 100,638
Total	\$ 48,500	\$ 1,940	\$ 48,500	\$ 1,698	\$ 100,638

2019-2020 Operating Transfers & Interfund Transactions

Fund	Description	Transfers In	Transfers Out
REET	35th Avenue		\$ 350,000
	Seattle Hill Road Pavement Preservation		\$ 1,135,000
	35th Ave Pavement Preservation		\$ 150,000
	132nd Street SE Mid-Block Crossing Improvements		\$ 75,000
	Street Pavement Marking Program		\$ 300,000
	Mill Creek Blvd Corridor Improvements Study		\$ 250,000
	Citywide Traffic Signal Upgrades		\$ 75,000
	Bridge Monitoring and Improvement Program		\$ 50,000
	Traffic Safety and Calming Program		\$ 25,000
	Mill Creek Sports Park Turf & Light Replacement		\$ 816,000
	Heron Park Playarea Upgrades		\$ 410,000
	Trail Preservation Program		\$ 35,000
	Gateway and Presence Improvement		\$ 85,000
	Concrete Sidewalk Replacement Program		\$ 180,000
	Pavement Preservation and Rehabilitation Program		\$ 955,000
Capital Improvement	City Hall North HVAC	\$ 80,000	
	Gateway and Presence Improvement	\$ 85,000	
	Historical Preservation Project	\$ 25,000	
	City Hall North Roof and Seismi Retrofit	\$ 300,000	
City Hall North	City Hall North HVAC		\$ 80,000
	City Hall North Roof and Seismi Retrofit		\$ 300,000
Municipal Arts	Historical Preservation Project		\$ 25,000
Paths and Trails	Trail Preservation Program		\$ 10,000
Parks	Mill Creek Sports Park Turf & Light Replacement	\$ 816,000	\$ -
	Heron Park Playarea Upgrades	\$ 410,000	
	Trail Preservation Program	\$ 45,000	
Roads	35th Avenue	\$ 350,000	
	Seattle Hill Road Pavement Preservation	\$ 1,135,000	
	35th Ave Pavement Preservation	\$ 150,000	
	132nd Street SE Mid-Block Crossing Improvements	\$ 75,000	
	Street Pavement Marking Program	\$ 300,000	
	Mill Creek Blvd Corridor Improvements Study	\$ 250,000	
	Concrete Sidewalk Replacement Program	\$ 180,000	
	Pavement Preservation and Rehabilitation Program	\$ 955,000	
	Citywide Traffic Signal Upgrades	\$ 75,000	
	Bridge Monitoring and Improvement Program	\$ 50,000	
	Traffic Safety and Calming Program	\$ 25,000	
Total Operating Transfers & Interfund Transactions		\$ 5,306,000	\$ 5,306,000



Capital Improvement Expenditures

The City's capital improvement needs also are escalating as much of its infrastructure is aging and is in need of repair or replacement. Capital improvements are major projects requiring the expenditure of public funds over and above routine operating expenses. A capital project is defined as new, replacement of or improvements to infrastructure (e.g., buildings, roads, parks) that has a minimum life expectancy of five years and a minimum cost of \$25,000.

The 2019-2024 Capital Improvement Plan is included as **Appendix J** and includes funded and unfunded projects. It includes 27 funded projects for a total of \$19,005,140. This is the same number of projects as the previous CIP, but with a larger programmatic focus (e.g., pavement preservation) instead of one-off projects. This results in an increased cost of \$9,077,108 (91.4%) over the previous CIP.

The CIP also identifies \$40,175,000 worth of projects for which the City has not identified funding. However, these projects will require the City's attention in the next decade.

This demonstrates that while the City has experienced some recent revenue growth, the City must start planning now for these long-term needs.



Capital Spending

Fund	Description	CFP Project Number	2019	2020	Project Funding
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316 Capital Improvement

	City Hall North HVAC	19-BLDG-01	80,000	-	CFP
	Public Works Workshop Value Engineering Study	17-BLDG-02	-	50,000	CFP
	Entryway ADA Upgrades for City Hall & Library	19-BLDG-02	-	40,000	CFP
	Emergency Operations Center	19-BLDG-03	59,640	-	CFP
	Gateway and Presence Improvement	18-ROAD-13	48,000	85,000	CFP
	Historical Preservation Project	19-BLDG-04	-	25,000	CFP
	City Hall North Roof and Seismic Retrofit	17-BLDG-03	50,000	625,000	CFP
			237,640	825,000	

317 Parks & Open Space Improvement

	Construction of Exploration Park	17-PARK-03	1,300,000	-	CFP
	Mill Creek Sports Park Turf & Light Replacement	18-PARK-02	1,100,000	-	CFP
	Heron Park Playarea Upgrades	19-PARK-01	50,000	360,000	CFP
	Parks Restroom/Picnic Shelter Roof Replacement	19-PARK-03	-	50,000	CFP
	Trail Preservation Program	19-PARK-04	20,000	25,000	CFP
	North Creek Trail Study	19-PARK-05	-	75,000	CFP
			2,470,000	510,000	



Fund	Description	CFP Project Number	2019	2020	Project Funding
318 Roads Improvement					
	35th Ave SE Reconstruction-Carryover from 2018	17-ROAD-02	1,700,000	-	CFP
	35th Ave SE Reconstruction	17-ROAD-02	350,000	-	CFP
	Seattle Hill Rd Pavement Preservation	18-PAVE-03	1,855,000	-	CFP
	35th Ave SE Pavement Preservation	19-PW-01	-	150,000	CFP
	132nd St SE Mid-block Crossing Improvements	19-PW-02	87,000	663,000	CFP
	Street Pavement Marking Program	19-PW-03	150,000	150,000	CFP
	Mill Creek Blvd Corridor Improvements Study	19-PW-04	250,000	-	CFP
	Concrete Sidewalk Replacement Program	19-PW-05	80,000	100,000	CFP
	Pavement Preservation and Rehabilitation Program	19-PW-06	100,000	855,000	CFP
	Citywide Traffic Signal Upgrades	17-ROAD-03	-	75,000	CFP
	Bridge Monitoring and Improvement Program	19-PW-07	-	50,000	CFP
	EGUV Spine Rd West Connection (Phase 1)	19-ROAD-15	500,000		CFP
	Traffic Safety and Calming Program	19-PW-08	-	25,000	CFP
			5,072,000	2,068,000	
401 Stormwater Management					
	Surface Water Aging Infrastructure Program	19-SW-01	937,500	750,000	Utility
			937,500	750,000	



Fund Review

The City of Mill Creek manages several funds. Following is a breakout of the different types of funds the City manages. On the following pages is a review of each City fund, including a discussion of what is transpiring with each fund.

General Fund

The main operating fund is its general fund, which provides general purpose governmental services such as police, fire, park maintenance, general administration and facilities maintenance.

Special Revenue Funds

These funds are used to track the revenue from specific sources restricted to certain purposes. Special revenue funds provide an extra level of accountability and transparency to taxpayers that their tax dollars go toward an intended purpose.

Capital Projects Funds

These funds account for financial resources related capital projects. Capital improvements are major projects requiring the expenditure of public funds over and above routine operating expenses. A capital project is defined as new, replacement of or improvements to infrastructure (e.g., buildings, roads, parks) that has a minimum life expectancy of five years and a minimum cost of \$25,000.

Debt Service

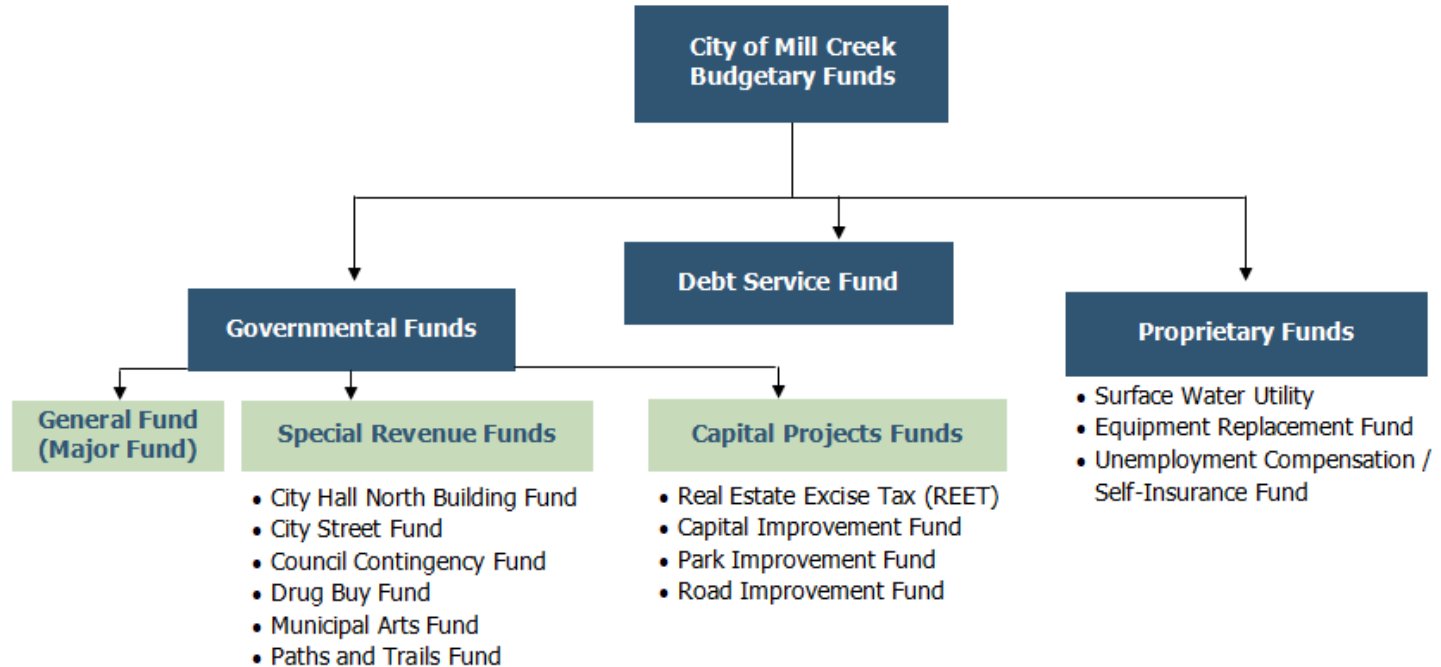
A debt service fund is a cash reserve that is used to pay for the principal and interest on certain types of debt.

Proprietary Funds

More than anything, proprietary funds operate like a business. They pertain to providing goods or services to the general public. It covers the services which are important but not essential to the way a government runs. The City maintains three proprietary funds.



Fund Organization



2019-2020 Projected Ending Fund Balances

Fund	Projected* Balance 12/31/2018	2019/2020 Projected Revenues	2019/2020 Expenditure Appropriation	Projected balance 12/31/2020
General Fund	5,979,348	28,195,366	28,181,353	5,993,361
Special Revenue Funds				
City Street	129,768	1,051,000	1,079,047	101,721
Council Contingency	61,735	-	2,500	59,235
Municipal Arts	37,096	23,000	30,000	30,096
Paths and Trails	13,003	4,000	10,500	6,503
Drug Buy	13,037	-	-	13,037
City Hall North	556,222	374,000	817,441	112,781
Debt Service Fund				
800 MHz	12,455	20,640	34,632	(1,537)
Local Revitalization	125,963	100,000	-	225,963
Capital Funds				
REET	3,413,733	1,550,000	4,771,641	192,092
Capital Improvement	1,414,806	740,000	1,062,640	1,092,166
Parks & Open Space Improvement	2,816,780	2,951,000	2,980,000	2,787,780
Road Improvement	2,223,108	8,020,000	7,140,000	3,103,108
Enterprise Funds				
Storm & Surface Water	702,060	4,200,000	3,980,748	921,312
Proprietary Funds				
Equipment Replacement	1,679,081	-	375,155	1,303,926
Unemployment	35,107	262,449	20,000	277,555
Subtotal	19,213,301	47,491,454	50,485,657	16,219,098

Overview and Discussion of Each Fund

General Fund

The City's main operating fund is its General Fund, which provides general purpose governmental services such as police, fire, park maintenance, general administration and facilities maintenance. The General Fund's major sources of revenue are property taxes, sales tax, charges for services (e.g., passport and development services), licenses and permits, and other miscellaneous revenue. This fund is used for the day-to-day operations of the City.

The 2019-2020 total General Fund revenues are projected at \$28,195,366 (an increase of 5% over the last biennium) and the total General Fund operating expenditures are budgeted at \$28,181,353 (an increase of 3% over the previous biennium).

City Hall North Building Fund

On June 30, 2005, the City purchased the property and building at 15720 Main Street. This fund was created to account for the revenues and expenditures related to building lease activity and maintenance of that property. The reserves in this fund are available for any purpose by transfer to another fund.

In addition to the ongoing maintenance and operations of this facility, this fund will contribute resources to the Capital Improvement Fund for the HVAC system and seismic retrofit.

City Street Fund

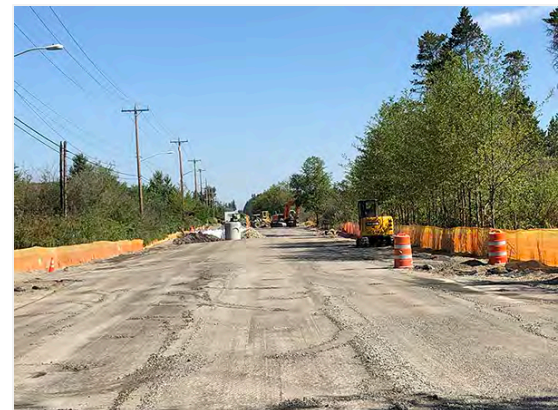
This contains dedicated funds that must be separately accounted for from State distributed fuel taxes that are used for maintenance and repair of City streets, street lighting, sidewalks and traffic control devices.

In the 2019-2020 biennium, this fund will be used for operations of City streets. This fund includes a large capital outlay for a bucket truck (~\$120,0000).

City Council Contingency

This fund was established pursuant to Revised Code of Washington (RCW) 35A.34.250 and is used to accumulate monies for emergencies or unanticipated needs of the City. Per RCW 35A.34.260, this fund cannot exceed \$.375 per \$1,000 of the assessed valuation.

The only expenditure planned for this fund in 2019 is \$2,500 for the Mill Creek Senior Center.



Drug Buy Fund

This fund complies with RCW 69.50.505, which requires that funds collected or received as a result of drug-related confiscation must be expended on drug enforcement related expenditures.

The drug buy funds were utilized in the 2017-2018 biennium for the acquisition and training of the City's new K9, Bagira. The new K9 team is dual-certified, meaning that it also will have drug detection capabilities. No appropriation is requested for the new biennium.

Municipal Arts Fund

This fund contains monies dedicated for the selection, acquisition and/or installation of art work. Per Mill Creek Municipal Code Chapter 3.28, at least 1% of the total project cost for certain municipal construction projects are to be transferred from the originating department or fund to this special fund. This fund was created in order to fund the selection, acquisition and/or installation of works of art in accordance with MCMC 3.28.010.

This budget reflects funding in accordance with the Mill Creek Municipal Code. In the 2019-2024 CIP, the applicable projects from which 1% shall be transferred into the Municipal Art Fund include Exploration Park, park restroom/picnic shelter room replacement, City Hall North roof and seismic retrofit, and City Hall North HVAC. The projects have a combined total of \$2 million, providing for a \$20,000 revenue transfer into the Municipal Art Fund. In the 2019-2020 biennium, the Municipal Arts Fund will be used for the Historical Preservation Project, but may be offset by external funding.



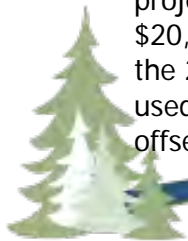
Paths and Trails Fund

The Revised Code of Washington requires the City to earmark one-half of one percent of funds received from motor vehicle fuel taxes for paths and trails. These funds are restricted for that particular use.

Funding will be used for the trail preservation program in the 2019-2020 biennium.

Real Estate Excise Tax (REET) Fund

Real Estate Excise Tax (REET) is a tax levied on the sale of real estate as measured by the full selling price. The City of Mill Creek collects REET funds at the maximum amount allowed by law, which is 0.5% on real estate sales in Mill Creek. REET receipts are subject to variations due to volatility in the local housing market. State law restricts the first and second one-quarter percent (0.25%) of REET



funds to the following uses: planning, acquisition, construction, re-construction, repair, replacement, rehabilitation or improvement of: streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water system and storm and sanitary sewer systems; and planning, construction, reconstruction, repair, rehabilitation or improvement of park and recreation facilities. Further, State law allows the first one-quarter percent (0.25%) to also be used for: acquisition of parks and recreation facilities; and Planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation or improvement of: law enforcement or fire protection facilities, trails, libraries and administrative and judicial facilities.

A significant amount of REET funding will be applied toward capital projects related to: pavement preservation; sidewalk replacement; street pavement marking; a Mill Creek Blvd corridor improvement study; a bridge monitoring and improvement program; a traffic safety and calming program; Mill Creek Sports Park turf and light replacement; and Heron Park playarea upgrades.

Capital Improvement Fund

This fund is for capital improvement projects not funded elsewhere in the budget. This is the “savings” account for capital projects as identified in the Capital Improvement Plan. REET funds are moved into this fund. Capital improvement costs may include acquisition, development, engineering, architectural, or other related costs. The City’s current policy is to transfer one-time revenues into the CIP Fund on an annual basis. One-time revenues are those which are not expected to reoccur, such as development

related revenues (e.g., construction sales tax and permit fees). In 2018, the one-time revenue transfer is \$400,000. The CIP Fund had some revisions from what was originally presented in the 2017-2018 biennial budget approved in November 2016. At the time the budget was presented, the CIP and the Equipment Replacement Fund (EORF) were collapsed into one fund. The EORF was originally set up by an ordinance and was not properly dissolved. In addition, the CIP is meant to track projects and not intended to account for capital assets considered rolling stock such as police cars, street sweepers, computers etc. These types of assets are commonly accounted for in an Internal Service Fund, which is considered best practices.

Projects in the biennium funded by the Capital Improvement Fund include the City Hall North roof seismic retrofit, the emergency operations center, ADA upgrades for City Hall and the Library, and the Public Works value engineering study.



Park Improvement Fund

This fund contains monies to be used for the acquisition and/or development of parks. This City uses a dedicated revenue stream from developers called park mitigation fees. The funds can only be spent on park capital improvements, such as the development of Exploration Park or the Mill Creek Sports Park Turf and Light project.

An analysis of the Park Fund revealed amounts had been transferred to this fund from REET during the period 2000-2010. Statutes require money be returned if the original intent of the funding no longer exists. As a result, a transfer of \$641,000 (includes accumulated interest) was made back to the REET Fund in June 2018. This amount is higher than previously estimated as finance recalculated the information back to 2000. The fund included an inflow of \$200,000 from Snohomish County for the Mill Creek Sports Park turf and light replacement project and for Exploration Park. Fund use in the next biennium will largely be related to Exploration Park in the North Pointe neighborhood.

Road Improvement Fund

This fund contains monies dedicated for the improvement of roads, bridges and sidewalks. Typical projects include road and intersection improvements; pavement preservation on arterial streets and highways; pedestrian and bicycle access improvements and bridges. Revenue comes from mitigation payments by developers. Road mitigation fees can only be spent on growth-related transportation capital improvements.

The Road Improvement Fund includes grant funding that

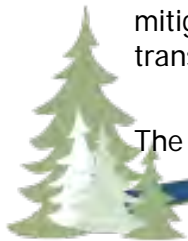
was not projected in the 2017-2018 biennial budget. It includes funds from WSDOT and Snohomish County for a total increase in revenue of \$1,300,000. The City expects an influx of mitigation monies related to the proposed development of The Farm.



Debt Service Funds

This City fund is used to pay debt service on the City's voted and non-voted general obligation debt. The fund is required per bond covenants and governmental accounting principles.

The City has debt service on its portion of the Snohomish Emergency Radio System megahertz equipment that was funded 20 years ago, which will be paid off in 2019.



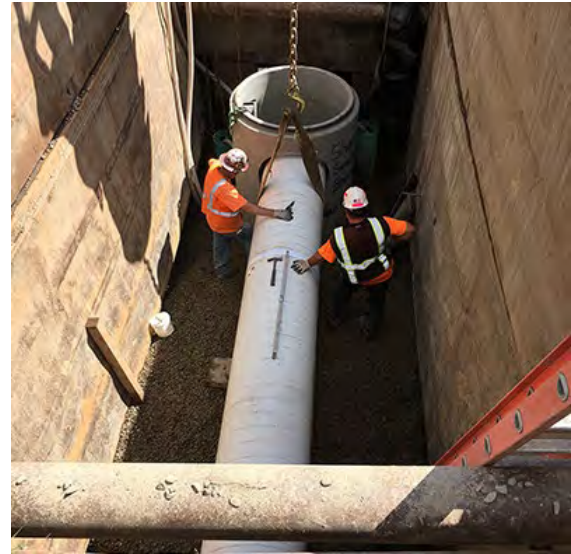
Local Revitalization Fund

In accordance with RCW 39.104, the State established a Local Revitalization Financing program, which permits municipalities to pass an ordinance designating Revitalization Areas to finance public infrastructure designed to attract private investment and stimulate economic development. In 2009, Mill Creek so identified the East Gateway Urban Village and was provided \$330,000 in funding from the state's Local Revitalization Financing program. This Local Revitalization Financing District allows the City to potentially participate in providing public infrastructure to support development. If the City determines that it is in the City's best interest to participate with a developer by building public infrastructure (public road or storm water facilities), the City can have the state pay half of the payments necessary to repay the debt. As part of the Local Revitalization Financing District, the City expects to receive 75% of the County's property tax on the value of new construction in EGUV. These funds will be placed in a debt service fund.

This fund began receiving property tax from the County's assessed valuation on new construction in EGUV. Since 2016, the City has received \$125,700 and anticipates receiving \$100,000 in 2019-2020.

Surface Water Utility

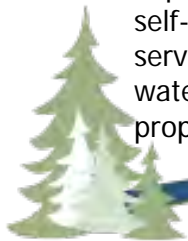
This is an enterprise fund for the operation and capital improvement projects of the surface water utility. It is a self-supporting government fund that provides goods and services to the public for a fee – in this instance surface water services. Revenue comes from user fees billed to all properties in the City based upon equivalent service units.



Reserves in this fund can only be spent for surface water purposes.

The Sweetwater Ranch Storm Water Project, which cost \$843,000 in 2018, consumed the majority of the fund balance. An interfund loan was made to this fund on October 1, 2018, in the amount of \$500,000 to facilitate cash flow needs of routine operations along with increased expenditures for a rate analysis and design package in connection with future surface water infrastructure repairs. Quarterly payments for the principal and interest on the interfund loan are scheduled to be \$43,033 for a biennial total of \$344,264.

In 1999, the City established a yearly Surface Water Utility Rate of \$78 per Equivalent Service Unit (ESU). An ESU represents 3,000 square feet of impervious surface.



The City does not add any utility tax to this fee. The surface water rate has remained unchanged since 1999. Consideration of a surface water utility fee study were prompted by the Surface Water Infrastructure Assessment completed by Perteet and the Sweetwater Ranch Emergency Repair Project.

In September 2018, the City Manager executed a contract with FCS Group for purposes of conducting a surface water utility fee study and updating the utility rate as appropriate. The scope of services included both a surface water policy review and a financial plan (including a rate forecast). The study overarching guiding principles include:

- Promote long-term financial viability for the surface water utility
- Fully fund ongoing operations
- Maintain or replenish surface water cash reserves
- Enhance surface water capital contributions
- Achieve regular, modest rate adjustments in lieu of infrequent, large rate increases

In November 2018, the City Council voted to increase the annual surface water utility fee from \$78 to \$150 beginning in 2019 and to \$175 in 2020 and \$200 in 2021. Starting in 2022, the fee will increase by 3% through 2026 to reflect the City's inflation assumptions. The change as voted on by the Council also includes debt service totaling \$2,800,000.



Equipment Replacement Fund

This fund accumulates resources for the replacement of City-owned vehicles, equipment and other major assets previously purchased. Individual departments owning and operating vehicles/equipment pay into this fund based upon straight line depreciation over the useful life of the asset.

Unemployment Compensation / Self-Insurance Fund

The City does not pay into the state's unemployment fund due to its historically low employee turn-over rate; funds paid to the state cannot be recovered if not used. Therefore, the City is self-insured and established a reserve fund to pay the cost of unemployment claims. The fund also covers insurance deductibles for property and auto insurance.

Money is placed into this fund for unanticipated events as noted above.



Relationship Between Departments and City Funds

Departments	Executive	Communications & Marketing	Finance & Administration	Police	Public Works & Dev. Services
Governmental Funds					
General Fund					
Special Revenue Funds					
City Hall North Bldg Fund				X	X
City Street Fund					X
Council Contingency Fund	X				
Drug Buy Fund				X	
Municipal Arts Fund		X			
Paths and Trails Fund		X			X
Capital Projects Funds					
REET		X	X	X	X
Capital Improvement Fund		X	X	X	X
Park Improvement Fund		X			X
Road Improvement Fund					X
Debt Service Funds					
Debt Service Funds				X	
Local Revitalization Fund					X
Proprietary Funds					
Surface Water Utility					X
Equipment Replacement Fund				X	X
Unemployment Comp / Self-Ins.	X				

Departmental Expenditures



Legislative Department

The City of Mill Creek operates as a Council-Manager form of government.

The City Council consists of seven officials, each elected to four-year terms. The terms are staggered and expire at the end of odd-numbered years. Individual Councilmembers do not have governing power as individuals, but only when meeting as a Council, when a quorum (4 or more) are present. Every two years, the City Council elects a Mayor from its members to serve as the Chair of the Council.

Under the Council-Manager form of government, the City Council establishes legislative policy and budgetary authority. The City Manager serves as the Chief Executive Officer of the City and prepares the proposed budget for Council consideration, administers code and legislative policy, establishes administrative policy, handles complaints and appoints and removes City employees.

The City Council enacts laws and policies through the adoption of ordinances and resolutions. Through these legislative actions the Council establishes priorities for the City Manager and develops objectives designed to fulfill the City's vision and mission.

The City Council meets regularly on the first, second and fourth Tuesdays of each month. See Council biographies in **Appendix G**.

2019-2020 Legislative Department Expenditures

LEGISLATIVE EXPENDITURES	2015-2016 Actuals	2017-2018 Estimated Actuals	2019-2020 Budget
Salaries & Benefits	\$ 95,759	\$ 92,308	\$ 96,102
Operations & Maintenance	\$ 45,673	\$ 353,589	\$ 52,000
Legislative	\$ 141,431	\$ 445,897	\$ 148,102



Executive Department

The City Manager, who serves as the City's Chief Executive Officer, is appointed by the City Council to manage the administrative affairs of the City through professional leadership and management practices. The City Manager:

- Provides management direction for all City departments and activities in accordance with City Council policies and direction;
- Makes policy recommendations to the City Council;
- Ensures appropriate execution of policies, laws and regulations;
- Develops the City's biennial budget for Council review and approval; and
- Represents the City within the community and at the regional, state and federal levels to advance Mill Creek's priorities and interests.

The City Manager heads the Executive Department, which includes five divisions: City Manager's Office, City Clerk, Human Resources, Information Technology and Legal (City Attorney).

The City Clerk / PIO role was reorganized to the Communications and Marketing director role, equating to the department having 3.8 Full-Time Equivalents (FTEs) budgeted in 2017-2018. It now has 4.8 FTEs budgeted. This is a temporary increase; in anticipation of the HR director's retirement in 2019, an HR specialist was hired to help with knowledge transfer.

City Manager's Office

The City Manager prepares and submits the budget proposal for the fiscal period to the Council and oversees administration of budget upon adoption by City Council.

The Manager handles issues affecting the City with the proper local and state legislative officials to enhance the position of the City. Further, the City Manager directs and evaluates the development and implementation of City goals, strategies, policies and programs.

This role is responsible for overseeing day-to-day operational activities of all City departments in order to carry out policies and meet organizational goals. This includes direct supervision and leadership for members of the City's management team, enabling them to effect actions which carry out policies set forth by the City Council.



The City Manager reports regularly to the City Council on the status of City operations and programs, financial condition, and future needs of the City. To do this, the City Manager attends meetings of the City Council and other boards and commissions as necessary; and facilitates supportive and positive working relationships between Council members, boards, commissions and City staff.

The City Manager oversees the preparation of City Council agendas/materials, and coordinates regular Council meetings.

Further, the City Manager meets with various public and private officials, organizations, community groups, and others to resolve issues and, as necessary, present policy issues to the City Council for decision and direction.

City Clerk

The City Clerk is responsible for legislative support to the City Council, including preparing agenda packets and minutes for City Council meetings and fulfilling the statutory requirements of the position of City Clerk; maintaining the City's central filing and records management system; coordination of contract execution and processing; overseeing Board and Commission activities and recruitments; codifying and maintaining the municipal code; acting as the City's Public Records Officer, including managing the Public Disclosure Coordination Team; and serving as Executive Assistant to the City Manager.

Other duties include: processing special event permits; updating and maintaining the Council Planning Schedule;

serving as elections liaison to Snohomish County; investigating and submitting claims to WCIA; managing the City's citizen request management system, including training staff; coordinating VIP attendance for City and Community events; and serving as a City Recognition Committee member. The goal of the Clerk's office is to promote transparency in government.



Human Resources

Human Resources is responsible for providing policy recommendations to the City Manager on labor and employment matters. This division provides support and guidance to department directors, managers and supervisors regarding personnel policies and procedures, conflict resolution, disciplinary actions and other personnel matters.



Information Technology

The Information Technology division is responsible for the strategic development and professional management of the City's information technology infrastructure and related systems. The division maintains the integrity, security and performance of all information technology systems used in every aspect of City business. This includes maintaining more than 15 servers and network appliances, 86 workstations and laptops, 36 printers, 66 phones, and 34 cell phones, as well as other electronic equipment.

Legal

The City Attorney is hired by the City Manager and represents the City, and in that capacity provides legal advice to the Council, City Manager and staff. The City Attorney represents the City before judicial and administrative bodies in civil proceedings.

2017-2018 Biennial Accomplishments

City Manager's Office

- Negotiated a tentative agreement for the provision of Fire and EMS services.
- Negotiated a new contract with AFSCME for 2017-2020.
- Negotiated new telecommunications and cable franchise agreements.
- Updated the City's business expense policy.
- Conducted Comcast audit.

- Created a comprehensive policy and corresponding ordinance to govern the processing of public records requests.
- Reorganized and expanded the Recreation department into the new Communications and Marketing department.
- Conducted in-house executive recruitments for a Director of Communications and Marketing (started Feb. 1, 2017) and a Director of Public Works and Development Services (started Nov. 1, 2017).
- Completed the City Hall remodel and held a dedication ceremony and community open house in April 2017.
- Established monthly meetings with union leadership to facilitate two-way conversations.
- Implemented a policy on policies to help staff, the Council and outside parties know when something needs to be formalized and who has topical authority. The policy also created a cataloging approach, so policies developed in each department will have a specific numbering and dating system to make it easier to locate the policy.
- Developed legislative agendas for both years of the biennium and worked to advocate for the City's position on key issues.
- Implemented a City closure process, and identified who are considered essential personnel and their roles in an emergency.



- Developed a video for ICMA about the City of Mill Creek and how it is positioned for long-term success.
- Contracted with the Center for Public Safety Management to conduct studies of our Police and Fire operations.
- Held a Town Hall meeting in July 2017 to provide the community with an overview of what is transpiring in the City and allow them to ask questions.
- Worked with Council to identify strategic priorities, and desired budget outcomes for revenues and expenses.
- Developed the 2019-2020 Biennial Budget and 2019-2024 Capital Improvement Plan.
- Implemented a tracking process to respond to questions or issues raised during City Council meetings, which drives responsiveness and accountability.
- Supported a robust Wellness program, for which the City received a WellCity Award. As a result, the City receives a 2 percent premium discount on its AWC Employee Benefit Trust 2019 medical premiums for employees, spouses and dependents.



City Clerk

- Developed an ordinance and procedure governing policy development for all departments and enhanced transparency by setting up an online policy manual with Code Publishing.
- Streamlined the processing of public records requests by utilizing a centralized tracking system.
- Developed a new template for City Council minutes that creates uniformity with agendas and reduces staff time.
- Reviewed current and archived documents in iCompass, the City's cloud-based agenda management solution and document repository. Transitioned relative documents to the City's new website resulting in a cost savings of \$600 annually.
- Began using Request Tracker, the City's web-based citizen response tool, for all public disclosure requests providing for a centralized location of communication between requestors and staff.
- Worked with the Communications and Marketing department to produce a Citizen Response and Centralized Communications Log policy.
- Developed automatic escalation levels in Request Tracker resulting in a seven-day decrease in staff response time.
- Worked with Code Publishing to have policies and procedures codified and available online with the Municipal Code.
- Served as a member of the Web Team that designed the City's new website and ensured a successful launch.
- Worked with IT to research and deploy a replacement for the City's citizen request management system.
- Created and manages the Public Disclosure Coordination Team.
- Worked with Communications and Marketing to develop a universal board and commission application.
- Hosted a summer intern that helped export attachments from Request Tracker to be imported in the new citizen request management system.
- Selected, designed and configured office furniture for the administration department during the City Hall South remodel project.
- Worked with the State Auditor's Office to provide Lean training to the Leadership Team.
- Coordinated the following Employee Recognition Events, including
 - employee appreciation dinner,
 - turkey bowling,
 - take your dog to work day,
 - sweets with Santa,
 - meet and greet ice cream social,
 - retirement parties,
 - new employee welcome baskets, and
 - milestone anniversary acknowledgments.



Human Resources

- Implemented online recruitment, application and hiring process.
- Developed electronic position requisition allowing for appropriate internal controls.
- Completed job description review and updates for all non-police positions.
- Instituted internship program.
- Implemented online recruitment, application and hiring into the PR/HRIS (including Police Department recruitment).
- Conducted numerous recruitments, including several leadership level positions.
- Developed electronic position requisition requiring and insuring appropriate sign-off.
- Completed job description review and update on all positions.
- Built position information into HR database.
- Consolidated, audited and reorganized personnel files.
- Performed compliance audits of employee files (I-9, benefit information, etc.)
- Participated in labor negotiations with AFSCME and the Police Guild; reached agreements with both.
- Conducted a comprehensive biennial compensation survey and analysis.
- Began development of performance evaluation program; developed review forms for use in ADP.
- Began updating Accident Prevention Program, including assessment of some workplace hazards (e.g., audiometric and lead-exposure testing for Police officers).
- Recruited Civil Service Commissioner.
- Attended labor negotiation conferences through National Public Employer Labor Relations Association.
- Updated personnel policies, and facilitated internal and legal reviews.
- Provided CPR training for employees in customer-facing roles.



Information Technology

- Security and Event Management system brought online to provide better accountability and be in compliance with FBI criminal justice security policy requirements.
- Secondary internet connection established to improve redundancy and reliability for all City internet operations and cloud-based services.
- Smart phones deployed to Public Works staff for better field communications.
- Researched and deployed website and social media archiving solution to better comply with the Washington State public records act requirements.
- Researched and installed disk-based backup system to replace aging tape-based backup system. The new system provides for better disaster recovery and automated backups with no human intervention.
- Researched and deployed text message archiving solution for all city-issued cell phones to ensure compliance with the Washington State public records act requirements.
- Hosted two IT Interns from nearby high schools where they received credit for their time at the City.
- Worked with the Department of Communications and Marketing to design the City's new website and ensured a successful launch.
- Launched a cyber security awareness training program to educate all users on the dangers of cyber



criminals. Half of the cost of this training was reimbursed by WCIA.

