



CITY COUNCIL AGENDA

15728 Main Street, Mill Creek, WA 98012 (425) 745-1891

Pam Pruitt, Mayor • Brian Holtzclaw, Mayor Pro Tem • Sean Kelly • Donna Michelson •
Vince Cavaleri • Mike Todd • Mark Bond

Regular meetings of the Mill Creek City Council shall be held on the first, second and fourth Tuesdays of each month commencing at 6:00 p.m. in the Mill Creek Council Chambers located at 15728 Main Street, Mill Creek, Washington. Your participation and interest in these meetings are encouraged and very much appreciated. We are trying to make our public meetings accessible to all members of the public. If you require special accommodations, please call the City Clerk at (425) 921-5732 three days prior to the meeting.

The City Council may consider and act on any matter called to its attention at such meetings, whether or not specified on the agenda for said meeting. Participation by members of the audience will be allowed as set forth on the meeting agenda or as determined by the Mayor or the City Council.

To comment on subjects listed on or not on the agenda, ask to be recognized during the Audience Communication portion of the agenda. Please stand at the podium and state your name and address for the official record. Please limit your comments to the specific item under discussion. Time limitations shall be at the discretion of the Mayor or City Council.

Study sessions of the Mill Creek City Council may be held as part of any regular or special meeting. Study sessions are informal, and are typically used by the City Council to receive reports and presentations, review and evaluate complex matters, and/or engage in preliminary analysis of City issues or City Council business.

Next Ordinance No. 2016-808

Next Resolution No. 2016-563

**October 4, 2016
City Council Meeting
6:00 p.m.**

CALL TO ORDER:

FLAG SALUTE:

ROLL CALL:

AUDIENCE COMMUNICATION:

- A. Public comment on items on or not on the agenda

NEW BUSINESS:

- B. 2017-2018 Initial Budget Presentation
(*Rebecca C. Polizzotto, City Manager*)

- C. City of Mill Creek/MCPOG Traffic Unit Memorandum of Understanding (MOU)
(*Rebecca C. Polizzotto, City Manager*)

REPORTS:

- D. Mayor/Council
City Manager

AUDIENCE COMMUNICATION:

- E. Public comment on items on or not on the agenda

ADJOURNMENT



Agenda Item # B.
Meeting Date: **October 4, 2016**

CITY COUNCIL AGENDA SUMMARY

City of Mill Creek, Washington

AGENDA ITEM: INITIAL PRESENTATION OF 2017-2018 BUDGET INFORMATION

ACTION REQUESTED: NONE

KEY FACTS AND INFORMATION SUMMARY:

In government, the purpose of the budget process is to help the policy makers, i.e., the City Council, make informed choices about the provision of services and capital assets. A good budget process: (1) incorporates a long term perspective; (2) establishes linkage to broad organizational goals; (3) focuses budget decisions on results and outcomes; and (4) involves and promotes effective communication with stakeholders.

Best practices in budgeting, as established by the National Advisory Council on State and Local Budgeting, call for the establishment of long term goals and strategic planning early in the budgeting process. Towards that end, the City Council and the City Manager engaged in a collaborative goal setting retreat in February of this year. That process officially “kicked off” the budgeting process for the 2017-2018 biennium.

Historically, the City has not engaged in key strategic planning to guide the development of the City’s budget. The City Manager recommends changing this practice moving forward and, towards that end, has worked with the Director of Finance to develop the first set of financial policies for Council review as part of the 2017-2018 budget process.

Financial policies are important to the budgeting process because they:

- Guide operational & strategic decision making;
- Identify acceptable, preferred and/or unacceptable courses of action;
- Establish operating parameters;
- Provide a standard to judge performance;
- Institutionalize good financial management practices;
- Clarify & crystallize strategic intent for financial management;
- Define boundaries;
- Promote long-term & strategic thinking; and
- Manage risks to financial condition.

It is especially important to note that budgeting best practices call for continual evaluation and adjustment. Thus, the proposed financial policies and strategies that serve as the underlying foundation for the 2017-2018 budget recommendations are not static. Rather, they are subject to review and revision as part of the budget process each biennium.

City Council Agenda Summary
Page 2

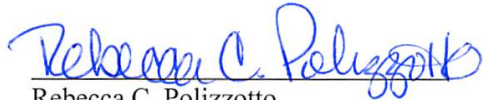
The first component of the proposed 2017-2018 budget the City Manager will present for discussion with the City Council is the General Fund Revenue Forecast. Revenue forecasting is based, in part, on financial policies and goals. Therefore, the City Manager will first review the goals and policies that form the basis for the revenue forecast and then discuss the preliminary forecast.

CITY MANAGER RECOMMENDATION: The information presented is for purposes of fostering discussion between the City Manager and the City Council regarding financial management objectives.

ATTACHMENTS:

- Budget Presentation
- Guiding Principles
- Financial Policies
- Revenue Projections

Respectfully Submitted:

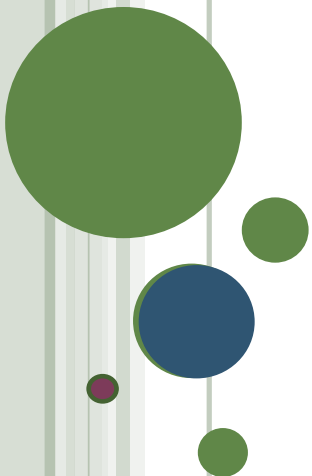


Rebecca C. Polizzotto
City Manager



2017 – 2018 BUDGET PRESENTATION

**October 4, 2016:
Introduction & Revenue Forecasting**



BUDGET DEFINITION

- ❑ The budget is an economic plan that focuses the entity's financial & human resources on the accomplishment of specific goals & objectives established by the policy makers.
 - Financial Resources
 - Human Resources
 - Goals
 - Objectives



CITY OF MILL CREEK GUIDING PRINCIPLES



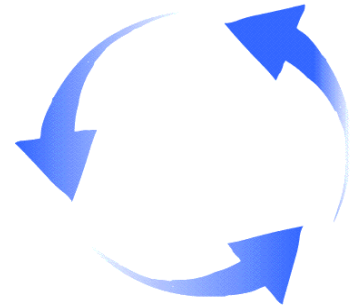
WHY HAVE BUDGETS?

- ❑ Legally Required
- ❑ Accountability
- ❑ Management Tool
- ❑ Planning Document



ROLES OF THE BUDGET MAKERS

- ❑ Policy makers (Council) – make policy!
 - Provide policy guidance at the beginning.
 - Confirms budget meets direction by adoption.
 - Monitors for conformity and result.
- ❑ City Managers
 - Propose policy at the beginning.
 - Develops organization strategy to implement policy.
- ❑ Departments
 - Develop operational strategy
 - Provide service (departments can be passionate about this!)
 - Accountable for “day-to-day.”
- ❑ Public – “stakeholders”
 - Observe results and “counsel” policy makers.

