



# 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 25, 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 Budget Review:  
Capital Improvement Plan

*(Rebecca C. Polizzotto, City Manager)*

**CONSENT AGENDA:**

- C. Approval of Checks #56055 through #56112 and ACH Wire Transfers in the Amount of \$148,452.03.  
(Audit Committee: Mayor Pruitt and Councilmember Bond)
- D. City Council Meeting Minutes of October 4, 2016
- E. City Council Meeting Minutes of October 11, 2016

**REPORTS:**

- F. Mayor/Council  
City Manager

**AUDIENCE COMMUNICATION:**

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

**ADJOURNMENT**



Agenda Item # B.  
Meeting Date: **October 25, 2016**

**CITY COUNCIL AGENDA SUMMARY**  
City of Mill Creek, Washington

**AGENDA ITEM: 2017-2018 BIENNIAL BUDGET PRESENTATION – PART III**

**ACTION REQUESTED: NONE**

**KEY FACTS AND INFORMATION SUMMARY:**

The budget is an economic plan that focuses the entity's financial and human resources on the accomplishment of specific goals and objectives established by the policy makers.

During Part I of the 2017-2018 Biennial Budget Presentation, the City Manager reviewed with the City Council the goals established by the Council during their annual retreat this year and discussed how those goals facilitate budgeting planning. The City Manager also presented for discussion with the City Council proposed financial goals that serve as the framework for revenue and expenditure forecasting.

In Part II of the 2017-2018 Biennial Budget Presentation, the City Manager reviewed the proposed Pay & Classification Plan for the upcoming biennium and how that Pay & Classification Plan provides the framework for achievement of the Council's goals and departmental strategic objectives.

In Part III of the 2017-2018 Biennial Budget Presentation, the City Manager will review the proposed Capital Improvement Plan. To create a sustainable capital plan, the City must consider all capital needs as a whole, assess fiscal capacity, and understand the impact on reserves and operating budgets. Capital planning policies provide an essential framework for managing these tasks and for ensuring that capital plans are consistent with overall organizational goals. Towards that end, the City Manager has drafted for Council consideration capital planning policies to guide the City's capital planning efforts. Those policies will be discussed during the presentation.

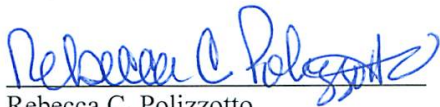
**CITY MANAGER RECOMMENDATION:** The information presented is for purposes of fostering discussion between the City Manager and the City Council regarding the appropriate financial resources to dedicate for capital projects that facilitate achievement of the goals and objectives established by the Council.

City Council Agenda Summary  
Page 2

**ATTACHMENTS:**

- Presentation – Capital Projects Planning
- Revenue Forecasts
- Capital Improvement Program Planning Policies
- Proposed Capital Improvement Plan

Respectfully Submitted:

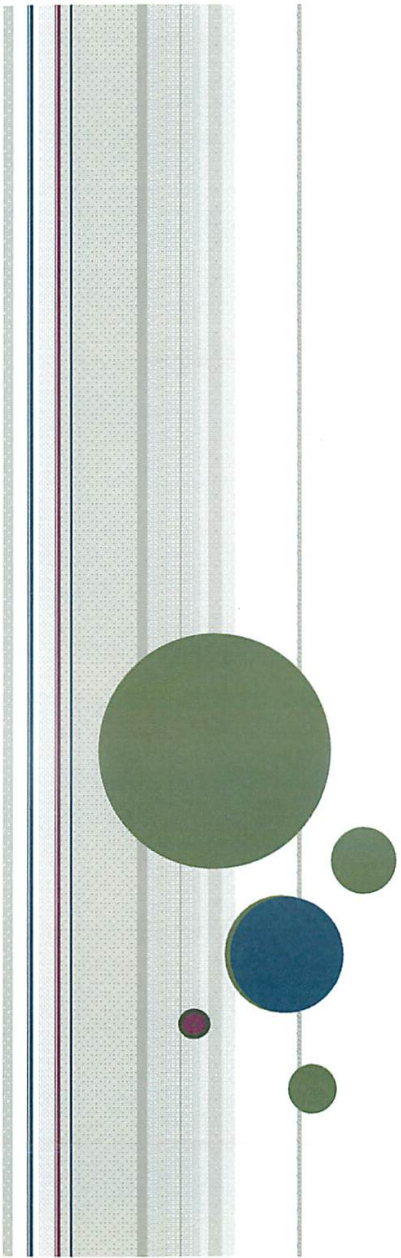


Rebecca C. Polizzotto  
City Manager



# 2017 – 2018 BUDGET PRESENTATION

October 25, 2016:  
Capital Improvement Planning



# INTRODUCTION

## Review – Budget Definition

The budget is an economic plan that focuses the City’s financial and human resources on the accomplishments of specific goals and objectives established by the policy makers.