- Hosted cyber security training at a monthly all-employee meeting to enforce the importance of being aware of malicious emails.
- Brought online virtual server to replace two servers that were out of warranty and to better diversify the existing server functions.
- Began deployment of ~60 workstations throughout the City as part of the computer workstation CIP project to replace the existing computers that were ~10 years old.
- Worked with the Acting City Clerk to research and deploy a replacement for the City's Requests and Feedback system.
- Worked with the Police Department to negotiate the contract for PowerDMS software and assisted with the implementation.



Performance Measures

City Clerk

	2017 Actual	2018 Projected	2019 Target	2020 Target
Grants Received	\$14,500	\$14,500	\$14,500	\$14,500
Request Tracker Tickets	441	431	480	495
Average # of Days Until Ticket is Closed	9	2	2	2
City Public Records Requests	61	120	240	480
Police Public Records Requests	576	785	788	807
Council Packets Posted to Website by Friday before Meeting	100%	100%	100%	100%
Council Minutes Posted to Website Within 14 Days of Meeting	30%	50%	75%	100%
Council Audio Posted to Website Within 2 days of Meeting	80%	90%	100%	100%



Human Resources

	2017				
	Q1	Q2	Q3	Q4	2017 Total
Recruitments*	3	5	8	4	20
New Hires*	2	6	4	3	15
Separations*	3	5	4	0	12
Turnover %*	4.29%	7.04%	5.63%	0.00%	16.96%
Safety Incidents (Near Miss)	1	1	1	0	3
Workers' Compensation Claims (Injury or Illness)	1	1	1	1	4
OSHA Recordable Injury Rate					
Number of Employees*	70	71	71	74	

	2018				
	Q1	Q2	Q3	Q4 (TBD)	2018 YTD Total
	3	1	4	-	8
	6	2	2	-	10
	4	3	1	-	8
	5.26%	4.00%	1.32%	-	10.58%
	0	1	0	-	1
	4	0	1	-	5
				-	
	76	75	76	-	

* Does not include volunteers or youth basketball referees . Note: number of employees does not equate to FTE count.

2019-2020 Performance Measures

- Decrease turnover to below 15% by end of 2020.
- Decrease work related injuries, illnesses and near misses by 10% by end of 2020.
- Train all employees and managers on updated Accident Prevention Program by end of 2020.
- Decrease organizational compa-ratio (relationship of actual salaries to midpoint).
- Performance Evaluations completed on time (ongoing).
- Documented acknowledgement of applicable personnel policies from all employees by end of 2019.
- Harassment awareness training completed for all employees by end of 2019.
- Settle Collective Bargaining Agreements prior to expiration date of 12/31/2020 (AFSCME and Guild).



Information Technology

Information Technology	2017 Actual	2018 Projected	2019 Target	2020 Target
Number of Closed Tickets	585	500	450	400
Server Uptime	100%	100%	100%	100%
Network Uptime	100%	100%	100%	100%
Internet Uptime	99.98%	100%	100%	100%
Number of Software Applications Supporting	43	43	N/A	N/A
Records Management/Disclosure Responses Processed	10	15	N/A	N/A
Email Viruses Detected	0	0	N/A	N/A
Number of Patches Deployed	416	550		
Equipment Moves/Replacements/Upgrades	14	65	N/A	N/A
Network Maintenance Performed After Hours	12	24	15	15
IT-Related Regional Meetings Attended	10	10	10	10

Devices Supported	2017 Actual	2018 Projected	2019 Projected	2020 Projected
Servers	7	15	15	15
Network Switches	9	9	10	10
Printers/Copiers	36	36	38	38
Workstations/Laptops	86	86	90	90



2019-2020 Executive Department Key Outcomes and Activities

City Manager's Office

As it sets and executes the Council's long-term strategy, the City Manager's work in the 2019-2020 biennium includes:

- Recruit and onboard a new City Manager.
- Develop a long-term strategic plan for the City.
- Identify a vision for the Dobson-Remillard property and begin setting the groundwork to execute the vision based on a development feasibility study.
- Continue updating, developing and implementing City policies and procedures.
- Negotiate new contracts with AFSCME and the Mill Creek Police Officers' Guild by Dec. 31, 2020.

City Clerk

The City Clerk's office supports the Council, City departments and the community by performing efficient document processing and is actively working on programs and procedures to enhance transparency and ease of use for citizens. Work planned for the 2019-2020 biennium includes:

- Implement a document management and workflow solution for the City's structured documents, such as contracts and policies.



- Actively seek grants to offset costs of software systems.
- Create a records management team comprised of staff from each department.
- Develop resource materials for departments to ensure retention and destruction schedules are being followed and understood.
- Continue to consistently provide agenda packet materials the Friday before a Council meeting primarily in electronic format with a limited number of paper copies.
- Provide timely information to the City Council.
- Continue codifying ordinances and publishing resolutions in a timely manner.



- Transfer applicable records to the Washington State Digital Archives.
- Become an internship host with Everett Public School's new Summer Internship Program.
- Grow and enhance the Board and Commissions recruitment process.
- Hold quarterly meetings with staff contacts to Boards and Commissions to streamline activities and ensure consistency.
- Increase transparency by publishing Board and Commission meeting agendas and minutes on the City's website.
- Include Board and Commission meeting minutes in Council packet materials.
- Manage and track Public Records Act (PRA) and Open Public Meetings Act (OPMA) training for Board and Commission members.
- Implement a public records tracking and response solution that complies with JLARC mandated tracking and reporting requirements.
- Create PRA and OPMA training materials and incorporate into the onboarding process.
- Continue meeting with the Public Disclosure Coordination Team on a regular basis and develop streamlined processes that enhance workflows and production of records.

- Develop a comprehensive landing page on the City's website that details disclosure requirements, fee schedules, trending topics and provides transparency while creating a positive customer experience.
- Continue to provide customer response and records in accordance with applicable laws.

Human Resources

The Human Resources division's key work in the 2019-2020 biennium includes:

- Achieve certification in labor relations and negotiation (Certified Labor Relations Professionals through the National Public Employer Labor Relations Association).
- Lead and oversee payroll system development, audit and improvement efforts. Improvements to consider include:
 - Payroll system change to hourly pay.
 - Correct data inaccuracies in employment profiles for reporting purposes.
 - Update payroll codes for additional earnings (such as overtime codes).
- Develop management reports related to personnel and compensation management.
- Finalize volunteer guidelines.
- Develop necessary tools and resources for continuation of intern program.
- Develop formal new employee orientation program, including department level orientation guidelines.



- Develop user friendly Employee Handbook for use in new employee orientation.
- Implement position and FTE control procedures for processes such as:
 - Adding new positions or classifications.
 - Adding or reducing headcount.
 - Position justification and authorization for postings.
- In conjunction with other departments, finalize update Accident Prevention Program.
- Develop equipment tracking in ADP.
- Conducted a Civil Service Rules review; updated Civil Service Rules and processes to align with City practices; formally adopted.

Information Technology

The City's information technology is used primarily by City staff; therefore, providing up-to-date and reliable technology to internal users is key to ensuring all other City departments are able to fulfill their external customer service functions. Work in the 2019-2020 biennium includes:

- Upgrade the City's virtual server infrastructure to a hyper converged environment. This provides for numerous benefits including redundancy and automatic failover should a hardware failure to occur.



- Replace the Police Department vehicle laptops that will have reached end of life and out of warranty beginning in 2019.
- Upgrade the City's networking infrastructure to a redundant configuration to provide for redundancy and automatic failure should a hardware failure to occur.
- Replace Director laptops that will have reached end of life and are out of warranty.
- Upgrade several copiers in various departments that have reached end of life and are becoming increasingly expensive to maintain.
- Upgrade the City's Wireless Network throughout both buildings.





- Migrate the City's on premise email server to Microsoft's cloud email environment (Office 365).
- Research and deploy other software services available as part of the Office 365 cloud such as Microsoft Teams (formerly Skype for Business), OneDrive and SharePoint.
- Research and deploy mobile device encryption software solutions.
- Upgrade the Police Department scheduling software.
- Deploy a public records request tracking and response solution.
- Upgrade the Council meeting recording software, For the Record.
- Implement two-factor authentication in the police vehicle laptops.

Executive Department Notable Budget Highlights

City Manager's Office

The City Manager's Office has two 2019-2020 notable budget highlights.

- Recruitment and selection of a new City Manager. Costs include the executive search firm, as well as an estimate of wages and benefits for the position.
- Conduct a development feasibility study to identify opportunities for the Dobson-Remillard property and adjacent land.

City Clerk

Notable line item changes for the City Clerk division in the 2019-2020 biennium budget include:

- A decrease of \$50,000 in legal services due to the completion of the PRA policy and training accomplished by the City Clerk.
- The Recognition/Wellness line item moved to the department of Human Resources.
- Once the public disclosure landing page is published on the City's website, we will be able to collect fees established by Ordinance 2018-826. Annual revenue is estimated at \$1,500.



Human Resources

There are a couple notable budget highlights in Human Resources.

- HR Director retired during the first quarter in 2019. This reduces the budget from 1.6 FTE to 1.0 FTE for a savings of \$60,000. The HR/LR Specialist was promoted to HR Manager.
- Annual Audiometric Testing is new to the budget and may be covered 50% by the Association for Washington Cities for a cost of \$4,800.
- Health benefit assumptions account for a 4.5% increase in 2019 and a 5% increase in 2020.
- Both bargaining units have built-in cost of living adjustments. AFSCME will receive a 2.25% increase in both 2019 and 2020, and the Guild will receive a 3.0% increase in both years. See Pay & Classification Table for 2019 (**Appendix C**) and Pay & Classification Table for 2020 (**Appendix D**).
- AFSCME and Police Guild contracts expire on Dec. 31, 2020. The budget impact is approximately \$35,000 in legal fees.
- A new Washington State law requires employer contributions to the Family and Medical Leave Program ([RCW 50A.04](#)) beginning January 1, 2019. The statutory default employer contribution is approximately 0.148% of gross wages. This contribution is reflected in the Worker's Comp bar of the chart on (**Pg. 47**).



Information Technology

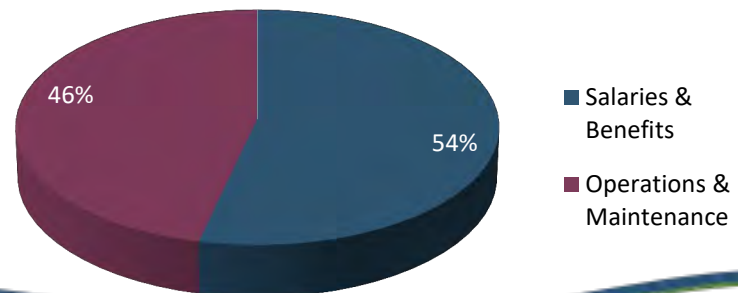
There are several capital improvements scheduled to be completed in the IT division in 2019-2020. These are necessary to provide operational resiliency to the citizens of Mill Creek for normal government and public safety operations. These upgrades are also required to accommodate data growth and support new applications.

- Upgrading the City's server infrastructure to a "hyper converged" system will greatly increase capacity and resiliency. This project has been scheduled to coincide with existing servers reaching the end of their useful life. This project is estimated to cost \$60,000. To complement the hyper converged server upgrade, the City's networking components will also be upgraded to provide additional redundancy and reduce points of failure. This project is estimated to cost \$16,000.
- Equipment has reached end of life and is due for replacement, including Police vehicle laptops, director laptops, and three copiers for a total of \$79,000.



2019-2020 Executive Department Expenditures

CITY MANAGER OFFICE EXPENDITURES	2015-2016 Actuals	2017-2018 Estimated Actuals	2019-2020 Budget
Salaries & Benefits	\$ 1,145,570	\$ 1,247,508	\$ 434,438
Operations & Maintenance	\$ 332,121	\$ 373,126	\$ 207,522
Capital	\$ 3,127	\$ 12,281	\$ -
City Manager	\$ 1,480,818	\$ 1,632,915	\$ 641,960
CITY CLERK EXPENDITURES	2015-2016 Actuals	2017-2018 Estimated Actuals	2019-2020 Budget
Salaries & Benefits	\$ -	\$ -	\$ 232,757
Operations & Maintenance	\$ -	\$ -	\$ 37,300
City Clerk	\$ -	\$ -	\$ 270,057
HUMAN RESOURCES EXPENDITURES	2015-2016 Actuals	2017-2018 Estimated Actuals	2019-2020 Budget
Salaries & Benefits	\$ -	\$ -	\$ 270,968
Operations & Maintenance	\$ -	\$ -	\$ 59,420
Human Resources	\$ -	\$ -	\$ 330,388
IT EXPENDITURES	2015-2016 Actuals	2017-2018 Estimated Actuals	2019-2020 Budget
Salaries & Benefits	\$ -	\$ 289,072	\$ 325,427
Operations & Maintenance	\$ -	\$ 477,618	\$ 774,271
Capital	\$ -	\$ 67,685	\$ -
Information Technology	\$ -	\$ 834,375	\$ 1,099,698
Departmental Total	\$ 1,480,818	\$ 2,467,290	\$ 2,342,103



Communications & Marketing Department

The Communications and Marketing department focuses on engaging the Mill Creek community through five focus areas: communications, marketing, recreation, tourism and volunteer programs. For budgeting purposes, there are two divisions: one encompassing recreation to identify cost-recovery for programs, and one for the rest of the Communications and Marketing function. Department staff seek to develop a strong community spirit through sharing information, event and activity offerings, and engagement opportunities.

A department that was created and included the merger of the Recreation staff, the Communications and Marketing team had 4.0 FTEs in the last biennium (the Director position replaced the City Clerk/PIO). For the 2019-2020 biennium, the same number of FTEs are budgeted. However, a recreation manager position has been reorganized to a coordinator role, resulting in savings.

Communications

Creates awareness and understanding of the City's places, programs, and people with external and internal audiences. Responsible for media outreach. Partners with first responders and other jurisdictions on emergency preparedness efforts and critical incident response. Leads community outreach and focus group efforts. Manages the City's social media channels.

Marketing

Implements the comprehensive City marketing plan to

ensure consistent branding and messaging across all platforms. Focuses on the design, creation, and management of various forms of print and digital marketing collateral to engage with community members. Cultivates long-lasting partnerships and sponsorships with various community stakeholders.

Recreation

Develops, plans and implements programs for all ages, including sports leagues, camps and workshops. Works with community partners to identify and deliver recreational programming and to secure space for programming.

Tourism

Responsible for tourism marketing projects, programs, events and parades to create maximum economic impact for Mill Creek. Works closely with civic and volunteer organizations, merchants, restaurants and business groups to seek out, develop and manage strategic partnerships to drive Mill Creek tourism. Pursues the development and implementation of grants and initiatives to benefit the community.

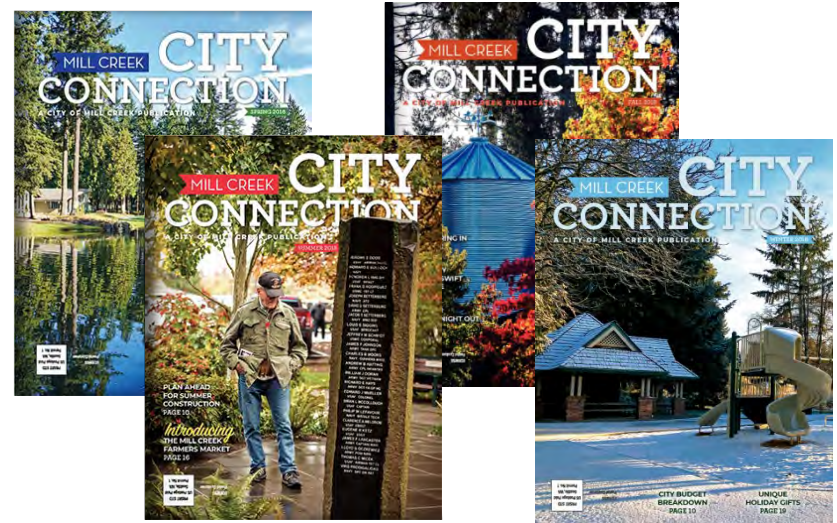
Volunteer Programs

Responsible for recruiting, training and supervising volunteers. Creates and manages the City's volunteer database. Coordinates the Youth Advisory Board. Partners with local organizations to identify volunteer engagement opportunities.



2017-2018 Biennial Accomplishments

- Developed communications strategy and communications and marketing work plan.
- Created new branded letterhead and PowerPoint templates.
- Distributed more than 200 press releases resulting in nearly 1,500 media articles.
- Developed a quarterly Neighborhood Focus Group and a quarterly Senior Center Focus Group to facilitate conversation on key City matters and to respond to issues raised by the groups.
- Launched the *City Connection* magazine and published four issues.
- Partnered with ICMA-TV to develop a television production about the City.
- Overhauled the website and created a tourism subsite, and more than doubled visits to the site year over year.
- Implemented a social media policy and launched social media channels: Facebook, Twitter and Instagram.
- Facilitated City participation in numerous grand openings, including Arena Sports, Vintage at Mill Creek, Stellar Kids Dentistry, Kids 'N Us, Club Pilates, Sprouts Farmers Market, Planet Fitness, AR Workshop, The Jewelry Source, Homestreet Bank, Brooklyn Brothers, Evergreen Health, and Ideal Wellness, among others.



- Created communications campaigns for:
 - Arena Sports
 - Pavement preservation work
 - Sweetwater Ranch stormwater pipe repair
 - 35th Avenue reconstruction project
 - 2018 construction projects in the Mill Creek vicinity
 - K9 Bagira
- Executed an employee communications survey and developed a weekly employee newsletter, *Monday Minute*, to facilitate information sharing.
- Procured current, high-quality images of the City for use in marketing materials and the City's publications.



- Created an events checklist and communications timeline to make sure staff are all on the same page when coordinating events.
- Planned and implemented 59 City-planned community events, and provided support for 38 other community events.
- Launched a Veterans Advisory Group to provide insights to better grow the City's key events to honor veterans: the Memorial Day and Veterans Day parades.
- Conducted a cost/benefit analysis of all recreational programming. Began critically analyzing programming for fall 2017. Reduced programming by 70 classes.
- Redesigned the Recreation Guide to incorporate branding and a more modern look.
- Continued to grow the Youth Basketball League with 765 participants.
- Provided recreational programs for 3,276 participants.
- Created the Party in the Park event series and launched a block party trailer.
- Created an events checklist and communications timeline to make sure staff are all on the same page when coordinating events.
- Planned and implemented 59 community events, and provided support for 38 other community events.
- Launched the Mill Creek Farmers Market.



Performance Measures

	2017 Actual	2018 Projected	2019 Target	2020 Target
Capital Grants Received	\$100,000	\$255,000	\$0	\$0
Other Grants Received	\$0	\$5,000	\$35,000	\$40,000
# Press Releases Written	122	92	105	120
# News Articles	576	627	675	715
Sponsorship \$	\$11,449.61	\$31,171	\$33,000	\$37,000
Advertising Revenue	0	\$28,220	\$30,500	\$34,000
Community Events Produced and Supported	39	54	58	60
Sports Park Rental Revenue	\$40,913	\$47,830	\$48,557	\$57,257
# Recreation Classes Offered	299	298	310	325
# Youth Basketball Participants	765	775	790	800
Visits to Website	164,629	342,412	375,500	400,000
ActiveNet (Rec Signup) Sessions	17,002	19,384	21,000	23,500
Facebook Likes	822	2,032	3,500	5,200
Instagram Followers	270	550	735	1,000
Twitter Followers	308	585	755	1,020



2019-2020 Key Outcomes and Activities

The Communications and Marketing department is responsible for external and internal communications, community outreach and engagement, tourism development and marketing, and recreational programming.

The department actively supports the City goal of civic pride by promoting civic participation through volunteerism opportunities, creating events that bring community together, and transparently sharing information through social media and other channels.

Work in the 2019-2020 biennium includes:

- Expand the *City Connection* publication to be a comprehensive communications tool for the City, including approximately \$32,000 in ad revenue.
- Partner with internal and external groups to market economic development opportunities and resources.
- Expand media outreach to grow coverage of the City.
- Continue to develop and refine the City's website, including feature development.
- Enhance communications efforts through increased use of video.
- Develop and facilitate volunteerism opportunities for all age groups.
- Lead the Youth Advisory Board.
- Continue to develop and maintain partnerships with the schools and local civic and business organizations.

- Expand on events currently produced by the City to attract more residents and non-residents to experience Mill Creek.
- Grow the City's presence on social media through posting of current and interesting content, and through engagement with social audiences.
- Enhance the City's gateway presence through a cohesive, modern approach to foster community spirit and attract non-residents to the City.
- Actively seek grants to enhance the City's tourism offerings.

As the department is directly responsible for the City's recreational opportunities goal, it provides diverse offerings for all ages throughout the year. Recreation-related activities planned for the next two years include:

- Continue to identify new recreational offerings, particularly for underserved groups.
- With rejuvenated turf and lights at the Mill Creek Sports Park, continue to grow field use by attracting new groups and developing additional programming.
- Grow the Youth Basketball League by focusing on quality and enhancing the educational aspect, including higher caliber referees.
- Create new revenue opportunities through park shelter rental opportunities.



Communications and Marketing Notable Budget Highlights

The Communications and Marketing Department was formed after the last biennial budget was developed. The new director was tasked with building a department from the ground up, and only a couple minor things for the Communications and Marketing function were originally included in the City Manager's budget. Further, as part of a reorganization, the Recreation and Tourism function was wrapped into this newly formed department.

For the 2019-2020 budget, the department's various parts have been consolidated into a single department with two divisions: recreation and the remainder of the department.

In addition to this comprehensive change, there are some notable line items.

- In terms of compensation, the previous biennium salaries and wages was budgeted at \$805,788 (including staff, preschool personnel, referees and gym supervisors); the projections for 2019-2020 are \$655,510 which is a difference of \$150,278. This 18.6% cost savings is made possible by eliminating the recreation manager position.
- Benefits for 2017-2018 were \$214,782; the projections for the new biennium are \$315,937. This is an increase of 47%.
- The City evaluated its quarterly newsletter, which it was paying to insert into an existing publication. With production costs offset by advertising revenue, the

City migrated to creating its own quarterly publication. In 2019, it will incorporate the Recreation Guide into this publication to present a comprehensive communication source for the City.

- As the City focuses on strategic economic development with a lens toward tourism, there is a need for some advertising. The advertising budget has been increased accordingly.
- The Mill Creek Farmers Market was launched in 2018. This is a self-supporting, revenue-generating program. This program will net approximately \$15,000 for the new biennium.

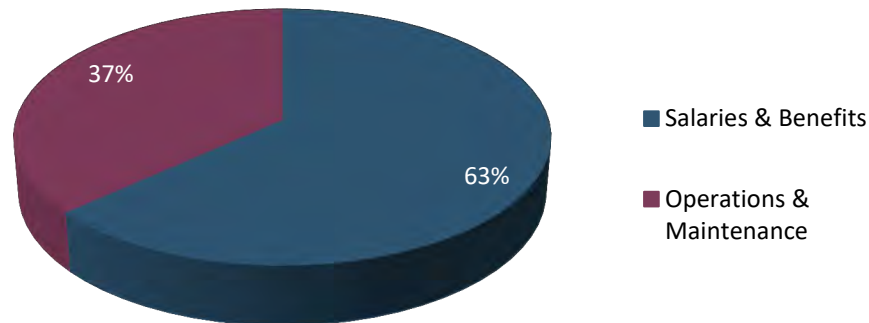


- In 2018, the City Manager brought on a special events manager to be responsible for the City's Memorial Day and Veterans Day events. This contractor adds \$22,000 per year to the budget. He has been instrumental in growing the parades and expanding the City's outreach to veterans in the area.
- The City is proposing rate increases for Mill Creek Sports Park field rentals and light use. This increase aligns with regional market rates and provides some additional revenue estimated at \$25,610 for the biennium.
- For the last biennial budget, the recreation budget was largely overestimated. The 2019-2020 biennial budget right-sizes the budget. Part of the work during the new biennium includes a new recreation program analysis to ensure current programming is cost effective and doesn't compete with other community programs. We also will continue to develop new recreational programs.
- Despite being overestimated, recreational programming is self-sustaining. Funds also help support the overall Communications and Marketing program, particularly community engagement and events. By bringing recreation dollars into the General Fund for accounting purposes, we are able to eliminate inefficiencies caused by transferring funds between accounts.



2019-2020 Communications & Marketing Department Expenditures

COMM & MKTG EXPENDITURES	2015-2016 Actuals	2017-2018 Estimated Actuals	2019-2020 Budget
Salaries & Benefits	\$ -	\$ -	\$ 690,969
Operations & Maintenance	\$ -	\$ -	\$ 263,569
Comm & Marketing	\$ -	\$ -	\$ 954,538
RECREATION EXPENDITURES	2015-2016 Actuals	2017-2018 Estimated Actuals	2019-2020 Budget
Salaries & Benefits	\$ -	\$ -	\$ 350,287
Operations & Maintenance	\$ -	\$ -	\$ 365,535
Recreation	\$ -	\$ -	\$ 715,822
Departmental Total	\$ -	\$ -	\$ 1,670,360



Finance & Administration Department

The Department of Finance and Administration manages the financial, personnel benefits and customer service functions of the City.

The Finance and Administration team was reorganized to remove the IT and Clerk functions for a total of 6.3 positions budgeted in the previous biennium. For 2019-2020, the department will be reorganized for efficiency to 6.1 FTEs for a cost savings of \$160,000.

Finance

The Finance team is responsible for the City's accounting, budgeting, investment and risk management functions. Accounting operations include financial reporting, accounts payable, accounts receivable, cash receipting and collection, fixed asset tracking, facilitation of the annual audit, maintenance of internal controls, grants management and debt management. Finance works with the City Manager to plan and project revenues and expenditures of all City funds for development of the City's biennial budget. This team is also responsible for optimizing earnings through the investment of idle cash into a diversified portfolio of short- and long-term investments in accordance with City investment policies.

Benefits Administration

The Benefits Administration staff is responsible for the City's payroll system and the administration/processing of



all employee benefit programs and is responsible for the configuration and maintenance of the payroll system.

Customer Service

The Customer Service team works with hundreds of passport customers each year. Together, the team speaks six languages. From taking photos of wiggling babies to helping people navigate State Department paperwork, the team works diligently to provide a positive experience for passport customers from all over Snohomish County.

In addition, the Customer Service team answers City Hall phones, answer general questions and provides administrative support within the City Hall South main service area.



2017-2018 Biennial Accomplishments

- Streamlined the City's cash receipting processes.
- Participated in AFSCME and fire contract negotiations.
- Developed a more robust quarterly report format to provide a more concise and transparent summary of the City's financial condition.
- Rectified accounting irregularities inconsistent with the BARS Manual which prescribes accounting and reporting for local governments in accordance with [RCW 43.09.200](#).
- Managed reimbursements to the City for projects funded by grants.
- Rolled out a new health plan for all employees, the HealthFirst250 plan.
- Set up the appropriate procedures for cash handling and receipting for the Farmers Market to comply with the State Auditor's Office requirements in addition to tracking inventory for sale.
- Worked with the Washington Cities Insurance Authority to understand insurance and risk management implications for City business, such as public use of the block party trailer.
- Redesigned traffic flow of City Hall South, including a new customer service area.
- Updated the customer service area to provide new comfortable seating with additional seating space.
- Secured a passport photo light box to resolve passport picture lighting issues.
- Processed 27,619 passports in the 2017-2018 biennium, an increase of 61.06% over the previous biennium.
- Grew the customer service function to ensure the City is meeting service levels for an increased number of passport customers.
- Successfully passed an extensive audit of our passport services by the U.S. Department of State, which focuses on protecting the integrity of the passport issuance process and evaluates the acceptance facility capabilities.
- Assumed responsibility for the preparation of the Surface Water Utility billing for the County.
- Provided support during the Surface Water Utility rate review process.



Performance Measures

	2017 Actual	2018 Projected	2019 Target	2020 Target
Passports Processed	17,148	27,619	33,142	39,777
Number of Invoices Paid	4,347	5,019	5,795	6,691
Number of A/P Checks Processed	1,586	1,506	1,551	1,598
Number of Transactions Receipted	17,385	17,079	17,591	18,119
Number of Payroll Checks Processed	1,416	1,632	1,680	1,680
Number of Deposits	596	584	602	620

Note on Passports

The increase in the number of passports processed has increased significantly since expanding our passport hours to include mornings and all day Saturday, by focusing on our strong customer service ethic, and through advertising in regional magazines in 2018. Passport customers tend to be cyclical. We expect to see slight growth in Passports over the next biennium, particularly when the state's standard driver's license will no longer be accepted by TSA for air travel in 2020.

The City is exploring other revenue-enhancement services that could complement the passport services.



2019-2020 Key Outcomes and Activities

Directly supporting the City's Fiscal Responsibility goal, work in the 2019-2020 biennium includes the following:

- Develop the foundational structure of systems, practices, policies, compliance procedures and processes to streamline the finance operation.
- Clean up the structure of the chart of accounts, including unwinding previously consolidated accounts.
- Reorganize the finance team to maximize efficiencies and reduce costs.
- Automate manual systems for bank reconciliation, cash receipting, cash receipt reconciliation and elimination of dual entry for permitting.
- Fine-tune the long-range financial forecast in support of the City's strategic plan.
- Expand public-facing financial information to increase transparency.
- Explore partnerships on revenue streams that complement the City's existing passport business.
- Issue an RFP to secure a bank relationship with lower rates and that provides a service model in better alignment with City needs.
- Update and implement a formal indirect cost allocation model.
- Mitigate bank fees related to credit card processing by considering a convenience fee for permitting.
- Assume all responsibility for business licenses, including transitions to the Washington State Department of Revenue in 2020 to comply with state law.
- Explore the addition of a shopping cart feature to the website to eliminate the necessity of third-party tools and manual processes for recreation program registrations, room and facility rentals, farmers market vendor fees and more.
- Organize City-wide fees within the municipal code and establish a fee structure that increases with the consumer price index on a regular frequency.
- Evaluate cost benefit and efficacy of the City's payroll and HRIS system.
- Evaluate moving to a biweekly pay schedule.

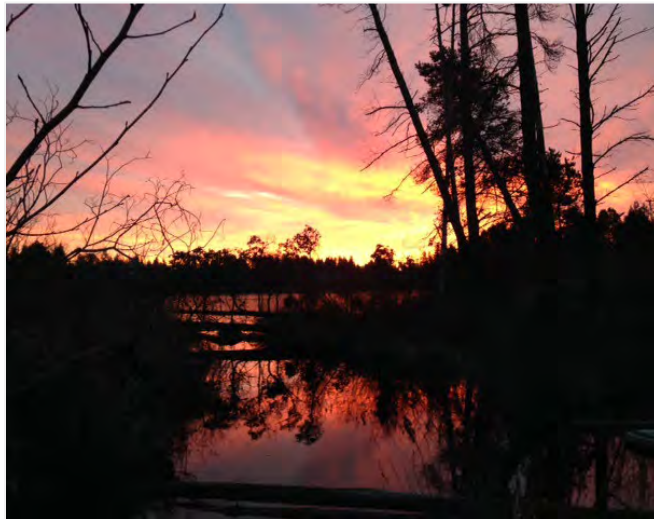


Finance and Administration Notable Budget Highlights

The Finance and Administration Department will work to restructure the department in 2019 to restore the department to effective staffing levels for a City of this size. This includes eliminating one accountant position, reorganizing another accountant position into an accounting technician and reorganizing the final accountant position into a senior accountant role. (Details of the reorganization are noted in **Appendix E**.) This senior role will focus on applying principles and practices of governmental accounting, including analyzing financial information and interpreting data. The budget impact from this reorganization is \$160,000, or a savings of 13%.

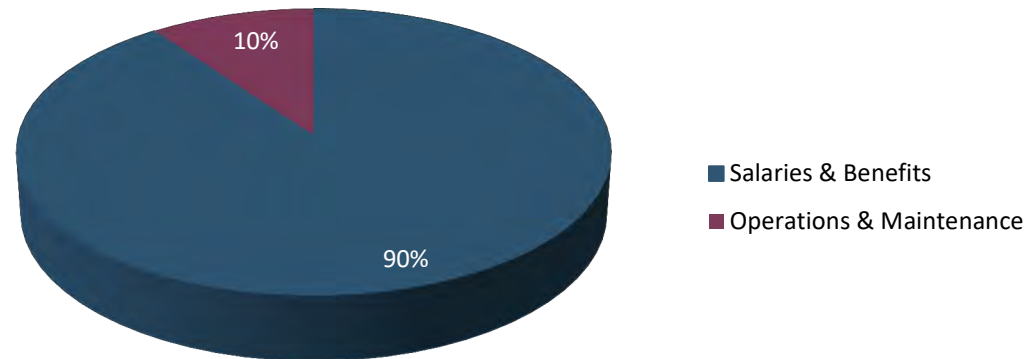
The department will undergo three financial and accountability audits in the biennium, for a cost of approximately \$100,000. This is an increase of approximately 67% over the previous biennium due to delaying the 2017 audit until 2019.

A consultant will be accessed to automate reports and processes in the City's ERP system (Springbrook), and explore new technologies to responsibly manage the City's financial resources. Fees for the consultant will be offset by a portion of the cost savings from the elimination of an accountant position.



2019-2020 Finance & Administration Department Expenditures

FINANCE & ADMIN EXPENDITURES	2015-2016 Actuals	2017-2018 Estimated Actuals	2019-2020 Budget
Salaries & Benefits	\$ 1,064,109	\$ 1,225,470	\$ 1,235,048
Operations & Maintenance	\$ 366,229	\$ 173,872	\$ 242,305
Capital	\$ -	\$ 10,063	\$ 12,000
Finance & Admin	\$ 1,430,338	\$ 1,409,405	\$ 1,489,353

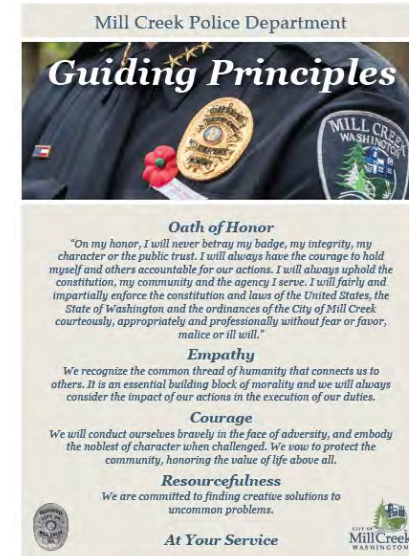


Police

The Mill Creek Police Officers are ambassadors for the City of Mill Creek. The Police Department provides a safe community for residents, businesses and visitors to live, work and recreate. Through proactive law enforcement activities, crime trend analysis, community education and outreach and a focus on developing professional employees, the department strives to ensure that the streets and neighborhoods remain safe and clean, calls for service are answered in a timely and professional manner and that police investigations and enforcement is done in an exemplary fashion.

The department embraces the 'service mindset' and focus on being public servants, dedicated to answering the call and responding with 'what can I do to help?' Both internally and externally, personnel maintain open and honest operations, and they welcome the input of our stakeholders, the community, and the people and entities they work with. Performing at the highest level will propel Police Department personnel to set the standard of excellence for all.

This department had 29 FTEs budgeted in 2017-2018. There are currently 29 funded FTE positions within the department. The Deputy Chief of Police was added during the 2017-2018 biennium to provide appropriate middle management to the department in accordance with the CPSM staffing recommendation. Additionally, the Deputy



Chief serves as the City's emergency manager and supports the Chief on policy development and professional standards.

Patrol

The Patrol Division is the department's largest and most visible division. As front-line first responders, the officers assigned to this division work street patrol, handle calls for service and are the primary point of community interaction. In addition to traditional police patrol work, including traffic safety, criminal investigations and social service, the officers place an emphasis on community-oriented policing activities and are the true ambassadors of government.

Each of the four patrol squads is led by a sergeant; the sergeants report to the Deputy Chief of Police. The division comprises several ancillary assignments, including a K9 team, Traffic Safety Unit, and participation in a regional SWAT team, Honor Guard detail and Collision Investigation Unit. Officers work closely with allied cities and Snohomish County to provide timely and professional law enforcement services.