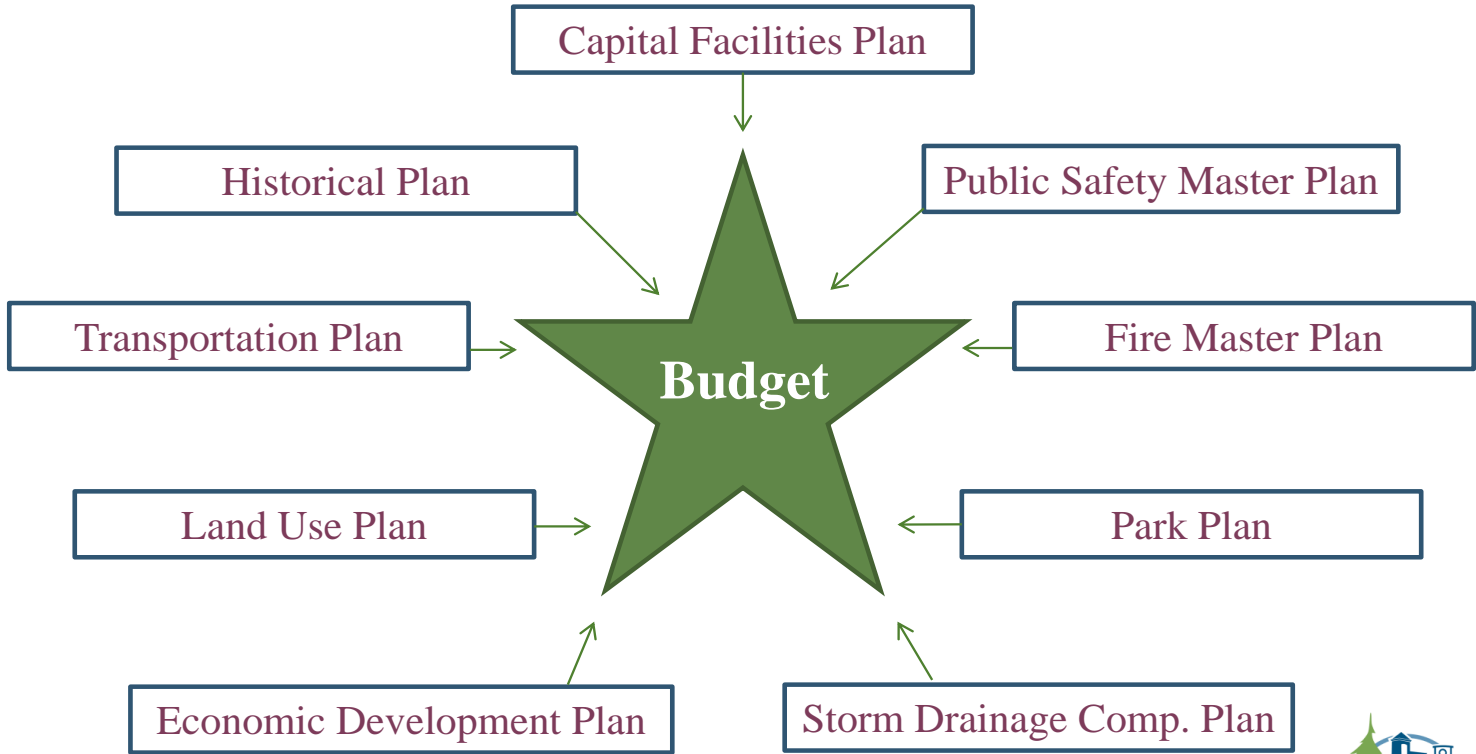


ROLES AND RELATED TOOLS

Reporting Pyramid



INFLUENCES ON THE BUDGET



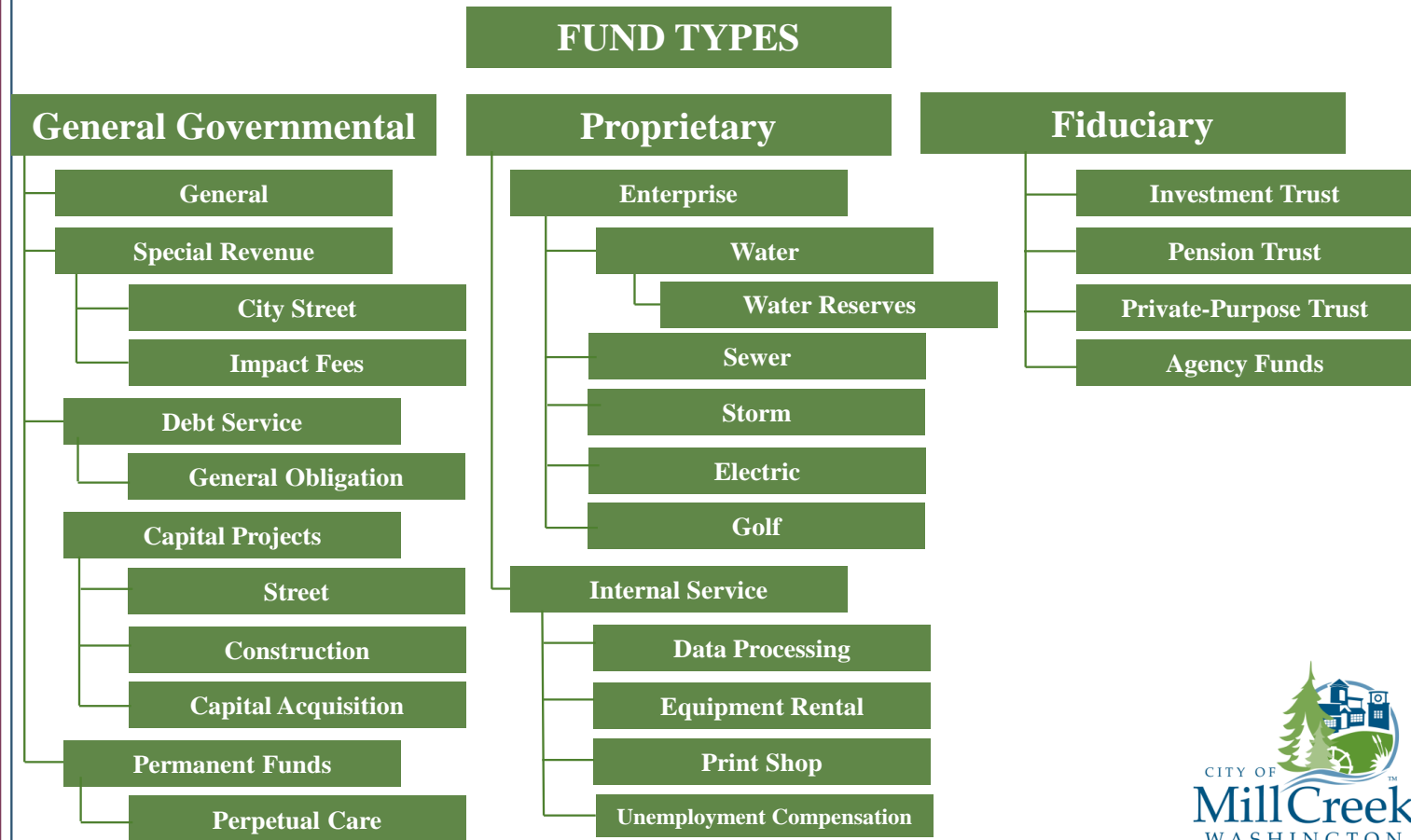
BASICS OF BUDGETING – WHAT YOU ARE BUDGETING AND WHY?

FUND STRUCTURE

- ❑ Accounting rules and regulations will set the types of funds that local government uses.
- ❑ The type of fund will determine budget focus.
- ❑ Differences in fund types are often set to meet the financial objectives of the City.
- ❑ Understanding the fund types and their intended purpose will assist in budget development.
 - Not all fund types require a budget appropriation.