# 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.



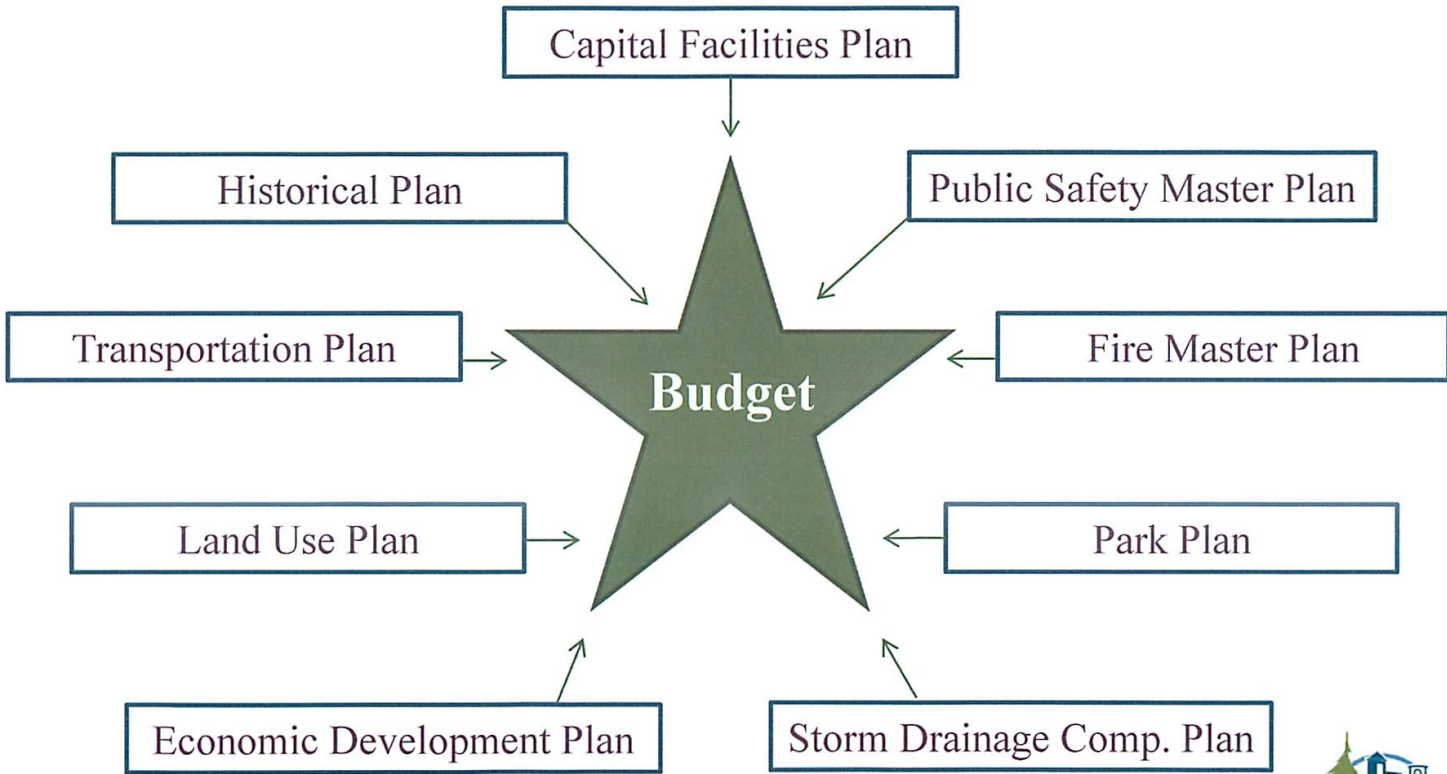
# ROLES AND RELATED TOOLS

## Reporting Pyramid





# INFLUENCES ON THE BUDGET



## THE CITY'S CAPITAL INVESTMENT BUDGET POLICIES:

- The City will make capital improvements in accordance with an adopted Capital Improvement Program.
- 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.



## THE CITY'S CAPITAL INVESTMENT BUDGET POLICIES CONTINUED:

- 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.
- 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.



## *THE CITY'S CAPITAL INVESTMENT BUDGET POLICIES CONTINUED:*

- The City will determine the least costly *financing method* for all new projects.
- The City will transfer, annually, General Fund one-time revenues to the Capital Improvement Program.



To create a sustainable capital plan, the City must consider all capital needs as a whole, assess fiscal capacity, plan for debt issuance and understand the impact on reserves and operating budgets. Capital planning policies provide an essential framework for managing these tasks and for ensuring that capital plans are consistent with overall organizational goals.