Support Services

The Support Services Division comprises both commissioned and non-commissioned personnel: commissioned staff are in the Investigations and School Resource Officer Units, and non-commissioned staff in the Records and Property Units and a limited-commission Police Support Officer (PSO).

The Investigations Unit includes a Community Outreach function. Staff are primarily responsible for the investigation of major crimes and secondarily responsible for fulfilling our commitment to community interaction. The detectives in the unit also participate in a regional Multi-Agency Response Team that investigates regional uses of lethal force by officers in Snohomish County.

The School Resource Officer is imbedded in Jackson High School and works collaboratively with school staff and students to protect the campus, provide staff support, act as a student mentor and provide educational opportunities. The SRO also supports other schools in the city.

The Records and Property staff are responsible for maintaining the documentation related to law enforcement activities and the security of property involved in police

work. Records staff interact on the frontline with community members, providing customer service and fulfilling several obligations related to licensing, courts and public records. Property staff are the custodians for all things evidence and police-property-related and are teammates with Records staff for both customer service and public records.

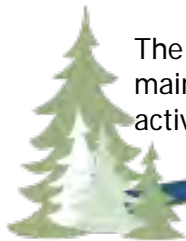


The PSO provides a wide array of support activities for all department personnel while acting as the primary investigator for animal and parking complaints. The PSO works with allied departments and agencies on code enforcement issues and court-related activities.

Administrative

The Administrative Division is responsible for managing the operations, budget, personnel and day-to-day operations of the department. Specifically, it manages policy creation, development and maintenance, professional standards and internal affairs, department risk management, and the expectation-setting and evaluation of department employees.

The Administrative Division includes the Chief of Police and the Deputy Chief of Police.



2017-2018 Biennial Accomplishments

The 2017-2018 biennium was a time of great evolution within the police department. The following significant achievements occurred during this two-year time frame.

- Developed Mill Creek Police Department Guiding Principles.
- Contracted with the Center for Public Safety Management to conduct a Police department workload analysis. Received the report in Q4 2017, and addressed many elements of the study's analysis in the 2019-2020 budget preparation.
- Recruited and hired a Deputy Chief of Police.
- Expanded the capabilities of the department's K9 program; the new team received full State of Washington dual certification and is now on the street serving the community.
- Began working with County partners to revise the City's Comprehensive Emergency Management plan.
- Held four "Map Your Neighborhood" sessions to engage the community in emergency preparedness.
- Worked with the IT manager to create a City Hall Campus security matrix for secure access and accountability.
- Developed and are nearing completion of review on all Priority 1 policies from the Lexipol Policy Manual implementation.
- Implemented the PowerDMS document management system that will: provide tracking for policies, procedures and directives; institute a consistent process for the request, approval and tracking of department-wide training; and provide a platform for future WASPC and CALEA accreditation.
- In accordance with department needs and CPSM recommendations, modified the Police Leadership Team meetings to be more responsive and provide more substance.
- Implemented property room improvements to increase efficiency and work toward creating processes that will meet accreditation standards.
- Transitioned a new School Resource Officer to ensure a strong safety program in local schools.



- Participated in the Chief for a Day program sponsored by the Washington State Criminal Justice Training Commission; honored Julia McCauley at various events throughout the year.
- Created an event between the Police Department (along with other City employees) and Fire District 7 (and their friends); this community-building event raised funds to support the Kiwanis Camp Casey.
- Conducted two Police Citizen's Academy programs, training 28 community members.
- Conducted two National Night Out events in conjunction with other community partners, including Snohomish County Fire District 7.
- Supported the North Sound Metro SWAT team through the selection of a Mill Creek officer to operate the team's electronics complement, including development of a complete UAS system. Additionally, Sgt. Robert Phillips was elevated to Sniper Team Leader and Detective Tara Hoflack joined the team as a hostage negotiator.



Performance Measures

The following performance measures represent those that were identified during the 2017-2018 biennium as appropriate representation of performance. In recognition of the recommendations made in the CPSM study and departmental analysis of ongoing operations, the Police department is making changes to its performance measures in the new biennium. Performance measures for the 2019-2020 biennium follow these historical numbers.

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Number of Training Hours - Records	24		8	0	0	18.25
Number of Training Hours - Patrol	247	323	210	405.25	438.5	277
Number of Training Hours - Investigations	8	20	8	0	8	0
Number of Training Hours - PSO	3	8	0.75	1.1	0	9
Number of Training Hours - SWA	30	48	48	112	80	96
Number of Training Hours - K-9	44	51	29	368	170	230
Number of Training Hours - SRO	0	16	28	0	0	0
Percent Change of Collision Rate Within City Limits Utilizing Education and Enforcement	9%	-26%	16%	4%	-3%	-11%

2019-2020 Performance Measures

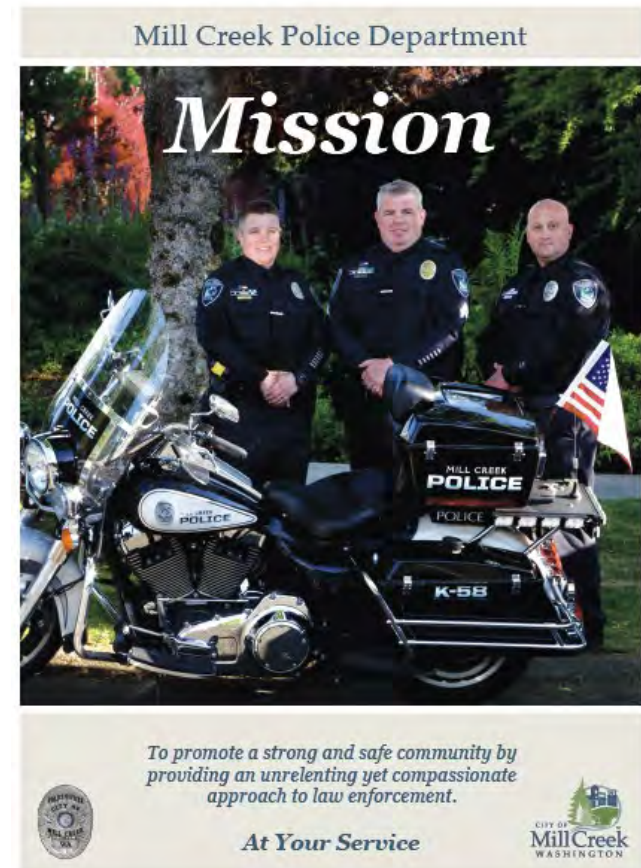
Patrol Division

- Response times to priority one calls for service < 3 min.
- Appropriate supervision (sergeant or corporal) for 95% of patrol shifts.
- Less than 25% of assigned patrol cases open for longer than 30 days.
- # of K9 tracking deployments increased by 5% year-to-year (based on 2019 benchmark).
- Number of K9 drug detection deployments increased by 5% year-to-year (based on 2019 benchmark).
- K9 team attend a minimum of 6 community outreach events each year.
- Number of injury collisions decreased by 5% year-to-year (based on 2018 benchmark).
- Number of targeted pedestrian safety enforcement details.



Support Services Division

- Less than 25% of assigned detective cases open for longer than 90 days.
- 80% of assigned detective cases closed with finality.
- 100% accuracy in all Records Unit IBR submissions.
- 100% of concealed pistol licenses completed within 30 days.
- Maintain 100% accuracy for all property room spot audits and annual inventories.
- PSO investigate an average of 80 parking violations per month.
- PSO attend 80% of department recognized Community Outreach events annually.
- Ensure 100% compliance with all training standards.
- Department participation in 100% of department-recognized community outreach events.



2019-2020 Key Outcomes and Activities

Administrative Division

- Maintain an efficient Police Department by addressing the most significant police-related problems in the City and develop a comprehensive method for strategic planning.
- Develop reasonable and attainable performance goals as well as mechanisms for tracking the relative degree of progress in achieving these goals year to year.
- Analyze the City's crime trends and redirect and redeploy resources as necessary to the highest crime priorities and police issues as necessary.
- Hold regular Police Leadership Team strategy meetings to determine the best methods of deploying these resources when analysis suggests this is necessary.
- Maintain a progressive, professional and effective Police Department with a low level of liability to the City.
- Fully implement and ensure compliance with Lexipol policies, Standard Operating Procedures (SOP), rules and regulations; monitor and revise where necessary.
- Attain WASPC and initiate the process of CALEA accreditation.
- Recruit and hire the Support Services Supervisor to provide confidential executive aide assistance to the Chief and Deputy Chief, and first level supervision for non-commissioned staff.



- Ensure appropriate risk management functions are in place and adhered to.
- Implement a comprehensive fleet management program that includes a depreciation schedule and plans for future replacement.
- Identify an appropriate option for fleet maintenance and partner with other City departments to address long-term needs.
- Manage the training program in collaboration with the Training Sergeant.
- Ensure all personnel complete training on new, revised and updated policies, standard operating procedures and rules.
- Develop appropriate training plans for each position within the department.
- Ensure that ongoing shift briefing training is occurring.



Patrol Division

- Proactively identify crime trends within the City through citizen input, officer observation, and crime analysis - Once an issue has been identified and verified, develop a planned response to the issue.
- Ensure that priority calls for service are the priority and that the bulk of an officers' time is spent patrolling the City.
- Monitor and evaluate the discretionary use of unassigned patrol time.
- Carry out criminal investigations to the fullest extent allowed by a patrol squad's schedule.
- Continue to have Patrol supervisors manage the patrol schedule to maximize staffing while minimizing overtime when possible. Staffing decisions should be made based on workload and activity levels.
- Provide patrol officers with the resources and tools to enhance their safety in the field.
- Proactively interdict those 'quality of life' crimes that impact our community.
- Increase the safety of pedestrian and vehicular traffic by compliance with traffic laws through violator education and enforcement.
- Be responsive to data and citizen reports of high violation areas.
- Work with allied departments on traffic calming efforts.
- Provide public education to community groups and schools.
- Prepare succession plan for current biennium and beyond.
- Maintain a strong and social department that is responsive to a variety of community, city and department needs.
- Provide training and education to department members at least annually.
- Conduct random canine assisted school searches at the secondary schools a minimum of two times per year for each school.



- Ensure appropriate readiness of SWAT operators, technicians and negotiators.
- Participate in regional team training as required by the National Security Management System.

Support Services Division

- Provide excellent investigative service delivery, clearing cases within 90 days of their assignment date to the Investigations Division. The goal is to clear 75% of all cases assigned to detectives within 90 days of their assignment date.
- Investigations Sergeant conduct regular reviews of all assigned cases to assure proper resource allocation.
- Screen all cases using standard solvability factors to determine if investigative resources should be applied, and when necessary refer the case back to Patrol for primary case investigation.
- Recruit and hire the Support Services Supervisor to ensure appropriate first-level supervision for Records Unit and Property Unit staff.
- Complete all tasks within guidelines set by industry standards and statutory guidelines.
- Provide an excellent level of customer service to the public for all front counter contacts, services, and records requests.
- Continue to analyze current processes to find the most efficient way to process daily workload.



- Ensure that all procedures within the unit are conducted in accordance with best practices and accreditation standards.
- Fully implement the department's Citizen Patrol.
- Maintain the department's level of participation in community events.
- Continue with annual Citizen Academy offerings.
- Ensure appropriate response and cooperation with future requests.
- Maintain an appropriate level of animal control services and maintain responsiveness to areas of concern.
- Work collaboratively with the Public Works and Development Services department to ensure appropriate level of code enforcement is conducted.



Police Department Notable Budget Highlights

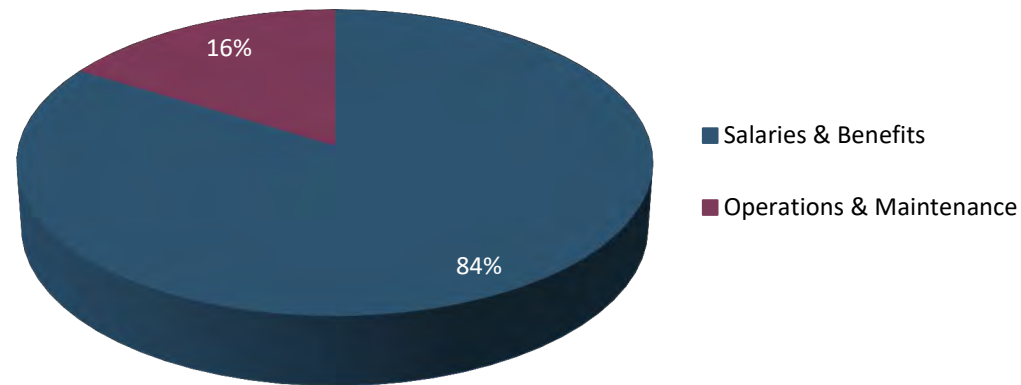
The Police Department has one vacant police officer position that it will not fill. The department will hire a Support Services Supervisor in the 2019-2020 biennium. During the 2017-2018 biennium, the department lost an administrative assistant (assigned to assist another department in need) and the retirement of a long-standing Property Room Technician.

The Support Services Supervisor will serve as a first-level supervisor to the record and property room technicians. This role also will be able to help with administrative and executive support for the Administrative division, particularly as the Police Department undergoes transformation from a best-practices and accreditation standpoint. The biennial cost of salary and benefits for this role is \$211,651 and is a 18.5% decrease over what a police officer would have cost \$260,000 in the biennium.



2019-2020 Police Department Expenditures

PUBLIC SAFETY	2015-2016 Actuals	2017-2018 Estimated Actuals	2019-2020 Budget
Salaries & Benefits	\$ 7,341,617	\$ 7,399,784	\$ 8,052,005
Operations & Maintenance	\$ 2,246,998	\$ 2,421,538	\$ 2,272,512
Capital	\$ 106,380	\$ 118,770	\$ 25,000
Police	\$ 9,694,994	\$ 9,940,092	\$ 10,349,517



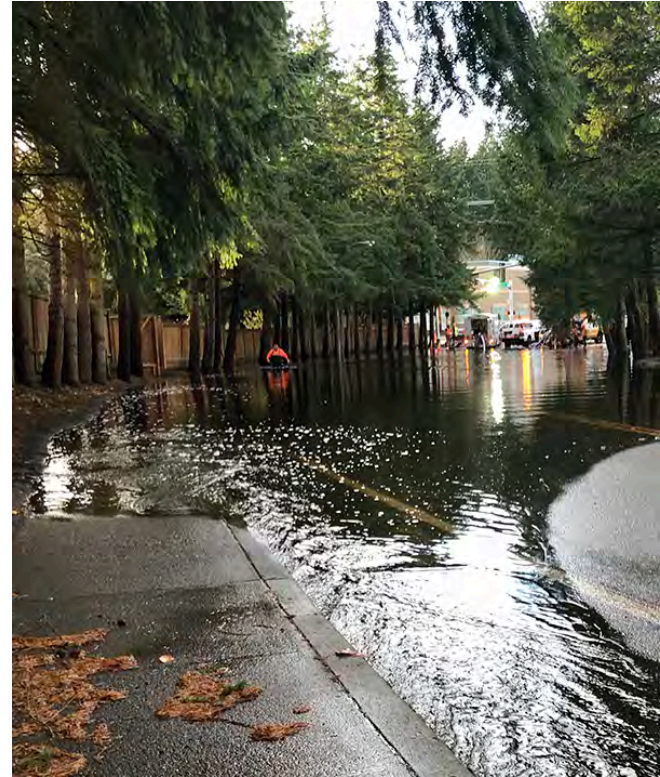
Public Works & Development Services

The Public Works and Development Services is a department that combines planning, economic development and public works. Staff is responsible for services in engineering, planning, economic development, plan review/building inspection, code enforcement, environmental protection, street/roads and storm drainage maintenance, traffic control, capital projects, and more.

This department was formed in November 2017 by reorganizing two previous departments (Public Works and Community and Economic Development) to provide comprehensive services across all elements pertaining to the City's growth and infrastructure.

The Public Works division is responsible for providing safe and effective transportation, recreational facilities and construction of other public infrastructure within the City of Mill Creek through quality planning, design, construction and maintenance. This includes overseeing and implementing the Capital Improvement Plan. Other specific functions include:

- Engineering: project management for capital improvement, design, construction management, inspections, right of way permit review, management of surface water runoff, preparation of maps, interagency coordination and capital project funding.
- Operations and Maintenance: support City sponsored events, maintenance of parks and facilities (City Hall North, City Hall South, Library and other City owned properties), ponds, vaults, catch basins and management of beaver activity.



The Department's development services division is responsible for the long range planning and operational planning City functions. Long-range planning includes the preparation of the City's Comprehensive Plan, development regulations and planning efforts with surrounding jurisdictions. Other specific functions include:

- Coordination with the City's metropolitan planning organization, Puget Sound Regional Council (PSRC), participation on regional projects such as bus rapid transit with Community Transit, and future light rail with Sound Transit.
- Administering building-related codes and issuance of permits (building, mechanical and plumbing) for all new and existing construction and tenant improvements.
- Providing services and resources to businesses and development partners with the purpose of retaining, attracting and expanding business and employment opportunities.
- Code enforcement to ensure that properties are maintained in a manner that promotes safety and a high quality of life, and maintains property values.

This department originally comprised three divisions in 2017-2018; based on its current configuration, 16.2 FTEs were budgeted in 2017-2018. The department did not refill some positions that were vacated during the biennium. For 2019-2020, 17 FTEs are budgeted. This includes adding a project engineer and a surface water engineer. The project engineer is supported by funds in the CIP, and the position will manage and deliver CIP projects, such as the pavement

preservation program. The surface water engineer is funded by the Surface Water Utility to implement a Surface Water Plan that meets regulatory requirements and addresses capital project management related to aging surface water infrastructure.



2017-2018 Biennial Accomplishments

- As part of Snohomish County's 2017 Overlay Program, Mill Park Village and Wildflower were overlaid and corresponding curb ramps were upgraded in compliance with the Americans with Disabilities Act (ADA).
- Through its contract with Perteet Engineers, reviewed an existing backlog of CCTV data (pipes 18 inches in diameter or larger), collected storm pipe CCTV videos of remaining storm pipes, analyzed CCTV videos for pipe failure and/or other repairs, and prioritized needed improvement for the City's surface water program.
- Completed the 2017 Catch Basin Cleaning and CCTV program, which consisted of cleaning approximately 1,593 catch basins, pipe cleaning and video inspection of approximately 2,742 lineal feet of pipe.
- Provided incident response to a flood on 136th Street SE in November 2017, which was the result of a beaver dam breach that inundated the neighborhood with water.
- Conducted emergency response to the Sweetwater Ranch stormwater infrastructure failure (sinkhole) and repaired the failed pipe.
- Completed the design of and started construction on the 35th Avenue Reconstruction project; 35th Avenue SE is anticipated to be open to traffic by February / March 2019.
- Completed the City Hall North HVAC control system repair.
- Completed the design of Exploration Park, secured environmental permits, and conducted a constructability and biddability review. The City received two bids, both significantly higher than the engineer's estimate, and the Council rejected all bids. The project will be broken into various components and re-bid in November 2018.
- Completed the design work for the Mill Creek Sports Park Turf and Light Replacement project; the project was advertised in October 2018.
- Implemented landscape maintenance at 10 City Parks, the City Hall Municipal Campus, the Mill Creek Library and medians located in the rights-of-way on various roadways within the City.
- Supported more than 60 community events organized by Communications and Marketing, as well as other non-City-sponsored events. This includes pre-event sweeping and temporary traffic control signage, as well as post-event sweeping and cleanup.
- Repainted the City Hall North community rooms to support internal functions, recreational program use and room rentals.
- Worked with Perteet to assess and establish new traffic mitigation fees, and to update and adopt a new interlocal agreement with Snohomish County.





- Worked with FCS Group to conduct a surface water utility rate study, including a policy review, technical analysis and service levels assessment, and identify a proposed rate increase.
- Secured external funding for key projects, including:
 - \$720,000 in federal funds for construction of the Seattle Hill Road Preservation Project in 2019.
 - A \$50,000 Department of Ecology grant in 2017 for surface water pipe assessment.
 - \$50,000 Snohomish County Small Projects Partnership for the 35th Avenue SE reconstruction project.
 - \$504,000 in PSRC funding for the 35th Avenue SE road preservation project.
- Consolidated a part-time building official and full-time building inspector into a single position.
- Worked with developers to complete significant development projects, including:
 - Arena Sports
 - Mill Creek Sports
 - Vintage at Mill Creek
 - Mill Creek Park Vista
- Revised the code enforcement process to lead with an educational component rather than a regulatory focus.
- Eliminated the City's Board of Adjustment and Appeals, and clarified review criteria for a hearing examiner.
- Brought a code amendment to Council, which was approved, to allow administrative final approval of final plats, which helps the City provide better customer service and makes more efficient use of City resources.
- Extended the franchise agreement with Frontier Communications.
- Prepared an ordinance adopting a complete streets policy, which will help the City to develop on-the-ground solutions that promote multimodal transportation (adopted in July 2018).
- Issued 1,303 building permits, bringing in approximately \$783,000 in fee revenue.



Performance Measures

	2017 Actual	2018 Projected	2019 Target	2020 Target
Utility Locate Requests	1,637	1,736	1,788	1,842
Right of Way Permits Issued	186	182	187	193
Right of Way Inspections Performed	292	78	80	83
Clearing & Grading Permits Reviewed	10	4	4	4
Development Construction Sites Inspected	90	16	30	40
Time Spent (hours) Managing CIP Projects	540	660	730	750
Grant/Loan Applications Completed	2	2	4	6
Storm Line Remote Inspection (feet)	50	250	1,000	1,000
Number of Catch Basins Cleaned	2,655	0	2,655	2,655
Time Spent (hours) on Interagency Coordination	130	160	165	170
Pre-Application Meetings Held	25	2	2	2
Hours Dedicated to Pre-Application Meetings	37	2	2	2
Land Use Applications Processed	36	8	8	8
Street Light Repairs – City Owned (hours)	133	64	400	400
Street Light Repairs – PUD Owned (hours)	47	48	40	40
Pothole Repairs	43	24	45	45
Street Sweeping (hours)	828	984	1,500	1,500
Park Maintenance (hours)	2,211	3,520	5,000	5,000
Streetscape Maintenance (hours)	1,639	580	2,000	2,000
Sign Repair/Installation	251	136	110	120
Facility Service Work (hours)	563	372	1,500	1,550
Vehicle/Equipment Repairs & Service (hours)	133	145	100	80
Emergency Call Out Overtime (hours)	91	60	150	150
Community Event Support (hours)	550	567	700	700



2019-2020 Key Outcomes and Activities

Work in the 2019-2020 biennium includes:

- Deliver on surface water aging infrastructure projects as identified in the 2018 Surface Water Program prepared by Perteet, including design and construction of “F failures” for construction in 2019 and “C failures” for construction in 2020.
- Review available surface water infrastructure video recorded since 2012 of pipes with a diameter *less* than 18 inches and assess the condition of those pipes.
- Conduct an assessment and pavement rating to establish a priority list for future repairs. The City's pavement management system needs to be relaunched in order to prioritize future projects and their corresponding treatments. The Program includes replacement or installation of accessible curb ramps to meet the requirements of ADA.
- Continue planning for Mill Creek's future with the creation of a sub-area plan for the Mill Creek Boulevard corridor identifying the desired land uses along with any needed infrastructure investments to support the plan.
- Mill Creek Blvd improvements, including the intersection at 164th Street, 161st Street, Main Street and SR 527; surface water aging infrastructure failure repairs identified in a 2018 study produced by Perteet; pavement preservation, water quality treatment and roadway re-configurations to better support Community Transit's bus rapid transit lines.



- Complete numerous projects per the 2019-2024 CIP, including:
 - 35th Ave. SE Reconstruction (physical completion) in 2019
 - Exploration Park Project construction completion in 2019
 - Seattle Hill Road Preservation Project construction completion in 2019
 - Sports Park Turf & Light Replacement construction completion in 2019;
 - 132nd Street SE Mid-block Crossing Improvements (HAWK). Upon award notification, begin design in 2019 and complete construction in 2020.
 - Annual Street Pavement Marking Program (2019 and 2020)
 - Heron Park Upgrades: design in 2019 and complete construction in 2020
 - Public Works Workshop value engineering study
 - City Hall North HVAC upgrades in 2020



- Work to have a federal functional classification for the East Gateway Urban Village Spine Road, which is required to receive state or federal funding.
- Continue the bridge monitoring and improvement program, including posting load restrictions (based on service stresses) at the North Creek Bridge and 153rd Street SE Bridge.
- Review and update of the City's Engineering Design Standards, pre-approved plans and policies.
- Build upon the City's previous traffic calming program from 2007 to address safety and traffic calming concerns to collectors and arterials.
- Provide support for community events.
- Manage maintenance and janitorial contracts to ensure service levels continue.
- Conduct Public Works workshop value engineering study.
- Develop and implement a Surface Water Plan that meets regulatory requirements and addresses other City specific concerns.
- Complete evaluation of the City's sign code to determine if it is consistent with current US Supreme Court rulings. If necessary, amendments to the City's sign code will need to be prepared and considered by the Planning Commission and the City Council. This is being coordinated with the City Attorney.
- Development plan review on anticipated major developments in the City, including:
 - The Farm Binding Site Plan (EGUV),
 - Cube Storage (SR 527)
 - Three Oaks Preliminary Plat
 - Muttley Square pet hotel/apartments
- Update franchise agreements with utility companies as needed (e.g., Frontier, Puget Sound Energy).
- Begin conversation with the community and the Sno-Isle Library District to explore funding opportunities and gauge interest in the reconstruction/replacement of the Mill Creek Library facility.
- Using the Farm wetland mitigation as a springboard, explore opportunities to collaborate with other private and public parties to create a wetland sanctuary/park on the eastside of 35th Ave. SE (inspired by the Narbeck Sanctuary).
- In addition to traffic mitigation fees, surface water utility fees and grant application, re-launch City discussion on establishing a Transportation Benefit District.



Public Works and Development Services Notable Budget Highlights

The Public Works and Development Services Department was formed as one single department in November 2017, after the last biennial budget was developed.

For the 2019-2020 budget, there are some notable budget highlights.

- The addition of a project engineer, which is needed for management of the City's capital projects. This will increase personnel costs by \$210,000 (supported by the CIP) in wages and benefits for the biennium.
 - Increased delivery of capital projects to maintain the City's aging infrastructure and in response to limited support from Snohomish County (pavement preservation and pavement marking).
 - Development of prioritization criteria for capital project selection. In particular for concrete sidewalk replacement and neighborhood traffic improvements.
 - Re-launch of the City's Pavement Management System to maintain an inventory of pavement conditions of the City's roadway system and prioritize projects accordingly.
 - Develop maintenance and operations level of service criteria related to parks, facilities, landscaping, etc. Provide adequate resources, equipment and tools to crew for more efficient operations. This includes a Public Works workshop value engineering study.
- Increases in Traffic Mitigation Fees and Surface Water Fees which would be collected starting in the 2019-2020 biennium.
 - Review and update of the City's Engineering Design Standards, pre-approved plans and policies.
 - Explore geographic information system (GIS) and asset management system options in preparation for the 2021-2022 biennium.

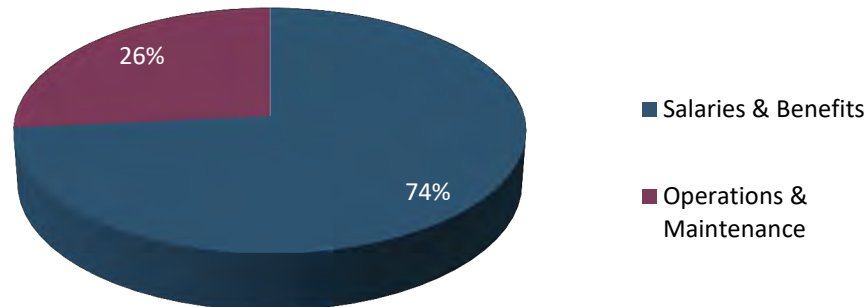


2019-2020 Public Works & Development Services Department Expenditures

DEVELOPMENT SERVICES EXPENDITURES	2015-2016 Actuals	2017-2018 Estimated Actuals	2019-2020 Budget
Salaries & Benefits	\$ 1,984,336	\$ 1,123,985	\$ 1,303,004
Operations & Maintenance	\$ 219,951	\$ 205,857	\$ 285,809
Capital	\$ 1,758	\$ 8,697	\$ -
Development Services Expenditures	\$ 2,206,045	\$ 1,338,539	\$ 1,588,813

PUBLIC WORKS EXPENDITURES	2015-2016 Actuals	2017-2018 Estimated Actuals	2019-2020 Budget
Salaries & Benefits	\$ 1,068,617	\$ 1,231,533	\$ 1,321,389
Operations & Maintenance	\$ 563,897	\$ 561,100	\$ 660,398
Capital	\$ -	\$ 35,260	\$ 15,000
Public Works	\$ 1,632,514	\$ 1,827,893	\$ 1,996,787

Departmental Total	\$ 3,838,559	\$ 3,166,432	\$ 3,585,600
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Non-Departmental

The Non-Departmental budget contains General Fund operational expenses that are common to all City departments. Such expenses are outside the control of individual departments and not easily distributed based upon department activity.

The Non-Departmental fund includes fire services, insurance, excise taxes, unemployment compensation, office supplies, membership dues and intergovernmental fees (e.g., Economic Alliance Snohomish County, Puget Sound Regional Council, Association of Washington Cities, Snohomish County Tomorrow, Northshore Senior Center, Snohomish County Cities), and Snohomish County Human Services.

Notable Budget Highlights

A new contract was signed with Snohomish County Fire 7 for fire suppression and EMS services, as well as other related services they provide to the City. The total contract is for \$23,873,971 over six years (including dispatch fees of \$97,180 for 2017). The 2019-2020 biennial contractual amount reflects a \$515,000 increase from the previous biennium.

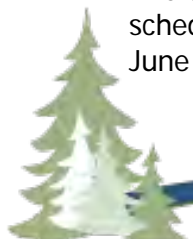
The chart identifies at right the City's annual payment schedule; equal quarterly installments are due March 31, June 30, September 30, and December 31 of each year.

Other than the fire services increase, the Non-Departmental fund demonstrates an overall decrease of \$1,836,416 or 74.26%. Below are the key decreases in Non-Departmental.

- With the new policy of bringing the Recreation Fund into the General Fund, the 2019-2020 budget does not include a \$225,000 transfer into the Recreation Fund that was occurring to support Recreation.
- Aligning with the new policy of transferring 33% of all reserve funds anticipated at the end of 2018 above the General Fund Reserve minimum, a transfer of \$830,000 into the CIP for capital project investment is anticipated.
- In 2018, a one-time transfer of \$400,000 was made to the CIP Fund consistent with the new policy to transfer one-time revenues into the CIP Fund on an annual basis.
- A \$500,000 decrease from an interfund loan to the Surface Water Utility fund.

Fire Contract Payment Schedule

Assessment Year	Total Annual Payment
2017	\$ 3,630,156
2018	\$ 3,720,909
2019	\$ 3,930,745
2020	\$ 4,029,014
2021	\$ 4,129,740
2022	\$ 4,336,227



2019-2020 Non-Departmental Expenditures

NON-DEPARTMENT	2015-2016 Actuals	2017-2018 Estimated Actuals	2019-2020 Budget
Salaries & Benefits	\$ -	\$ -	\$ -
Operations & Maintenance	\$ 1,231,257	\$ 2,449,604	\$ 636,560
Capital	\$ -	\$ 9,845	\$ -
Police Administration	\$ 1,231,257	\$ 2,459,449	\$ 636,560
CONTRACTED FIRE SERVICES	2015-2016 Actuals	2017-2018 Estimated Actuals	2019-2020 Budget
Salaries & Benefits	\$ -	\$ -	\$ -
Operations & Maintenance	\$ 7,534,260	\$ 7,583,900	\$ 7,959,759
Police Administration	\$ 7,534,260	\$ 7,583,900	\$ 7,959,759



Appendices



Appendix A

Budget Development Calendar

Date	Task	Person(s) Responsible
July		
July 25	Development of Desired Budget Outcomes	City Manager, Council
August		
Aug. 6	Budget Call Letter	City Manager
Aug. 15	Preliminary personnel projections	Finance Director
Aug. 22	Salary/benefits projections	Finance Director
Aug. 22	CIP Review	City Manager, Directors
Aug. 24	Revenue projections	Finance Director
Aug. 24-Dec	Citizen Outreach on Budget	Communications and Marketing
Aug. 31	CIP Review	City Manager, Directors
September		
Sept. 7	Departmental budgets due	Directors
Sept. 7	2018 YE revenue/expenditure projections due	Directors
Sept. 14	Preliminary budget compiled	Finance Director
Sept. 17-28	Department sessions with City Manager	City Manager, Directors
Sept. 24	Budgets filed with City Clerk, RCW 35.34.050	City Manager, Directors
Sept. 28	Preliminary budget shared with City Manager, RCW 35.34.070	Finance Director, City Clerk
October		
Oct. 1	Preliminary Budget provided to Council, RCW 35.34.230	City Manager, Finance Director
Oct. 2	Revenue Estimates	City Manager, City Council
Oct. 9	Present Proposed CIP 2019-2024	City Manager, City Council
Oct. 23	Adoption of CIP 2019-2024	City Manager, City Council
Oct. 25	City Manager's budget document complete	Comm. Director/ Finance Dir.



Date	Task	Person(s) Responsible
November		
Nov. 2	Proposed budget filed with Clerk and presented to Council, RCW 35.34.080 , RCW 35.34.090	City Manager
Nov. 2	Clerk files public hearing notice and distributes budget proposal to public, RCW 35.34.100 , RCW 35.34.080	City Clerk
Nov. 6	Public hearing on preliminary budget and Property Tax Levy, RCW 84.55.120 , RCW 35.34.090	City Manager, City Council
Nov. 13	Potential Surface Water Utility Rate Hearing	City Manager, City Council
Nov. 13	Public hearing on preliminary budget and Property Tax Levy	City Manager, City Council
Nov. 27	Final public hearing on budget, RCW 35.34.110	City Manager, City Council
Nov. 30	Levies filed with County Assessor, RCW 84.52.070	City Manager, City Council
December		
Dec. 4	Adoption of Proposed 2019-2020 Budget, RCW 35.34.120	City Manager, City Council



Appendix B

Community Input Outcomes

Despite a compressed development timeframe, community engagement played a role in identifying and prioritizing projects for both the 2019-2020 Biennial Budget and the Capital Improvement Plan. Community outreach included:

- Park and Recreation Board
- Art and Beautification Board
- Neighborhood Focus Group
- HOA and Community Association Meetings
- Senior Center Focus Group
- *City Connection* readership
- Party in the Parks events
- Press release to local media for news articles, resulting in media coverage
- Social media audiences
- Survey responses from 67 people

Based on feedback collected to date, people prioritized focus areas as shown at right. The lower the number, the higher the priority.



Focus Area	Lower Score = Highest Priority
Traffic Improvements	3.5
Enhanced Police Patrol	4.0
Road Maintenance	3.6
Infrastructure	3.1
Park and Trail Maintenance	6.0
Rec Programming	5.9
Community Events	7.6
Code Enforcement	6.2
Domestic Services	3.8

Appendix C

Pay & Classification Plan - 2019

8-Step Pay Plan

The 2019 Pay and Classification Plan reflects a +2.25% cost of living adjustment from 2018 for AFSCME and non-represented positions, and a +3.0 cost of living adjustment for Guild positions. It also reflects three new salary grades in order for the City to ensure the Chief of Police role, which is low compared to market rates, had room for growth.