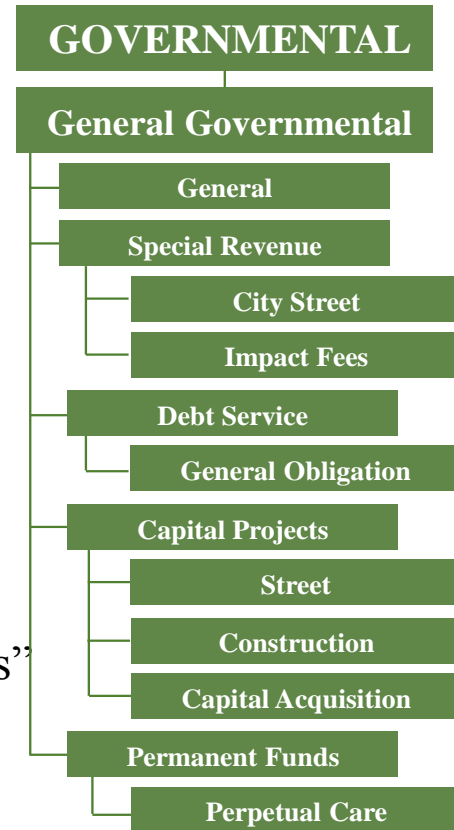


FUND STRUCTURE – 3 DIFFERENT FUND TYPES



GOVERNMENTAL FUND TYPES

- **General Fund**
 - Chief operating fund of local government.
 - Used to account for all financial resources except those required to be accounted for in another fund.
- **Special Revenue Funds**
 - Used to account for the proceeds of resources that are restricted or committed for purposes other than debt service or capital projects.
 - Accounting regulations shifted the focus of special revenue funds from activities to resources received. Emphasis is on “restrictions” and/or “commitments.”
 - Examples:
 - Hotel/Motel Tax
 - Criminal Justice Tax



OTHER GOVERNMENTAL FUND TYPES

- ❑ Debt Service
 - To account for the accumulation of resources for, and the payment of, general long-term debt (principal and interest) for Governmental Funds.
 - General Obligation debt only (debt backed by taxes).
- ❑ Capital Projects
 - To account for financial resources to be used for the acquisition or construction of major capital facilities of governmental fund types.
 - Not to be used for proprietary funds and trust funds.
- ❑ Permanent Funds
 - Used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for programs or activities that is for the benefit of the government or its citizens.
 - Example: Perpetual Care funds for Cemetery.



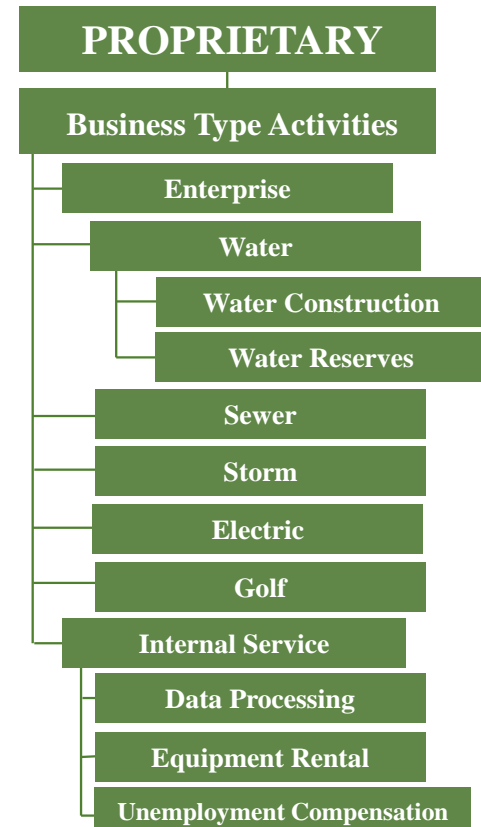
PROPRIETARY FUND TYPES

❑ Enterprise Funds

- Accounts for operations that the primary source of revenues is user fees or charges for services.
- Operated and financed similar to private business, where intent of governing body is cost recovery.

❑ Internal Service Funds

- Used to finance goods or services provided by one department/agency to other departments of the government.
- Used to allocate the cost of providing services to other funds.





PROPOSED FUND RESTRUCTURING

FUNDS RECOMMENDED FOR CONSOLIDATION

Funds	Fund Balance	Consolidate With
Special Revenue Funds:		
Council Contingency	\$ 69,735	General Fund
Municipal Arts	38,369	General Fund
Drug Buy Fund	62,236	General Fund
Beautification Fund	7,822	General Fund
35th Reserve	-	General Fund
Enterprise Funds:		
Equipment Replacement	1,474,245	General Fund
Unemployment Self-Insurance	-	General Fund



INFLUENCES ON THE BUDGET: FINANCIAL POLICIES

- ❑ Fund Balance
 - Reserves
- ❑ Contingency Planning
- ❑ Balancing the Operating Budget
- ❑ Use of One-Time Revenues
- ❑ Use of Fluctuating Revenues
- ❑ Fees & Charges
- ❑ Debt Level & Capacity



PROPOSED FINANCIAL POLICIES



ISSUES IN REVENUE FORECASTING

- ❑ Establish base year.
- ❑ Focus on major revenues.
- ❑ Assess revenue growth trends.
- ❑ Specify underlying assumptions.
- ❑ Select appropriate forecasting method.
- ❑ Validate forecasts – is it reasonable?
- ❑ Monitor revenue forecasts.
- ❑ Update forecasts as needed.



PROBLEMS IN FORECASTING

- ❑ Promote realistic estimates.
- ❑ Outliers – correct for known defects.
- ❑ Compounding of growth factors.
- ❑ One-time revenues / expenditures.
- ❑ Timing factors.
- ❑ Weakness of CPI / IPD factors.
- ❑ Knowing the future!



GENERAL FUND REVENUE FORECAST



GENERAL FUND REVENUE ASSUMPTIONS

Taxes

- Regular Property Tax
 - Rate of inflation (IPD rate) is .953% for 2017.
 - Substantial Need Ordinance/Resolution required for full increase to 1%. Difference for 2017 ~ \$2,800.
 - Construction AV for 2017 and 2018 of \$14,627,000 and \$20,000,000 assumed.
- Sales Tax
 - Based on the average of past three years.
 - Includes an increase of 4% growth based on State forecast.
 - Construction sales tax assumed for Vintage of \$180k excluded from the General Fund as we adopt new financial policy.
 - Criminal Justice and Public Safety Tax assumed in proportionate percentage to Retail Sales Tax.



GENERAL FUND REVENUE ASSUMPTIONS

- Licenses and Permits
 - Waste Management will decline due to one-time fee and overpayment in previous biennium along with the reduction in contracted amounts charged to consumers.
 - Building fees and the variable revenue stream, technology fees are assumed to decline by 25%.

- Intergovernmental
 - Shared revenues as projected by MRSC are expected to increase 8.5%.



GENERAL FUND REVENUE ASSUMPTIONS

- Grants
 - Grants currently anticipated in the general fund are \$80k lower than the projected amounts for the previous biennium.

- Charges for Services
 - Revenue related to development/building are projected to decline by \$280k or 60% over 2015-2016.
 - Passport fees are budgeted conservatively at \$450k which represents a \$115k decrease over the previous biennium.



GENERAL FUND REVENUE ASSUMPTIONS

- Fines and Penalties
 - Revenue related to civil infractions is projected to increase 80k over the previous period.

- Miscellaneous Revenues
 - A decrease of \$48k is projected related to investment interest and one time amounts received in the previous biennium.



City of Mill Creek 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.

FISCAL POLICY CITY OF MILL CREEK, WASHINGTON

1. 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.

2. 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.
- c. Revenues and expenditures for the General Fund, and all operating funds, shall be projected for the ensuing biennium.



FISCAL POLICY

- 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.
- f. The City will develop an equipment replacement and maintenance needs analysis for the life cycle of the equipment and will update this projection every two years consistent with budget development.
- g. All general government current operating expenditures will be paid from current revenues and cash carried over from the prior biennium.
- h. Reports on revenues and expenditures will be prepared monthly and reviewed quarterly by the City Council during the year.
- i. The City will avoid budgetary and accounting procedures which balance the current budget at the expense of future budgets.
- j. The City of Mill Creek defines a balanced budget as current biennium revenues (including fund balances) are equal to or greater than current biennium budgeted expenditures.
- k. The City will attempt to utilize beginning balances and other one-time revenues only for onetime/non-recurring expenditures.