# CAPITAL PLANNING POLICIES

## Why have Capital Planning Policies?

- Helps the City ensure the sustainability of its infrastructure by establishing a process for addressing maintenance, replacement and proper fixed asset accounting over the full life of capital assets.
- Strengthens the City's borrowing position by demonstrating sound fiscal management and showing the City's commitment to maximizing benefits to the public within the City's resource constraints.



## *CAPITAL PLANNING POLICIES CONTINUED*

- Leads to the development of a capital plan that is consistent with best practices.
- Establishes a framework where stakeholders understand their roles, responsibilities and expectations for the process and an end result.
- Provides guidelines for coordinating capital projects and promoting sound, long-term operational and capital financing strategies.



# GFOA BEST PRACTICES FOR CAPITAL PLANNING POLICIES

## **GFOA recommends that capital planning policies provide, at a minimum:**

1. A description of how an organization will approach capital planning, including how stakeholder departments will collaborate to prepare a plan that best meets the operational and financial needs of the organization.
2. A clear definition of what constitutes a capital project.
3. Establishment of a capital improvement program review committee and identification of members.
4. A description of the role of the public and other external stakeholders in the process.





*GFOA recommends that capital planning policies provide, at a minimum continued:*

5. Identification of how decisions will be made in the capital planning process including a structured process for prioritizing need and allocating limited resources.
6. A requirement that the planning process includes an assessment of the City's fiscal capacity so that the final capital plan is based on what can realistically be funded by the City **rather than being simply a wish list of unfunded needs.**
7. A procedure for accumulating necessary capital reserves for both new and replacement purchases.
8. A policy for linking funding strategies with useful life of the asset including identifying when debt can be issued and any restrictions on the length of debt.



*GFOA recommends that capital planning policies provide, at a minimum continued:*

9. A requirement that a multi-year capital improvement plan be developed and that it include long term financing considerations and strategies.
10. A process for funding to ensure that capital project funding is consistent with legal requirements regarding full funding, multi-year funding, or phased approaches to funding.
11. A requirement that the plan include significant capital maintenance projects.
12. Provisions for monitoring and oversight of the CIP program, including reporting requirements and how to handle changes and amendments to the plan.



# THE CAPITAL BUDGET

**GFOA recommends the Capital Budget include the following information:**

1. A definition of a capital expenditure.
2. Summary information of capital projects by fund, category, etc.
3. A schedule for completion of the project, including specific phases of a project, estimated funding requirements for the upcoming year(s), and planned timing for acquisition, design and construction activities.
4. Descriptions of the general scope of the project, including expected service and financial benefits to the City.



*GFOA recommends the Capital Budget include the following information continued:*

5. A description of any impact the project will have on the current or future operating budget.
6. Estimated costs of the project, based on recent and accurate sources of information.
7. Identified funding sources for all aspects of the project, specifically referencing any financing requirements for the upcoming fiscal year.
8. Funding authority based either on total estimated project cost, or estimated project costs for the upcoming fiscal year. Consideration should be given to carry-forward funding for projects previously authorized.
9. Any analytical information deemed helpful for setting capital priorities (this can include any cost/benefit comparisons, and related capital projects).



# PROPOSED CAPITAL IMPROVEMENT PLAN



City of Mill Creek  
Revenue Forecast

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 Proj	2017	2018
Annex Fund	108,552	305,173	332,178	354,453	305,200	264,289	210,732	227,592	244,419	182,388	178,570	177,371	178,430	181,052
REET	1,069,986	1,092,491	2,214,492	976,779	592,337	658,499	615,802	1,089,582	728,746	790,510	1,152,958	1,494,801	760,000	760,000
CIP	33,628	20,202	133,276	14,725	1,163	113	209,448	-	-	-	-	-	435,000	4,276,000
Parks	192,461	423,005	128,959	135,068	21,464	10,342	12,145	3,994	446,071	381,217	310,367	586,600	134,266	60,229
Road Improvement	27,765	925,921	245,478	125,501	90,800	122,556	100,894	151,485	343,285	196,377	418,614	751,506	264,500	52,500
	<u>10,206,610</u>	<u>12,875,406</u>	<u>14,692,325</u>	<u>12,826,882</u>	<u>11,541,288</u>	<u>11,817,222</u>	<u>12,781,896</u>	<u>13,422,400</u>	<u>14,357,992</u>	<u>14,692,582</u>	<u>15,354,871</u>	<u>17,113,568</u>	<u>15,763,418</u>	<u>19,453,336</u>