Salary Grade	Position Title	Pay Period	1	2	3	4	5	6	7	8
30		Annual	124,439	132,328	134,593	139,977	145,576	151,399	157,455	163,753
		Monthly	10,370	11,027	11,216	11,665	12,131	12,617	13,121	13,646
		Hourly	59.83	63.62	64.71	67.30	69.99	72.79	75.70	78.73
29		Annual	118,513	126,027	128,184	133,311	138,643	144,189	149,957	155,955
		Monthly	9,876	10,502	10,682	11,109	11,554	12,016	12,496	12,996
		Hourly	56.98	60.59	61.63	64.09	66.66	69.32	72.09	74.98
28	Police Chief	Annual	112,870	120,025	122,080	126,963	132,041	137,323	142,816	148,529
		Monthly	9,406	10,002	10,173	10,580	11,003	11,444	11,901	12,377
		Hourly	54.26	57.70	58.69	61.04	63.48	66.02	68.66	71.41
27	Director of Public Works and Development Services, Director of Finance and Administration	Annual	107,495	114,310	116,266	120,917	125,754	130,784	136,015	141,456
		Monthly	8,958	9,526	9,689	10,076	10,479	10,899	11,335	11,788
		Hourly	51.68	54.96	55.90	58.13	60.46	62.88	65.39	68.01
26		Annual	102,376	106,471	110,730	115,159	119,765	124,556	129,538	134,720
		Monthly	8,531	8,873	9,227	9,597	9,980	10,380	10,795	11,227
		Hourly	49.22	51.19	53.24	55.36	57.58	59.88	62.28	64.77
25	Deputy Chief of Police	Annual	97,501	101,401	105,457	109,676	114,063	118,625	123,370	128,305
		Monthly	8,125	8,450	8,788	9,140	9,505	9,885	10,281	10,692
		Hourly	46.88	48.75	50.70	52.73	54.84	57.03	59.31	61.69



Salary Grade	Position Title	Pay Period	1	2	3	4	5	6	7	8
24		Annual	92,858	96,573	100,435	104,453	108,631	112,976	117,495	122,195
		Monthly	7,738	8,048	8,370	8,704	9,053	9,415	9,791	10,183
		Hourly	44.64	46.43	48.29	50.22	52.23	54.32	56.49	58.75
23	Director of Communications and Marketing, Human Resources Manager	Annual	88,436	91,973	95,652	99,478	103,457	107,596	111,899	116,375
		Monthly	7,370	7,664	7,971	8,290	8,621	8,966	9,325	9,698
		Hourly	42.52	44.22	45.99	47.83	49.74	51.73	53.80	55.95
22	Information Systems and Technology Manager, Planning Manager, Supervising Engineer	Annual	84,224	87,593	91,097	94,741	98,531	102,472	106,571	110,834
		Monthly	7,019	7,299	7,591	7,895	8,211	8,539	8,881	9,236
		Hourly	40.49	42.11	43.80	45.55	47.37	49.27	51.24	53.29
21		Annual	80,215	83,423	86,760	90,231	93,840	97,594	101,497	105,557
		Monthly	6,685	6,952	7,230	7,519	7,820	8,133	8,458	8,796
		Hourly	38.56	40.11	41.71	43.38	45.12	46.92	48.80	50.75
20	Building Official	Annual	76,395	79,451	82,629	85,934	89,371	92,946	96,664	100,530
		Monthly	6,366	6,621	6,886	7,161	7,448	7,746	8,055	8,378
		Hourly	36.73	38.20	39.73	41.31	42.97	44.69	46.47	48.33
19		Annual	72,756	75,667	78,693	81,841	85,115	88,519	92,060	95,742
		Monthly	6,063	6,306	6,558	6,820	7,093	7,377	7,672	7,979
		Hourly	34.98	36.38	37.83	39.35	40.92	42.56	44.26	46.03
18	Senior Accountant, Senior Planner, Project Engineer, City Clerk	Annual	69,293	72,064	74,947	77,945	81,062	84,305	87,677	91,184
		Monthly	5,774	6,005	6,246	6,495	6,755	7,025	7,306	7,599
		Hourly	33.31	34.65	36.03	37.47	38.97	40.53	42.15	43.84
17	Public Works Supervisor	Annual	65,992	68,632	71,377	74,232	77,201	80,289	83,501	86,841
		Monthly	5,499	5,719	5,948	6,186	6,433	6,691	6,958	7,237
		Hourly	31.73	33.00	34.32	35.69	37.12	38.60	40.14	41.75

Salary Grade	Position Title	Pay Period	1	2	3	4	5	6	7	8
16		Annual	62,850	65,364	67,979	70,698	73,526	76,467	79,526	82,707
		Monthly	5,238	5,447	5,665	5,892	6,127	6,372	6,627	6,892
		Hourly	30.22	31.43	32.68	33.99	35.35	36.76	38.23	39.76
15	Administrative Supervisor - Finance and Administration, Support Services Supervisor	Annual	59,857	62,251	64,741	67,331	70,024	72,825	75,738	78,768
		Monthly	4,988	5,188	5,395	5,611	5,835	6,069	6,312	6,564
		Hourly	28.78	29.93	31.13	32.37	33.67	35.01	36.41	37.87
14	Associate Planner, Engineering Technician	Annual	57,006	59,287	61,658	64,124	66,689	69,357	72,131	75,016
		Monthly	4,751	4,941	5,138	5,344	5,557	5,780	6,011	6,251
		Hourly	27.41	28.50	29.64	30.83	32.06	33.34	34.68	36.07
13	Comm & Mktg Coord, Recreation Coord, Comm Engagement Coord, Police Support Officer	Annual	54,292	56,464	58,723	61,071	63,514	66,055	68,697	71,445
		Monthly	4,524	4,705	4,894	5,089	5,293	5,505	5,725	5,954
		Hourly	26.10	27.15	28.23	29.36	30.54	31.76	33.03	34.35
12	Maintenance Worker, Administrative Assistant - PWDS, Accounting Technician	Annual	51,707	53,776	55,927	58,164	60,490	62,910	65,426	68,043
		Monthly	4,309	4,481	4,661	4,847	5,041	5,242	5,452	5,670
		Hourly	24.86	25.85	26.89	27.96	29.08	30.25	31.45	32.71
11	Police Evidence Technician	Annual	49,245	51,215	53,263	55,394	57,610	59,914	62,311	64,803
		Monthly	4,104	4,268	4,439	4,616	4,801	4,993	5,193	5,400
		Hourly	23.68	24.62	25.61	26.63	27.70	28.80	29.96	31.16
10	Police Records Technician	Annual	46,900	48,776	50,727	52,756	54,866	57,061	59,343	61,717
		Monthly	3,908	4,065	4,227	4,396	4,572	4,755	4,945	5,143
		Hourly	22.55	23.45	24.39	25.36	26.38	27.43	28.53	29.67
9		Annual	44,666	46,452	48,311	50,243	52,253	54,343	56,516	58,777
		Monthly	3,722	3,871	4,026	4,187	4,354	4,529	4,710	4,898
		Hourly	21.47	22.33	23.23	24.16	25.12	26.13	27.17	28.26

Salary Grade	Position Title	Pay Period	1	2	3	4	5	6	7	8
8		Annual	42,539	44,241	46,011	47,851	49,765	51,756	53,826	55,979
		Monthly	3,545	3,687	3,834	3,988	4,147	4,313	4,485	4,665
		Hourly	20.45	21.27	22.12	23.01	23.93	24.88	25.88	26.91
7	Customer Service Representative	Annual	40,513	42,134	43,819	45,572	47,395	49,290	51,262	53,313
		Monthly	3,376	3,511	3,652	3,798	3,950	4,108	4,272	4,443
		Hourly	19.48	20.26	21.07	21.91	22.79	23.70	24.65	25.63
6		Annual	38,584	40,127	41,732	43,402	45,138	46,943	48,821	50,774
		Monthly	3,215	3,344	3,478	3,617	3,761	3,912	4,068	4,231
		Hourly	18.55	19.29	20.06	20.87	21.70	22.57	23.47	24.41
5		Annual	36,747	38,216	39,745	41,335	42,988	44,708	46,496	48,356
		Monthly	3,062	3,185	3,312	3,445	3,582	3,726	3,875	4,030
		Hourly	17.67	18.37	19.11	19.87	20.67	21.49	22.35	23.25
4	Preschool Lead Instructor	Annual	34,998	36,398	37,853	39,368	40,942	42,580	44,283	46,055
		Monthly	2,916	3,033	3,154	3,281	3,412	3,548	3,690	3,838
		Hourly	16.83	17.50	18.20	18.93	19.68	20.47	21.29	22.14
3		Annual	33,331	34,664	36,051	37,493	38,992	40,552	42,174	43,861
		Monthly	2,778	2,889	3,004	3,124	3,249	3,379	3,515	3,655
		Hourly	16.02	16.67	17.33	18.03	18.75	19.50	20.28	21.09
2		Annual	31,744	33,014	34,334	35,708	37,136	38,621	40,166	41,773
		Monthly	2,645	2,751	2,861	2,976	3,095	3,218	3,347	3,481
		Hourly	15.26	15.87	16.51	17.17	17.85	18.57	19.31	20.08
1	Maintenance Aide	Annual	30,232	31,441	32,699	34,007	35,367	36,782	38,253	39,783
		Monthly	2,519	2,620	2,725	2,834	2,947	3,065	3,188	3,315
		Hourly	14.53	15.12	15.72	16.35	17.00	17.68	18.39	19.13



Salary Grade	Position Title	Pay Period	1	2	3	4	5	6	7	8
A3		Annual	28,793	29,945	31,143	32,388	33,684	35,031	36,433	37,890
		Monthly	2,399	2,495	2,595	2,699	2,807	2,919	3,036	3,157
		Hourly	13.84	14.40	14.97	15.57	16.19	16.84	17.52	18.22
A2		Annual	27,424	28,521	29,662	30,848	32,082	33,365	34,700	36,088
		Monthly	2,285	2,377	2,472	2,571	2,674	2,780	2,892	3,007
		Hourly	13.18	13.71	14.26	14.83	15.42	16.04	16.68	17.35
A1	Preschool Assistant	Annual	26,119	27,163	28,250	29,380	30,555	31,777	33,048	34,370
		Monthly	2,177	2,264	2,354	2,448	2,546	2,648	2,754	2,864
		Hourly	12.56	13.06	13.58	14.12	14.69	15.28	15.89	16.52



Appendix D

Pay & Classification Plan - 2020

8-Step Pay Plan

The 2020 Pay and Classification Plan reflects a +2.25% cost of living adjustment from 2019 for AFSCME and non-represented positions, and a +3.0 cost of living adjustment for Guild positions.

Salary Grade	Position Title	Pay Period	1	2	3	4	5	6	7	8
30		Annual	127,239	135,305	137,621	143,126	148,851	154,805	160,997	167,437
		Monthly	10,603	11,275	11,468	11,927	12,404	12,900	13,416	13,953
		Hourly	61.17	65.05	66.16	68.81	71.56	74.43	77.40	80.50
29		Annual	121,180	128,862	131,068	136,310	141,763	147,433	153,331	159,464
		Monthly	10,098	10,739	10,922	11,359	11,814	12,286	12,778	13,289
		Hourly	58.26	61.95	63.01	65.53	68.16	70.88	73.72	76.67
28	Police Chief	Annual	115,409	122,726	124,826	129,820	135,012	140,413	146,029	151,870
		Monthly	9,617	10,227	10,402	10,818	11,251	11,701	12,169	12,656
		Hourly	55.49	59.00	60.01	62.41	64.91	67.51	70.21	73.01
27	Director of Public Works and Development Services, Director of Finance and Administration	Annual	109,913	116,882	118,882	123,638	128,583	133,726	139,076	144,639
		Monthly	9,159	9,740	9,907	10,303	10,715	11,144	11,590	12,053
		Hourly	52.84	56.19	57.15	59.44	61.82	64.29	66.86	69.54
26		Annual	104,679	108,867	113,221	117,750	122,460	127,359	132,453	137,751
		Monthly	8,723	9,072	9,435	9,813	10,205	10,613	11,038	11,479
		Hourly	50.33	52.34	54.43	56.61	58.88	61.23	63.68	66.23
25	Deputy Chief of Police	Annual	99,695	103,683	107,830	112,144	116,629	121,294	126,146	131,192
		Monthly	8,308	8,640	8,986	9,345	9,719	10,108	10,512	10,933
		Hourly	47.93	49.85	51.84	53.92	56.07	58.31	60.65	63.07



Salary Grade	Position Title	Pay Period	1	2	3	4	5	6	7	8
24		Annual	94,948	98,745	102,695	106,803	111,075	115,518	120,139	124,944
		Monthly	7,912	8,229	8,558	8,900	9,256	9,627	10,012	10,412
		Hourly	45.65	47.47	49.37	51.35	53.40	55.54	57.76	60.07
23	Director of Communications and Marketing, Human Resources Manager	Annual	90,426	94,043	97,804	101,716	105,785	110,017	114,417	118,994
		Monthly	7,535	7,837	8,150	8,476	8,815	9,168	9,535	9,916
		Hourly	43.47	45.21	47.02	48.90	50.86	52.89	55.01	57.21
22	Information Systems and Technology Manager, Planning Manager, Supervising Engineer	Annual	86,120	89,564	93,147	96,873	100,748	104,778	108,969	113,327
		Monthly	7,177	7,464	7,762	8,073	8,396	8,731	9,081	9,444
		Hourly	41.40	43.06	44.78	46.57	48.44	50.37	52.39	54.48
21		Annual	82,020	85,300	88,712	92,261	95,951	99,789	103,781	107,932
		Monthly	6,835	7,108	7,393	7,688	7,996	8,316	8,648	8,994
		Hourly	39.43	41.01	42.65	44.36	46.13	47.98	49.89	51.89
20	Building Official	Annual	78,114	81,238	84,488	87,867	91,382	95,037	98,839	102,792
		Monthly	6,509	6,770	7,041	7,322	7,615	7,920	8,237	8,566
		Hourly	37.55	39.06	40.62	42.24	43.93	45.69	47.52	49.42
19		Annual	74,393	77,369	80,464	83,682	87,030	90,511	94,131	97,896
		Monthly	6,199	6,447	6,705	6,974	7,252	7,543	7,844	8,158
		Hourly	35.77	37.20	38.68	40.23	41.84	43.51	45.26	47.07
18	Senior Accountant, Senior Planner, Project Engineer, City Clerk	Annual	70,852	73,686	76,633	79,698	82,886	86,202	89,650	93,236
		Monthly	5,904	6,140	6,386	6,642	6,907	7,183	7,471	7,770
		Hourly	34.06	35.43	36.84	38.32	39.85	41.44	43.10	44.82
17	Public Works Supervisor	Annual	67,477	70,176	72,983	75,902	78,938	82,096	85,380	88,795
		Monthly	5,623	5,848	6,082	6,325	6,578	6,841	7,115	7,400
		Hourly	32.44	33.74	35.09	36.49	37.95	39.47	41.05	42.69

Salary Grade	Position Title	Pay Period	1	2	3	4	5	6	7	8
16		Annual	64,264	66,835	69,508	72,289	75,180	78,188	81,315	84,568
		Monthly	5,355	5,570	5,792	6,024	6,265	6,516	6,776	7,047
		Hourly	30.90	32.13	33.42	34.75	36.14	37.59	39.09	40.66
15	Administrative Supervisor - Finance and Administration, Support Services Supervisor	Annual	61,204	63,652	66,198	68,846	71,600	74,464	77,442	80,540
		Monthly	5,100	5,304	5,516	5,737	5,967	6,205	6,454	6,712
		Hourly	29.42	30.60	31.83	33.10	34.42	35.80	37.23	38.72
14	Associate Planner, Engineering Technician	Annual	58,289	60,621	63,045	65,567	68,190	70,917	73,754	76,704
		Monthly	4,857	5,052	5,254	5,464	5,682	5,910	6,146	6,392
		Hourly	28.02	29.14	30.31	31.52	32.78	34.09	35.46	36.88
13	Comm & Mktg Coord, Recreation Coord, Comm Engagement Coord, Police Support Officer	Annual	55,514	57,734	60,044	62,446	64,943	67,541	70,243	73,053
		Monthly	4,626	4,811	5,004	5,204	5,412	5,628	5,854	6,088
		Hourly	26.69	27.76	28.87	30.02	31.22	32.47	33.77	35.12
12	Maintenance Worker, Administrative Assistant - PWDS, Accounting Technician	Annual	52,871	54,986	57,185	59,472	61,851	64,325	66,898	69,574
		Monthly	4,406	4,582	4,765	4,956	5,154	5,360	5,575	5,798
		Hourly	25.42	26.44	27.49	28.59	29.74	30.93	32.16	33.45
11	Police Evidence Technician	Annual	50,353	52,367	54,462	56,640	58,906	61,262	63,713	66,261
		Monthly	4,196	4,364	4,538	4,720	4,909	5,105	5,309	5,522
		Hourly	24.21	25.18	26.18	27.23	28.32	29.45	30.63	31.86
10	Police Records Technician	Annual	47,955	49,873	51,868	53,943	56,101	58,345	60,679	63,106
		Monthly	3,996	4,156	4,322	4,495	4,675	4,862	5,057	5,259
		Hourly	23.06	23.98	24.94	25.93	26.97	28.05	29.17	30.34
9		Annual	45,671	47,498	49,397	51,373	53,428	55,565	57,788	60,100
		Monthly	3,806	3,958	4,116	4,281	4,452	4,630	4,816	5,008
		Hourly	21.96	22.84	23.75	24.70	25.69	26.71	27.78	28.89

Salary Grade	Position Title	Pay Period	1	2	3	4	5	6	7	8
8		Annual	43,496	45,236	47,046	48,928	50,885	52,920	55,037	57,238
		Monthly	3,625	3,770	3,920	4,077	4,240	4,410	4,586	4,770
		Hourly	20.91	21.75	22.62	23.52	24.46	25.44	26.46	27.52
7	Customer Service Representative	Annual	41,425	43,082	44,805	46,597	48,461	50,399	52,415	54,512
		Monthly	3,452	3,590	3,734	3,883	4,038	4,200	4,368	4,543
		Hourly	19.92	20.71	21.54	22.40	23.30	24.23	25.20	26.21
6		Annual	39,452	41,030	42,671	44,378	46,153	48,000	49,920	51,916
		Monthly	3,288	3,419	3,556	3,698	3,846	4,000	4,160	4,326
		Hourly	18.97	19.73	20.52	21.34	22.19	23.08	24.00	24.96
5		Annual	37,573	39,076	40,639	42,265	43,956	45,714	47,542	49,444
		Monthly	3,131	3,256	3,387	3,522	3,663	3,809	3,962	4,120
		Hourly	18.06	18.79	19.54	20.32	21.13	21.98	22.86	23.77
4	Preschool Lead Instructor	Annual	35,785	37,217	38,705	40,253	41,864	43,538	45,280	47,091
		Monthly	2,982	3,101	3,225	3,354	3,489	3,628	3,773	3,924
		Hourly	17.20	17.89	18.61	19.35	20.13	20.93	21.77	22.64
3		Annual	34,081	35,444	36,862	38,336	39,870	41,464	43,123	44,848
		Monthly	2,840	2,954	3,072	3,195	3,322	3,455	3,594	3,737
		Hourly	16.38	17.04	17.72	18.43	19.17	19.93	20.73	21.56
2		Annual	32,458	33,757	35,107	36,511	37,972	39,490	41,070	42,713
		Monthly	2,705	2,813	2,926	3,043	3,164	3,291	3,423	3,559
		Hourly	15.60	16.23	16.88	17.55	18.26	18.99	19.75	20.54
1	Maintenance Aide	Annual	30,912	32,149	33,434	34,772	36,163	37,609	39,114	40,678
		Monthly	2,576	2,679	2,786	2,898	3,014	3,134	3,259	3,390
		Hourly	14.86	15.46	16.07	16.72	17.39	18.08	18.80	19.56



Salary Grade	Position Title	Pay Period	1	2	3	4	5	6	7	8
A3		Annual	29,441	30,619	31,843	33,117	34,442	35,820	37,252	38,742
		Monthly	2,453	2,552	2,654	2,760	2,870	2,985	3,104	3,229
		Hourly	14.15	14.72	15.31	15.92	16.56	17.22	17.91	18.63
A2		Annual	28,041	29,163	30,329	31,542	32,804	34,116	35,481	36,900
		Monthly	2,337	2,430	2,527	2,629	2,734	2,843	2,957	3,075
		Hourly	13.48	14.02	14.58	15.16	15.77	16.40	17.06	17.74
A1	Preschool Assistant	Annual	26,706	27,775	28,886	30,041	31,243	32,492	33,792	35,144
		Monthly	2,226	2,315	2,407	2,503	2,604	2,708	2,816	2,929
		Hourly	12.84	13.35	13.89	14.44	15.02	15.62	16.25	16.90



Appendix E

Authorized Position Listings for 2019-2020

Following is a discussion of the changes in authorized positions from the 2017-2018 Biennial Budget, the 2017-2018 ending status, and 2019-2020 budget.

FTE counts do not include the Preschool, Seasonal Maintenance Aides, any paid interns, or the seasonal Basketball Program employees (Gym Supervisor and Referees).

Numbers for each department show:

2017-2018 authorized ➤ 2017-2018 ending ➤ 2019-2020 Budget

Executive Department

4.8 FTE ➔ 4.6 FTE ➔ 4.0 FTE

- City Clerk / PIO reorganized to 1.0 Communications and Marketing Director (moved to Comms Dept.)
- Finance Director took on City Clerk duties in 2017
- City Clerk functions required a dedicated FTE; City Clerk duties assigned to Executive Assistant, retitled "City Clerk" and moved to appropriate salary grade February 2018
- HR/Labor Relations Specialist hired January 2018 as part of succession plan (unbudgeted)
- HR Director retired at the beginning of 2019
- 2019-2020 Budgeted: Reduced by .6 FTE

Communications & Marketing:

3.0 FTE ➔ 4.0 FTE ➔ 4.0 FTE

- Department created this biennium and incorporated Recreation
- Communications and Marketing Director hired February 2017 (moved from Exec Department)
- Recreation and Tourism Manager position eliminated in favor of Recreation Coordinator
- Department structure flattened into Director and three Coordinator positions
- 2019-2020 Budgeted: Same as 2018 year end

Finance and Administration Department

6.3 FTE ➔ 7.4 FTE ➔ 6.4 FTE

- Department retitled to Finance and Administration this biennium
- Did not budget for some existing Customer Service Representatives
- Eliminated Senior Passport Technician in favor of additional Customer Service Representative
- Did not fill budgeted Deputy City Clerk
- Accounting Technician position eliminated in favor of additional Accountant in 2017
- 2019-2020 Budgeted: Eliminate 3 Accountant positions, restore the Accounting Technician and add a Senior Accountant



Public Safety

29.0 FTE → 29.0 FTE → 29.0 FTE

- Administrative Coordinator reclassified and Administrative Assistant eliminated
- Deputy Chief of Police hired January 2018 (unbudgeted)
- Two Police Officer vacancies filled; one did not pass field training
- 2019-2020 Budgeted: Leave one Officer position vacant and hire Support Services Supervisor



Public Works and Development Services

16.0 FTE → 14.0 FTE → 17.0 FTE

- Started biennium as three divisions:
 - Community Development
 - Public Works
 - Recreation
- Eliminated a Building / ROW Inspector in each department
- Eliminated City Engineer position and Public Works Director position in favor of one Director of Public Works and Development Services
- Consolidated all Maintenance Workers into a single job classification
- Building Official hired October 2017 to reduce contractor costs (unbudgeted)
- Administrative Coordinator, Code Compliance Coordinator, Building Permit Technician responsibilities consolidated into Administrative Assistant and Associate Planner
- Community Development Director became Planning Manager
- 2019-2020 Budgeted: Add Project Engineer (to be paid for out of the Capital Improvement Fund)
- 2019-2020 Budgeted: Add Surface Water Engineer position to be filled in 2020 (to be paid out of the Surface Water Utility)



Authorized Position Listing 2017-2018

This position listing includes regular FTEs, as well as seasonal and irregular positions (e.g., preschool teachers, gym supervisors, basketball referees and seasonal maintenance workers)

Position Title	Position Control Number	Department Division	Group	Salary Grade	Full-Time Equivalent
City Manager	1	Executive	Non-Rep	N/A	1.0
Human Resources Director	3	Executive	Non-Rep	23	0.8
Executive Assistant	4	Executive	Non-Rep	14	1.0
City Clerk	5	Executive	Non-Rep	20	1.0
Information Systems and Technology Mana	2	IT	AFSCME	22	1.0
Department Total:					4.8
Chief of Police	39	Public Safety	Non-Rep	27	1.0
Police Sergeant	40	Public Safety	Guild	S	1.0
Police Sergeant	41	Public Safety	Guild	S	1.0
Police Sergeant	42	Public Safety	Guild	S	1.0
Police Sergeant	43	Public Safety	Guild	S	1.0
Police Sergeant	44	Public Safety	Guild	S	1.0
Police Officer	45	Public Safety	Guild	non-S	1.0
Police Officer	46	Public Safety	Guild	non-S	1.0
Police Officer	47	Public Safety	Guild	non-S	1.0
Police Officer	48	Public Safety	Guild	non-S	1.0
Police Officer	49	Public Safety	Guild	non-S	1.0
Police Officer	50	Public Safety	Guild	non-S	1.0
Police Officer	51	Public Safety	Guild	non-S	1.0
Police Officer	52	Public Safety	Guild	non-S	1.0
Police Officer	53	Public Safety	Guild	non-S	1.0
Police Officer	54	Public Safety	Guild	non-S	1.0



Position Title	Position Control Number	Department Division	Group	Salary Grade	Full-Time Equivalent
Police Officer	55	Public Safety	Guild	non-S	1.0
Police Officer	56	Public Safety	Guild	non-S	1.0
Police Officer	57	Public Safety	Guild	non-S	1.0
Police Officer	58	Public Safety	Guild	non-S	1.0
Police Officer	59	Public Safety	Guild	non-S	1.0
Police Officer	60	Public Safety	Guild	non-S	1.0
Police Officer	61	Public Safety	Guild	non-S	1.0
Police Officer	62	Public Safety	Guild	non-S	1.0
Police Support Officer	63	Public Safety	AFSCME	13	1.0
Administrative Coordinator	64	Public Safety	AFSCME	13	1.0
Administrative Assistant	65	Public Safety	AFSCME	11	1.0
Records Technician	66	Public Safety	AFSCME	9	1.0
Records Technician	67	Public Safety	AFSCME	9	1.0
Department Total:					29.0
Finance Director	31	Finance	Non-Rep	27	1.0
Accountant	32	Finance	AFSCME	15	1.0
Accountant	33	Finance	AFSCME	15	1.0
Accounting Technician	34	Finance	AFSCME	12	1.0
Deputy City Clerk	35	Finance	AFSCME	14	1.0
Senior Passport Technician	36	Finance	AFSCME	9	0.7
Passport Technician	37	Finance	Non-Rep	6	0.4
Passport Technician	38	Finance	Non-Rep	6	0.2
Department Total:					6.3
Community Development Director	20	Community Development	Non-Rep	26	1.0
Senior Planner	21	Community Development	AFSCME	18	1.0
Building / Right of Way Inspector	22	Community Development	AFSCME	14	1.0
Administrative Coordinator	23	Community Development	AFSCME	13	1.0
Code Compliance Coordinator	24	Community Development	AFSCME	13	1.0
Department Total:					5.0



Position Title	Position Control Number	Department Division	Group	Salary Grade	Full-Time Equivalent
Public Works Director	6	Public Works	Non-Rep	26	1.0
City Engineer - eliminate 1/1/18	7	Public Works	Non-Rep	23	1.0
Building / Right of Way Inspector	8	Public Works	AFSCME	14	1.0
Building Permit Technician	9	Public Works	AFSCME	11	1.0
Surface Water Manager (Engineer)	10	Public Works	Non-Rep	21	1.0
Public Works Supervisor	11	Public Works	Non-Rep	17	1.0
Maintenance Worker	12	Public Works	AFSCME	12	1.0
Maintenance Worker	13	Public Works	AFSCME	12	1.0
Maintenance Worker	14	Public Works	AFSCME	12	1.0
Maintenance Worker 1	15	Public Works	AFSCME	9	1.0
Maintenance Worker 1	16	Public Works	AFSCME	9	1.0
Engineering Intern - Temporary	17	Public Works	Non-Rep	A1	0.2
Maintenance Aide - Seasonal	18	Public Works	Non-Rep	1	0.5
Maintenance Aide - Seasonal	19	Public Works	Non-Rep	1	0.5
			Department Total:		12.2
Recreation and Tourism Manager	25	Recreation	Non-Rep	18	1.0
Recreation and Tourism Coordinator	26	Recreation	AFSCME	13	1.0
Recreation and Tourism Coordinator	27	Recreation	AFSCME	13	1.0
Preschool Teacher	28	Recreation	Non-Rep	4	0.3
Preschool Assistant	29	Recreation	Non-Rep	A1	0.3
Preschool Assistant	30	Recreation	Non-Rep	A1	0.3
Gym Supervisor - Temporary	68	Recreation	Non-Rep	A1	0.1
Gym Supervisor - Temporary	69	Recreation	Non-Rep	A1	0.1
Basketball Referee - Temporary	70 - 100	Recreation	Non-Rep	min wage	0.8
<i>(Recreation was under Community Development in this budget)</i>			Department Total:		5.0
			Year-Round:		59.1
			Temp and Preschool:		3.1
			City Total:		62.2



Authorized Position Listing 2019-2020

Position Title	Position Control Number	Department Division	Group	Salary Grade	Full-Time Equivalent
City Manager	1	Executive	Non-Rep	N/A	1.0
Human Resources Manager¹⁴	3	Executive	Non-Rep	23	1.0
City Clerk	5	Executive	Non-Rep	18	1.0
Human Resources / Labor Relations Specialist	115	Executive	Non-Rep	15	0.0
Information Systems and Technology Manager	2	IT	AFSCME	22	1.0
			Department Total:		4.0
Director of Communications and Marketing	106	Communications and Marketing	Non-Rep	23	1.0
Recreation Coordinator	117	Communications and Marketing	AFSCME	13	1.0
Gym Supervisor - Temporary	68	Communications and Marketing	Non-Rep	A1	0.1
Gym Supervisor - Temporary	69	Communications and Marketing	Non-Rep	A1	0.1
Basketball Referee - Temporary	70 - 100	Communications and Marketing	Non-Rep	min wage	0.8
Community Engagement Coordinator	26	Communications and Marketing	AFSCME	13	1.0
Communications and Marketing Coordinator	27	Communications and Marketing	AFSCME	13	1.0
Preschool Teacher	28	Communications and Marketing	Non-Rep	4	0.3
Preschool Assistant	29	Communications and Marketing	Non-Rep	A1	0.3
Preschool Assistant	30	Communications and Marketing	Non-Rep	A1	0.3
			Department Total:		5.9



Position Title	Position Control Number	Department Division	Group	Salary Grade	Full-Time Equivalent
Director of Finance and Administration	31	Finance and Administration	Non-Rep	27	1.0
Accountant⁷	32	Finance and Administration	AFSCME	15	0.0
Accountant⁸	33	Finance and Administration	AFSCME	15	0.0
Customer Service Representative	37	Finance and Administration	Non-Rep	7	0.4
Customer Service Representative	38	Finance and Administration	Non-Rep	7	0.2
Accountant⁹	107	Finance and Administration	AFSCME	15	0.0
Administrative Supervisor¹⁰	108	Finance and Administration	AFSCME	15	1.0
Customer Service Representative	109	Finance and Administration	AFSCME	7	0.4
Customer Service Representative	110	Finance and Administration	AFSCME	7	0.4
Customer Service Representative	111	Finance and Administration	AFSCME	7	0.4
Customer Service Representative	112	Finance and Administration	AFSCME	7	0.3
Customer Service Representative	116	Finance and Administration	AFSCME	7	0.3
Senior Accountant¹¹	120	Finance and Administration	AFSCME	15	1.0
Accounting Technician¹²	34	Finance and Administration	AFSCME	12	1.0
			Department Total:		6.4



Position Title	Position Control Number	Department Division	Group	Salary Grade	Full-Time Equivalent
Chief of Police¹	39	Public Safety	Non-Rep	28	1.0
Police Sergeant	40	Public Safety	Guild	S	1.0
Police Sergeant	41	Public Safety	Guild	S	1.0
Police Sergeant	42	Public Safety	Guild	S	1.0
Police Sergeant	43	Public Safety	Guild	S	1.0
Police Sergeant	44	Public Safety	Guild	S	1.0
Police Officer	45	Public Safety	Guild	non-S	1.0
Police Officer	46	Public Safety	Guild	non-S	1.0
Police Officer	47	Public Safety	Guild	non-S	1.0
Police Officer	48	Public Safety	Guild	non-S	1.0
Police Officer	49	Public Safety	Guild	non-S	1.0
Police Officer	50	Public Safety	Guild	non-S	1.0
Police Officer	51	Public Safety	Guild	non-S	1.0
Police Officer	52	Public Safety	Guild	non-S	1.0
Police Officer	53	Public Safety	Guild	non-S	1.0
Police Officer	54	Public Safety	Guild	non-S	1.0
Police Officer	55	Public Safety	Guild	non-S	1.0
Police Officer	56	Public Safety	Guild	non-S	1.0
Police Officer	57	Public Safety	Guild	non-S	1.0
Police Officer	58	Public Safety	Guild	non-S	1.0
Police Officer	59	Public Safety	Guild	non-S	1.0
Police Officer	60	Public Safety	Guild	non-S	1.0
Police Officer	61	Public Safety	Guild	non-S	1.0
Police Officer (vacant)²	62	Public Safety	Guild	non-S	0.0
Police Support Officer	63	Public Safety	AFSCME	13	1.0
Records Technician	66	Public Safety	AFSCME	10	1.0
Records Technician	67	Public Safety	AFSCME	10	1.0
Evidence Technician³	113	Public Safety	AFSCME	11	1.0
Deputy Chief of Police	114	Public Safety	Non-Rep	25	1.0
Support Services Supervisor⁴	118	Public Safety	Non-Rep	15	1.0
			Department Total:		29.0



Position Title	Position Control Number	Department Division	Group	Salary Grade	Full-Time Equivalent
Planning Manager	20	PWDS	Non-Rep	22	1.0
Senior Planner	21	PWDS	AFSCME	18	1.0
Supervising Engineer	10	PWDS	Non-Rep	22	1.0
Public Works Supervisor	11	PWDS	Non-Rep	17	1.0
Maintenance Worker	12	PWDS	AFSCME	12	1.0
Maintenance Worker	13	PWDS	AFSCME	12	1.0
Maintenance Worker	14	PWDS	AFSCME	12	1.0
Maintenance Worker	15	PWDS	AFSCME	12	1.0
Maintenance Worker	16	PWDS	AFSCME	12	1.0
Maintenance Aide - Seasonal	18	PWDS	Non-Rep	1	0.5
Maintenance Aide - Seasonal	19	PWDS	Non-Rep	1	0.5
Engineering Technician	101	PWDS	AFSCME	14	1.0
Director of Public Works and Development Services	102	PWDS	Non-Rep	27	1.0
Building Official	103	PWDS	Non-Rep	20	1.0
Administrative Assistant⁵	104	PWDS	AFSCME	12	1.0
Associate Planner	105	PWDS	AFSCME	14	1.0
Project Engineer⁶	121	PWDS	AFSCME	18	1.0
Surface Water Engineer¹⁵	122	PWDS	TBD	TBD	1.0
			2019 Department Total:		16.0
			2020 Department Total:		17.0

2019 Year-Round:	58.4
2020 Year-Round:	59.4
Temp and Preschool:	2.9
2019 City Total:	61.3
2020 City Total:	62.3



Summary of changes from current to 2019-20 Budget:

- 1 - Salary Grade Increase: From 27 to 28 per market data.
- 2 - Budgeted FTE Change: Delay filling this vacancy. Will not be budgeted in 2019-20.
- 3 - Salary Grade Increase: From 10 to 11 per internal equity as it relates to market data.
- 4 - New Position
- 5 - Salary Grade Increase: From 11 to 12 per internal equity to address spread of responsibilities.
- 6 - New Position (funded by CIP)
- 7 - Eliminate Position: Effective 10/31/2018
- 8 - Eliminate Position
- 9 - Eliminate Position
- 10 - Position Reclassified: Administrative Coordinator to Administrative Supervisor to reflect evolution of position responsibilities. Includes Salary Grade Increase from 13 to 15.
- 11 - New Position
- 12 - Budgeted FTE Change: Increase from 0.0 to 1.0
- 13 - Eliminate Position: Effective 01/15/2019**
- 14 - Budgeted FTE Change and Title change: Effective 01/16/2019**
- 15 - New Position based on Surface Water Fee Increase: Effective 01/01/2020**



Appendix F

Community Overview

Overview

Incorporated in 1983, the City of Mill Creek is the eighth-largest city in Snohomish County, Wash., and is home to just over 20,000 people. Mill Creek is a physically active community with 10 attractive neighborhood and community parks, more than 23 miles of nature trails and recreational facilities that support diverse recreational opportunities.