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.

3. 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.



FISCAL POLICY

- 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. Additionally, for analysis and rate modeling purposes, the proposed rates shall also take into account debt service coverage commitments made by the City of 1.2 times annual debt service.

4. 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.

FISCAL POLICY

- 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).

5. Capital Investment Budget Policies

- a. The City will make capital improvements in accordance with an adopted Capital Improvement Program.
- b. The Capital Improvement Program and the base operating budget will be reviewed at the same time to ensure that the City's capital and operating needs are balanced with each other and that the Capital Improvement Program is aligned with the City's other long-range plans.
- c. The City will develop a six-year plan for capital improvements including operations and maintenance costs and update it every biennium. Capital expenditures will be forecasted taking into account changes in population, changes in real estate development, or changes in the relevant economic condition of the City and the region.
- d. The City will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to Council for approval. The City will use intergovernmental assistance and other outside resources whenever possible.
- e. The City will determine the least costly financing method for all new projects.
- f. The City will transfer, annually, General Fund one-time revenues to the Capital Improvement Program.

6. 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.

FISCAL POLICY

- 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.

7. Long-Term Debt Policies

- a. Long-term debt is that debt which exceeds three years.
- b. The City will 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 savings 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

FISCAL POLICY

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.

8. Reserve Fund Policies

- a. The City will maintain 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 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 will 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 will maintain operating reserves in the following funds:
 1. Surface Water Fund: 5%
 2. Annex Fund: 5%



FISCAL POLICY

- e. The City shall additionally maintain the following Equipment Replacement Reserve Funds:
 - 1. Fleet Maintenance Reserve; and
 - 2. Capital Equipment Reserve for general asset replacement.

The Equipment Reserve Funds will be maintained at a level sufficient to meet scheduled equipment replacement so as to sustain an acceptable level of municipal services and prevent a physical deterioration of City assets.

- f. The City shall also maintain Reserve Funds as follows:
 - 1. All statutorily required reserve funds to guarantee debt service; and
 - 2. A vacation accrual reserve.

No reserve shall be established for sick leave. One-fourth of accrued sick leave is payable only upon retirement and is not considered material.

9. Investment Policies

The City Manager will biennially submit an investment policy to the City Council for review.

10. Special Revenue Policies

- a. The City will 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.

11. 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.



FISCAL POLICY

- 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 which 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.

12. 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.

City of Mill Creek
 Biennial Revenue - General Fund; \$ Change
 For the periods ending,

Description	Change in \$'s Biennium over Biennium					
	Actual 2007-2008	Actual 2009-2010	Actual 2011-2012	Actual 2013-2014	Projected 2015-2016	Projected 2017-2018
Regular Property Tax	1,731,638	483,617	572,430	524,505	771,492	555,866
EMS Property Tax Levy	185,915	53,438	1,229,556	(139,205)	349,977	827,111
Local Retail Sales and Use Tax	618,031	(711,879)	87,220	603,994	309,196	(160,600)
"Public Safety" Sales Tax	-	-	-	352,365	103,202	233
Criminal Justice Sales Tax	140,489	(95,075)	5,402	67,012	43,044	(22,517)
Punch Boards/Pull Tab Excise	(4,971)	(4,563)	3,363	(8,611)	-	-
Interest-Real & Property Taxes	963	(14,321)	(1,777)	375	-	-
TAXES	2,672,065	(288,783)	1,896,194	1,400,435	1,576,911	1,200,093
Prof. & Occ. Business Licenses	3,823	(3,837)	(1,963)	5,638	4,562	2,800
Franchise Fees - Cable & Fiber	133,702	76,026	50,779	53,033	41,514	24,959
Franchise Fees - Waste Mgmt.	46,297	25,959	3,602	1,691	46,957	(57,506)
Building/Structure Permits	(8,620)	(333,922)	87,969	367,616	(219,398)	(126,992)
Technology fee	-	-	-	34,122	(759)	(16,413)
Animal Licenses	(490)	(1,190)	(166)	218	337	(218)
Penalties on Non-Business Lic.	8,719	(9,499)	(115)	(25)	-	-
Other Permits or Licenses	(18,061)	18,162	(4,539)	70	(3,669)	1,271
LICENSES & PERMITS	165,370	(228,301.50)	135,567.00	462,363.00	(130,456.49)	(172,099.09)
PUD Privilege Tax	26,497	11,016	33	5,840	10,529	8,759
MVET- Violent Crimes/Pop	1,666	927	146	1,027	1,219	2,139
Crim Justice-Spec Programs	5,995	2,977	267	3,288	3,996	3,767
DUI/Criminal Justice Assist	2,407	2,162	(2,123)	(603)	(775)	(5,926)
Liquor Excise Tax	43,320	15,480	(23,504)	(110,403)	92,656	49,844
Liquor Control Board Profits	47,963	25,312	36,350	20,710	3,800	664
Evr School Dist-School Officer	(13,280)	20,875	(9,483)	15,836	24,633	19,421
Marijuana Testing Fees	(25)	(500)	175	(275)	-	-
Sno-Isle Library	30,214	7,093	(2,935)	(55,497)	-	-
INTERGOVERNMENTAL	144,757	85,342	(1,074)	(120,077)	136,059	78,667
Bulletproof Vest Fed Grant	-	-	1,761	1,316	3,087	(3,764)
Grants-WASPC/Live Scan Finger P	2,902	(5,895)	(945)	-	18,000	(18,000)
State Grant Military Dept	-	-	-	-	2,659	(2,659)
Grants-Traffic Safety Comm	(1,470)	(3,088)	2,855	4,822	(9,865)	2,000
Local Grants	-	-	-	-	67,864	(57,864)
GRANTS	1,432	(8,983)	3,671	6,138	81,746	(80,288)
Sale of Maps & Publications	(523)	(184)	(28)	(66)	(12)	(36)
Copies, Fingerprinting, Tape	4,229	5,548	(3,373)	1,218	(1,179)	(763)
Engineering Plan Check Fees	(111,351)	8,136	25,113	25,437	55,395	(94,063)
Candidate Filing Fees	(60)	(360)	240	360	(4,142)	4,142
Passport Fees	142,429	(256,793)	(65,675)	46,409	150,653	(113,767)
Law Enforcement Services	(30)	7,393	8,272	(9,049)	(631)	3,925
Zoning & Subdivision Fees	(22,940)	(7,750)	400	8,915	13,410	(22,855)
Plan Check Fees	(8,252)	(160,672)	5,813	206,123	(98,624)	(154,738)
Design Review Board Fees	16,750	(19,000)	(500)	6,068	(2,318)	(2,500)
Other Development Fees	1,800	997	3,603	250	5,575	(5,825)
CHARGES FOR SERVICES	22,052	(422,685)	(26,135)	285,665	118,127	(386,479)

City of Mill Creek
 Biennial Revenue - General Fund; \$ Change
 For the periods ending,