City of Mill Creek  
Annex Fund  
For the years ended,

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 Proj	2017	2018
Leasehold Excise Tax	(618)	(8,665)	(8,822)	(9,446)	(7,476)	(5,542)	(6,620)	(6,173)	(7,083)	(5,608)	(16,768)	(16,621)	(14,916)	(15,214)
Local Leasehold Interest	-	(41)	(37)	(30)	(23)	(1,830)	(2)	(5)	(1)	(1)	(2)	(2)	-	-
<b>TAXES</b>	<b>(618)</b>	<b>(8,706)</b>	<b>(8,859)</b>	<b>(9,476)</b>	<b>(7,499)</b>	<b>(7,372)</b>	<b>(6,622)</b>	<b>(6,178)</b>	<b>(7,085)</b>	<b>(5,609)</b>	<b>(16,770)</b>	<b>(16,622)</b>	<b>(14,916)</b>	<b>(15,214)</b>
Investment Interest	-	(3,658)	(13,141)	(10,628)	(5,495)	(5,649)	(2,206)	1,883	(5,002)	(2,503)	(18)	(1,018)	-	-
Lease Revenue	(107,933)	(290,434)	(307,063)	(339,852)	(302,160)	(264,482)	(213,751)	(213,282)	(232,333)	(174,276)	(161,783)	(159,731)	(163,514)	(165,838)
Lease Rev - Tenant Improv.	-	(2,375)	(3,115)	5,503	9,954	13,213	11,847	5,742	-	-	-	-	-	-
Other Miscellaneous Revenue	-	-	-	-	-	-	-	(15,758)	-	-	-	-	-	-
<b>MISCELLANEOUS REVENUES</b>	<b>(107,933)</b>	<b>(296,467)</b>	<b>(323,319)</b>	<b>(344,976)</b>	<b>(297,701)</b>	<b>(256,918)</b>	<b>(204,110)</b>	<b>(221,414)</b>	<b>(237,334)</b>	<b>(176,779)</b>	<b>(161,800)</b>	<b>(160,749)</b>	<b>(163,514)</b>	<b>(165,838)</b>
<b>15720 MAIN ST. PROPERTY FUND</b>	<b>(108,552)</b>	<b>(305,173)</b>	<b>(332,178)</b>	<b>(354,453)</b>	<b>(305,200)</b>	<b>(264,289)</b>	<b>(210,732)</b>	<b>(227,592)</b>	<b>(244,419)</b>	<b>(182,388)</b>	<b>(178,570)</b>	<b>(177,371)</b>	<b>(178,430)</b>	<b>(181,052)</b>



City of Mill Creek  
 REET Fund  
 For the years ended,

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 Proj	2,017	2,018
REET 1 - First Quarter Percent	(495,294)	(498,824)	(1,022,135)	(412,156)	(262,844)	(309,286)	(304,923)	(532,403)	(348,615)	(385,371)	(569,773)	(730,227)	(375,000)	(375,000)
REET 2-Second Quarter Percent	(495,294)	(498,824)	(1,022,135)	(412,156)	(262,844)	(309,286)	(302,153)	(532,333)	(348,615)	(385,370)	(569,773)	(730,227)	(375,000)	(375,000)
TAXES	(990,588)	(997,649)	(2,044,269)	(824,311)	(525,689)	(618,572)	(607,076)	(1,064,735)	(697,230)	(770,741)	(1,139,547)	(1,460,453)	(750,000)	(750,000)
Investment Interest	(79,398)	(94,842)	(170,222)	(152,468)	(66,648)	(39,927)	(8,726)	(24,846)	(31,516)	(19,769)	(13,411)	(34,348)	(10,000)	(10,000)
MISCELLANEOUS REVENUES	(79,398)	(94,842)	(170,222)	(152,468)	(66,648)	(39,927)	(8,726)	(24,846)	(31,516)	(19,769)	(13,411)	(34,348)	(10,000)	(10,000)
REAL ESTATE EXCISE TAX	(1,069,986)	(1,092,491)	(2,214,492)	(976,779)	(592,337)	(658,499)	(615,802)	(1,089,582)	(728,746)	(790,510)	(1,152,958)	(1,494,801)	(760,000)	(760,000)