A vibrant, safe and friendly community, Mill Creek is a great destination for shopping and gathering. The award-winning Mill Creek Town Center and other business developments feature many fine retail shops and restaurants. Mill Creek offers an exceptional community experience, where natural beauty is preserved, neighborhoods flourish, businesses thrive and recreational opportunities abound.

Mill Creek offers a hometown atmosphere with the culture and many of the amenities of urban living.

History

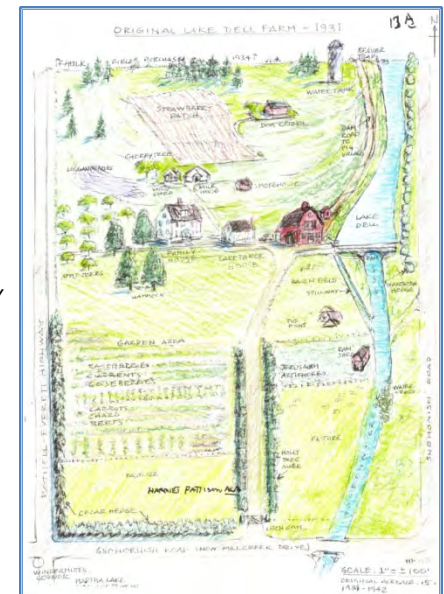
Early Years

Known as Wintermute's Corner in the early 1900s, the 164th Street/SR527 intersection was home to a grocery, a farm that grew produce for the grocery, and a gas station. At a time when SR 527 was hardly more than a buggy trail, Greyhound bus service connected Seattle to Everett, and

Wintermute's grocery was a bus stop along the route. Bus service ended when Highway 99 was constructed, and the property occupied by the grocery eventually became QFC and the truck farm ultimately became Albertsons. Not far from the intersection, businesses included the Hercules Dynamite Factory (now City Hall South) and a gravel pit (now the Mill Creek Library and Veterans Monument).

The land that would eventually become Mill Creek was originally owned by William Henry Gates (an ancestor of Microsoft founder Bill Gates), and was purchased directly

*Sketch by Harriet Pattison,
courtesy of the Garhart Family*



from the federal government in 1890, before Washington became a state. The land was eventually sold off to other homesteaders, like Frederick Shaw who purchased 150 acres for \$5.61 in gold and named it Lake Dell Farm. In 1931, Dr. Manch Neville Garhart, a Seattle physician, purchased that 150 acres, and ultimately owned 800 acres.

In 1934, Garhart petitioned Snohomish County for rights to construct a dam on Penny Creek, which ran through the farm, to create a lake. He contracted with the University of Washington Engineering department to design and construct it. Once the dam was completed, a fish ladder was installed and the lake was stocked with rainbow trout. However, the peat bog in Thomas Lake that fed into Penny Creek created so much silt and sludge that the fish turned brown and were unable to spawn. The dam was decommissioned, and the lake eventually became part of the Mill Creek Nature Preserve. The Garhart family operated the farm, raising livestock and growing produce, until 1968 when portions of the property were sold to Seattle developer Elmer Kerns to build three golf courses and a residential community.

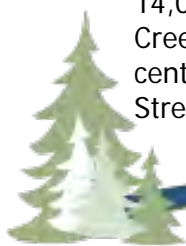
Development of Mill Creek

The land changed hands several times before ultimately being purchased by Tokyu Land Development Ltd. (Hawaii) in 1972, and developed by United Development Corporation. Their final plan projected a citywide total of over 4,600 dwelling units and a population of 12,000-14,000 when construction was completed. In 1972, the Mill Creek Community Association was created, and a town center began to grow at the corner of SR527 and 164th Street SW.



Incorporation

As the community grew and the cost of operating its own services increased, residents realized the need for expanded services beyond their own security force and street sweepers. Because the association already had infrastructure in place to support a city, including streets and utilities, and land earmarked for a municipal building and a school, as well as a stable mixed tax base from residential and business, it was decided to pursue incorporation rather than annexation to Everett or Lynnwood. Incorporation was approved by Mill Creek voters in September 1983. The City Council was elected and a Planning Commission was appointed. In 1987, the Parks and Recreation Advisory Board was established.



At the time of incorporation in 1983, the City of Mill Creek encompassed about 1,160 acres, or approximately 2 square miles. Since then, the City has more than doubled in area through 17 annexations and now measures approximately 2,994 acres or 4.68 square miles. The City's population is currently estimated to be just over 20,000.

Mill Creek's Legacy

Mill Creek has preserved its natural beauty and its history, and become a vibrant, safe, friendly and active community. The Garhart dam and fish ladder are part of the Mill Creek Nature Preserve, and a plaque behind the Mill Creek Community Association sign on the northeast corner of SR527 and 164th Street SE commemorates the contribution of the Garharts to the beginnings of the community. Although there was not originally a waterway named Mill Creek, the City received permission from Washington State in 2001 to rename Smokehouse Creek as Mill Creek.

Growing Community

Mill Creek is exceptionally well-planned and has managed to retain much of its small town charm over the last several years of growth and community development.

Developed in 2002, Mill Creek Town Center is a lifestyle center featuring more than 80 shops, restaurants and services. It attracts residents and visitors to dine, shop, relax and explore, and recently was named "the best lifestyle center in Washington state." The growth of Town Center as a pedestrian-friendly shopping destination, as well as the development of other businesses along Mill



Creek's main corridors, supports economic development goals. In addition, there are newer developments (such as those along the 132nd Street SE and 164th Street SE corridors) and growth opportunities that provide diverse offerings for Mill Creek residents and people from neighboring communities.

Aside from the landscape, buildings, shopping and services, the character and personality of the community is defined in large part by Mill Creek's residents. Even the casual visitor will quickly notice the residents care about their city and their fellow citizens.

Active Lifestyles

In addition to attractive neighborhood and community parks, the City is home to the Mill Creek Sports Park, which





serves 3,825 youth annually and is home to many soccer, baseball and softball teams. It also is used for several regional and state tournaments each year. The community uses it when not occupied by rental groups.

Parks and trails are a hallmark of the city, with over 23 miles of nature trails including the scenic North Creek Trail that runs along the North Creek Greenway from McCollum Park to the southern city limits.

There is a private golf course around which the original community was built, as well as a nature preserve through which Penny Creek flows.

In early 2017, an Arena Sports and Entertainment facility was constructed. The 98,000 square-foot facility features

an indoor soccer and futsal fields and programming, as well as a full-service family entertainment center that includes bowling (mini and full-size lanes), a multi-floor laser tag arena, rock climbing tower, two-story indoor ropes course, inflatable FunZone and more than 100 arcade games. The expansive facility is the premier party and event destination and sporting facility for the area.

Being close to the Puget Sound and the snow-capped peaks of the Cascade Mountains, recreational opportunities such as boating and skiing are just a short drive away. Nationally ranked year-round golf courses are nearby.

Climate

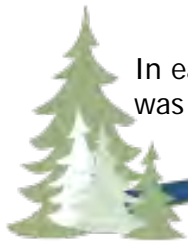
Mill Creek's climate is temperate and relatively mild. The area's reputation for rainy days comes from the frequency and not the total accumulated rainfall. In fact, its annual average rainfall is approximately 36 inches, less rain than New York, Atlanta or Houston. Summers and early fall are marked by gorgeous, sunny days.

Education

Mill Creek is served by the Everett Public School District and has an elementary school, a middle school and a high school all within its boundaries. Seven excellent colleges and universities are found within a 17-mile radius.

Major Employers

Major employers in Mill Creek are businesses such as Albertson's Food, Central Market, The Everett Clinic and Lowe's Home Improvement. The regional economy



comprises businesses in several sectors, including aircraft design and manufacturing, technology, biomedical, and travel and tourism, among others.

Demographics

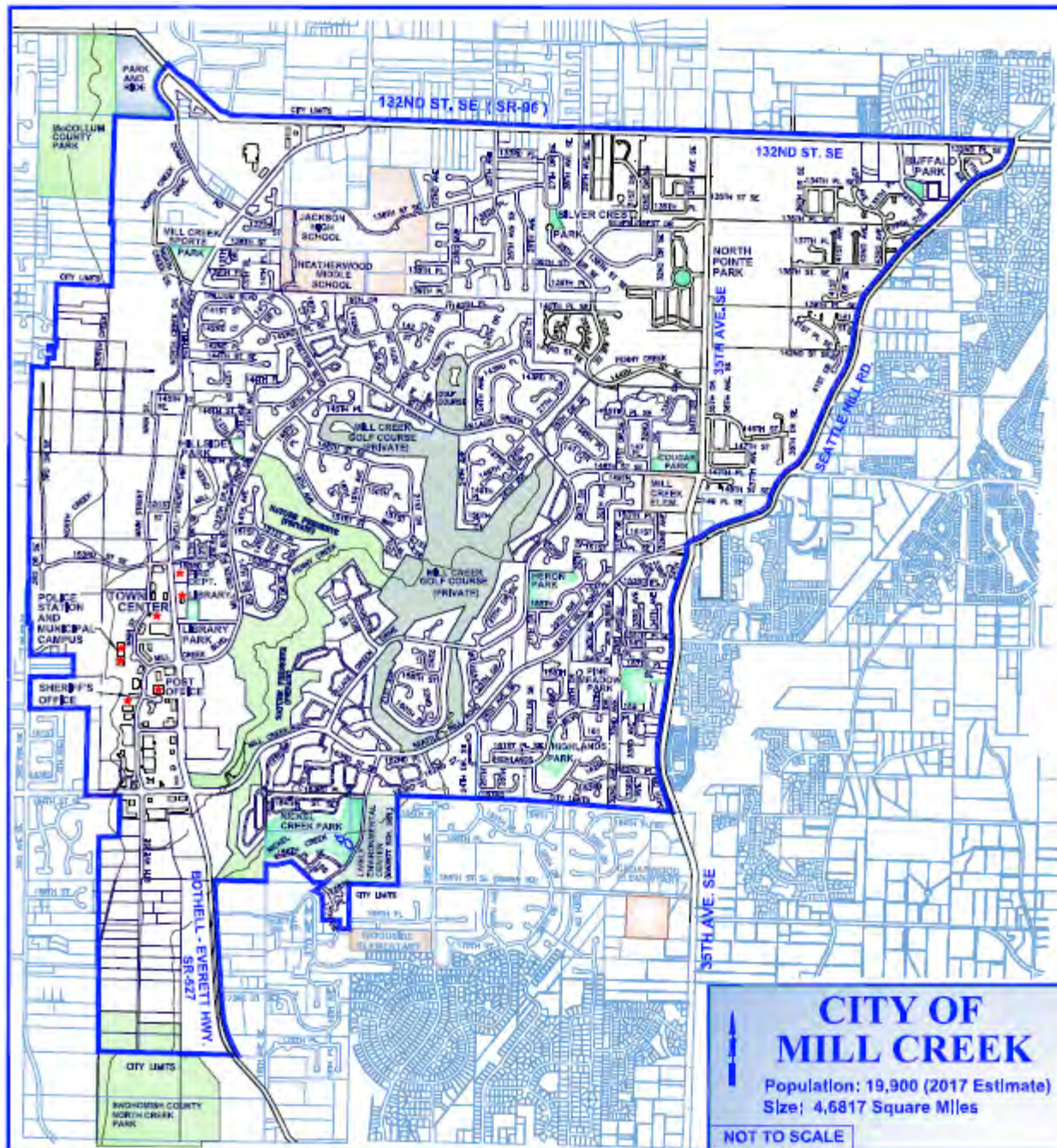
The City's population of 20,470 ranges from young families to seniors, which is a testament to the livability of Mill Creek.

The median age is 41, which is slightly above the national median age of 37.2.

Community residents are well educated; 96% have a high school diploma and 49% have a bachelor's degree or higher. The average family income is \$101,061 with only 5% of all families falling below the poverty level.

The City's residents are Caucasian (74.2%), Asian (16.7%), Hispanic (5.6%), Black (2.2%), American Indian (0.5%), and those comprising two or more races (4.4%).





Appendix G

City Council Members

Pam Pruitt, Mayor, Position #4

Pruitt has been a resident of Mill Creek's Cottonwood neighborhood since 1980. She first joined the City Council in 1988, serving until 1995; during that time, she served as mayor in 1992-1993. Though involved in the community in the intervening time, she once again felt compelled to serve officially. She was re-elected in 2013, and has served as mayor since then. Pruitt's commitment to public service is focused on making things better for people in Mill Creek. She thrives on building relationships, and has done so in the community through her service on the Park Board, the SNOCOM Dispatch Board and the Snohomish County Emergency Radio System Board. In her spare time, she likes to knit hats for chemo kids, write and talk with community members she encounters while walking around Mill Creek. She holds degrees from the University of Washington in economics and political science. Her term expires Dec. 31, 2021.



Brian Holtzclaw, Mayor Pro Tem, Council Position #3

Holtzclaw moved into Mill Creek's Brighton neighborhood in October 2003. With a background in real estate development law, he has been interested



in land-use and development issues for years. In 2014, he joined the City Council to bring oversight to the existing administration, to help address community concerns and to shape the community's growth. One priority for him is for the Council to move forward with a decision on what to do with the undeveloped property owned by the City adjacent to the Mill Creek Sports Park. He also seeks collaborative partnerships with other entities within Snohomish County to determine how to best address the needs of Mill Creek in a way that bolsters the City's economic development and tourism offerings. Holtzclaw is in-house legal counsel for a home building - land development company focusing on land-use and real-estate development issues. He obtained his law degree at the University of Puget Sound (now Seattle University). He also holds a degree in economics from Whitman College. When not focusing on law or City matters, he is an avid cyclist. His term expires Dec. 31, 2021.



John Steckler, Council Position #1

Steckler is a 22-year resident of Mill Creek. Steckler and his wife fell in love with Mill Creek when they were looking for a place in which to raise their family. It was more than a place to live; Steckler and his family have established their roots in Mill Creek. As such, he decided to give back as much to the community as he could. Steckler has volunteered for many years in the local schools and scouting organizations. He is a Rotarian, as well as a charter member and board member of the newly formed Kiwanis Club of Mill Creek. After a deeply satisfying career in sales, marketing and operations, Steckler is semi-retired, but provides freelance consulting work in strategic planning and marketing for small- and mid-sized companies. His professional passion is to foster strategic growth wherever he has opportunity. The City of Mill Creek is no exception. Appointed to fill a vacancy in 2018, Steckler sees an opportunity to position the City for long-term success while ensuring it grows in the right way. He earned a bachelor's degree from the University of Washington. In his free time, he enjoys activities on the water including boating and fishing. He also is active in theater arts. His term expires upon certification of the general election in 2019.



Vince Cavaleri, Council Position #5

Cavaleri moved to the Webster's Pond neighborhood of Mill Creek in 2004. In 2015, he was appointed to a vacant position on the City Council. Cavaleri subsequently was elected to a four-year term in November 2015. His service stems from a desire to be a fiscal representative for the community; he strives to ensure the City provides a superior level of service without implementing high taxes. During his tenure, the City has balanced its budget and saved millions of dollars on the City Hall and Annex renovation. A long-time deputy with the Snohomish County Sheriff's Office, he also is passionate about keeping citizens safe without intruding on their civil liberties, and approaches decisions from this mindset. Cavaleri is a parks and recreation liaison for the City, advocating for green open spaces that are a clean and appropriate for all ages. He also serves on the Water Resource Inventory Areas 8 board, which handles surface water and ecological issues. During his down time, Cavaleri enjoys physical activities like hiking, biking, hot yoga and working out. His term expires Dec. 31, 2019.



Vacant, Council Position #2

This position was vacated as of December 31, 2018, when Jared Mead resigned his position due to his election to the Washington State Legislature.



Mike Todd, Council Position #6

Todd is a long-time resident of the Springtree neighborhood, where he moved in 1983. His civic participation developed from a desire to help obtain more soccer fields for the local soccer club when he was serving as a soccer coach and club administrator. He is a strong believer in citizens being engaged in local efforts that benefit their community. In 1999, he joined a task force to help develop Metropolitan Parks District. That work led to his involvement with the Parks Board. In 2005, he was selected to fill a Council position due to a mid-term vacancy. He has served on the council ever since, including two terms as mayor from 2010 through 2014. He strives to help the City be involved in broader regional matters as he seeks to develop interagency partnerships. In that vein, he serves on the Puget Sound Regional Council, the Snohomish County Cities nonprofit organization, the Community Transit Board and the North Puget Sound Soccer League. He earned a master's degree in mechanical engineering and a bachelor's degree in electrical engineering from Stanford University, and worked at Fluke in Everett. In his downtime, he still enjoys playing soccer. His term expires Dec. 31, 2019.

**Mark Bond, Council Position #7**

Bond's affinity for public service came early on in life. Unsure of a career path and seeking something that would make him happy down the road, he went on a 10-hour police ride-along. Bond was hooked. He tested for police work as soon as he was able and joined the Mill Creek Police Department in 1990, where he served the City for 11 years. He joined the Snohomish County Sheriff's Office in 2001, where he still works. At that time, he moved into the Highland Trails neighborhood. In 2004, Bond was first elected to the City Council. His tenure has been marked by humble service. He credits early City administrations for paving the way for the City to weather financial difficulties. Now, he seeks to ensure financial stability for the future. In addition, his passion for public safety helps guide the counsel on decisions impacting the life, health and property of community members. In addition to his council role, he serves on the Snohomish County Health District and the Joint Fire Board. Bond attended Shoreline Community College. In his down time, he enjoys strategy games. His term expires Dec. 31, 2019.



Appendix H

Fiscal Policy

General Financial Goals

- A. To provide a financial base sufficient to sustain municipal services and maintain the social and physical conditions of the City.
- B. To be able to withstand local and regional economic downturns, to adjust to changes in service requirements and to respond to other changes as they affect the community.
- C. To maintain an excellent credit rating in the financial community and assure taxpayers that the City of Mill Creek is maintained in sound fiscal condition.
- C. Revenues and expenditures for the General Fund, and all operating funds, shall be projected for the ensuing biennium.
- D. Biennial operating budgets should provide for design, construction, maintenance and replacement of the City's capital and equipment consistent with the Capital Improvement Plan, including the related costs for operating such new facilities.
- E. The City will maintain all of its assets at a level such that it protects the City's capital investment and minimizes future maintenance and replacement costs.

Operating Budget Policies

- A. The base operating budget is the City's comprehensive two-year financial plan which provides for the desired level of City services as defined by the City's priorities.
- B. The goals of the budgeting process are:
 - Align the budget with citizen priorities.
 - Measure progress towards priorities.
 - Get the best value for each tax dollar.
 - Foster continuous learning in the City.
 - Build regional cooperation.
- F. All general government current operating expenditures will be paid from current revenues and cash carried over from the prior biennium.
- G. Reports on revenues and expenditures will be prepared monthly and reviewed quarterly by the City Council during the year.
- H. The City will avoid budgetary and accounting procedures which balance the current budget at the expense of future budgets.
- I. The City of Mill Creek defines a balanced budget as current biennium revenues (including fund balances) equal to or greater than current biennium budgeted expenditures.



- J. The City will attempt to utilize beginning balances and other one-time revenues only for one-time/non-recurring expenditures.
- K. All supplemental appropriations for programs (appropriations requested after the original budget is adopted) will be considered as a result of the availability of new revenues (such as unanticipated grants). All supplemental appropriations will conform to these operating budget policies.

Revenue Policies

- A. The City will strive to maintain a diversified and stable revenue system to shelter it from short-run fluctuations in any one revenue source. The revenue mix should combine elastic and inelastic revenue sources to minimize the effect of an economic downturn.
- B. Because revenues, especially those of the General Fund, are sensitive to both local and regional economic activities, revenue estimates provided to the City Council shall be conservative.
- C. The City will estimate its biennial revenues by an objective, analytical process using best practices as defined by the Government Finance Officers Association.
- D. The City will project revenues for the next six years and will update this projection biennially. The City Manager will biennially review and make available to the City Council an analysis of each potential major revenue source.



- E. The City will establish all user charges at a level related to the cost of providing the service and within policy parameters established by the City Council.
- F. In each odd numbered year, the City will review user fees to adjust for the effects of inflation and other factors as appropriate. The City will set fees for user activities, such as recreational services, at a level to support the direct and indirect costs of the activity in accordance with cost recovery policies adopted by the City Council.
- G. The City will set fees and user charges for each enterprise fund at a level that fully supports the total direct and indirect cost of the activity including the cost of annual depreciation of capital assets.



Expenditure Policies

- A. The City budget will provide for a sustainable level of service as defined in the context of the operating budget policies.
- B. The City's operating budget will not use one-time revenues to support ongoing expenditures.
- C. The City will maintain expenditure categories according to state statute and administrative regulation.
- D. The City will structure service levels in the context of financial sustainability.
- E. The City will forecast its General Fund expenditures biennially for the next six years. The drivers and assumptions used in the forecast will be described.
- F. A cost allocation plan will be developed and incorporated into the City budget. The cost allocation plan will be the basis for distribution of general government costs to other funds or capital projects (also known as indirect costs).

Short-Term Debt Policies

- A. Short-term debt is defined as a period of three years or less.
- B. The City may use short-term debt to cover temporary cash flow shortages, which may be caused by a delay in receipting tax revenues or

issuing long-term debt. The City will not use short-term debt for current operations.

- C. The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of these funds will not impact the fund's current operations. All interfund short-term borrowing will be subject to Council approval by ordinance or resolution and will bear interest based upon prevailing rates.





Long-Term Debt Policies

- A. Long-term debt is that debt which exceeds three years.
- B. The City should utilize long-term borrowing for capital improvements that cannot reasonably be financed on a pay-as-you-go basis from anticipated cash flows.
- C. Acceptable uses of bond proceeds are items which can be capitalized and depreciated. Refunding bond issues designed to restructure currently outstanding debt is also an acceptable use of bond proceeds provided that the net present value (NPV) of saving is at least four percent (4%).
- D. The City will determine whether self-supporting bonds (such as special assessment improvement district bonds) are in the City's best interest when planning to incur debt to finance capital improvements.
- E. The City will not use long-term debt for current operations.
- F. The City will maintain good communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus including proactive compliance with disclosure to the secondary market.
- G. General Obligation Bond Policy
 - 1. Every project proposed for financing through general obligation debt shall be accompanied by a full analysis of the future operating and maintenance costs associated with the project.
 - 2. Bonds cannot be issued for a longer maturity schedule than a conservative estimate of the useful life of the asset to be financed.
- H. Financing of Lease Purchases
 - 1. Under Washington State law, the public may vote to approve bond issues for general government purposes in an amount not to exceed 2.5% of assessed valuation. Within the 2.5% limit, the Mill Creek City Council may approve bond issues and/or lease purchases up to 1.5% of the City's total assessed value. In addition, state law provides for an additional 2.5% of assessed valuation for parks and open space purposes with a vote of the public.



2. Lease purchase financing may be used when the cost of borrowing or other factors make it in the City's best interest.

Reserve Fund Policies

- A. The City should maintain General Operating Reserves at a level equal to at least 15% of the total General Fund budgeted revenue, excluding the beginning fund balance and any significant one-time revenue. These reserves shall be created and maintained to:
 1. Provide sufficient cash flow to meet daily financial needs.
 2. Sustain City services in the event of a catastrophic event such as a natural/manmade disaster (e.g., earthquake, windstorm, flood, terrorist attack) or a major downturn in the economy.
- B. Biennium surpluses in the General Fund should be used to fund one-time operations, capital expenditures or dedicated to the Capital Improvement Program if:
 1. There are surplus balances remaining after all current expenditure obligations and reserve requirements are met.
 2. The City has made a determination that revenues for the ensuing biennium are sufficient to support budgeted General Fund operations.
- C. A surplus is defined as the difference between the actual beginning fund balance and the budgeted beginning fund balance. It consists of under-expenditures and excess revenues over and above the amounts included in the biennial budget.
- D. The City should maintain operating reserves in the following funds:
 1. Surface Water Fund: 5%
 2. Annex Fund: 5%
- E. The City should additionally maintain an Equipment Replacement Fund for general asset replacement.
- F. The Unemployment Self Insurance Fund should be maintained to accumulate costs for unemployment claims in addition to covering the cost of insurance deductibles for property and auto insurance.



Special Revenue Policies

- A. The City should establish and maintain Special Revenue Funds which will be used to account for the proceeds of specific revenue sources to finance specified activities which are required by statute, ordinance, resolution, or executive order.
- B. Special Revenue Funds having biennial operating budgets will be reviewed by the City during the budget process.

Accounting, Auditing and Financial Reporting Policies

- A. The City will establish and maintain a high standard of internal controls and accounting practices. The City accounts for revenues and expenditures on a cash basis.
- B. The accounting system will maintain records on a basis consistent with accepted standards for local government accounting and the State of Washington Budgeting, Accounting and Reporting Systems.
- C. Regular quarterly and annual financial reports will present a summary of financial activity by major types of funds. Such reports will be available via the City's website (www.cityofmillcreek.com).
- D. A fixed asset system will be maintained to identify all City assets, their location and their condition.
- E. The City will ensure that City records are audited annually and will result in the issuance of a financial opinion. The results of such audit are to be available to the public via the City's website.

Budget Calendar

- A. In order to facilitate and implement the budget process, the City Manager will propose a biennial budget calendar at the first regular Council meeting in March in every even year.
- B. The calendar will be comprehensive in nature and generally provide for a process that resembles the Best Practices as published by the Government Finance Officers Association.

Basis of Accounting

The City uses a cash basis of accounting using the revenue and expenditure classifications contained in the *Cash Basis Budgeting, Accounting and Reporting System (BARS)* manual. This basis of accounting and reporting is prescribed by the State Auditor's Office under RCW 43.09.

This method of accounting only recognizes transactions when they affect cash. Under the cash basis of accounting, revenue and expenses are recorded when cash is actually paid or received. Cash accounting is relatively uniform, is well adapted to the needs of budgetary control and is easy to consolidate.



Appendix I

Glossary

AFSCME: The union representing administrative employees, fully named the Washington State Council of County and City Employees AFSCME/AFL-CIO (AFSCME).

Assessed Valuation (A/V): The value placed upon real and personal property by the County Assessor to levy annual property taxes.

AWC: The Association of Washington Cities.

Balanced Budget: A budget in which sufficient revenues are available to fund anticipated expenditures.

Bank Capacity: When the City levies less than the maximum levy amount allowed, it is allowed to retain the right to use that "banked" capacity at some future date.

Biennium: A two-year period for which the City budgets. The first year is an odd year, and the second year is an even year.

Budget Calendar: The schedule of key dates involved in the process of adopting and executing an adopted budget.

CALEA: The Commission on Accreditation for Law Enforcement Agencies.

Capital Improvements: Major projects requiring the expenditure of public funds over and above routine operating expenses. A capital project is defined as new, replacement of, or improvements to infrastructure (e.g., buildings, roads, parks) that has a minimum life expectancy of five years and a minimum cost of \$25,000.

Capital Improvement Plan (CIP): The City's method of programming improvements to the City's transportation, storm water, facilities and park infrastructure. The CIP is updated through a public process every two years prior to the biennial budget preparation.

CCTV: Closed-circuit television system used to transmit video surveillance. Used in connection with the City's Surface Water Utility.

City: The City of Mill Creek, Washington.

City Hall Municipal Campus: The City of Mill Creek campus consisting of City Hall South (main building) and City Hall North (formerly known as the Annex). It is located at 15728 and 15270 Main Street, respectively.

Consumer Price Index (CPI): A measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The index is used to measure the increase in the cost of living (economic inflation).



CPSM: The Center for Public Safety Management.

Debt Service: Principal and interest payments on debt incurred by the City.

Deficit: The excess of expenditures over revenues.

Dobson-Remillard Property: Ten acres of land owned by the City and located immediately west of the Mill Creek Sports Park along North Creek Drive.

EGUV: The East Gateway Urban Village, a master-planned development on the east side of Mill Creek along 132nd Street SE between 35th Avenue SE and Seattle Hill Road.

EMS: Emergency Medical Services, as provided by Snohomish County Fire District 7.

Expenditure: An expense or charge against available funds.

Fees: A charge to cover the cost of a service (e.g., building inspection fee, recreation fee, zoning fee).

Full-Time Equivalent (FTE): The ratio units equivalent to an employee working full-time. One FTE is equivalent to one employee working full time, and two .5 FTEs are equivalent to one employee working full time.

Fund: An accounting entity designed to separately track the expenses and revenues of a particular program or service. Funds are classified according to type: general, enterprise, debt service, etc. The expenses and revenues are accounted for according to generally accepted accounting principles.



General Fund: The primary operating fund of the City. General Fund revenues include property taxes, retail sales tax, licenses and permits, charges for services, and other locally generated types of revenue. The fund provides general purpose governmental services such as police and fire services, park maintenance and facilities, general finance and administration.

GFOA: The Government Finance Officers Association.

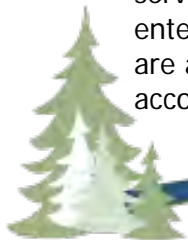
Guild: The Mill Creek Police Officers' Guild, representing the non-sergeants and sergeants bargaining unit.

HRIS: A Human Resources Information System.

ICMA: The International City/County Management Association.

Interfund Loan: A loan made from one of the City's funds to another City-owned fund.

JLARC: The Washington State Joint Legislative Audit and Review Committee.



Levy: An imposed tax, which in this document refers to property and EMS taxes.

Lexipol: A policy training for public safety organizations.

Local Government Investment Pool (LGIP): A state or local government pool offered to public entities for the investment of public funds.

Maintenance and Operation Costs: The day to day operation and maintenance costs of a municipality include such things as professional services, gas and electric utility bills, telephone expense, reproduction costs, postage and vehicle maintenance.

MCMC: The Mill Creek Municipal Code.

MRSC: The Municipal Research and Services Council, a nonprofit that provides help to local government in Washington State.

PSRC: The Puget Sound Regional Council.

Reserves: An account used to indicate that a portion of a fund's assets is dedicated for or legally restricted to a specific purpose and is, therefore, not available for general appropriation.

Revenues: The income generated from sale of goods or services, or any other use of capital or assets, associated with the main operations of an organization before any costs or expenses are deducted.

RFP: A request for proposals is a document that the City creates to outline the requirements for a specific project. It uses the RFP process to solicit bids from qualified vendors and identify which vendor might be the best-qualified to complete the project.

Surface Water: Water that collects on the surface of the ground.

Surface Water Utility: The City's self-supporting utility that provides surface water services.

WASPC: The Washington Association of Sheriffs and Police Chiefs.



Appendix J

2019-2024 Capital Improvement Plan



Capital Improvement Plan 2019-2024



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City Manager Letter

October 24, 2018

Honorable Mayor and Councilmembers
City of Mill Creek

SUBJECT: Adopted 2019-2024 Capital Improvement Plan

I am pleased to present the City's adopted 2019-2024 Capital Improvement Plan (CIP). This comprehensive CIP includes projects and funding that will have a positive and lasting impact for the Mill Creek community for decades to come. Some of the key projects within the CIP include:

- Mill Creek Sports Park Turf & Light Replacement
- Pavement Preservation (increased funding)
- Planning/Vision Process for Mill Creek Boulevard
- Surface Water Aging Infrastructure Program

This plan is a living document, highly dependent on the present economic conditions and is subject to changes. Capital projects can impact future operating budgets either positively or negatively due to an increase or decrease in staffing, maintenance costs, or by providing capacity for new programs or services.

There are a number of policies that are included in this CIP that provide guidance for not just the next six-year term but future CIPs planning horizons. The key policy changes in this year's CIP include the following:

- A. This CIP focuses on those projects that have secured funding or a high degree of confidence that funding will be obtained. This allows the City to provide a realistic plan for funding the City's most important capital investments wisely and most efficiently. There is also value in listing those capital projects within a CIP that are not fully funded and may at this time be a lower priority or considered aspirational. These projects that don't have a secured funding source have been identified in a separate part of the CIP.
- B. Another new policy change is the transfer of a portion of the City's General Fund Reserve above an amount which is needed to respond to economic fluctuations, cash flow needs, and catastrophic events. The City's adopted policy is to maintain a General Fund Operating Reserve equal to at least 15% of the total biennial General Fund budgeted revenue. At the end of 2018, 33% of all reserve funds above the General Fund Reserve minimum be transferred to the CIP for capital project investment. The rationale for this transfer is to better align and allocate previous tax payer dollars or one-time funds associated with development toward a capital



project providing community benefits to those who paid for the benefits within a reasonable time frame. This one-time transfer is \$829,703. With this transfer, the General Fund Reserve is projected to be 21% of General Fund budgeted revenue.

- C. The City's current policy is to transfer one time revenues into the CIP on an annual basis. One-time revenues are those which are not expected to reoccur, such as development related revenues (e.g., construction sales tax and permit fees). To implement this policy and transfer, management will analyze funds that are one time for inclusion in the CIP, recognizing that the City receives a base and recurring amount of development related revenues that should be excluded from any transfer. This transfer shall be further contingent on the City maintaining a 15% committed General Fund operating reserve. The City will transfer \$400,000 as one-time revenue in the CIP.
- D. The CIP includes the creation of a "CIP Contingency Fund." A minimum of 10% of projected revenues from Real Estate Excise Tax (REET) should be designated as a CIP Contingency Fund to be used to support transportation, parks and trails, and City facilities and equipment. REET revenue receipts fluctuate from year to year. Although staff projects revenues realistically, it is prudent to establish an adequate reserve as CIP Contingency Funds and not allocate these revenues until the funds are actually received. Only at Council discretion can these funds be appropriated toward currently unidentified projects or increases in planned projects.

- E. Projects included within the CIP require expenditure of public funds over and above routine operating expenses and are defined as new, replacement of, or improvements to infrastructure (e.g., buildings, roads, parks, etc.) that have a minimum life expectancy of five years and a minimum cost of \$25,000. Previously, projects of \$5,000 or more were included in the CIP.

The CIP continues to incorporate the following fundamental elements:

- Consideration of community needs
- Availability of sufficient revenue
- Coordination of projects and project timelines
- Availability of sufficient staff and expertise to manage projects
- Maximization and leveraging of City revenues
- Adherence to sound financial strategies.

Accomplishment of a community vision requires community input, along with the professional expertise and steadfast contribution of City staff and the Mill Creek leadership. We believe this Capital Improvement Plan will pave the way for a positive and lasting influence on the City and surrounding area.

Respectfully submitted,



Robert S. Stowe
Interim City Manager



Ordinance Adopting the CIP

ORDINANCE NO. 2018-837

AN ORDINANCE OF THE CITY OF MILL CREEK, WASHINGTON, ADOPTING A REVISED AND UPDATED 6-YEAR CAPITAL IMPROVEMENT PLAN FOR YEARS 2019-2024 IN ACCORDANCE WITH THE CITY'S BIENNIAL BUDGET PROCESS, COMPREHENSIVE PLAN, AND GROWTH MANAGEMENT ACT.