Description	Change in \$'s Biennium over Biennium					
	Actual 2007-2008	Actual 2009-2010	Actual 2011-2012	Actual 2013-2014	Projected 2015-2016	Projected 2017-2018
Civil Traffic Infraction	46,232	172,988	135,478	(129,142)	(79,967)	74,018
Dismissed Tickets	3,247	6,526	1,228	(6,297)	(3,812)	373
Code Enforcement Penalties	-	-	-	200	200	(400)
Civil Parking Infractions	5,077	12,141	(11,260)	320	(5,530)	8,274
Permit & License Penalties	-	-	-	-	1,000	(1,000)
FINES & PENALTIES	54,556	191,655	125,446	(134,919)	(88,108)	81,264
Investment Interest	92,020	(349,505)	1,137	(18,996)	(27,354)	(9,754)
Interest on Sales Tax Rec.	5,535	(9,400)	(6,395)	(1,237)	2,297	(3,221)
Interest - Rifle Purchase	333	(71)	158	(605)	-	-
Lease Revenue/Cell Tower Leases	-	-	5,000	17,000	74,000	-
Donations	-	-	-	11,325	(9,275)	(2,050)
DARE Donations/Sales	1,259	(764)	(469)	(23)	2	(5)
ESCA Equity	-	-	-	-	35,604	(35,604)
Cashier's Overage/Shortages	75	8	188	(173)	330	(337)
Other Miscellaneous Revenue	21,256	(21,651)	(7,981)	(1,629)	(10,693)	2,107
DWLS Impound Admin fee	62,495	(75,050)	-	-	-	-
MISCELLANEOUS REVENUES	182,973	(456,433)	(8,362)	5,662	64,911	(48,864)
Proceeds-Sale Capital Assets	3,600	(3,600)	-	-	-	-
Insurance & Restitut Recovery	9,574	(11,456)	12,812	20,052	(34,458)	(667)
Transfer From Annex Bldg.	-	-	400,000	(400,000)	-	-
Transfer From Crimin Justice	1,035	(1,035)	-	-	-	-
Transfer From Drug Buy	-	615	4,368	(8,983)	-	-
Transfer from Beautification	(3,266)	(4,734)	-	-	-	-
Transfer from REET	-	-	-	560,000	80,000	(640,000)
Insurance Recoveries	-	-	-	-	16,189	(16,189)
OTHER FINANCING SOURCES	10,943	(20,210)	417,180	171,069	61,731	(656,856)
GENERAL FUND	3,254,148	(1,148,399)	2,542,487	2,076,336	1,820,920	15,438
Less: Transfers	10,943	(20,210)	417,180	171,069	61,731	(656,856)
Gen Fund Revenues Only	3,243,205	(1,128,189)	2,125,307	1,905,267	1,759,189	672,294

City of Mill Creek
 Biennial Revenue - General Fund
 For the periods ending,

Description	Actual 2005-2006	Actual 2007-2008	Actual 2009-2010	Actual 2011-2012	Actual 2013-2014	Projected 2015-2016	Projected 2017-2018
Regular Property Tax	7,680,122	9,411,760	9,895,377	10,467,807	10,992,312	11,763,804	12,319,670
EMS Property Tax Levy	807,894	993,809	1,047,247	2,276,803	2,137,598	2,487,575	3,314,686
Local Retail Sales and Use Tax	3,812,038	4,430,069	3,718,190	3,805,410	4,409,404	4,718,600	4,558,000
"Public Safety" Sales Tax	-	-	-	-	352,365	455,567	455,800
Criminal Justice Sales Tax	431,395	571,884	476,809	482,211	549,223	592,267	569,750
Punch Boards/Pull Tab Excise	14,782	9,811	5,248	8,611	-	-	-
Interest-Real & Property Taxes	14,760	15,723	1,402	(375)	-	-	-
TAXES	12,760,991	15,433,056	15,144,273	17,040,467	18,440,902	20,017,813	21,217,906
Prof. & Occ. Business Licenses	88,978	92,800	88,963	87,000	92,638	97,200	100,000
Franchise Fees - Cable & Fiber	329,987	463,689	539,715	590,494	643,527	685,041	710,000
Franchise Fees - Waste Mgmt.	-	46,297	72,256	75,858	77,549	124,506	67,000
Building/Structure Permits	648,347	639,727	305,805	393,774	761,390	541,992	415,000
Technology fee	-	-	-	-	34,122	33,363	16,950
Animal Licenses	2,809	2,319	1,129	963	1,181	1,518	1,300
Penalties on Non-Business Lic.	920	9,639	140	25	-	-	-
Other Permits or Licenses	14,766	(3,295)	14,867	10,328	10,398	6,729	8,000
LICENSES & PERMITS	1,085,806	1,251,177	1,022,875	1,158,442	1,620,805	1,490,349	1,318,249
PUD Privilege Tax	109,991	136,488	147,504	147,537	153,377	163,906	172,665
MVET- Violent Crimes/Pop	5,476	7,142	8,069	8,215	9,242	10,461	12,600
Crim Justice-Spec Programs	21,710	27,705	30,682	30,949	34,237	38,233	42,000
DUI/Criminal Justice Assist	4,858	7,265	9,427	7,304	6,701	5,926	-
Liquor Excise Tax	122,418	165,738	181,218	157,714	47,311	139,967	189,810
Liquor Control Board Profits	200,780	248,743	274,055	310,405	331,115	334,915	335,580
Evr School Dist-School Officer	109,498	96,218	117,093	107,610	123,446	148,079	167,500
Marijuana Testing Fees	625	600	100	275	-	-	-
Sno-Isle Library	21,125	51,339	58,432	55,497	-	-	-
INTERGOVERNMENTAL	596,481	741,238	826,580	825,506	705,429	841,488	920,154
Bulletproof Vest Fed Grant	-	-	-	1,761	3,077	6,164	2,400
Grants-WASPC/Live Scan Finger Prin	3,938	6,840	945	-	-	18,000	-
State Grant Military Dept	-	-	-	-	-	2,659	-
Grants-Traffic Safety Comm	6,746	5,276	2,188	5,043	9,865	-	2,000
Local Grants	-	-	-	-	-	67,864	10,000
GRANTS	10,684	12,116	3,133	6,804	12,942	94,688	14,400
Sale of Maps & Publications	849	326	142	114	48	36	-
Copies, Fingerprinting, Tape	6,320	10,549	16,097	12,724	13,942	12,763	12,000
Engineering Plan Check Fees	114,033	2,682	10,818	35,931	61,368	116,763	22,700
Candidate Filing Fees	420	360	-	240	600	(3,542)	600
Passport Fees	546,744	689,173	432,380	366,705	413,114	563,767	450,000
Law Enforcement Services	120	90	7,483	15,755	6,706	6,075	10,000
Zoning & Subdivision Fees	53,740	30,800	23,050	23,450	32,365	45,775	22,920
Plan Check Fees	338,749	330,497	169,825	175,638	381,761	283,137	128,400
Design Review Board Fees	6,500	23,250	4,250	3,750	9,818	7,500	5,000
Other Development Fees	3,600	5,400	6,397	10,000	10,250	15,825	10,000
CHARGES FOR SERVICES	1,071,075	1,093,127	670,442	644,307	929,972	1,048,099	661,620