City of Mill Creek  
CIP Fund  
For the years ended,

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 Proj	2017	2018
State Grant Proceeds	-	-	-	-	-	-	(135,000)	-	-	-	-	-	(250,000)	(4,276,000)
State Grant-Dept. of Ecology	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Snoh. Co PUD Energy Program	-	-	-	-	-	-	(74,434)	-	-	-	-	-	-	-
<b>GRANTS</b>	-	-	-	-	-	-	<b>(209,434)</b>	-	-	-	-	-	<b>(250,000)</b>	<b>(4,276,000)</b>
Investment Interest	(33,628)	(20,202)	(133,276)	(14,725)	(1,163)	(113)	(14)	-	-	-	-	-	-	-
Sales Tax from One time Revenues-Vintage	-	-	-	-	-	-	-	-	-	-	-	-	(185,000)	-
<b>MISCELLANEOUS REVENUES</b>	<b>(33,628)</b>	<b>(20,202)</b>	<b>(133,276)</b>	<b>(14,725)</b>	<b>(1,163)</b>	<b>(113)</b>	<b>(14)</b>	-	-	-	-	-	<b>(185,000)</b>	-
Oper Trans. from Non-Dept-G/F	(27,000)	(27,000)	(2,280,000)	(2,160,000)	-	-	-	-	-	-	-	-	-	-
Oper. Transfer from REET Fund	(1,250,000)	(200,000)	-	(1,200,000)	(100,000)	(75,000)	(25,000)	(25,000)	-	(18,750)	(50,000)	(200,000)	-	-
Transfer from Equip Replmnt	-	-	-	-	-	-	(56,250)	-	-	-	-	-	-	-
Oper. Trans. from Surface Wtr.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Road Imp Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>OTHER FINANCING SOURCES</b>	<b>(1,277,000)</b>	<b>(227,000)</b>	<b>(2,280,000)</b>	<b>(3,360,000)</b>	<b>(100,000)</b>	<b>(75,000)</b>	<b>(81,250)</b>	<b>(25,000)</b>	-	<b>(18,750)</b>	<b>(50,000)</b>	<b>(200,000)</b>	-	-
<b>CAPITAL IMPROVEMENT</b>	<b>(1,310,628)</b>	<b>(247,202)</b>	<b>(2,413,276)</b>	<b>(3,374,725)</b>	<b>(101,163)</b>	<b>(75,113)</b>	<b>(290,698)</b>	<b>(25,000)</b>	-	<b>(18,750)</b>	<b>(50,000)</b>	<b>(200,000)</b>	<b>(435,000)</b>	<b>(4,276,000)</b>
Less: Fund Transfers	(1,277,000)	(227,000)	(2,280,000)	(3,360,000)	(100,000)	(75,000)	(81,250)	(25,000.00)	-	(18,750)	(50,000)	(200,000)	-	-
Revenue	<u>(33,628)</u>	<u>(20,202)</u>	<u>(133,276)</u>	<u>(14,725)</u>	<u>(1,163)</u>	<u>(113)</u>	<u>(209,448)</u>	-	-	-	-	-	<u>(435,000)</u>	<u>(4,276,000)</u>



City of Mill Creek  
 Park Mitigation Fund  
 For the years ended,

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 Proj	2017	2018
Mitigation	(173,672)	(414,298)	(60,040)	(93,509)	-	-	-	-	(443,977)	(372,307)	(300,608)	(573,572)	(124,266)	(55,229)
<b>CHARGES FOR SERVICES</b>	<b>(173,672)</b>	<b>(414,298)</b>	<b>(60,040)</b>	<b>(93,509)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(443,977)</b>	<b>(372,307)</b>	<b>(300,608)</b>	<b>(573,572)</b>	<b>(124,266)</b>	<b>(55,229)</b>
Investment Interest	(18,789)	(8,707)	(68,919)	(41,559)	(21,464)	(10,342)	(8,455)	(3,994)	(2,094)	(8,910)	(9,759)	(13,028)	(10,000)	(5,000)
Contributions	-	-	-	-	-	-	(3,690)	-	-	-	-	-	-	-
<b>MISCELLANEOUS REVENUES</b>	<b>(18,789)</b>	<b>(8,707)</b>	<b>(68,919)</b>	<b>(41,559)</b>	<b>(21,464)</b>	<b>(10,342)</b>	<b>(12,145)</b>	<b>(3,994)</b>	<b>(2,094)</b>	<b>(8,910)</b>	<b>(9,759)</b>	<b>(13,028)</b>	<b>(10,000)</b>	<b>(5,000)</b>
Sale of Land	-	-	(1,145,368)	-	-	-	-	-	-	-	-	-	-	-
Oper Transfer From REET	(200,000)	(297,180)	(105,000)	(22,000)	-	-	-	-	-	-	-	-	-	-
<b>OTHER FINANCING SOURCES</b>	<b>(200,000)</b>	<b>(297,180)</b>	<b>(1,250,368)</b>	<b>(22,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PARKS &amp; OPENS SPACE CAP. IMPR.</b>	<b>(392,461)</b>	<b>(720,185)</b>	<b>(1,379,327)</b>	<b>(157,068)</b>	<b>(21,464)</b>	<b>(10,342)</b>	<b>(12,145)</b>	<b>(3,994)</b>	<b>(446,071)</b>	<b>(381,217)</b>	<b>(310,367)</b>	<b>(586,600)</b>	<b>(134,266)</b>	<b>(60,229)</b>
Less: Fund Transfers	(200,000)	(297,180)	(1,250,368)	(22,000)	-	-	-	-	-	-	-	-	-	-
<b>Revenue</b>	<b>(192,461)</b>	<b>(423,005)</b>	<b>(128,959)</b>	<b>(135,068)</b>	<b>(21,464)</b>	<b>(10,342)</b>	<b>(12,145)</b>	<b>(3,994)</b>	<b>(446,071)</b>	<b>(381,217)</b>	<b>(310,367)</b>	<b>(586,600)</b>	<b>(134,266)</b>	<b>(60,229)</b>