WHEREAS, the City of Mill Creek utilizes a biennial budget system and will be adopting such budget with accompanying appropriations in 2018 for years 2019-2020; and

WHEREAS, in conjunction therewith the City routinely updates, revises, and adopts its 6-year capital improvement plan as required by the Growth Management Act and the City's Comprehensive Plan; and

WHEREAS, the City routinely adopts a capital improvement plan with a 6-year or longer planning horizon; and

WHEREAS, the City has updated and revised its annual 6-year capital improvement plan, attached hereto as **Exhibit A** (2019-2024 CIP), which includes specifically achievable and realistic capital projects with identified funding levels and sources consistent with revenue forecasts and anticipated budget appropriations; and

WHEREAS, the City plans to concurrently amend the capital facilities and transportation elements of its Comprehensive Plan in 2019 to complete the process of fully coordinating and integrating the capital improvement plan and the capital facilities and transportation elements; and

WHEREAS, the City Council finds that the 2019-2024 CIP meets the intent of the Growth Management Act;

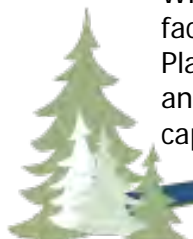
NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MILL CREEK, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. The City Council adopts the foregoing recitals as findings in support of the 2019-2024 Capital Improvement Plan.

Section 2. The 2019-2024 Capital Improvement Plan for the City of Mill Creek, attached hereto as **Exhibit A**, is adopted to take effect on January 1, 2019.

Section 3. The 2019-2024 Capital Improvement Plan is further adopted as the financing plan for the City's capital facility and transportation elements of the Mill Creek Comprehensive Plan.

Section 4. A summary of this ordinance, consisting of its title, shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after the date of publication.



Passed in open meeting this 23rd day of October, 2018 by a vote of 6 for, 0 against, 0 abstaining, and 1 absent.

APPROVED:

ATTEST/AUTHENTICATED:

Signed ordinance is online: www.cityofmillcreek.com/common/pages/DisplayFile.aspx?itemId=14746753

MAYOR PAM PRUITT

ACTING CITY CLERK GINA PFISTER

APPROVED AS TO FORM:

CITY ATTORNEY SCOTT MISSALL

FILED WITH THE CITY CLERK: 10/23/2018

PASSED BY THE CITY COUNCIL: 10/23/2018

PUBLISHED: 11/4/2018

EFFECTIVE DATE: 11/9/2018

ORDINANCE NO.: 2018-837



Executive Summary

Viable communities depend on good infrastructure planning and financing. Only with well thought out capital facilities plans are governments able to effectively and realistically provide for growth and a high quality of life.

The Capital Improvement Plan (CIP) is part of the state's Growth Management Act (GMA) requirement for cities and counties to approve and maintain a comprehensive plan that includes a capital facilities element consisting of an inventory of existing capital facilities, a forecast of future needs for facilities, a six-year plan for financing such facilities, and reassessment of the land use elements.

A CIP is an important tool for planning and managing the City's growth and development. This starts with developing a long-term financial forecast, identifying infrastructure improvements and development opportunities, and creating a vision for Mill Creek's future in light of Snohomish County's extraordinary growth.

Capital improvements are major projects requiring the expenditure of public funds over and above routine operating expenses. A capital project is defined as new, replacement of, or improvements to infrastructure (e.g., buildings, roads, parks) that has a minimum life

expectancy of five years and a minimum cost of \$25,000.

Many of these projects have long-term implications: they will have impacts on the operating budget or they are interconnected with other projects planned in the City. For planning purposes, it is necessary to discuss and consider projects and their operational and funding impacts in the context of more than one year. A long-term outlook provides an idea of what infrastructure needs may exist in the near future.

Such a CIP requires great forethought. As the City matures, its infrastructure is beginning to age and needs repairs and/or replacement. Other projects include system improvements or capacity-increasing projects.

If Council and staff anticipate that certain projects will be necessary in the coming years, they can begin planning and budgeting for them now, rather than being caught by surprise when the project is desperately needed and there is limited time to consider options.

The CIP presents a schedule of major capital improvements that are planned within the next six year period. Project design, land acquisition, and construction costs as well as the projected means of financing these costs are an integral component of this plan.



The GMA also requires that when making land-use designations, the City consider services and facilities provided to residents and businesses in our urban growth area. It is the responsibility of the City to monitor the status of development, population projections, and employment in the City in relation to facility needs.

A biennial review and update of the CIP, which contains a list of adopted capital projects including costs and projected revenues, allows us to review, plan and coordinate in relation to land-use activities, and ensure facilities are available when needed. Staff has evaluated the City's land-use designations and has structured the capital projects recommended in the CIP to meet the anticipated development needs.

Policies


A number of new and existing important policies provide guidance for the CIP that are included below.

New Policies

- **Secured Funding.** This CIP focuses on those projects that have secured funding or a high degree of confidence that funding will be obtained. This allows the City to provide a realistic plan for funding the City's most important capital investments wisely and most efficiently. Additional projects that don't have a secured funding source have been identified in a separate part of the CIP.
- **CIP Transfer.** Transfer of a portion of the City's General Fund Reserve above an amount which is needed to respond to economic fluctuations, cash flow needs, and catastrophic events. The City's adopted policy is to maintain a General Fund Operating Reserve equal to at least 15% of the total General Fund budgeted revenue. At the end of 2018, 33% of all reserve funds above the General Fund Reserve minimum be transferred to the CIP for capital project investment.
- **CIP Contingency Fund.** The CIP includes the creation of a "CIP Contingency Fund." A minimum of 10% of projected revenues from Real Estate Excise Tax (REET) should be designated for the CIP Contingency Fund to be used to support Transportation, Parks and Trails, and City Facilities

and Equipment. REET revenue receipts fluctuate from year to year. Although staff projects revenues realistically, it is prudent to establish an adequate reserve as CIP Contingency Funds and not allocate these revenues until the funds are actually received. Only at Council discretion can these funds be appropriated toward currently unidentified projects, toward approved projects that are underfunded or toward unexpected increases in planned projects.

Existing Policies

- The City will make all capital improvements in accordance with an adopted CIP.
 - The City will develop a multi-year plan for capital improvements and update it each biennium.
 - The City will enact a biennium capital budget based on the multi-year CIP. Future capital expenditures necessitated by changes in population, real estate development or economic base will be calculated and included in the capital budget projections.
 - The City will coordinate development of the capital improvements budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.
 - The City will use intergovernmental assistance to finance those capital improvements that are consistent with the CIP and City priorities, and whose operating and maintenance costs have been included in operating budget forecasts.
- 
- The City will maintain all its assets at a level adequate to protect its capital investment and to minimize future maintenance and replacement costs.
 - The City will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to the City Council for approval.
 - The City will determine the least costly financing method for all new projects.

Evaluation Criteria

The following criteria are used when evaluating and prioritizing capital projects. Projects are grouped by type (e.g., transportation projects, park and trail projects). The projects are then evaluated against both primary and secondary criteria to determine priority.

Primary Criteria

- The project prevents or eliminates a public hazard.
- The project eliminates existing capacity deficits.
- The project is requested by City ordinance, other laws or federal/state agencies.
- The project is essential to maintain current service levels affecting public health, safety and welfare.
- The project is financially feasible, meaning there is a funding source available and a verifiable cost estimate is provided.

Secondary Criteria

- The project is necessary to maintain current nonessential service levels.
- The project accommodates the public facility demands and vocational needs of redevelopment based on projected growth patterns.
- The project provides for special needs or enhances facilities/services.
- The project furthers the objectives of the City Council and Administration.



Outcomes of the Previous CIP

CIP Accomplishments in 2017-2018 Biennium

The City successfully implemented several CIP projects in the 2017-2018 biennium. These include:

- Citywide Computer Workstation Replacement, which replaced approximately 60 computer workstations and associated monitors.
- Data Backup System Replacement, which provided a current generation solution that better protects the City's data in the event of a hardware failure or catastrophic event.
- Server Room Update/Remodel, which was scaled back from the original plan to only include an updated fire suppression system due to the high cost.
- Security Information & Event Management Tool, which is software used to collect security and event logs from various IT devices to provide required auditing, alerting and reporting.
- Bridge Load Rating analysis, which evaluated the load-carrying capacity of the four City-owned bridges over 20 feet in length.
- Seattle Hill Road Widening with Snohomish County, which was completed in August 2018. This project widened the road to three lanes with bike lanes, curb and sidewalk, street lights and drainage facilities between 132nd Street SE and 35th Avenue SE.
- Police/Engineering Total Station, which is comprehensive equipment to be used for collision, crime scene and engineering purposes; the City has purchased this equipment and it should be delivered by early 2019.
- City Hall North HVAC Control System, which replaced the control system and several heat pumps.
- Chipper purchase, which replaced the previous wood chipper used by the Public Works maintenance crew.
- Sweetwater Ranch emergency surface water repair project.



Continuing Projects

In addition to the projects funded as part of the 2019-2024 CIP, there are a number of active projects that are currently funded and underway that were approved as part of a prior CIP process.

These continuing projects and amounts previously allocated include:

- Gateway Improvement, which will update and unify the City's brand while providing vibrant, visually appealing gateway entry features for the City.
- 35th Avenue Reconstruction project, for which construction began in June 2018 and which is anticipated to be completed in winter 2019.
- Citywide Traffic Signal Updates, which includes installing new pedestrian pushbutton systems and conflict monitors.
- Seattle Hill Road Preservation project to repave Mill Creek Road and Seattle Hill Road between Village Green Drive and 35th Avenue SE. We have obtained Federal grant funds, which are obligated and available for construction in 2019.
- Exploration Park (previously called North Pointe Park) Design and Construction documents. The project was designed, but was deferred due to the high cost of the initial bids. It is slated to continue in the next biennium.
- Mill Creek Sports Park Turf & Light Replacement, which is currently underway and anticipated to be




completed in winter 2019. Construction was delayed to accommodate user schedules during high-use periods.

- Public Works Shop project. To carefully ensure this shop aligns with the City's long-term needs, the City will undertake a study to identify best options for a future Public Works Shop.
- City Hall North Roof and Seismic Retrofit project needs additional research to determine full need. It is incorporated into the 2019-2024 budget. Additional structural design needs to be conducted.

Projects Removed from the CIP

Projects in the previous CIP, but not included in the 2019-2024 CIP include:

- Mobile Device Data Management and Encryption project. The mobile device data management portion of the project was completed, but not the encryption piece due to time constraints. This project will continue in the next biennium and has been budgeted in the General Fund.
 - City Hall Campus Wireless Access project. The City Manager reprioritized this project to begin in 2018; it will be completed in 2019 as an operating expense.
 - Mill Creek Fire Station project, which was the option to purchase the Fire Station pursuant to Section 8.3.3 of the original agreement. This option was not executed due to the successful new contract agreement with Snohomish County Fire 7 for EMS and fire services.
 - 164th Street Corridor Adaptive Signal System is partially completed. The adaptive signal on SR 527 was done in anticipation of Community Transit's Green Line. Two other adaptive signals are slated to be completed in the next 2019-2024 CIP: one at the intersection of 164th Street SE and Mill Creek Blvd; and one at the intersection of Mill Creek Blvd and Main Street. The City has an ILA with the County; its contribution to the ILA is less than \$25,000 and Snohomish County is the lead on the project.
- 
- Cougar Park, Phase 2. This project was not completed. It is currently not in the comprehensive plan and not in the 2019-2024 CIP.
 - Armory Parts Washer. The Police Department was able to acquire a parts washer at zero cost from another jurisdiction's surplus inventory. Therefore, this item was removed from the CIP.
 - The purchase of four vehicles/accessories was removed from the CIP, as they fall under the Equipment Replacement Fund. This includes a dump trailer, right of way inspector vehicle, maintenance crew vehicle, and flatbed truck.

Grants

The City received millions of dollars in grants for projects included in the previous CIP. Following is a list of grants that were awarded to the City in the past two years:

For the 35th Avenue Reconstruction Project

- State Grants: \$5,250,000
- Snohomish County Small Projects Partnership Grant: \$50,000

Mill Creek Sports Park Refurbishment

- State Recreation Conservation Office Grant: \$250,000
- Snohomish County Grant: \$100,000

Stormwater CIP

- Washington State Department of Ecology Grant: \$50,000

Grants received for work in the previous biennium totaled \$5,700,000.



Development of the 2019-2024 CIP

New Project Identification

In preparation for the 2019-2024 CIP development process, staff identified continuing projects and solicited new project ideas from the community through the following outreach opportunities:

- Park and Recreation Board
- Art and Beautification Board
- Neighborhood Focus Group
- HOA and Community Association Meetings
- Senior Center Focus Group
- *City Connection* readership
- Press release to local media for news articles
- Social media audiences
- City's Web-based Citizen Response Tool (AKA Request Tracker)

City staff then reviewed and prioritized ideas to develop the Capital Improvement Plan. In addition to the primary and secondary criteria used in evaluating proposed projects, staff applied the following:

- Alignment with the overall Comprehensive Plan.
- Available funding (including estimated funding) during the six years (e.g., grant or match), extra funding.
- Alignment with City Goals.
- Public support.

- Extent of Service, such as how many people will benefit or how many residents will be inconvenienced/harmed because the project has not been done.

The 2019-2024 Capital Improvement Plan includes 27 funded projects for a total of \$19,270,140. This is the same number of projects as the previous CIP, but with a larger programmatic focus (e.g., pavement preservation) instead of one-off projects. This results in an increased cost of \$9,342,108 (94.10%) over the previous CIP.

Key factors driving this increase are as follows.

- Inflation
- Market Conditions (e.g., bidding market)
- In the previous CIP, there was design work for projects that would be constructed in the 2019-2024 CIP; construction costs are much higher than design.
- The Surface Water Program is new and has significant infrastructure repair or replacement costs.
- The Pavement Preservation and Rehabilitation Program relaunches a program that was not included in the previous CIP.

The CIP worksheets in this plan identify project descriptions, how the project aligns with City priorities, provides a justification for the project, and identifies previous and continuing expenditures, anticipated maintenance and operations impacts, and revenue sources.

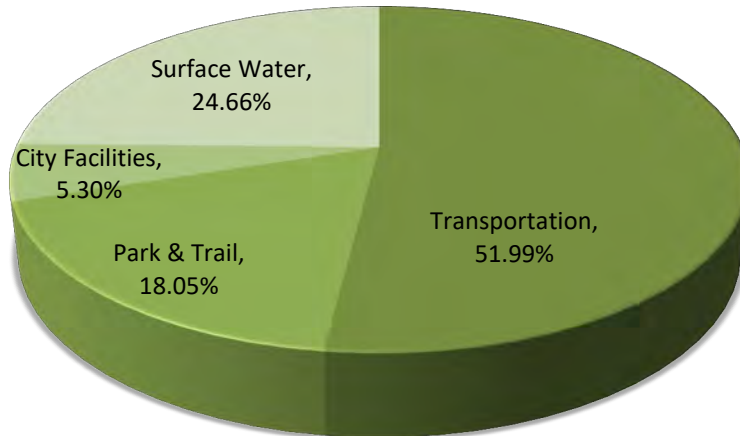


CIP Project Categories

The CIP projects are organized into four categories:

- Transportation projects, which include improvements to streets, intersections, pedestrian safety, public transit and non-motorized facilities.
- Park and Trail projects, which include park and recreational facilities and open space lands.
- City Facilities projects, which include improvements of general government facilities, and property construction and renovation.
- Surface Water projects, which provide infrastructure rehabilitation and replacement, as well as surface water treatment.

This structure assists City staff with tracking and managing projects by funding source and function. The chart below shows the relative size of the project categories in the 2019-2024 CIP.



Grant Funding for New Projects

Grant funding has been received or is anticipated for the new projects identified for the 2019-2024 CIP.

- *Seattle Hill Road Pavement Preservation*
Federal Grant: \$720,000
- *35th Avenue SE Pavement Preservation*
Federal Grant: \$504,208
- *132nd Street SE Mid-Block Crossing Improvements (HAWK)*
State Grant: \$675,000
- *Exploration Park*
Snohomish County Grant: \$100,000
- *Public Works Shop*
State Grant: \$250,000
(The City is requesting an extension on this grant)

These grants total \$2,249,208 in funding that otherwise would have to come from City funds.

Financial Element of the CIP



Fiscal Analysis

Analyzing and projecting City revenues over a six-year period is accomplished through a comprehensive examination of historical revenue trends, studying regional economic indicators, and having a strong understanding of the City's fiscal position and planned growth. It is also important to have sound knowledge of which revenue streams are fairly reliable and which experience large fluctuations, such as those derived from permit and mitigation fees.

Funding sources along with the assumptions used to build potential financing scenarios are described below.

General Fund Reserve Transfer

Under the City's General Fund Reserve policy, the City must maintain a General Fund Reserve balance of 15% of total General Fund revenue, which is \$4,251,750 based on 2019-2020 revenue.

The estimated balance as of the end of 2020 is \$6,766,000 or 24% of revenues. In light of the high balance, as well as the City infrastructure repair and replacement needs identified in the 2019-2024 CIP, 33% of all reserve funds anticipated at the end of 2020 *above* the General Fund Reserve minimum of 15% will be transferred to the CIP for capital project investment. This is a one-time transfer of \$829,703 into the CIP from the General Fund.

The General Fund Reserve balance following this one-time General Fund Reserve Transfer and the One-Time Revenue Transfer (see below), will be \$5,936,298 or 21% of General Fund revenue.

One-Time Revenue Transfers

The City's current policy is to transfer one-time revenues into the CIP on an annual basis. One-time revenues are those which are not expected to reoccur, such as development related revenues (e.g., construction sales tax and permit fees). In 2018, the one-time revenue transfer is \$400,000.

Capital Projects Funds

These funds account for financial resources related capital projects. Capital improvements are major projects requiring the expenditure of public funds over and above routine operating expenses. A capital project is defined as new, replacement of, or improvements to infrastructure (e.g., buildings, roads, parks) that has a minimum life expectancy of five years and a minimum cost of \$25,000.

- **Real Estate Excise Tax (REET):** This tax is levied on all sales of real estate. There are two pieces REET1 and REET2; both halves (.25% each) can be used only for capital projects as defined in RCW 82.46.010 (REET1) and 82.46.035 (REET2). Use is restricted to the Capital Improvement Plan projects.



- **Capital Improvement Fund:** This fund is for capital improvement projects not funded elsewhere in the budget. This is the “savings” account for capital projects as identified in the Capital Improvement Plan. REET funds are moved into this fund. Capital improvement costs may include acquisition, development, engineering, architectural, or other related costs.
- **Park Improvement Fund:** Park mitigation fees are one-time charges assessed by local governments against a new development project to help pay for new or expanded public facilities that will directly address the increased demand created by that development.
- **Road Improvement Fund:** This fund contains monies dedicated for the improvement of roads, bridges and sidewalks. Typical projects include road and intersection improvements; pavement preservation on arterial streets and highways; pedestrian and bicycle access improvements and bridges. Revenue may come from mitigation fees paid by developers. These fees support the cost of new infrastructure needed to support increased capacity created by the new growth and development. Other projects mentioned above may be supported by REET or the General Fund.

Special Revenue Funds

- **Municipal Art Fund:** This fund was created in order to fund the selection, acquisition and/or installation of works of art in accordance with MCMC 3.28.010. In the 2019-2024 CIP, the applicable projects from which 1% shall be transferred into the Municipal Art Fund include Exploration Park, park restroom/picnic shelter room replacement, City Hall North roof and seismic retrofit, and City Hall North HVAC. The projects have a combined total of \$2 million, providing for a \$20,000 revenue transfer into the Municipal Art Fund.



Proprietary Funds

More than anything, proprietary funds operate like a business. They pertain to providing goods or services to the general public. It covers the services which are important but not essential to the way a government runs. Proprietary funds include:

- **Surface Water Utility:** This is an enterprise fund for the operation and capital improvement projects of the surface water utility. It is a self-supporting government fund that provides goods and services to the public for a fee – in this instance surface water services. Revenue comes from user fees billed to all properties in the City based upon equivalent residential units. Reserves in this fund can only be spent for surface water purposes. A rate study currently is underway and new rates will be proposed for 2019-2020 and beyond.

Bonds

Bond revenue is available to finance capital projects through two sources: general obligation bonds and revenue bonds. General obligation bonds are backed by the value of the property within the jurisdiction and require a scheduled repayment of the debt. General obligation bonds are either non-voted (Councilmanic) or voter-approved.

Under Washington State law, general government debt is restricted to 2.5% of a jurisdiction's taxable assessed value of property for general purpose bonds. In 2018, this equates to nearly \$103 million. Of this amount, \$62 million may be in the form of Councilmanic bonds.

Councilmanic bonds are authorized by the jurisdiction's legislative body without the need for voter approval. Principal and interest payments come from general government revenues, without an increase in taxes; for instance, REET revenue can be designated to pay for a Councilmanic bond. Voter-approved bonds on the other hand produce "new monies" by increasing the property tax rate proportionate to the annual debt service on the bond.

Public Works Trust Fund Loans

State of Washington's Public Works Board provides low interest loans (0.5% to 2.55%) to local governments to finance public infrastructure improvements. These loans are provided under the Public Works Trust Fund Program and offer lower than market rates payable over periods ranging to a maximum of 20 years.

Grants

The City earnestly seeks federal, state and local grant opportunities to help finance City projects. Historically, the City has been very successful obtaining grants, especially for transportation projects. The grant funding included in the Plan has either been approved by the grantor or has successfully and routinely been obtained by the City for like projects in the past.

Other revenue sources include a variety of known or reasonably expected one-time funding sources, such as contributions by others. The City often partners with other jurisdictions such as Snohomish County, Community Transit and other entities to fund projects that benefit the citizens of Mill Creek. As shown previously, grant funding secured for projects in the 2019-2024 CIP totals \$2,249,208. This is 12.7% of the total amount projected during the CIP period.

Fund Balances

Year-End Fund Balance*	2018	2019	2020	2021	2022	2023	2024
Park & Trails	\$ 13,000	\$ 3,000	\$ 7,000	\$ 11,000	\$ 15,000	\$ 19,000	\$ 23,000
REET	\$ 4,397,969	\$ 2,171,469	\$ 1,311,469	\$ 780,677	\$ 460,677	\$ (189,323)	\$ (470,823)
CIP Contingency Funds*	\$ 240,000	\$ 315,000	\$ 390,000	\$ 440,000	\$ 490,000	\$ 540,000	\$ 590,000
Municipal Arts*	\$ 37,000	\$ 49,500	\$ 31,500	\$ 31,500	\$ 32,000	\$ 32,000	\$ 32,000
City Hall North	\$ 525,000	\$ 545,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000
CIP	\$ 1,402,940	\$ 1,400,900	\$ 1,153,000	\$ 995,300	\$ 155,300	\$ 294,100	\$ 125,600
Park Improvement	\$ 2,990,200	\$ 1,889,000	\$ 1,902,800	\$ 1,916,700	\$ 1,930,600	\$ 1,944,400	\$ 1,958,300
Road Improvement	\$ 2,218,000	\$ 1,822,000	\$ 2,999,000	\$ 3,024,000	\$ 3,049,000	\$ 3,074,000	\$ 3,099,000
Surface Water*	\$ 470,000	\$ (467,500)	\$ (1,217,500)	\$ (1,967,500)	\$ (2,717,500)	\$ (3,467,500)	\$ (4,217,500)

*Notes:

• Year-End Fund Balances

Balances 12/31 of the year noted. The balances reflect annual revenues and deduct expenses reflected in the 2019-2024 CIP.

• CIP Contingency Fund

As noted in the City Manager Letter, the CIP includes the creation of a CIP Contingency Fund, which this year includes 10% of projected revenues from REET. This amount at the end of 2018 is \$240,000. Ending fund balance for subsequent years are projected. It is anticipated that this CIP Contingency Fund will be used to address a shortfall in REET in the 2019-2024 CIP period.

• Municipal Arts Fund

In accordance with Mill Creek Municipal Code, 1% of applicable municipal construction projects paid for wholly or in part by the City have been added to the Municipal Arts Fund. The year-end balance in 2018 is \$37,000.

• Surface Water Utility

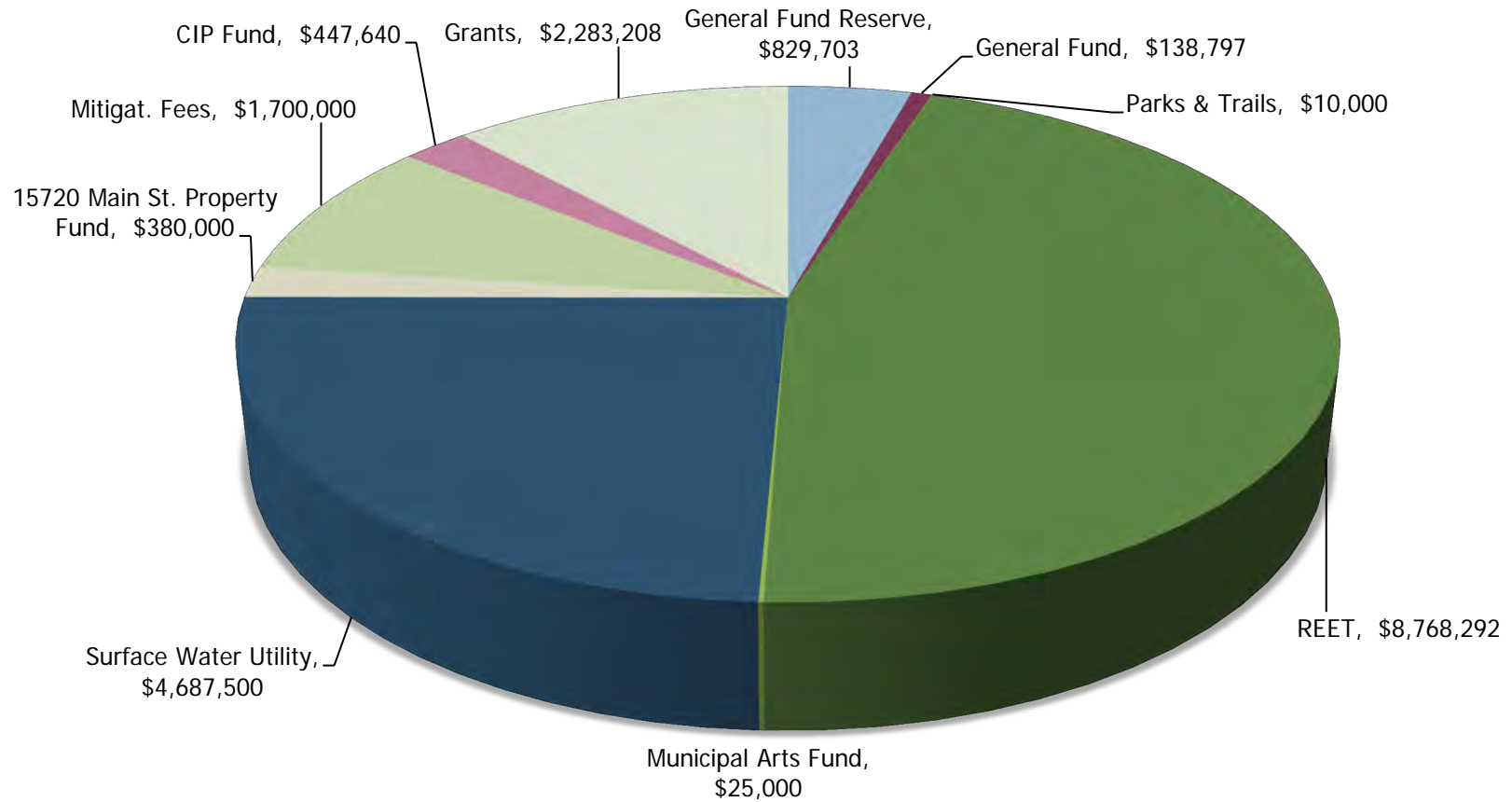
As identified on page 59, a rate study currently is underway for the Surface Water Utility and new rates will be proposed prior to the adoption of the City's 2019-2020 Budget. Until such rate has been approved, this fiscal analysis does not incorporate any change to the rate and therefore demonstrates a significant budget shortfall.



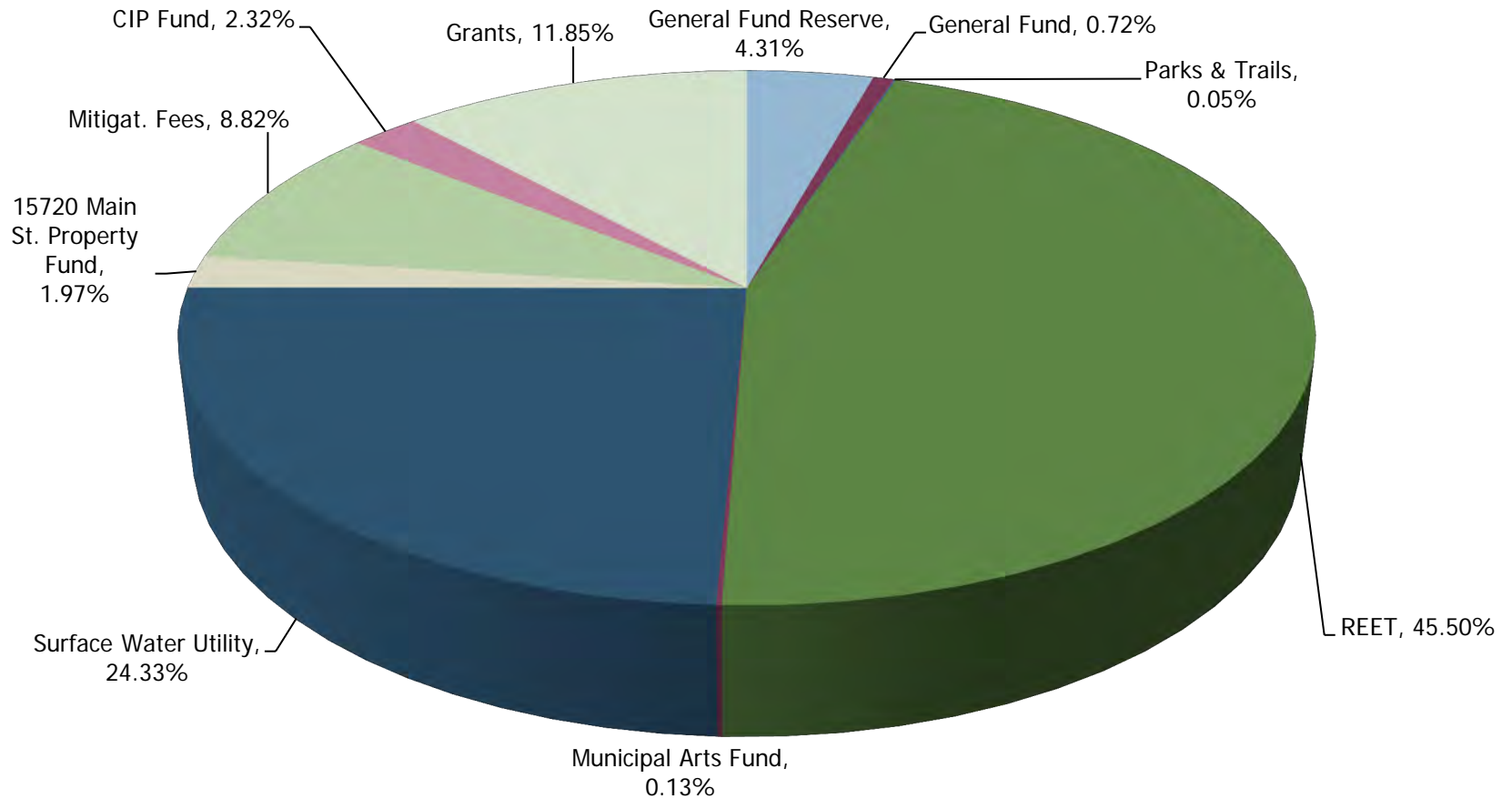
Projects by Funding Source

Project Name	General Fund Reserve	General Fund	Parks & Trails	REET	Municipal Arts Fund	Surface Water Utility	15720 Main St. Property Fund	Mitigat. Fees	CIP Fund	Grants	TOTAL
Transportation Projects											
35th Ave. SE Reconstruction Project				\$ 350,000							\$ 350,000
Seattle Hill Road Pavement Preservation				\$ 1,135,000						\$ 720,000	\$ 1,855,000
35th Avenue SE Pavement Preservation				\$ 645,792						\$ 504,208	\$ 1,150,000
132nd Street SE Mid-Block Crossing Improvements (HAWK)				\$ 75,000						\$ 675,000	\$ 750,000
Street Pavement Marking Program				\$ 700,000							\$ 700,000
Mill Creek Boulevard Corridor Improvements Study				\$ 250,000							\$ 250,000
Concrete Sidewalk Replacement Program				\$ 580,000							\$ 580,000
Pavement Preservation and Rehabilitation Program	\$ 668,500			\$ 2,536,500							\$ 3,205,000
Citywide Traffic Signal Upgrades				\$ 75,000							\$ 75,000
Bridge Monitoring & Improvement Program				\$ 600,000							\$ 600,000
EGUV "Spine Road" West Connection (Phase 1)								\$ 500,000			\$ 500,000
Traffic Safety and Calming Program				\$ 75,000							\$ 75,000
Transportation Project Totals	\$ 668,500		\$ -	\$ 7,022,292	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 1,899,208	\$ 10,090,000
Parks and Trail Projects											
Exploration Park								\$ 1,200,000		\$ 100,000	\$ 1,300,000
Mill Creek Sports Park Turf & Light Replacement				\$ 816,000						\$ 284,000	\$ 1,100,000
Heron Park Playarea Upgrades				\$ 410,000							\$ 410,000
Silver Crest Park Upgrade				\$ 350,000							\$ 350,000
Parks Restroom/Picnic Shelter Roof Replacement									\$ 100,000		\$ 100,000
Trail Preservation Program			\$ 10,000	\$ 85,000							\$ 95,000
North Creek Trail Study									\$ 75,000		\$ 75,000
Park and Trail Project Totals	\$ -		\$ 10,000	\$ 1,661,000	\$ -	\$ -	\$ -	\$ 1,200,000	\$ 175,000	\$ 384,000	\$ 3,430,000
City Facilities Projects											
City Hall North HVAC							\$ 80,000				\$ 80,000
Public Works Workshop Value Engineering Study									\$ 50,000		\$ 50,000
Entryway ADA Upgrades for City Hall and Library									\$ 40,000		\$ 40,000
Emergency Operations Center									\$ 59,640		\$ 59,640
Gateway and Presence Improvement				\$ 85,000					\$ 48,000		\$ 133,000
Historical Preservation Project					\$ 25,000						\$ 25,000
City Hall North Roof and Seismic Retrofit	\$ 161,203	\$ 138,797					\$ 300,000		\$ 75,000		\$ 675,000
City Facilities Project Totals	\$ 161,203	\$ 138,797	\$ -	\$ 85,000	\$ 25,000	\$ -	\$ 380,000	\$ -	\$ 272,640	\$ -	\$ 1,062,640
Storm Water Management Projects											
Surface Water Aging Infrastructure Program						\$ 4,687,500					\$ 4,687,500
Surface Water Project Totals	\$ -		\$ -	\$ -	\$ -	\$ 4,687,500	\$ -	\$ -	\$ -	\$ -	\$ 4,687,500
Funded CIP Totals All Project Categories	\$ 829,703	\$ 138,797	\$ 10,000	\$ 8,768,292	\$ 25,000	\$ 4,687,500	\$ 380,000	\$ 1,700,000	\$ 447,640	\$ 2,283,208	\$19,270,140