City of Mill Creek
Biennial Revenue - General Fund
For the periods ending,

Description	Actual 2005-2006	Actual 2007-2008	Actual 2009-2010	Actual 2011-2012	Actual 2013-2014	Projected 2015-2016	Projected 2017-2018
Civil Traffic Infraction	95,393	141,625	314,613	450,091	320,949	240,982	315,000
Dismissed Tickets	4,735	7,982	14,508	15,736	9,439	5,628	6,000
Code Enforcement Penalties	-	-	-	-	200	400	-
Civil Parking Infractions	19,978	25,055	37,196	25,936	26,256	20,726	29,000
Permit & License Penalties	-	-	-	-	-	1,000	-
FINES & PENALTIES	120,106	174,662	366,317	491,763	356,844	268,736	350,000
Investment Interest	347,452	439,472	89,967	91,104	72,108	44,754	35,000
Interest on Sales Tax Rec.	12,421	17,956	8,556	2,161	924	3,221	-
Interest - Rifle Purchase	185	518	447	605	-	-	-
Lease Revenue/Cell Tower Leases	-	-	-	5,000	22,000	96,000	96,000
Donations	-	-	-	-	11,325	2,050	-
DARE Donations/Sales	-	1,259	495	26	3	5	-
ESCA Equity	-	-	-	-	-	35,604	-
Cashier's Overage/Shortages	(91)	(16)	(8)	180	7	337	-
Other Miscellaneous Revenue	27,591	48,847	27,196	19,215	17,586	6,893	9,000
DWLS Impound Admin fee	12,555	75,050	-	-	-	-	-
MISCELLANEOUS REVENUES	400,113	583,086	126,653	118,291	123,953	188,864	140,000
Proceeds-Sale Capital Assets	-	3,600	-	-	-	-	-
Insurance & Restitut Recovery	4,143	13,717	2,261	15,073	35,125	667	-
Transfer From Annex Bldg.	-	-	-	400,000	-	-	-
Transfer From Crimin Justice	-	1,035	-	-	-	-	-
Transfer From Drug Buy	4,000	4,000	4,615	8,983	-	-	-
Transfer from Beautification	8,000	4,734	-	-	-	-	-
Transfer from REET	-	-	-	-	560,000	640,000	-
Insurance Recoveries	-	-	-	-	-	16,189	-
OTHER FINANCING SOURCES	16,143	27,086	6,876	424,056	595,125	656,856	-
GENERAL FUND	16,061,399	19,315,548	18,167,149	20,709,636	22,785,972	24,606,892	24,622,330
Less: Transfers	(16,143)	(27,086)	(6,876)	(424,056)	(595,125)	(656,856)	-
Gen Fund Revenues Only	16,045,256	19,288,462	18,160,273	20,285,580	22,190,847	23,950,036	24,622,330

City of Mill Creek
Revenue-General Fund
For the years ending,

Description	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Projected 2016	Projected 2017	Projected 2018
Regular Property Tax	3,786,454	3,893,668	4,620,300	4,791,460	4,943,888	4,951,489	5,151,397	5,316,410	5,414,271	5,578,041	5,743,951	6,019,853	6,112,180	6,207,490
EMS Property Tax Levy	396,868	411,026	487,783	506,026	521,825	525,422	1,189,891	1,086,912	1,050,512	1,087,086	1,227,177	1,260,398	1,649,095	1,665,590
Local Retail Sales and Use Tax	1,731,116	2,080,922	2,199,865	2,230,204	1,865,298	1,852,892	1,876,562	1,928,848	2,102,220	2,307,184	2,371,134	2,347,466	2,233,380	2,324,620
"Public Safety" Sales Tax	-	-	-	-	-	-	-	-	126,023	226,342	232,229	223,338	223,338	232,462
Criminal Justice Sales Tax	176,989	254,406	299,078	272,806	237,365	239,444	235,717	246,494	266,476	282,747	298,834	293,433	279,173	290,577
Punch Boards/Pull Tab Excise	6,536	8,246	5,407	4,404	2,399	2,849	5,146	3,465	-	-	-	-	-	-
Interest-Real & Property Taxes	5,583	9,177	10,377	5,346	1,532	(130)	(302)	(73)	-	-	-	-	-	-
TAXES	6,103,546	6,657,445	7,622,810	7,810,246	7,572,307	7,571,966	8,458,411	8,582,056	8,959,502	9,481,400	9,873,325	10,144,488	10,497,167	10,720,739
Prof. & Occ. Business Licenses	40,528	48,450	50,435	42,365	45,213	43,750	43,675	43,325	44,638	48,000	49,600	47,600	50,000	50,000
Franchise Fees - Cable & Fiber	153,363	176,624	221,267	242,422	260,727	278,988	293,091	297,403	311,793	331,734	336,973	348,068	351,680	358,320
Franchise Fees - Waste Mgmt.	-	-	14,041	32,256	34,100	38,156	37,483	38,375	38,668	38,881	68,237	56,269	33,000	34,000
Building/Structure Permits	314,854	333,493	406,931	232,796	124,784	181,021	194,781	198,993	280,302	481,088	220,086	321,906	243,912	171,088
Technology fee	-	-	-	-	-	-	-	-	11,513	22,609	12,972	20,391	10,272	6,678
Animal Licenses	1,347	1,462	1,707	612	550	579	483	480	586	595	804	714	650	650
Penalties on Non-Business Lic.	320	600	-	9,639	-	140	-	25	-	-	-	-	-	-
Other Permits or Licenses	7,617	7,149	6,344	(9,639)	9,129	5,738	4,857	5,471	6,006	4,392	4,307	2,422	4,000	4,000
LICENSES & PERMITS	518,028	567,778	700,725	550,452	474,503	548,372	574,370	584,072	693,506	927,299	692,979	797,370	693,514	624,735
PUD Privilege Tax	54,006	55,985	65,695	70,793	72,276	75,228	73,175	74,362	75,620	77,757	80,057	83,849	85,494	87,171
MVET- Violent Crimes/Pop	2,362	3,114	3,446	3,696	3,957	4,112	4,075	4,140	4,437	4,805	5,018	5,443	6,169	6,431
Crim Justice-Spec Programs	9,418	12,292	13,454	14,251	15,105	15,577	15,384	15,565	16,516	17,721	18,387	19,846	20,696	21,304
DUI/Criminal Justice Assist	2,145	2,713	4,029	3,236	6,001	3,426	3,870	3,434	3,352	3,349	2,845	3,081	-	-
Liquor Excise Tax	52,209	70,209	79,546	86,192	89,647	91,571	90,054	67,660	12,360	34,951	51,129	88,838	92,933	96,877
Liquor Control Board Profits	90,502	110,278	127,725	121,018	126,232	147,823	127,163	183,242	165,847	165,268	164,556	170,359	167,425	168,155
Evr School Dist-School Officer	51,898	57,600	59,530	36,688	54,056	63,037	64,560	43,050	65,908	57,538	77,169	70,910	79,500	88,000
Marijuana Testing Fees	375	250	550	50	100	-	125	150	-	-	-	-	-	-
Sno-Isle Library	-	21,125	-	51,339	29,076	29,356	30,785	24,712	-	-	-	-	-	-
INTERGOVERNMENTAL	262,915	333,566	353,975	387,263	396,450	430,130	409,191	416,315	344,040	361,389	399,161	442,327	452,217	467,938
Bulletproof Vest Fed Grant	-	-	-	-	-	-	-	1,761	2,149	928	4,988	1,176	1,200	1,200
Grants-WASPC/Live Scan Finger Print	3,438	500	3,000	3,840	945	-	-	-	-	-	-	18,000	-	-
State Grant Military Dept	-	-	-	-	-	-	-	-	-	-	-	2,659	-	-
Grants-Traffic Safety Comm	5,680	1,066	1,341	3,935	1,661	527	2,998	2,045	2,915	6,950	-	-	1,000	1,000
Grants-Other	-	-	-	-	-	-	-	-	-	-	9,864	58,000	10,000	-
GRANTS	9,118	1,566	4,341	7,775	2,606	527	2,998	3,806	5,064	7,878	14,852	79,836	12,200	2,200
Sale of Maps & Publications	518	331	226	100	112	30	46	68	30	18	18	18	-	-
Copies, Fingerprinting, Tape	2,395	3,925	5,454	5,095	8,149	7,948	7,481	5,243	6,178	7,764	6,763	6,000	6,000	6,000
Engineering Plan Check Fees	97,674	16,359	100	2,582	-	10,818	444	35,487	115,378	(54,010)	26,022	90,741	17,700	5,000
Candidate Filing Fees	-	420	-	360	-	-	240	-	600	-	300	(3,842)	-	600
Passport Fees	253,764	292,980	437,021	252,152	231,780	200,600	178,433	188,272	199,178	213,936	250,960	312,807	225,000	225,000
Law Enforcement Services	30	90	90	-	90	7,393	7,501	8,254	1,398	5,308	4,562	1,513	5,000	5,000
Zoning & Subdivision Fees	27,830	25,910	14,300	16,500	6,400	16,650	5,250	18,200	16,482	15,883	30,355	15,420	10,420	12,500
Plan Check Fees	180,111	158,638	204,099	126,398	51,790	118,035	71,634	104,004	138,184	243,577	116,250	166,887	88,085	40,315
Design Review Board Fees	3,000	3,500	3,250	20,000	-	4,250	2,750	1,000	4,810	5,008	5,000	2,500	2,500	2,500
Other Development Fees	-	3,600	4,000	1,400	4,897	1,500	3,500	6,500	5,500	4,750	9,981	5,844	5,000	5,000
CHARGES FOR SERVICES	565,322	505,753	668,540	424,587	303,218	367,224	277,279	367,028	487,738	442,234	450,211	597,888	359,705	301,915