City of Mill Creek  
Road Improvement Fund  
For the years ended,

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 Proj	2017	2018
Mitigation	(5,947)	(902,769)	(166,188)	(100,377)	(85,940)	(122,224)	(100,856)	(149,946)	(340,761)	(193,633)	(416,395)	(721,105)	(262,000)	(50,000)
<b>CHARGES FOR SERVICES</b>	<b>(5,947)</b>	<b>(902,769)</b>	<b>(166,188)</b>	<b>(100,377)</b>	<b>(85,940)</b>	<b>(122,224)</b>	<b>(100,856)</b>	<b>(149,946)</b>	<b>(340,761)</b>	<b>(193,633)</b>	<b>(416,395)</b>	<b>(721,105)</b>	<b>(262,000)</b>	<b>(50,000)</b>
Investment Interest	(21,818)	(23,152)	(79,290)	(25,123)	(4,860)	(331)	(39)	(1,539)	(2,525)	(2,744)	(2,219)	(19,551)	(2,500)	(2,500)
Other Miscellaneous Revenue									-	-	-	(10,850)	-	-
<b>MISCELLANEOUS REVENUES</b>	<b>(21,818)</b>	<b>(23,152)</b>	<b>(79,290)</b>	<b>(25,123)</b>	<b>(4,860)</b>	<b>(331)</b>	<b>(39)</b>	<b>(1,539)</b>	<b>(2,525)</b>	<b>(2,744)</b>	<b>(2,219)</b>	<b>(30,401)</b>	<b>(2,500)</b>	<b>(2,500)</b>
Oper. Transfer In/35th Ave. Fund	-	(49,400)	(239,790)	(113,500)	(75,000)	(56,250)	-	(20,000)	-	-	-	(191,860)	-	-
Oper Transfer From REET	(205,000)	(405,000)	(343,169)	-	(375,000)	(375,000)	(875,000)	(731,250)	(1,500,000)	(960,000)	(264,375)	(793,125)	-	-
<b>OTHER FINANCING SOURCES</b>	<b>(205,000)</b>	<b>(454,400)</b>	<b>(582,959)</b>	<b>(113,500)</b>	<b>(450,000)</b>	<b>(431,250)</b>	<b>(875,000)</b>	<b>(751,250)</b>	<b>(1,500,000)</b>	<b>(960,000)</b>	<b>(264,375)</b>	<b>(984,985)</b>	<b>-</b>	<b>-</b>
<b>ROAD IMPROVEMENT</b>	<b>(232,765)</b>	<b>(1,380,321)</b>	<b>(828,437)</b>	<b>(239,001)</b>	<b>(540,800)</b>	<b>(553,806)</b>	<b>(975,894)</b>	<b>(902,735)</b>	<b>(1,843,285)</b>	<b>(1,156,377)</b>	<b>(682,989)</b>	<b>(1,736,491)</b>	<b>(264,500)</b>	<b>(52,500)</b>
Less: Fund Transfers	(205,000)	(454,400)	(582,959)	(113,500)	(450,000)	(431,250)	(875,000)	(751,250)	(1,500,000)	(960,000)	(264,375)	(984,985)	-	-
<b>Revenue</b>	<b>(27,765)</b>	<b>(925,921)</b>	<b>(245,478)</b>	<b>(125,501)</b>	<b>(90,800)</b>	<b>(122,556)</b>	<b>(100,894)</b>	<b>(151,485)</b>	<b>(343,285)</b>	<b>(196,377)</b>	<b>(418,614)</b>	<b>(751,506)</b>	<b>(264,500)</b>	<b>(52,500)</b>





# CAPITAL IMPROVEMENT PROGRAM

## FISCAL YEARS 2017-2022

### **DEFINITION OF A CAPITAL IMPROVEMENT**

The classification of items as capital expenses is based on two criteria - cost and frequency. Capital expenses have the following characteristics:

- *They are relatively expensive.*
- *They usually don't recur annually.*
- *They last a long time.*
- *They result in fixed assets.*

### **INTRODUCTION**

Planning for capital maintenance and improvements is a matter of prudent financial management as well as a sound development practice. The following Capital Improvements Program (CIP) represents a framework for planning the maintenance and replacement of existing capital equipment and facilities and for planning major investments in acquiring and building new public facilities.

### **RELATIONSHIP**

The operating budget and capital budget are closely linked. The operating budget must cover the cost of financing, maintaining, and operating new equipment and facilities that are built. The operating budget, through debt service must pay interest expense and principal payments on all bonded debt.