CIP Projects by Funding Source



Percentage of CIP Project Funding by Source

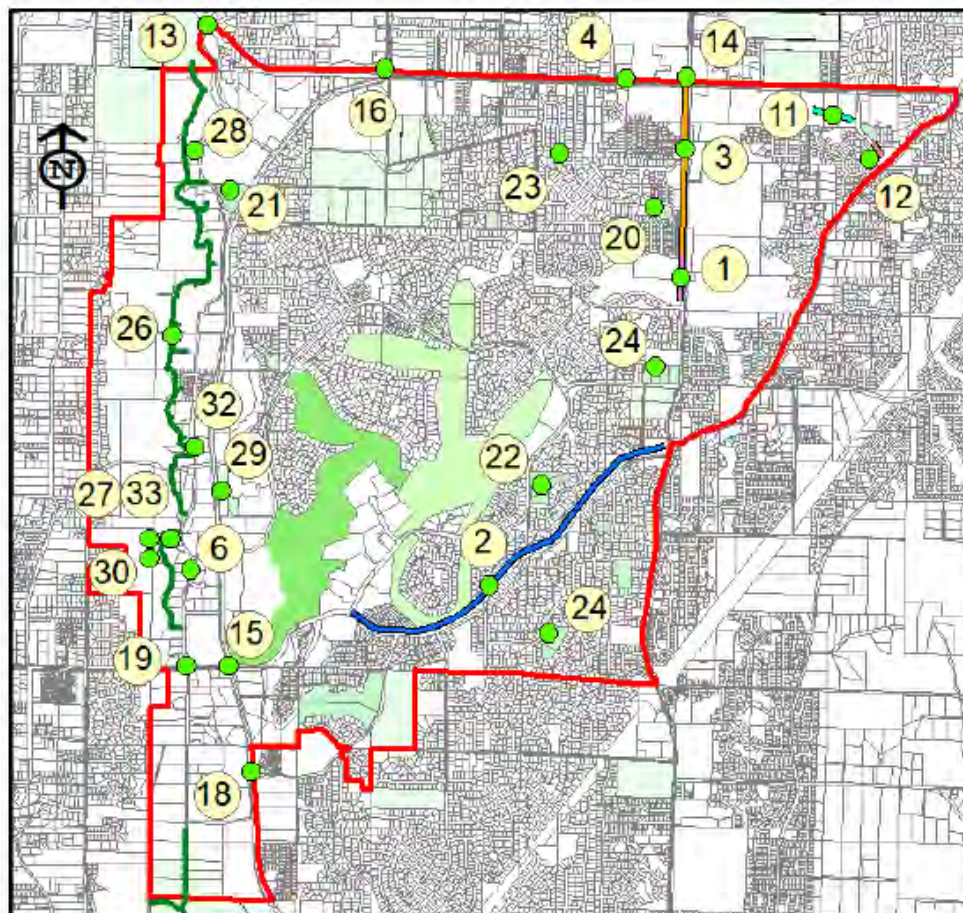


Capital Improvement Projects 2019-2024



Funded Project Listing

Project Name	Total	2019	2020	2021	2022	2023	2024
Transportation Projects							
35th Ave. SE Reconstruction Project	\$350,000	\$350,000					
Seattle Hill Road Pavement Preservation	\$1,855,000	\$1,855,000	\$0	\$0	\$0	\$0	\$0
35th Avenue SE Pavement Preservation	\$1,150,000	\$0	\$150,000	\$1,000,000	\$0	\$0	\$0
132nd Street SE Mid-Block Crossing Improvements (HAWK)	\$750,000	\$87,000	\$663,000	\$0	\$0	\$0	\$0
Street Pavement Marking Program	\$700,000	\$150,000	\$150,000	\$100,000	\$100,000	\$100,000	\$100,000
Mill Creek Boulevard Corridor Improvements Study	\$250,000	\$250,000					
Concrete Sidewalk Replacement Program	\$580,000	\$80,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Pavement Preservation and Rehabilitation Program	\$3,205,000	\$100,000	\$855,000	\$0	\$750,000	\$750,000	\$750,000
Citywide Traffic Signal Upgrades	\$75,000	\$0	\$75,000	\$0	\$0	\$0	\$0
Bridge Monitoring & Improvement Program	\$600,000	\$0	\$50,000	\$250,000	\$50,000	\$250,000	\$0
East Gateway Urban Village "Spine Road" West Connection (Phase 1)	\$500,000	\$500,000	\$0	\$0	\$0	\$0	\$0
Traffic Safety and Calming Program	\$75,000	\$0	\$25,000	\$0	\$25,000		\$25,000
Transportation Project Totals	\$10,090,000	\$3,372,000	\$2,068,000	\$1,450,000	\$1,025,000	\$1,200,000	\$975,000
Parks and Trail Projects							
Exploration Park	\$1,300,000	\$1,300,000	\$0	\$0	\$0	\$0	\$0
Mill Creek Sports Park Turf & Light Replacement	\$1,100,000	\$1,100,000	\$0	\$0	\$0	\$0	\$0
Heron Park Playarea Upgrades	\$410,000	\$50,000	\$360,000	\$0	\$0	\$0	\$0
Silver Crest Park Upgrade	\$350,000	\$0	\$0	\$30,000	\$320,000	\$0	\$0
Parks Restroom/Picnic Shelter Roof Replacement	\$100,000		\$50,000		\$50,000	\$0	\$0
Trail Preservation Program	\$95,000	\$20,000	\$25,000	\$0	\$25,000	\$0	\$25,000
North Creek Trail Study	\$75,000	\$0	\$75,000	\$0	\$0	\$0	\$0
Park and Trail Project Totals	\$3,430,000	\$2,470,000	\$510,000	\$30,000	\$395,000	\$0	\$25,000
City Facilities Projects							
City Hall North HVAC	\$80,000	\$80,000	\$0	\$0	\$0	\$0	\$0
Public Works Workshop Value Engineering Study	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0
Entryway ADA Upgrades for City Hall and the Library	\$40,000		\$40,000				
Emergency Operations Center	\$59,640	\$59,640					
Gateway and Presence Improvement	\$133,000	\$48,000	\$85,000				
Historical Preservation Project	\$25,000	\$0	\$25,000				
City Hall North Roof and Seismic Retrofit	\$675,000	\$50,000	\$625,000				
City Facilities Project Totals	\$1,062,640	\$237,640	\$825,000	\$0	\$0	\$0	\$0
Storm Water Management Projects							
Surface Water Aging Infrastructure Program	\$4,687,500	\$937,500	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
Surface Water Project Totals	\$4,687,500	\$937,500	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
Funded CIP Totals All Project Categories	\$19,270,140	\$7,017,140	\$4,153,000	\$2,230,000	\$2,170,000	\$1,950,000	\$1,750,000



Capital Improvement Plan 2019-2024

Transportation Projects

- 1 35th Ave. SE Reconstruction Project
 - 2 Seattle Hill Road Pavement Preservation
 - 3 35th Avenue SE Pavement Preservation
 - 4 132nd Street SE Mid-Block Crossing (HAWK)
 - 5 Street Pavement Marking Program*
 - 6 Mill Creek Boulevard Corridor Improvements Study
 - 7 Concrete Sidewalk Replacement Program*
 - 8 Pavement Preservation and Rehabilitation Program
 - 9 Citywide Traffic Signal Upgrades*
 - 10 Bridge Monitoring & Improvement Program*
 - 11 EGUV "Spine Road" West Connection (Ph 1)
 - 12 EGUV "Spine Road" East Connection (Ph 2)
 - 13 SR 96 and Dumas Road Intersection Improvements
 - 14 SR 96 at 35th Avenue Intersection Improvements
 - 15 SR 527 / 164th Street Intersection Improvements
 - 16 SR 527 / SR96 Intersection Improvements
 - 17 Traffic Safety and Calming Program*
 - 18 (Old) Seattle Hill Road at SR 527
 - 19 164th St @ Mill Creek Blvd Intersection Improvements
- ### Park and Trail Projects
- 20 Exploration Park
 - 21 Mill Creek Sports Park Turf & Light Replacement
 - 22 Heron Park Playarea Upgrades
 - 23 Silver Crest Park Upgrade
 - 24 Parks Restroom/Picnic Shelter Roof Replacement
 - 25 Trail Preservation Program*
 - 26 North Creek Trail Study

City Facilities & Equipment Projects

- 27 City Hall North HVAC
- 28 Public Works Shop
- 29 Entryway ADA Upgrades for City Hall and the Library
- 30 Emergency Operations Center
- 31 Gateway and Presence Improvement*
- 32 Historical Preservation Project
- 33 City Hall North Roof and Seismic Retrofit

Stormwater Management Projects

- 34 Surface Water Aging Infrastructure Program*
- 35 164th Street SE East Basin Surface Water Retrofit*
- 36 Lower Mill Creek Road Basin Surface Water Retrofit*

*Not Shown on Map



Alignment with City Goals

Projects in many of the program areas serve multiple City goals as noted in the matrix below.

	Fiscal Responsibility	Community Preservation	Civic Pride	Customer Service	Recreational Opportunities	Public Safety	Economic Prosperity	Leadership	Long-Term Planning
Transportation Projects									
35th Ave. SE Reconstruction Project	X	X				X			X
Seattle Hill Road Pavement Preservation	X	X				X			X
35th Avenue SE Pavement Preservation	X	X				X			X
132nd Street SE Mid-Block Crossing Improvements (HAWK)	X					X		X	
Street Pavement Marking Program		X				X			
Mill Creek Boulevard Corridor Improvements Study	X	X	X				X		X
Concrete Sidewalk Replacement Program		X				X			
Pavement Preservation and Rehabilitation Program		X							
Citywide Traffic Signal Upgrades		X				X			
Bridge Monitoring & Improvement Program		X				X			X
East Gateway Urban Village "Spine Road" West Connection (Phase 1)		X	X			X			X
Traffic Safety and Calming Program		X				X			X
Parks and Trail Projects									
Exploration Park	X	X	X		X			X	X
Mill Creek Sports Park Turf & Light Replacement	X	X	X		X			X	X
Heron Park Playarea Upgrades		X			X	X			X
Silver Crest Park Upgrade		X			X				X
Parks Restroom/Picnic Shelter Roof Replacement		X			X				X
Trail Preservation Program		X	X		X	X		X	X
North Creek Trail Study	X	X	X		X	X		X	X

	Fiscal Responsibility	Community Preservation	Civic Pride	Customer Service	Recreational Opportunities	Public Safety	Economic Prosperity	Leadership	Long-Term Planning
City Facilities Projects									
City Hall North HVAC		X				X			
Public Works Shop	X	X							X
Entryway ADA Upgrades for City Hall and Library		X				X			
Emergency Operations Center						X		X	X
Gateway and Presence Improvement		X	X				X		X
Historical Preservation Project	X	X	X						
City Hall North Roof and Seismic Retrofit		X				X			
Storm Water Management Projects									
Surface Water Aging Infrastructure Program	X	X				X			



Transportation Projects

PROJECT NAME:	35th Ave. SE Reconstruction
PROJECT #:	17-ROAD-02
DEPARTMENT	Public Works and Development Services
CATEGORY	Roadway
TYPE	Construction

Transportation Project

STRATEGIC PRIORITY

Fiscal Responsibility, Community Preservation, Public Safety, Long-term Planning

DESCRIPTION / JUSTIFICATION

The 35th Avenue Southeast Reconstruction Project will address the chronic settlement of the roadway between 144th Street Southeast and 141st Street Southeast that has occurred over time. The roadway was constructed across Penny Creek in an area underlain with compressible peat deposits. The project site is bound on the east by Thomas Lake and Penny Creek, which flows from the north along the east side of 35th Avenue Southeast, crossing within the study limits and continuing westerly. This project will construct a pile-supported concrete slab to support the roadway and prevent any future settlement. 35th Avenue Southeast has a functional classification of major arterial.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

A reduction in cost with respect to past years due to fewer maintenance response calls. There are no new operations and maintenance costs anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Construction	\$ 5,383,068	\$ 350,000						\$ 350,000
Professional Services	\$ 611,300	\$ -						\$ -
Total Project Expenditures	\$ 5,994,368	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
REET	\$ 694,368	\$ 350,000						\$ 350,000
Grant -State	\$ 5,250,000							\$ -
Grant -Snohomish County	\$ 50,000							\$ -
Total Project Revenues	\$ 5,994,368	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,000



PROJECT NAME:	Seattle Hill Road Pavement Preservation
PROJECT #:	18-PAVE-03

DEPARTMENT	Public Works and Development Services
CATEGORY	Pavement
TYPE	Construction

Transportation Project

STRATEGIC PRIORITY

Fiscal Responsibility, Community Preservation, Public Safety, Long-Term Planning

DESCRIPTION / JUSTIFICATION

Repave Seattle Hill Road between Village Green Drive and 35th Avenue Southeast. The scope of work includes a full width, two-inch grind and overlay, replacement of landscaped median curbs and Americans with Disabilities (ADA) upgrades at all curb ramps and two traffic signals. A federal grant was obtained for construction in 2019 in the amount of \$720,000. In 2016, the pavement condition for this minor arterial was 59 (scale 0 to 100). The existing curb ramps and traffic signals do not meet current ADA standards. The curbs on all landscape medians have been damaged beyond repair over the years by vehicle collisions. No new operational expenses will result from this project.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Construction		\$ 1,600,000						\$ 1,600,000
Professional Services	\$ 198,040	\$ 150,000						\$ 150,000
Project Engineer		\$ 105,000						\$ 105,000
Total Project Expenditures	\$ 198,040	\$ 1,855,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,855,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
Grant - Federal		\$ 720,000						\$ 720,000
REET	\$ 250,000	\$ 1,135,000						\$ 1,135,000
								\$ -
								\$ -
Total Project Revenues	\$ 250,000	\$ 1,855,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,855,000

PROJECT NAME:	35th Avenue SE Pavement Preservation
PROJECT #:	19-PW-01

DEPARTMENT	Public Works and Development Services
CATEGORY	Pavement
TYPE	Construction

Transportation Project

STRATEGIC PRIORITY

Fiscal Responsibility, Community Preservation, Public Safety, Long-Term Planning

DESCRIPTION / JUSTIFICATION

The project would include a full-width, 2-inch grind and overlay of 35th Avenue from 132nd Street SE to 141st Street SE (.57 miles), including traffic control, upgrade of ADA ramps, signing, channelization and other work. This project would connect to the section of 35th Avenue SE upgraded in the City's 2018 35th Avenue SE Reconstruction project. Per the Comprehensive Plan Level of Service Guidelines, the City should maintain a minimum average Pavement Condition Index (PCI) rating of 65 for collector and arterial roadways. Prior to implementation (design or construction), the City will confirm the need to overlay the road.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Professional Services			\$ 150,000					\$ 150,000
Construction				\$ 1,000,000				\$ 1,000,000
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ 150,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,150,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
General Fund or REET			\$ 150,000	\$ 495,792				\$ 645,792
Grant				\$ 504,208				\$ 504,208
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ 150,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,150,000



PROJECT NAME:	132nd St SE Mid-block Crossing Improvements (HAWK)
PROJECT #:	19-PW-02

Transportation Project

DEPARTMENT	Public Works and Development Services
CATEGORY	Roadway
TYPE	Infrastructure

STRATEGIC PRIORITY

Fiscal Responsibility, Public Safety, Leadership

DESCRIPTION / JUSTIFICATION

The proposed mid-block crossing with American with Disabilities (ADA) compliant curb ramps, pedestrian refuge island, marked crosswalk, High-Intensity Activated crossWalk beacon (HAWK) signal and illumination are needed to provide pedestrians a safer place to cross 132nd Street SE. A HAWK signal at the mid-block crossing on 132nd Street SE, west of 35th Avenue SE, will be installed to allow pedestrians to stop vehicular traffic in order to cross the street safely. The proposed HAWK signal will be interconnected with the existing traffic signal at 35th Ave SE in order to reduce the potential of rear-end collisions as vehicles move from one signal to the next. The proposed improvements will install a pedestrian refuge island at the midblock crossing to reduce the crossing distance to 20-30 ft. Illumination is limited to street lighting around the adjacent shopping area. In order to increase pedestrian visibility to drivers, the proposed improvements include additional lighting focused on the mid-block crossing location. Project implementation (design and construction) is contingent upon the outcome of an application for a 2018 Pedestrian and Bicycle Grant from WSDOT. Staff also will pursue other funding opportunities, including partnership with Snohomish County. Staff will not proceed with this project until the City Council is satisfied with the City's contribution and evaluation of all non-City funding sources.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

New operation and maintenance costs are anticipated and estimated at \$250 per year. This excludes any collisions that may cause significant pole damage.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Construction			\$ 663,000					\$ 663,000
Professional Services		\$ 87,000						\$ 87,000
								\$ -
Total Project Expenditures	\$ -	\$ 87,000	\$ 663,000	\$ -	\$ -	\$ -	\$ -	\$ 750,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
Grant - State		\$ 78,300	\$ 596,700					\$ 675,000
REET		\$ 8,700	\$ 66,300					\$ 75,000
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ 87,000	\$ 663,000	\$ -	\$ -	\$ -	\$ -	\$ 750,000



PROJECT NAME:	Street Pavement Marking Program
PROJECT #:	19-PW-03

DEPARTMENT	Public Works and Development Services
CATEGORY	Pavement
TYPE	Infrastructure

Transportation Project

STRATEGIC PRIORITY

Community Preservation, Public Safety

DESCRIPTION / JUSTIFICATION

The goal of the Annual Street Pavement Marking Program is to maintain markings that identify travel lanes and other guidance markings for auto, pedestrian, bicycle, transit and other forms of transportation. Per the 2015 Comprehensive Plan, the City owns and maintains 77 lane miles of residential and local streets, 19 lane miles of collector streets and 10 lane miles of arterial streets (total of 106 lane miles of roadway).

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Construction		\$ 150,000	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 700,000
								\$ -
								\$ -
Total Project Expenditures	\$ -	\$ 150,000	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 700,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
REET		\$ 150,000	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 700,000
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ 150,000	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 700,000



PROJECT NAME:	Mill Creek Boulevard Corridor Improvements Study
PROJECT #:	19-PW-04

DEPARTMENT	Public Works and Development Services
CATEGORY	Transportation
TYPE	Planning

Transportation Project

STRATEGIC PRIORITY

Fiscal Responsibility, Community Preservation, Civic Pride, Economic Prosperity, Long-Term Planning

DESCRIPTION / JUSTIFICATION

Mill Creek Boulevard is an important north-south transportation corridor located in the heart of Mill Creek. The goal of the Mill Creek Boulevard Corridor Improvements Study is to enhance economic vitality and provide a framework to multiple capital improvements which include: intersection improvements at 164th Street, 161st Street, Main and SR 527; surface water aging infrastructure failures identified in a 2018 study produced by Perteet; water quality treatment, pavement preservation and roadway re-configurations to better support Community Transit's bus rapid transit (BRT) lines. This study will peripherally address zoning and land use.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Professional Services		\$ 250,000						\$ 250,000
								\$ -
								\$ -
Total Project Expenditures	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
REET		\$ 250,000						\$ 250,000
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000



PROJECT NAME:	Concrete Sidewalk Replacement Program
PROJECT #:	19-PW-05

Transportation Project

DEPARTMENT	Public Works and Development Services
CATEGORY	Repair / Maintenance
TYPE	Construction

STRATEGIC PRIORITY

Community Preservation, Public Safety

DESCRIPTION / JUSTIFICATION

The goal of this annual program is the preservation of the City's sidewalk systems which includes 75 miles of public sidewalks and more than 1,000 curb ramps. The scope of work includes repair or replacement of damaged sections of curb, gutter, sidewalk and curb ramps that meet the American with Disabilities Act (ADA). The first year of the program will include a citywide assessment and rating of sidewalks and prioritization of needed repairs as well as recommendations on alternative repair methods. This program also includes assessing and addressing the root cause of buckling sidewalk such as trees. This program may include tree removal or alternative construction methods to preserve existing trees. Some of the benefits of this program include: 1) improved pedestrian safety, 2) compliance with ADA standards, 3) savings in maintenance costs.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Assessment		\$ 30,000						\$ 30,000
Construction		\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 550,000
								\$ -
Total Project Expenditures	\$ -	\$ 80,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 580,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
REET		\$ 80,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 580,000
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ 80,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 580,000



PROJECT NAME:	Pavement Preservation and Rehabilitation Program
PROJECT #:	19-PW-06

DEPARTMENT	Public Works and Development Services
CATEGORY	Pavement
TYPE	Maintenance / Repair

Transportation Project

STRATEGIC PRIORITY

Community Preservation

DESCRIPTION / JUSTIFICATION

The City is responsible for approximately 106 lane miles of roadway. The goal of this annual program is to extend the useful life of the City's streets by assessing, preserving and rehabilitating pavement conditions. Typical work will include crack filling, removal and replacement of failed pavement, patching, surface preservation treatments (where appropriate for the type of application, options include seal coat, slurry seal, microsurfacing, chip seals) and asphalt overlays. It is understood that chip seal is not desired for Mill Creek neighborhoods. Pavement preservation options outside of an overlay would first be discussed with the City Council prior to bid and award. The Program includes replacement or installation of accessible curb ramps to meet the requirements of the Americans with Disabilities Act (ADA). Per the Comprehensive Plan, the City's level of service guidelines for pavement management identifies a minimum pavement condition index of 65 for collectors and arterial roadways and 70 for local and residential roadways. In 2019, an assessment and pavement rating will be conducted to establish a priority list for future repairs. Federally funded roadway preservation projects are programmed in 2019 (Seattle Hill Road) and 2021 (35th Ave. SE).

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Assessment		\$ 100,000						\$ 100,000
Construction			\$ 750,000	\$ -	\$ 750,000	\$ 750,000	\$ 750,000	\$ 3,000,000
Project Engineer			\$ 105,000					\$ 105,000
Total Project Expenditures	\$ -	\$ 100,000	\$ 855,000	\$ -	\$ 750,000	\$ 750,000	\$ 750,000	\$ 3,205,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
General Fund Reserve		\$ 100,000	\$ 750,000		\$ 750,000	\$ 750,000	\$ 750,000	\$ 3,100,000
REET			\$ 105,000					\$ 105,000
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ 100,000	\$ 855,000	\$ -	\$ 750,000	\$ 750,000	\$ 750,000	\$ 3,205,000



PROJECT NAME:	Citywide Traffic Signal Upgrades
PROJECT #:	17-ROAD-03

DEPARTMENT	Public Works and Development Services
CATEGORY	Signals
TYPE	Construction

Transportation Project

STRATEGIC PRIORITY

Community Preservation, Public Safety

DESCRIPTION / JUSTIFICATION

The City owns seven traffic signals that are operated and maintained by Snohomish County. The existing controllers and conflict monitors use outdated technology and need to be replaced in order for the signals to work within the County's integrated system. The project scope includes the installation of new pedestrian push buttons for compliance with the American with Disabilities Act (ADA), new side mounted battery backup systems (164th Street and Mill Creek Boulevard; Dumas Road at Park Road; Mill Creek Road and Village Green Drive), new controllers and conflict monitors. All work will be completed by Snohomish County.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Construction			\$ 75,000					\$ 75,000
Professional Services								\$ -
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
REET			\$ 75,000					\$ 75,000
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000



PROJECT NAME:	Bridge Monitoring and Improvement Program
PROJECT #:	19-PW-07

DEPARTMENT	Public Works and Development Services
CATEGORY	
TYPE	Construction

Transportation Project

STRATEGIC PRIORITY

Community Preservation, Public Safety, Long-Term Planning

DESCRIPTION / JUSTIFICATION

The City of Mill Creek owns a total of ten bridges. Only four of those bridges have a structure length over 20LF. In 2017, all ten bridges were inspected by WSDOT and load ratings were completed by KPFF on the four structures with span lengths greater than 20LF. Bridge scour conditions were identified at two bridges: North Creek Bridge (Bridge Number: MILL CR 1 located on 164th Street SE) and Penny Creek Bridge (Bridge Number: MILL CR 2 located on 144th Street SE). Based on service stresses, posted load restrictions were recommended at the North Creek Bridge (Bridge Number: MILL CR 1 located on 164th Street SE) and 153rd Street SE Bridge (Bridge Number: MILL CR 3). A load rating was also conducted on Mill Creek Road Bridge (Bridge Number: MILL CR 10). The City could elect to post load limits based on strength load rating, in which case the tonnages would be much higher, but the bridge would see greater deterioration over time. This project scope includes review of scour options, such as riprap, as well as design and construction. Additionally, scope includes evaluation of tonnage restriction on two bridges.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Construction				\$ 250,000		\$ 250,000		\$ 500,000
Professional Services			\$ 50,000		\$ 50,000			\$ 100,000
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ 50,000	\$ 250,000	\$ 50,000	\$ 250,000	\$ -	\$ 600,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
REET			\$ 50,000	\$ 250,000	\$ 50,000	\$ 250,000		\$ 600,000
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ 50,000	\$ 250,000	\$ 50,000	\$ 250,000	\$ -	\$ 600,000

PROJECT NAME:	EGUV Spine Road West Connection (Phase 1)
PROJECT #:	19-ROAD-15

DEPARTMENT	Public Works and Development Services
CATEGORY	Transportation
TYPE	Construction

Transportation Project

STRATEGIC PRIORITY

Community Preservation, Civic Pride, Public Safety, Long-Term Planning

DESCRIPTION / JUSTIFICATION

The East Gateway Urban Village (EGUV) subarea plan was designed with internal access provided via a "Spine Road." Several parcels in the East Gateway Urban Village have developed or are proposed for development and construction of the "Spine Road" has been a condition of approval for these developments. Right-of-way was dedicated as part of the approval of the Polygon Apartments/Townhome development, the Gateway Building, the Vintage and would be required with The Farm (project application submitted in 2018). This project will complete the "Spine Road" from 39th Ave. SE to 44th Ave. SE. Costs include appraisals, review of appraisals, and partial right-of-way purchase needed at two parcels for subsequent roadway design and construction. A 72 LF right of way width is needed for the "Spine Road." **Beyond the purchase of the right of way in 2019, work does not yet have funds committed.**

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Design		\$ -						\$ -
Right-of-Way		\$ 500,000						\$ 500,000
Construction								\$ -
Total Project Expenditures	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
Road Mitigation Funds		\$ 500,000						\$ 500,000
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000

PROJECT NAME:	Traffic Safety and Calming Program
PROJECT #:	19-PW-08

Transportation Project

DEPARTMENT	Public Works and Development Services
CATEGORY	Transportation
TYPE	Planning

STRATEGIC PRIORITY
Community Preservation, Public Safety, Long-term Planning

DESCRIPTION / JUSTIFICATION
This program builds upon the City's Traffic Calming Program prepared in 2007 which focused on the safety and livability of City neighborhoods and was focused on streets with an average daily traffic (ADT) of less than 8,000 vehicles. The 2019-2024 CIP Traffic Safety and Calming Program expands to address safety and traffic calming concerns to collectors and arterials.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS
No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Study			\$ 25,000		\$ 25,000		\$ 25,000	\$ 75,000
								\$ -
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 75,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
REET			\$ 25,000		\$ 25,000		\$ 25,000	\$ 75,000
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 75,000



Parks and Trail Projects

PROJECT NAME:	Construction of Exploration Park
PROJECT #:	17-PARK-03

DEPARTMENT	Public Works and Development Services
CATEGORY	Parks
TYPE	Construction

Parks and Trails Project

STRATEGIC PRIORITY

Fiscal Responsibility, Community Preservation, Civic Pride, Recreational Opportunities, Leadership, Long-Term Planning

DESCRIPTION / JUSTIFICATION

In 2006, in conjunction with the development of the North Pointe subdivision, the developer dedicated a one-acre parcel to the City for neighborhood park land in lieu of park mitigation fees. In 2016 the City's Parks and Recreation Board worked with staff and several members of the Design Review Board to develop design concepts. The Parks and Recreation Board recommended the Natural Play Park design concept to the Council at their regular meeting on September 27, 2016, and the Council adopted the master plan. From 2016 through 2018, the City contracted with consultants for geotechnical studies, prepared the design and construction documents and advertised the project for bid. On April 30, 2018, the City received two bids, both significantly higher than expected. At their July 24, 2018 meeting, Council rejected all bids. The Exploration Park project construction is budgeted to be \$1.3 million based on a competitive bidding market and taking into consideration the engineer's estimate and previous bids received. The project has been broken into various components (base bid and alternates) and will be re-advertised in November 2018. Staff will provide the new bids to Council for consideration in December 2018; the scope of this project is subject to action by the Council.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

Operations and maintenance costs are anticipated at approximately 300 labor hours per year, plus materials anticipated to be \$4,000 per year (such as engineered wood fiber surfacing replacement).

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Design - Professional Services	\$ 108,257							\$ 108,257
Construction	\$ 3,000	\$ 1,300,000						\$ 1,303,000
Total Project Expenditures	\$ 111,257	\$ 1,300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,411,257

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
Grant - Snohomish County		\$ 100,000						\$ 100,000
Park Mitigation	\$ 111,257	\$ 1,200,000						\$ 1,311,257
Total Project Revenues	\$ 111,257	\$ 1,300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,411,257

PROJECT NAME:	Mill Creek Sports Park Turf & Light Replacement
PROJECT #:	18-PARK-02

DEPARTMENT	Public Works and Development Services
CATEGORY	Parks
TYPE	Maintenance/Repair

Parks and Trails Project

STRATEGIC PRIORITY

Fiscal Responsibility, Community Preservation, Civic Pride, Recreational Opportunities, Leadership, Long-Term Planning

DESCRIPTION / JUSTIFICATION

The Mill Creek Sports Park Turf and Light Replacement Project will replace the current aging 64,000 square feet field turf, retro-fit and upgrade the existing park lighting system at the field, skate park, and parking lot. In June 2017, Council awarded a contract to Bruce Dees and Associates (BDA) for professional services in an amount not to exceed \$61,637.75. The City received a \$250,000 grant for design and construction from the WA State Recreation and Conservation Office (RCO) and \$100,000 via an interlocal agreement from Snohomish County. The project is scheduled to be advertised in October 2018.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Design - Professional Services	\$ 66,000							\$ 66,000
Construction		\$ 1,100,000						\$ 1,100,000
								\$ -
Total Project Expenditures	\$ 66,000	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,166,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
RCO Grant	\$ 66,000	\$ 184,000						\$ 250,000
Snohomish County Grant		\$ 100,000						\$ 100,000
REET		\$ 816,000						\$ 816,000
								\$ -
Total Project Revenues	\$ 66,000	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,166,000



PROJECT NAME:	Heron Park Playarea Upgrades
PROJECT #:	19-PARK-01
DEPARTMENT	Public Works and Development Services
CATEGORY	Parks
TYPE	Repair / Maintenance

Parks and Trails Project

STRATEGIC PRIORITY

Community Preservation, Recreational Opportunities, Public Safety, Long-Term Planning

DESCRIPTION / JUSTIFICATION

Heron Park was developed in conjunction with the construction of the Parkside subdivision in 1992. The park has been well maintained over the years. However, the playground equipment is over 25 years old and has broken down to the point that repairs are no longer feasible. Currently, the playground includes: a piece geared to the 1-4 year old group, another piece geared for the 5 - 12 year old group and a spin toy. Additionally, the picnic shelter/restroom building needs to be re-roofed and painted. This project proposes to replace playground equipment and the old shake roof with a metal roof that will have a longer useful life and to upgrade the lighting to energy efficient LED lighting.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Design		\$ 50,000						\$ 50,000
Construction			\$ 360,000					\$ 360,000
								\$ -
Total Project Expenditures	\$ -	\$ 50,000	\$ 360,000	\$ -	\$ -	\$ -	\$ -	\$ 410,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
REET		\$ 50,000	\$ 360,000					\$ 410,000
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ 50,000	\$ 360,000	\$ -	\$ -	\$ -	\$ -	\$ 410,000



PROJECT NAME:	Silver Crest Park Upgrade
PROJECT #:	19-PARK-02
DEPARTMENT	Public Works and Development Services
CATEGORY	Parks
TYPE	Repair / Maintenance

Parks and Trails Project

STRATEGIC PRIORITY

Community Preservation, Recreational Opportunities, Long-Term Planning

DESCRIPTION / JUSTIFICATION

The Silver Crest Park was annexed to the City in 2005 as a part of the Northeast Area Annexation. This .61 acre neighborhood park is located within the Silver Crest subdivision on 28th Drive SE. Amenities include a full basketball court, playground, picnic tables, and a grassy play area. There is currently no irrigation in place at this park and there is room for upgrades in many other areas. This proposed project would include adding irrigation, repairing the basketball court including a complete resurfacing and restriping, as well as repairing the fence around the basketball court. Also included are replacement benches and picnic tables with concrete pads.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

Operation and maintenance costs are anticipated to increase 30 labor hours per year.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Design				\$ 30,000				\$ 30,000
Construction					\$ 320,000			\$ 320,000
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ -	\$ 30,000	\$ 320,000	\$ -	\$ -	\$ 350,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
REET				\$ 30,000	\$ 320,000			\$ 350,000
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ -	\$ 30,000	\$ 320,000	\$ -	\$ -	\$ 350,000



PROJECT NAME:	Parks Restroom/Picnic Shelter Roof Replacement
PROJECT #:	19-PARK-03

Parks and Trails Project

DEPARTMENT	Public Works and Development Services
CATEGORY	Parks and Trail Projects
TYPE	Maintenance and Repair

STRATEGIC PRIORITY

Community Preservation, Recreational Opportunities, Long-Term Planning

DESCRIPTION / JUSTIFICATION

The existing shake roof on the restroom/picnic shelter buildings at Pine Meadow Park and Cougar Park is nearing the end of its useful life and is in need of replacement. The plan is to replace it with a metal roof that will have a longer useful life. The project would also include replacement of gutters and downspouts. Pine Meadow Park is planned for 2020 and Cougar Park is planned for 2022. Standing Seam Roof (SSR) was mentioned during the Park Board meeting this year and seemed to be well liked by the Board. Paint fade was the only concern identified. Although SSR may have a higher up front cost, it has a longer life span and there are long-term savings on maintenance. The roofs at these parks have crests and valleys. Sloped roofs increase the costs by at least 15% per the vendors. Using the park drawings (based on the park specific dimensions) and metal SSR, the costs come in at about \$50,000 per park, based on a \$15 per square foot cost for SSR. Metal roofs are very durable (40 to 70 years), and stand up against the elements much better than asphalt or wood. Metal roofs last as least three times as long as asphalt roofs and require much less maintenance over its lifetime (by as much as 33% compared to the cost of asphalt shingles). Asphalt shingles are estimated at \$6 per square foot and wood shingles are estimated at \$9 per square foot. The disadvantages of standing seam metal roofing mainly have to do with the cost and the difficulty in finding a reliable roofing contractor to install it (specialized skill). Buffalo Park has a Standing Seam Roof.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

This project is anticipated to reduce current maintenance costs.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Construction			\$ 50,000		\$ 50,000			\$ 100,000
								\$ -
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -	\$ 100,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
General Fund			\$ 50,000		\$ 50,000			\$ 100,000
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -	\$ 100,000



PROJECT NAME:	Trail Preservation Program
PROJECT #:	19-PARK-04
DEPARTMENT	Public Works and Development Services
CATEGORY	Parks and Trails
TYPE	Repair / Maintenance

Parks and Trails Project

STRATEGIC PRIORITY

Community Preservation, Civic Pride, Recreational Opportunities, Public Safety, Leadership, Long-Term Planning

DESCRIPTION / JUSTIFICATION

As a part of the development of several subdivisions in the City (e.g., Brighton, Amberleigh, The Springs), the City accepted the responsibility for maintenance of trail infrastructure through open space tracts in exchange for public access easements on the trails. The Trail Preservation Program would initially identify all of these trails within the City and assess their current condition. A priority list would be established ranking the severity of the deficiencies as well as establishing a schedule for future repairs and resurfacing.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Assessment		\$ 20,000						\$ 20,000
Construction			\$ 25,000		\$ 25,000		\$ 25,000	\$ 75,000
								\$ -
Total Project Expenditures	\$ -	\$ 20,000	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 95,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
Parks and Trails Fund		\$ 10,000						\$ 10,000
REET		\$ 10,000	\$ 25,000		\$ 25,000		\$ 25,000	\$ 85,000
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ 20,000	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 95,000



PROJECT NAME:	North Creek Trail Study
PROJECT #:	19-PARK-05

Parks and Trails Project

DEPARTMENT	Public Works and Development Services
CATEGORY	Parks and Trails
TYPE	Planning