City of Mill Creek
 Revenue-General Fund
 For the years ending,

Description	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Projected 2016	Projected 2017	Projected 2018
Civil Traffic Infraction	40,626	54,767	60,236	81,389	153,949	160,664	221,351	228,740	177,074	143,875	109,289	131,693	150,000	165,000
Dismissed Tickets	-	4,735	2,873	5,109	6,624	7,884	7,017	8,719	5,501	3,938	2,342	3,286	3,000	3,000
Code Enforcement Penalties	-	-	-	-	-	-	-	-	100	100	-	400	-	-
Civil Parking Infractions	9,746	10,232	9,595	15,460	16,166	21,030	12,802	13,134	14,959	11,297	7,490	13,236	14,000	15,000
Permit & License Penalties	-	-	-	-	-	-	-	-	-	-	-	1,000	-	-
FINES & PENALTIES	50,372	69,734	72,704	101,958	176,739	189,578	241,170	250,593	197,634	159,210	119,121	149,615	167,000	183,000
Investment Interest	120,191	227,261	231,276	208,196	66,857	23,110	69,952	21,152	32,343	39,765	14,754	30,000	20,000	15,000
Interest on Sales Tax Rec.	4,124	8,297	10,002	7,954	5,580	2,976	1,379	782	418	506	1,396	1,825	-	-
Interest - Rifle Purchase	83	102	295	223	61	386	440	165	-	-	-	-	-	-
Lease Revenue/Cell Tower Leases	-	-	-	-	-	-	-	5,000	2,000	20,000	48,000	48,000	48,000	48,000
Donations	-	-	-	-	-	-	-	-	11,200	125	1,000	1,050	-	-
DARE Donations/Sales	-	-	753	506	387	108	1	25	-	3	5	-	-	-
ESCA Equity	-	-	-	-	-	-	-	-	-	-	-	35,604	-	-
Cashier's Overage/Shortages	(8)	(83)	5	(21)	1	(9)	90	90	6	1	2	335	-	-
Other Miscellaneous Revenue	7,353	20,238	10,597	38,250	19,508	7,688	7,829	11,386	11,700	5,886	4,037	2,856	4,500	4,500
DWLS Impound Admin fee	4,350	8,205	38,450	36,600	-	-	-	-	-	-	-	-	-	-
MISCELLANEOUS REVENUES	136,093	264,020	291,378	291,708	92,394	34,259	79,691	38,600	57,667	66,286	69,194	119,670	72,500	67,500
Proceeds-Sale Capital Assets	-	-	-	3,600	-	-	-	-	-	-	-	-	-	-
Insurance & Restitut Recovery	1,570	2,573	6,429	7,288	1,977	284	-	15,073	33,634	1,491	657	10	-	-
Transfer From Annex Bldg.	-	-	-	-	-	-	200,000	200,000	-	-	-	-	-	-
Transfer From Crimin Justice	-	-	1,035	-	-	-	-	-	-	-	-	-	-	-
Transfer From Drug Buy	-	4,000	-	4,000	2,500	2,115	4,500	4,483	-	-	-	-	-	-
Transfer from Beautification	8,000	-	2,367	2,367	-	-	-	-	-	-	-	-	-	-
Transfer from REET	-	-	-	-	-	-	-	-	320,000	240,000	160,000	480,000	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-	-	-	6,898	9,291	-	-
OTHER FINANCING SOURCES	9,570	6,573	9,831	17,255	4,477	2,399	204,500	219,556	353,634	241,491	167,555	489,301	-	-
GENERAL FUND	7,654,964	8,406,435	9,724,304	9,591,244	9,022,694	9,144,455	10,247,610	10,462,026	11,098,785	11,687,187	11,786,398	12,820,495	12,254,303	12,368,027
Less: Transfers	9,570	6,573	9,831	17,255	4,477	2,399	204,500	219,556	353,634	241,491	167,555	489,301	-	-
Gen Fund Revenues Only	7,645,394	8,399,862	9,714,473	9,573,989	9,018,217	9,142,056	10,043,110	10,242,470	10,745,151	11,445,696	11,618,843	12,331,194	12,254,303	12,368,027



Agenda Item # C.
Meeting Date: **October 4, 2016**

CITY COUNCIL AGENDA SUMMARY

City of Mill Creek, Washington

**AGENDA ITEM: CITY OF MILL CREEK/ MCPOG TRAFFIC UNIT
MEMORANDUM OF UNDERSTANDING (MOU)**

ACTION REQUESTED:

Approve the Memorandum of Understanding between the City of Mill Creek and the Mill Creek Police Officers Guild related to the Mill Creek Police Department Traffic Unit.

KEY FACTS AND INFORMATION SUMMARY:

In the spring of 2016, the City implemented a Traffic Unit comprised of two officers with specialized training and equipment. Support for this unit came from the City Council in the form of spending authority to purchase the necessary equipment and to provide the required training. In May 2016, the Mill Creek Police Officers' Guild (MCPOG) alleged that the City had implemented the Traffic Unit in violation of certain elements of the Collective Bargaining Agreement (CBA).

During subsequent months, the City and the MCPOG met to discuss the specific points related to implementation of the Traffic Unit and how pertinent elements of the CBA apply. Without discussing the merits of the MCPOG's complaint, the City and the MCPOG arrived at a mutually agreeable memorandum of understanding (MOU).

In eighteen (18) points, the MOU addresses issues related to staffing, scheduling, job duties, selection process, equipment, training and specialty pay. Of particular note are the following provisions:

- Traffic officers will be assigned for a minimum period of four (4) years.
- Traffic officers are to primarily focus their efforts on traffic education and enforcement but are also expected to provide full service patrol officer response.
- All necessary training and equipment will be provided by the City.
- Vehicles assigned to Traffic officers will be 'take-home' vehicles.
- Traffic officers will be used for certain, specialized overtime details.
- Effective January 1 2018, Traffic officers will receive a 3% premium pay for the duration of their assignment to the Traffic Unit.

CITY MANAGER RECOMMENDATION:

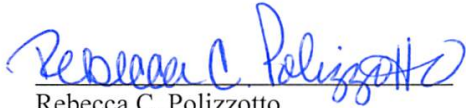
The City Manager recommends that the City Council grant authority to sign the Memorandum of Understanding related to the implementation of the Police Department's Traffic Unit, hereafter identified as the "Traffic Unit MOU".

City Council Agenda Summary
Page 2

ATTACHMENTS:

Memorandum of Understanding by and between the City of Mill Creek and the Mill Creek Police Officers' Guild.