### **PROCESS**

Before formulating a plan for new equipment and facilities, the City must



**CAPITAL IMPROVEMENT PLAN**

identify and inventory the present capital stock, determine facility condition and create a replacement and maintenance strategy. A CIP can then be formulated for capital acquisition and development.

The CIP links the community's comprehensive plan and fiscal plan to physical development. It provides a mechanism for estimating capital requirements, scheduling all projects over a fixed period with appropriate planning and implementation, budgeting high priority projects and developing a project revenue policy for proposed improvements, coordinating the activities of various departments in meeting project schedules and monitoring and evaluating the progress of capital projects. In general, capital items should have a useful life of at least five years and an acquisition cost of \$5,000 or more. As a rule, all outlays financed by long-term debt should be included, as well as expenditures on other capital assets such as land, buildings, or major improvements and renovations.

**Examples of capital projects include:**

- New physical facilities which are relatively large and expensive;
- Large-scale rehabilitation, replacement, or expansion of existing facilities;
- Major pieces of equipment which are expensive and have a relatively long period of usefulness;
- Purchase of equipment for any public improvements when first erected or acquired;
- The cost of engineering or architectural studies and services related to a public improvement; and
- The acquisition of land for a community facility such as a park, street, or sewer line.

**ESTABLISHING CIP PRIORITIES**

The following criteria are considered in evaluating and prioritizing capital projects. Projects are grouped by type - e.g., rolling stock, equipment, construction, and land. The projects are then evaluated against both primary and secondary criteria. Total primary and secondary criteria determine ultimate ranking.

**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 - i.e., 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 new development or redevelopment based on projected growth patterns.
- The project provides for special needs or enhances facilities/services.
- The project contributes to or furthers the objectives of the City Council and Administration - e.g., administrative policies, efficiency and effectiveness criteria, etc.



CAPITAL IMPROVEMENT PLAN

**CAPITAL MAINTENANCE**

An important way to ease the financial burden of capital investment decisions in a period of scarce resources is to establish a facility maintenance schedule. The purpose is to target both capital and operating budget financial resources to the maintenance of buildings, major pieces of equipment, roads, etc. Routine preventive maintenance, such as painting and patching, as well as rehabilitation, may reduce the need for future, more expensive replacement. Furthermore, it will limit the economic disruption, inconvenience and dangers to health and safety that result when a capital item breaks down or must be replaced unexpectedly.

The decision to invest operating funds in the maintenance of existing facilities must be based, in part, on the potential capital cost savings and the possible cost consequences of deferring maintenance. The City must take into account future maintenance and repair requirements when designing or purchasing new capital items. Improved design and higher quality materials may significantly reduce future maintenance and repair costs.

When a community chooses between maintenance, repair, replacement or abandonment of an existing facility, it is essential to know the facility's current condition, the rate of its deterioration, and the cost and benefits to be obtained from various investment strategies. These considerations must then be compared with the need for a new capital facility.

**BENEFITS OF A CAPITAL IMPROVEMENTS PROGRAM**

The basic question, fundamental to the format and scope of the CIP, is why should

such an analysis be undertaken in the first place? Probably the most important benefit that such a program, if properly prepared, will provide any municipality is that it will require all those who are involved with capital expenditures to plan beyond next year's budget and project future needs. If careful thought is given to such projections and they are realistic, a comprehensive municipal needs list for the time period of the program will be developed. Especially in larger municipalities where there can be a certain lack of communication from one department to another or even within a single department, no one person can possibly have an insight into all the capital projects which will be needed. The Capital Improvements Program thus serves as a mechanism of coordination.

Once these needs are related to the fiscal capacity of the local unit of government, their financial feasibility will be apparent (i.e., whether all of them can be financed with the anticipated future revenues, or whether reductions in either the capital or operating expenditures or both will have to occur before certain capital improvements can be undertaken). The other benefits of a systematic approach to programming capital projects include:

**Focusing Attention on Community Goals, Needs and Capabilities**

Capital projects can be brought into line with community objectives, anticipated growth and financial capabilities. Considered by itself, a new park may be a great idea and so may sewer improvements, street widening, and any number of other improvements. But, a project may look quite different when it is forced to compete directly with other



CAPITAL IMPROVEMENT PLAN

projects for limited funds in the CIP process.

**Achieving Optimum Use of the Taxpayer's Dollar**

Advance programming of public works on an orderly basis will help avoid costly mistakes. The program will guide local officials in making sound annual budget decisions. In addition, a listing of future construction projects may encourage the selection of needed land well in advance of actual construction and thus permit acquisition at lower costs. Furthermore, the existence of a CIP may be looked upon favorably by investors in municipal bonds. This can save the community a considerable amount in interest costs, due to a favorable bond rating, if bond financing is used.