STRATEGIC PRIORITY

Fiscal Responsibility, Community Preservation, Civic Pride, Recreational Opportunities, Public Safety, Leadership, Long-Term Planning

DESCRIPTION / JUSTIFICATION

The North Creek Trail connects multiple regional trails including the Burke Gilman and Sammamish River Trails to the South with the Interurban Trail to the North. The result is a network of trails which enables non-motorized transportation for commuters and local residents in a nearly continuous route from the Everett area all the way to the communities of Bothell, Lynnwood and Seattle. This trail system serves and connects the significant Regional Growth Centers of Bothell Canyon Park, Lynwood and Everett as well as the locally designated Mill Creek Town Center and the Paine Field Manufacturing Industrial Center. The North Creek Trail Study will look at potential future development, improvements and upgrades to the North Creek Trail within the City of Mill Creek. This Feasibility Study will include assessment of American with Disabilities (ADA) compliance for built out sections, high level cost estimate for trail gaps, environmental preliminary assessment, geotechnical investigation and funding options. Improvements are intended to make the trail a shared use path for users of all ages and abilities.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Feasibility Study			\$ 75,000					\$ 75,000
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
General Fund			\$ 75,000					\$ 75,000
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000



City Facilities Projects

PROJECT NAME:	City Hall North HVAC
PROJECT #:	19-BLDG-01

DEPARTMENT	Public Works and Development Services
CATEGORY	Buildings
TYPE	Maintenance / Repair

City Facilities Project

STRATEGIC PRIORITY

Community Preservation, Public Safety

DESCRIPTION / JUSTIFICATION

Total replacement and commissioning of four liquid cooled heat pumps. Three of the four heat pumps are currently non-operational and one is close to failing. These heat pumps overlap with other heat pumps and serve a City staff area, tenant spaces as well as the Large Community Room. In addition to the actual HVAC work, the project includes ceiling tile replacement due to access requirements. The estimate also includes unknown failed duct work replacements.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

Operation and maintenance costs are expected to decrease by 50 labor hours per year due to a reduced number of service calls.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Equipment		\$ 80,000						\$ 80,000
								\$ -
								\$ -
Total Project Expenditures	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
15720 Main Street Property Fund		\$ 80,000						\$ 80,000
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000



PROJECT NAME:	Public Works Workshop Value Engineering Study
PROJECT #:	17-BLDG-02

City Facilities Project

DEPARTMENT	Public Works and Development Services
CATEGORY	Facilities
TYPE	Construction

STRATEGIC PRIORITY

Fiscal Responsibility, Community Preservation, Long-Term Planning

DESCRIPTION / JUSTIFICATION

City Hall does not provide adequate parking, facilities or storage for Public Works maintenance vehicles and materials. The City received a State Department of Commerce grant in the amount of \$250,000 which expires in June 2019 (a grant extension request will be submitted in 2018). Staff plans to move this project forward by conducting a study to evaluate current City-owned properties and other properties as well, and obtain comparison of cost and how the sites meet current and future needs.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Study	\$ 160,361		\$ 50,000					\$ 210,361
								\$ -
Total Project Expenditures	\$ 160,361	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 210,361

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
CIP Fund	\$ 160,361		\$ 50,000					\$ 210,361
								\$ -
								\$ -
Total Project Revenues	\$ 160,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160,361



PROJECT NAME:	Entryway ADA Upgrades for City Hall and the Library
PROJECT #:	19-BLDG-02

DEPARTMENT	Public Works and Development Services
CATEGORY	Facilities and Equipment
TYPE	Repair and Maintenance

City Facilities Project

STRATEGIC PRIORITY

Community Preservation, Public Safety

DESCRIPTION / JUSTIFICATION

City of Mill Creek has become a popular destination for passport customers, library patrons as well as other customers. The doors and Americans with Disabilities (ADA) entrances have experienced an elevated level of wear and tear on the City Hall South and Library Buildings. The current doors and openers are failing due to age and the number of cycles they receive. Maintenance repair and downtime have increased over the last few years. This project would replace the worn doors hardware, ADA openers and related components to ensure we meet the needs of all Mill Creek's Residents and customers. Per the 2004 annexation agreement between the City and the Sno-Isle Intercounty Rural Library District, the City is responsible for repair and capital costs.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

Operation and maintenance costs are anticipated to decrease by 40 labor hours per year.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Equipment/Installation			\$ 40,000					\$ 40,000
								\$ -
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
CIP Fund			\$ 40,000					\$ 40,000
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000



City Facilities Project

PROJECT NAME:	Emergency Operations Center (EOC)
PROJECT #:	19-BLDG-03
DEPARTMENT	Public Safety/Emergency Management
CATEGORY	Facilities and Equipment
TYPE	Infrastructure Improvement

STRATEGIC PRIORITY

Public Safety, Leadership, Long-Term Planning

DESCRIPTION / JUSTIFICATION

The City's Emergency Operations Center (EOC) is used for overall direction, control, and coordination in order to support the overall community response to the disaster and to best coordinate efforts with county, state, and federal agencies. An effective EOC requires the space and equipment to support response and relief efforts in the field, maintain situational awareness, and fulfill the task of coordinating with county, state, and federal agencies. The current EOC is located in the City Hall South small conference room and is inadequate for the task. It consists of a conference table and a wooden cabinet containing a radio. The conference room can only seat 6-8 people around a single table with no computer access and a single telephone. This CIP proposes moving the EOC to North City Hall Room 201. The EOC would be furnished with movable tables and chairs that can be configured into six (6) EOC sections; EOC Manager, PIO, Finance/Administration, Operations, Planning, and Logistics. Each section would be equipped with a desktop PC, a Surface tablet, and a landline telephone. The room would be equipped with two short throw LED projectors and two flat screen monitors. A seventh PC and an AV switcher would sit in the back, allowing any combination of four AV inputs to be displayed on the projectors and monitors.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

New operation and maintenance costs are anticipated to occur for the Public Works maintenance team at 25 labor hours per year. There will be two years of Information Technology staff impacts, for a total of 35 IT labor hours.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Audio-Visual System		\$ 19,763						\$ 19,763
Tables and Chairs		\$ 15,662						\$ 15,662
Incident Command Vests		\$ 324						\$ 324
Floor Sign Stands		\$ 778						\$ 778
Mobile File Drawers		\$ 538						\$ 538
Computers		\$ 20,153						\$ 20,153
Network Lines		\$ 1,449						\$ 1,449
Power to Projectors		\$ 348						\$ 348
Telephones		\$ 626						\$ 626
Total Project Expenditures	\$ -	\$ 59,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,640

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
CIP Fund		\$ 59,640						\$ 59,640
Total Project Revenues	\$ -	\$ 59,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,640



City Facilities Project

PROJECT NAME:	Gateway and Presence Improvement
PROJECT #:	18-ROAD-13

DEPARTMENT	Communications and Marketing
CATEGORY	Tourism
TYPE	Replacement

STRATEGIC PRIORITY

Community Preservation, Civic Pride, Economic Prosperity, Long-Term Planning

DESCRIPTION / JUSTIFICATION

Although approved in the last biennium, this capital project was not executed. It is a gateway and presence improvement project to help attract economic development opportunities and create an inviting aesthetic for tourism purposes. This provides an opportunity to update and unify the City's brand while providing vibrant, visually appealing gateway entry features for the City. It include updating and creating consistent gateway signage at key gateways to Mill Creek. The project entails working with a creative marketing agency to update the City's brand to reflect the lifestyle of Mill Creek and attract people to spend money in local businesses. The eight gateway entry points into the City include 164th Street SE, 132nd Street SE at 10th Street, Dumas Road at Park Road, 132nd Street SE at SR 527, 132nd Street SE at Seattle Hill Road, 35th Avenue SE at Seattle Hill Road, and SR 527 at 175th Street. Though the project funding source approved in the 2017-2018 CIP was through REET, the City will seek grant/sponsorship funding from community partners to help provide a cohesive community branding. Sign estimates in the CIP are very conservative; per staff outreach to local sign companies, the frame (which would not be replace) is generally about 65% of the sign cost. Since we don't need the frames, but simply are requesting a reface of existing signs, the signage element could be completed and ensure funding for landscaping improvements. Once the project scope and construction costs are defined, a detailed proposal will be brought to the City Council for approval.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

New operation and maintenance costs are anticipated to keep the flower beds and vegetation irrigated and maintained; the cost is anticipated to be 400+ labor hours per year.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Strategy Research & Development		\$ 48,000						\$ 48,000
Development of New Brand Identity			\$ 45,000					\$ 45,000
Gateway Signs			\$ 40,000					\$ 40,000
Total Project Expenditures	\$ -	\$ 48,000	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ 133,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
REET			\$ 85,000					\$ 85,000
CIP Fund		\$ 48,000						\$ 48,000
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ 48,000	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ 133,000



PROJECT NAME:	Historical Preservation Project
PROJECT #:	19-BLDG-04

DEPARTMENT	Communications and Marketing
CATEGORY	Historical Preservation
TYPE	Art & Beautification

City Facilities Project

STRATEGIC PRIORITY

Fiscal Responsibility, Community Preservation, Civic Pride

DESCRIPTION / JUSTIFICATION

In 2018, the Art & Beautification Board identified a historical preservation project to help the community remember its roots in a manner that is aesthetically pleasing and community oriented. The project is to create an etched, stainless steel timeline to be hung along a covered bridge in Mill Creek Town Center. In fall 2018, the City engaged a design consultant to prepare the design working with the community and develop a budget for production and installation. The City hired an intern to compile and organize the information that would be included on the finished product. The final design will include a mix of text and image. The City started of the design of the project in 2018 with the idea that production and installation would occur in 2019. Civic organizations have expressed interest in helping fund the project; the City will pursue grants and sponsorship funds in 2019 before spending from the Municipal Arts Fund. With the City's focus on art, an artistic historical timeline would serve a dual purpose of providing artistic value while serving to educate the public about Mill Creek's history. Additional panels would be included in the display as the City's history continues to unfold. The 2019 expenses include production of the panels, possible designer help to production company on final details, and installation of the panels. This is artwork that will be a focal point, so maintenance and operations costs have been conservatively estimated to ensure it is maintained. However, maintenance and operations costs are dependant on the final product and design.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

New operation and maintenance costs are anticipated at 52 labor hours per year.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Design & Info Gathering	\$ 12,500							\$ -
Production of Panels			\$ 15,000					\$ 15,000
Design Assistance on Production			\$ 500					\$ 500
Installation			\$ 9,500					\$ 9,500
Total Project Expenditures	\$ 12,500	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
Snohomish County Grant	\$ 12,500							\$ -
Community Funding (TBD)								\$ -
Municipal Arts Fund			\$ 25,000					\$ 25,000
Total Project Revenues	\$ 12,500	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000



City Facilities Project

PROJECT NAME:	City Hall North - Roof and Seismic Retrofit
PROJECT #:	17-BLDG-03
DEPARTMENT	Public Works and Development Services
CATEGORY	Facilities
TYPE	Maintenance / Repair

STRATEGIC PRIORITY

Community Preservation, Public Safety

DESCRIPTION / JUSTIFICATION

The existing roof on the City Hall north building, which houses staff from two City Departments, two Community Rooms, as well as various tenants, was installed in 1998 and has reached the end of its useful life and needs to be replaced. Good inspection practices and remedial repairs done in a timely manner, have allowed the City to defer the roof replacement until 2020. In addition, the building has not yet been upgraded with a seismic retrofit. In order to minimize impacts to the building users and streamline the bidding process, it is best to bundle both types of work into one single project. Design of the roof replacement has been completed, but a specialized consultant will be required for the seismic retrofit portion. No new operational costs or impacts are associated with this project.

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Professional Services	\$ 1,220	\$50,000						\$ 51,220
Construction			\$ 550,000					\$ 550,000
On-call Consultant			\$ 75,000					\$ 75,000
Total Project Expenditures	\$ 1,220	\$ 50,000	\$ 625,000	\$ -	\$ -	\$ -	\$ -	\$ 676,220

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
Annex Fund 145	\$ 1,220	\$50,000	\$ 250,000					\$ 301,220
General Fund Reserve			\$ 161,203					\$ 161,203
General Fund			\$ 138,797					\$ 138,797
CIP			\$ 75,000					\$ 75,000
Total Project Revenues	\$ 1,220	\$ 50,000	\$ 625,000	\$ -	\$ -	\$ -	\$ -	\$ 676,220



Surface Water CIP 2019-2024



Surface Water CIP Overview

Mill Creek's surface water program seeks to achieve appropriate management of surface water in the City. This plan improves safety, reduces risk to public and private property, and enhances the natural environment.

Improved safety is achieved by reduced flooding. Properly sizing and maintaining the City's stormwater conveyance system keeps water from ponding on the street and sidewalks, creating safer conditions for motorists, bicyclists and pedestrians. Reduced flooding also means a reduction in the risk of damage to property and business operations.

The plan seeks to improve water quality and fish passage in the City's waterways, ponds and lakes. And improved water quality reduces risk to citizens that come in contact with water in the City's streams and lakes, and keeps the City in compliance with State and Federal requirements.

Current Infrastructure

Mill Creek's infrastructure is aging, with some pipes already more than 40 years old. The City has entered an infrastructure rehabilitation and replacement phase, meaning that surface water pipes need to be inspected, evaluated and scheduled for rehabilitation or replacement as needed.



The City owns and is responsible for maintaining approximately 50 miles (264,000 linear feet) of surface water pipes, many of which use materials no longer recommended, like corrugated metal pipe. This infrastructure is aging and needs to be inspected, evaluated and scheduled for replacement as needed.

In 2018, Perteet, Inc. was contracted to do just that. Their scope of work focused on pipes 18 inches or larger in diameter and included:

- Review a backlog of storm pipe Closed Circuit Television (CCTV) videos. Beginning in 2012, the City

hired consultants to produce CCTV videos of surface water pipes in various locations, utilizing previously collected data for approximately 14,000 linear feet of pipes.

- Collect storm pipe CCTV videos that have not yet been inspected (approximately 21,800 linear feet).
- Analysis of the aforementioned CCTV videos for pipe failures and/or other repairs including recommended action and rough order of magnitude cost estimate.
- In collaboration with City staff, develop prioritization criteria and identify capital projects for scoping and cost estimating.

The following Surface Water CIP was developed based on Perteet's work and focuses on larger infrastructure (18 inches in diameter or larger) since their potential failure could have a negative effect on life, property or a combination of both. Larger infrastructure represents a total of 35,800 LF (approximately 14%) of the total surface water pipe infrastructure in the City of Mill Creek. The work completed by Perteet is the foundation for the City's Surface Water Capital Program.

Factors that were taken into consideration when integrating the Surface Water Capital Program into the CIP include: available funding; pavement condition; and other City capital projects and upgrades programmed by utility companies such as Puget Sound Energy, Snohomish PUD, Alderwood Water District and Silver Lake Water District.



Realistically, only a limited number of projects can be effectively implemented each year. Additionally, the cost of some projects is so high that their implementation may utilize the entirety of surface water funds for several years.

Surface Water CIP Criteria

The following prioritization criteria were used when identifying projects to include in the CIP.

- Catastrophic: Pipe is ruptured and its potential failure could have a negative effect on life, property or a combination of both
- Private property: Fault is located in an easement adjacent to private property posing a risk to residents and property
- Critical area: Failure is located within one quarter miles of a wetland or steep slope posing environmental damage and slope erosion risks
- Critical Infrastructure: Failure would obstruct access to critical infrastructure (e.g., Fire Station, Police Station, Schools) and potentially impact core City functions
- Arterial or Collector: Failure on roadways with high traffic could impact a large number of commuters
- Pipe Size: Prioritize larger pipes
- Date of discovery: prioritize faults discovered in past years (chronological order)

Proposed Surface Water Projects:

The Surface Water CIP includes repairing 20 F grade faults in 2019. In cases where a pipe run has four or more faults, replacement of the entire run is recommended. Of the 20 F grade repairs, six are assumed to be caused by another utility or be the result of illicit discharge; cost recovery may be possible.



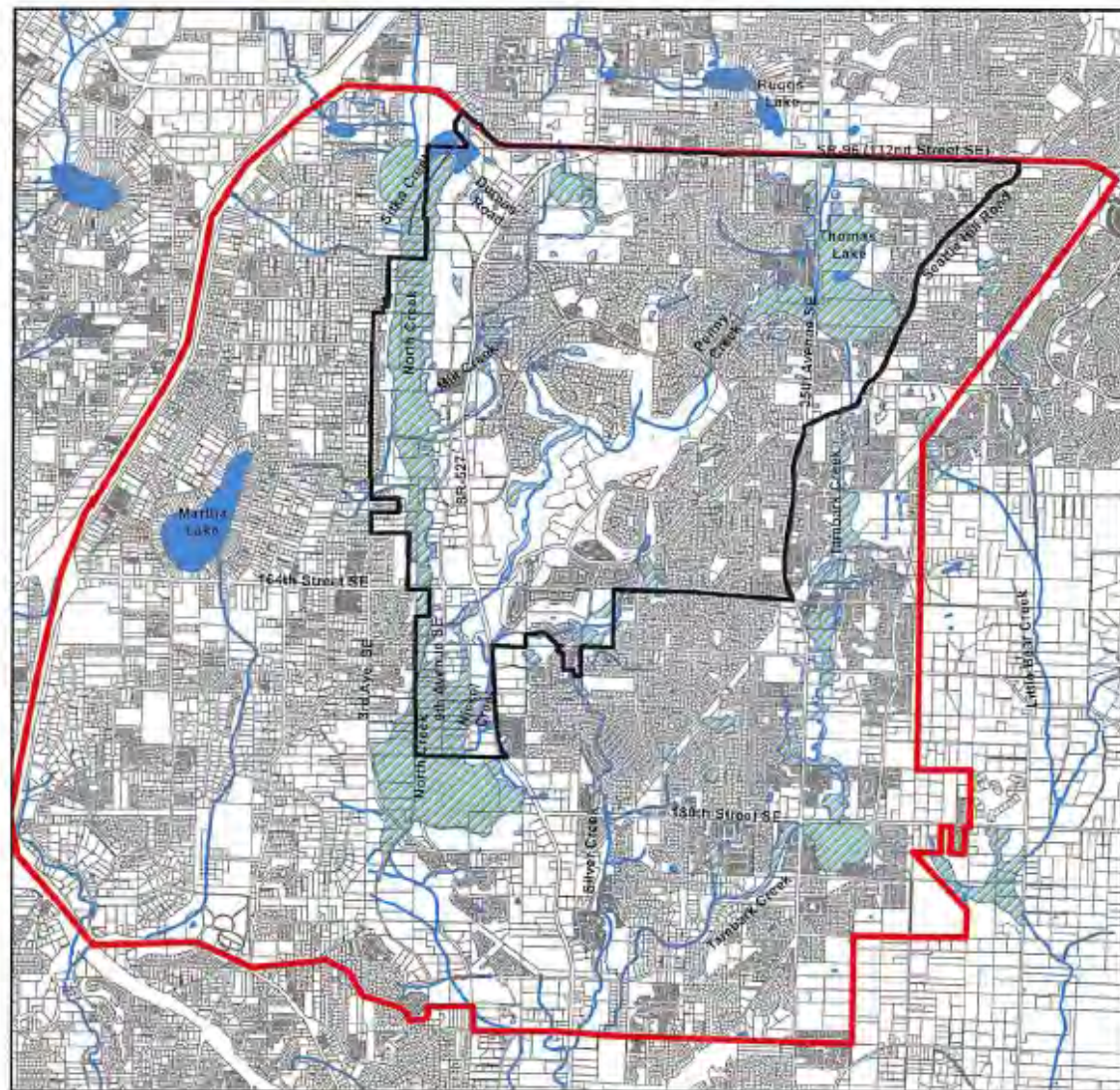
As funds allow, depending on a surface water utility fee increase (described below), C grade faults are recommended for repair throughout the 2019-2024 CIP period and beyond. Where possible, the work will be bundled to encompass geographical regions of the City so repairs can take place within a limited timeframe.

Potential Funding for Surface Water CIP Projects

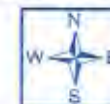
In summer 2018, City staff selected FCS Group to conduct an analysis of the City's Surface Water Utility rate. The City of Mill Creek's surface water rate has remained unchanged since 1999.






The rate study currently is underway and new rates will be proposed prior to the adoption of the City's 2019-2020 Budget.

Mill Creek Wetlands & Water Features



Council Ord. 2015-802
Effective December 18, 2015



-  City Limits
 Municipal Urban Growth Area Boundary
 Wetland
 Waterbody
 Watercourse

Stormwater Management Projects

PROJECT NAME:	Surface Water Aging Infrastructure Program
PROJECT #:	19-SW-01
DEPARTMENT	Public Works and Development Services
CATEGORY	Surface Water Management
TYPE	

Stormwater Management Project

STRATEGIC PRIORITY

Fiscal Responsibility, Community Preservation, Public Safety

DESCRIPTION / JUSTIFICATION

In February 2018, the City signed a contract with Pertee Engineers to perform professional design services related to storm pipe assessment and surface water program development. Construction program repairs were identified in a 3-tiered level of granularity: F grade faults (repair within one year), C grade faults (programmed over the subsequent seven years) and A grade (not expected to impact the longevity of the pipe). This program includes design, construction and construction management to replace or rehabilitate aging surface infrastructure with a diameter of 18 inches or greater -pipes with diameters less than 18 inches have not been assessed. **The funding of this program is contingent on an increase of the City's Surface Water Utility Fee.**

ANTICIPATED OPERATIONS AND MAINTENANCE COSTS

No new operation and maintenance costs are anticipated.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
		\$ 937,500	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 4,687,500
								\$ -
Total Project Expenditures	\$ -	\$ 937,500	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 4,687,500

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
Surface Water Utility		\$ 937,500	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 4,687,500
								\$ -
Total Project Revenues	\$ -	\$ 937,500	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 4,687,500



Unfunded Projects



Unfunded Projects

The following projects are those for which the City currently does not have funding to complete the project. There are various funding factors that could affect the potential for a project to occur.

For those projects that are capacity-related, an increase in the City's traffic mitigation fees may provide funding. The City also plans to execute an interlocal agreement with Snohomish County that could provide a percentage of traffic mitigation fees to the City for development in unincorporated Snohomish County.

Other sources of funding could be county, state and federal grants; City-identified CIP Contingency Funds; or other funding made available through revenues above and beyond what is required for biennial operational expenses.

As funding is identified for these projects, the project concept will be developed and brought to the City Council for review and approval, and the CIP will be amended. However, until full funding is secured, the City will not execute these projects.

Further, until the projects are feasible, no operations and maintenance costs will be determined.



Unfunded Project Listing

Project Name	Total	2019	2020	2021	2022	2023	2024
Transportation Projects							
East Gateway Urban Village "Spine Road" West Connection (Phase 1)	\$4,500,000	\$0	\$500,000	\$4,000,000	\$0	\$0	\$0
East Gateway Urban Village "Spine Road" East Connection (Phase 2)	\$6,000,000	\$0	\$0	\$0	\$2,000,000	\$750,000	\$3,250,000
SR 96 and Dumas Road Intersection Improvements	\$5,390,000	\$0	\$0	\$0	\$200,000	\$5,190,000	\$0
SR 96 at 35th Avenue Intersection Improvements	\$3,460,000	\$0	\$150,000	\$3,310,000	\$0	\$0	\$0
SR 527 / 164th Street Intersection Improvements	\$2,090,000	\$0	\$0	\$250,000	\$1,840,000	\$0	\$0
SR 527 / SR96 Intersection Improvements	\$9,460,000	\$0	\$0	\$0	\$0	\$860,000	\$8,600,000
(Old) Seattle Hill Road at SR 527	\$1,150,000		\$150,000	\$1,000,000	\$0	\$0	\$0
164th Street SE at Mill Creek Boulevard Intersection Improvements	\$7,370,000	\$0	\$0	\$0	\$0	\$670,000	\$6,700,000
Transportation Project Totals	\$39,420,000	\$0	\$800,000	\$8,560,000	\$4,040,000	\$7,470,000	\$18,550,000
Storm Water Management Projects							
164th Street SE East Basin Surface Water Retrofit	\$502,500	\$0	\$0	\$50,000	\$450,000	\$0	\$2,500
Lower Mill Creek Road Basin Surface Water Retrofit	\$252,500		\$50,000	\$200,000	\$0	\$2,500	
Surface Water Project Totals	\$755,000	\$0	\$50,000	\$250,000	\$450,000	\$2,500	\$2,500
Unfunded Totals All Project Categories	\$40,175,000	\$0	\$850,000	\$8,810,000	\$4,490,000	\$7,472,500	\$18,552,500



PROJECT NAME:	EGUV Spine Road West Connection (Phase 1)
PROJECT #:	19-ROAD-15

DEPARTMENT	Public Works and Development Services
CATEGORY	Transportation
TYPE	Construction

Transportation Project

STRATEGIC PRIORITY

Community Preservation, Civic Pride, Public Safety, Long-Term Planning

DESCRIPTION / JUSTIFICATION

The East Gateway Urban Village (EGUV) subarea plan was designed with internal access provided via a "Spine Road." Several parcels in the East Gateway Urban Village have developed or are proposed for development and construction of the "Spine Road" has been a condition of approval for these developments. Right-of-way was dedicated as part of the approval of the Polygon Apartments/Townhome development, the Gateway Building, the Vintage and would be required with The Farm (project application submitted in 2018). This project will complete the "Spine Road" from 39th Ave. SE to 44th Ave. SE. Partial right-of-way purchase will be needed at two parcels for subsequent roadway design and construction. A 72 LF right of way width is needed for the "Spine Road." **Beyond the purchase of the right of way in 2019, work does not yet have funds committed.**

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Design		\$ -	\$ 300,000					\$ 300,000
Right-of-Way			\$ 200,000					\$ 200,000
Construction				\$ 4,000,000				\$ 4,000,000
Total Project Expenditures	\$ -	\$ -	\$ 500,000	\$ 4,000,000	\$ -	\$ -	\$ -	\$ 4,500,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
Road Mitigation Funds								\$ -
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT NAME:	EGUV Spine Road East Connection (Phase 2)
PROJECT #:	19-ROAD-15

DEPARTMENT	Public Works and Development Services
CATEGORY	Transportation
TYPE	Construction

Transportation Project

STRATEGIC PRIORITY
Community Preservation, Civic Pride, Public Safety, Long-Term Planning

DESCRIPTION / JUSTIFICATION
The East Gateway Urban Village (EGUV) subarea plan was designed with internal access provided via a "Spine Road." Several parcels in the East Gateway Urban Village have developed or are proposed for development and construction of the "Spine Road" has been a condition of approval for these developments. Right-of-way was dedicated as part of the approval of the Polygon Apartments/Townhome development, the Gateway Building, the Vintage and would be required with The Farm (project application submitted in 2018). This project will complete the "Spine Road" from 39th Ave. SE to 44th Ave. SE. Partial right-of-way purchase will be needed at two parcels for subsequent roadway design and construction. A 72 LF right of way width is needed for the "Spine Road."

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Construction		\$ -			\$ 2,000,000	\$ 750,000	\$ 3,250,000	\$ 6,000,000
								\$ -
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 750,000	\$ 3,250,000	\$ 6,000,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
Road Mitigation Funds								\$ -
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT NAME:	SR 96 at Dumas Road Intersection Improvements
PROJECT #:	

DEPARTMENT	Public Works and Development Services
CATEGORY	Transportation
TYPE	Construction

Transportation Project

STRATEGIC PRIORITY

Public Safety, Leadership, Long-Term Planning

DESCRIPTION / JUSTIFICATION

Operations at this intersection do not meet LOS guidelines primarily due to the existing split phasing required for traffic on Dumas Road/Elgin Way. The current channelization provides an exclusive left-turn lane and a shared left/through/right lane for northbound traffic. In addition to high through volumes on SR 96, this intersection has a high number of left turns from northbound Dumas Road to westbound SR 96 (529 vehicles in the 2040 PM peak hour). Installing a second northbound left-turn lane for northbound Dumas Road and a shared through/right-turn lane allows protected left-turn phases on each approach. This modification, in combination with optimizing timings, will reduce the average control delay by over 10 seconds per vehicle, resulting in LOS D.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
					\$ 5,190,000			\$ 5,190,000
								\$ -
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 5,190,000	\$ -	\$ -	\$ 5,190,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
								\$ -
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT NAME:	SR 96th at 35th Avenue Intersection Improvements
PROJECT #:	

DEPARTMENT	Public Works and Development Services
CATEGORY	Transportation
TYPE	Construction

Transportation Project

STRATEGIC PRIORITY

Public Safety, Leadership, Long-Term Planning

DESCRIPTION / JUSTIFICATION

35th Avenue SE has high left-turn movement volumes onto SR 96. Two left-turn lanes are provided for southbound traffic, but northbound users only have one. This intersection currently has a Level of Service E with an average vehicle delay of 71.7 seconds. Adding a second northbound left-turn lane and optimizing signal timing improves intersection operations to an average delay of 55.3 seconds per vehicle.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
				\$ 3,310,000				\$ 3,310,000
								\$ -
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ -	\$ 3,310,000	\$ -	\$ -	\$ -	\$ 3,310,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
								\$ -
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT NAME:	SR 527 / 164th Street Intersection Improvements
PROJECT #:	

Transportation Project

DEPARTMENT	Public Works and Development Services
CATEGORY	Transportation
TYPE	Construction

STRATEGIC PRIORITY
Public Safety, Leadership, Long-Term Planning

DESCRIPTION / JUSTIFICATION
This location is an intersection of two major arterials that connect users to regional destinations. The critical movement at this intersection is the eastbound left-turn movement, which is projected to have over 300 vehicles in the 2040 PM peak hour. Currently, this movement is served by a single left-turn lane with short storage length in order to maintain access to properties north of 164th Street SE. Removing the property access to the north, extending the turn-lane storage length, and optimizing the traffic signal timing can reduce delays to 80 seconds per vehicle and achieve a Level of Service E. Community Transit's BRT Orange Line is planned to connect from the Lynnwood Light Rail station east on 164th Street SE, turn around and return west on 164th Street SE. Intersection improvements at this location will be vital to the success of the Orange Line.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
			\$ 1,840,000					\$ 1,840,000
								\$ -
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ 1,840,000	\$ -	\$ -	\$ -	\$ -	\$ 1,840,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
								\$ -
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT NAME:	SR 527 / SR 96 Intersection Improvements
PROJECT #:	

Transportation Project

DEPARTMENT	Public Works and Development Services
CATEGORY	Transportation
TYPE	Construction

STRATEGIC PRIORITY
Public Safety, Leadership, Long-Term Planning

DESCRIPTION / JUSTIFICATION
This project proposes to add an additional Eastbound/Westbound through lane, install intelligent transportation systems (ITS) infrastructure to direct traffic to use alternate routes which may include 16th Ave. SE or Dumas Road.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
						\$ 860,000	\$ 8,600,000	\$ 9,460,000
								\$ -
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 860,000	\$ 8,600,000	\$ 9,460,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
								\$ -
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT NAME:	Old Seattle Hill Road at SR 527 Improvements
PROJECT #:	

DEPARTMENT	Public Works and Development Services
CATEGORY	Transportation
TYPE	Construction

Transportation Project

STRATEGIC PRIORITY

Public Safety, Leadership, Long-Term Planning

DESCRIPTION / JUSTIFICATION

The project consists of intersection control improvements coordinated by the City of Mill Creek, Snohomish County and the Washington State Department of Transportation.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
			\$ 150,000	\$ 1,000,000				\$ 1,150,000
								\$ -
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ 150,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,150,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
								\$ -
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT NAME:	164th Street SE at Mill Creek Blvd Intersection Improvements
PROJECT #:	

DEPARTMENT	Public Works and Development Services
CATEGORY	Transportation
TYPE	Construction

Transportation Project

STRATEGIC PRIORITY

Public Safety, Leadership, Long-Term Planning

DESCRIPTION / JUSTIFICATION

This intersection has a high volume left-turn movement, which results in a Level of Service F. Eastbound left-turn volumes exceed 500 vehicles in the PM peak hour, while the remaining approaches have over 100 vehicles per hour each. Currently, each approach has one left-turn lane. Adding an additional eastbound left-turn lane and optimizing signal timings will decrease the average delay per vehicle by around 40 seconds, resulting in a Level of Service E. This modification will require an additional receiving lane on the north leg, likely terminating at the intersection of Mill Creek Boulevard and 161st Street SE.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
						\$ 670,000	\$ 6,700,000	\$ 7,370,000
								\$ -
								\$ -
Total Project Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 670,000	\$ 6,700,000	\$ 7,370,000

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
								\$ -
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT NAME:	164th Street SE East Basin Surface Water Retrofit
PROJECT #:	SW-25

DEPARTMENT	Public Works and Development Services
CATEGORY	Surface Water
TYPE	Construction

Stormwater Management Project

STRATEGIC PRIORITY

Fiscal Responsibility, Community Preservation, Public Safety

DESCRIPTION / JUSTIFICATION

In 2012, the Snohomish Conservation District prepared a report for the City evaluating water quality treatment for stormwater runoff from seven undertreated drainage basins identified and prioritized by the City. Many portions of the impervious surface within the City receive little or no water quality treatment prior to discharge into North Creek or Penny Creek. The report details the existing conditions and explores a number of retrofit solutions for providing treatment to the runoff from these areas. The highest priority retrofit project was the design and construction of a filter vault system for the existing drainage system in 164th Street SE to treat the surface water runoff into North Creek. The retrofit system would only treat the drainage on 164th Street SE between North Creek and SR 527. This section of 164th Street SE has no treatment system for surface water. It has very high vehicle traffic, and is probably the single highest source of vehicle related pollutants in Mill Creek discharged directly into a water body. Replacement of the filter cartridges will be necessary on an annual or biennial basis.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Design				\$ 50,000				\$ 50,000
Construction					\$ 450,000			\$ 450,000
								\$ -
Operations & Maintenance							\$ 2,500	\$ 2,500
Total Project Expenditures	\$ -	\$ -	\$ -	\$ 50,000	\$ 450,000	\$ -	\$ 2,500	\$ 502,500

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
Surface Water Utility								\$ -
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT NAME:	Lower Mill Creek Road Basin Surface Water Retrofit
PROJECT #:	SW-26
DEPARTMENT	Public Works and Development Services
CATEGORY	Surface Water
TYPE	Construction

Stormwater Management Project

STRATEGIC PRIORITY

Fiscal Responsibility, Community Preservation, Public Safety

DESCRIPTION / JUSTIFICATION

In 2012, the Snohomish Conservation District prepared a report for the City evaluating water quality treatment for stormwater runoff from seven undertreated drainage basins identified and prioritized by the City. Many portions of the impervious surface within the City receive little or no water quality treatment prior to discharge into North Creek or Penny Creek. The report details the existing conditions and explores a number of retrofit solutions for providing treatment to the runoff from these areas. The second highest priority retrofit project was the design and construction of a filter vault retrofit for the drainage system on the lower segment of Mill Creek Road that drains into Penny Creek. The existing drainage system for Mill Creek Road east of SR 527 discharges directly into Penny Creek without any water quality treatment. Pollutants from vehicles or spills enter the creek without any form of treatment. The proposed retrofit would install a filter vault system that would treat the drainage water prior to entering Penny Creek. This retrofit would improve water quality and reduce risk exposure for non-compliance with our National Pollution Discharge Elimination System (NPDES) permit.

Expenditures	Prior	2019	2020	2021	2022	2023	2024	Total
Design			\$ 50,000					\$ 50,000
Construction				\$ 200,000				\$ 200,000
								\$ -
Operations & Maintenance						\$ 2,500		\$ 2,500
Total Project Expenditures	\$ -	\$ -	\$ 50,000	\$ 200,000	\$ -	\$ 2,500	\$ -	\$ 252,500

Funding Sources	Prior	2019	2020	2021	2022	2023	2024	Total
Surface Water Utility								\$ -
								\$ -
								\$ -
								\$ -
Total Project Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



2019-2020 Biennial Budget Prepared By