Respectfully Submitted:



Rebecca C. Polizzotto
City Manager

MEMORANDUM OF UNDERSTANDING
By and Between
THE CITY OF MILL CREEK
And
THE MILL CREEK POLICE OFFICERS' GUILD

This Memorandum of Understanding (MOU) is entered into by and between the City of Mill Creek (the "City") and the Mill Creek Police Officers' Guild (the "Guild") for purposes of memorializing the terms and conditions of a newly-implemented Traffic Unit and resolving an unfair labor practice complaint filed by the Guild.

Background

1. The parties have executed a collective bargaining agreement ("CBA"), valid from January 1, 2015 until December 31, 2017.
2. In the spring of 2016, the City introduced a new Traffic Unit.
3. On May 19, 2016, the Guild filed a complaint with the Public Employment Relations Commission ("PERC"), alleging the City committed unfair labor practices in conjunction with implementation of the Traffic Unit. Without discussing the merits of the Guild's complaint, the parties have agreed to this MOU to voluntarily resolve the dispute based on the terms and conditions presented below.

Terms and Conditions

1. The City shall continue operation of the Traffic Unit. The Traffic Unit is currently staffed by two Guild members.
2. The annual shift bid and paid leave scheduling procedure described in Attachment C to the CBA shall continue unchanged. As for vacation scheduling, the roles and responsibilities of Guild members assigned to the Traffic Unit will not impact scheduled vacation time. As for shift bidding, although the City prefers the Guild members assigned to the Traffic Unit work day shifts, the number of day shift slots available for bid shall remain unchanged and are not guaranteed to the Traffic Unit. The City anticipates the two Guild members currently assigned to the Traffic Unit will be able to bid on day shifts based on their seniority. In the event a Guild member assigned to the Traffic Unit bids a night shift, the parties agree to meet and discuss possible solutions. The City shall not disturb the shift bid results of Guild members assigned to patrol for purposes of placing a Traffic Unit officer on day shift, absent an agreement with the Guild or a decision by an interest arbitrator. The issue of shift bidding will be open for negotiation when the parties meet to negotiate a successor CBA.
3. Guild members assigned to the Traffic Unit shall be predominately focused on traffic duties, but are expected to provide the entire range of regular patrol duties when necessary or called upon. The Guild member assigned to the Traffic Unit patrol vehicle shall provide regular patrol duties when dictated by operational need. The Guild member assigned to the Traffic Unit motorcycle shall also provide regular patrol duties when dictated by operational need; this includes temporary assignment to a regular patrol vehicle for a shift or portion of a shift. The City shall provide instruction on this issue to all patrol employees.
4. Unless otherwise agreed by the parties, the maximum shift rotation for the Traffic Unit shall be four (4) years per Guild member. However, at their option and assuming satisfactory performance, the two Guild members staffing the Traffic Unit at the execution of this MOU have the option of extending

their current rotation to five (5) years. For future rotations, if there are no other qualified applicants, the incumbent officers in the Traffic Unit shall have the option of accepting additional one (1) year rotations.

5. For the next Traffic Unit rotation selection process, the City will draft proposed application requirements and selection criteria. The requirements and criteria will be clear, fair, and transparent. A copy of the proposed requirements and criteria will be submitted to the Guild for consideration at least thirty (30) days before the City seeks to publish them. The City and Guild agree to meet and promptly bargain any changes. Once the requirements and criteria are final, they will be published, and interested Guild members will be given a minimum of thirty (30) days to apply.
6. All members of the Guild are eligible to apply for the Traffic Unit. This includes corporals, sergeants, the SRO officer, detectives, the K-9 officer, etc. However, any Guild member who moves to the Traffic Unit shall hold the rank of patrol officer and will not receive premium pay associated with previously-held specialties or pay associated with the corporal/sergeant positions. For example, a sergeant moving to the Traffic Unit would accept the rank of patrol officer and would not continue to receive sergeant pay.
7. Guild members assigned to the Traffic Unit shall be provided all equipment necessary to perform the duties of the position. This includes the specialty equipment needed to operate the Traffic Unit motorcycle. Guild members assigned to the Traffic Unit shall also continue to receive the equipment allowance and any other equipment provided in Article 14 of the CBA.
8. The patrol vehicle and motorcycle assigned to the Traffic Unit may be take-home vehicles, subject to the operational need of the Traffic Unit and the discretion of the City. The City will draft a take-home vehicle policy outlining the requirements and expectations for the take-home vehicles, which will include a requirement that the Traffic Unit motorcycle shall be garaged or otherwise safely secured while at home.
9. The City will draft a policy document outlining the expectations and duties of officers assigned to the Traffic Unit. A copy of this policy document will be provided to the Guild.
10. Guild members assigned to the Traffic Unit are currently assigned to a patrol schedule under Section 5.3. In the event the City seeks to change the work schedule of the Traffic Unit, the parties will follow Section 5.1 and attempt to reach a mutual agreement. If no mutual agreement can be reached, each party reserves the right to rely on the contract language provided in Article 5.
11. There is no expectation of mandatory callback associated with Traffic Unit duties. Guild members assigned to the Traffic Unit are subject to callback for other purposes, so long as the requirements of Section 5.8 of the CBA are followed.
12. The City and Guild agree there are certain special events (parades, community events, etc.) where it is beneficial to staff the event with the Traffic Unit motorcycle officer. Under such circumstances, consistent with Article 16(B), the City may assign the Traffic Unit motorcycle officer to the special event, but will furnish the Guild with the consideration that went into the selection of the motorcycle unit for the duty assignment. All other special events shall remain open for all Guild members. The City agrees to provide the Guild a list of those special events it believes are "motorcycle only," but the parties recognize the list is subject to change as new special events arise. The City and Guild shall consult as necessary when new special events are introduced.

13. Effective January 1, 2018, the City agrees to pay a three percent (3%) premium, added to base salary, for Guild members assigned to the Traffic Unit. This amount shall not be subject to upward or downward adjustment for the duration of a successor CBA (beginning January 1, 2018). The premium paid to a Guild member assigned to the Traffic Unit shall cease if the Guild member is permanently reassigned to regular patrol duties. The stacking of premiums shall not be permitted, per the language of Section 8.1 of the CBA.
14. In an effort to maintain a positive working relationship, the City and Guild agree to meet as needed to discuss any issues that arise concerning the Traffic Unit that are not addressed in this MOU.
15. The parties agree that the provisions of this MOU requiring the City to draft policies or procedures do not alter or waive the Guild's collective bargaining rights. For example, the City must provide notice and an opportunity to bargain all changes to mandatory subjects of bargaining (and the effects of those changes) contained in the drafted policies and procedures prior to implementation.
16. The parties agree the terms stated in the MOU, subject to any modifications mutually agreed upon by the parties, will be incorporated into a successor CBA (beginning January 1, 2018), an appendix to the successor CBA, or into associated policy documents. Once a successor CBA is ratified, this MOU shall expire.
17. All other rights and contractual requirements in the CBA not addressed in this MOU shall continue to apply. Any dispute, disagreement, or complaint concerning the interpretation or alleged violation of this MOU shall be handled under the grievance process stated in Article 12 of the CBA.
18. Within five (5) business days of the mutual execution of this MOU, the Guild agrees to voluntarily withdraw its ULP complaint currently pending with PERC and to release the City from any and all liability stemming from the complaint. As of the date of execution of this MOU, the Guild agrees any other grievances or ULPs stemming from the implementation of the Traffic Unit MOU have been mutually resolved.

Signed this ____ day of October, 2016.

Signed this ____ day of October, 2016.

The City of Mill Creek

The Mill Creek Police Officers' Guild