**Guiding Future Community Growth and Development**

Road network locations and capacities shape the growth of the community. Local officials can use the CIP effectively to provide leadership in guiding future residential and economic development.

**Serving Wider Community Interest**

The CIP, once accepted, keeps the public informed about future construction plans of the community and helps reduce the pressures on local officials to fund projects far down the priority list.

**Encourage a More Efficient Governmental Administration**

Coordination of capital improvements programming by the departments of a municipality can reduce scheduling problems, conflicting and overlapping

projects, and overemphasis on any single municipal function.

**Improving the Basis for Intergovernmental and Regional Cooperation**

Capital improvements programming offers public officials of all governmental units an opportunity to plan the location, timing and financing of needed improvements in the interest of the community as a whole.

**Maintaining a Sound and Stable Financial Program**

Having to make frequent or large unplanned expenditures can endanger the financial well being of any community. Sharp changes in the tax structure and bonded indebtedness may be avoided when the projects to be constructed are planned in advance and spaced over a number of years. When there is ample time for planning, the most economical means of financing each project can be selected in advance. Furthermore, a CIP can help the community avoid commitments and debts that would limit the initiation of more important projects at a later date.

**Repairing or Replacing Existing Facilities and Equipment**

There has been considerable national attention given to the disrepair of the country's infrastructure. A CIP process requires local officials to focus attention on the existing condition of the streets, bridges, public buildings, equipment, and so on, before expanding the capital inventory.

**Enhancing Opportunities for Participation in Federal or State Grant-in-Aid Programs**

There are federal and state programs that a municipality may draw upon for planning,



**CAPITAL IMPROVEMENT PLAN**

constructing and financing capital improvements. The preparation of a capital program improves the municipality's chance of obtaining such aid. In summary, capital improvements programming is one of the most important tools available for guiding urban development. Providing public improvements when they are needed, adequately financed and in proper locations, should be the goal of every public official. When city officials can point to the results of the Capital Improvements Program, improvements provided in an orderly, logical, financially prudent manner, they can do so knowing that the studies and discussions and meetings on the programming process were worthwhile.

**CIP COMMON MISTAKES TO BE AVOIDED**

To limit the opportunity for things to go wrong now or in the future years of the CIP, the following common mistakes are to be avoided:

- Placing a project into the "future" years of the CIP without adequate justification, leading to eventual funding of a possibly unneeded expense.
- Not reviewing the justification and project substance for projects that were in last year's CIP, when circumstances may have changed significantly, requiring modification or elimination of the project.
- Giving inadequate commitment and review to projects not included in the current fiscal year's appropriation.
- Failure to give adequate attention to the need for staff effort to plan and supervise proposed projects.

- Placing major projects not in the CIP directly into the upcoming operating budget.
- Letting projects drift in the CIP from year to year without funds even for study or design.
- Not providing the seed money needed for feasibility and planning activities in the years before permanent funding is arranged.
- Failing to analyze and plan for operating program requirements and costs associated with construction or utilization of new capital items.
- Not including all relevant costs - e.g., operational and personnel, so that the total cost of the project is known and anticipated.
- Basing choices on easily available federal dollars rather than on local priorities.

**FISCAL POLICIES AND ANALYSIS**

The capital budget is only as good as the plan for financing the proposed projects. The number of public improvements a municipality can finance generally depends on:

1. The level of recurring future operating expenditures;
2. The current level of debt (bonded indebtedness);
3. The legal limit of debt in may incur (bonded capacity); and
4. Any potential sources of additional revenue available for capital improvement financing.





CAPITAL IMPROVEMENT PLAN

Financial analysis and planning are needed for intelligent capital improvement programming. The three elements that must be clearly understood are:

1. The relationship between the revenue program (based on the economic vitality of the community) and the operating budget (based on a program of public services), with the resulting cash funds available to pay in whole or in part for capital improvements or to meet the obligations of debt service;
2. The new debt structure of the community and its ability to incur new debt; and
3. Policy statements dealing with revenues, operating expenditures, capital improvements, bonds and the relations among and between them.

**CAPITAL IMPROVEMENT PLANNING POLICIES**

A clear, explicit, and definite series of policy statements should be developed as guides in capital programming. The following represents the capital planning policies of Mill Creek.

1. The City will make all capital improvements in accordance with an adopted Capital Improvements Program.
2. The City will develop a multi-year plan for capital improvements and update it each biennium.
3. The City will enact a biennium capital budget based on the multi-year Capital Improvements Program. Future capital expenditures

necessitated by changes in population, changes in real estate development or changes in economic base will be calculated and included in capital budget projections.

4. The City will coordinate development of the capital improvements budget with development of the operating budget. Future operating costs associated with new capital improvement will be projected and included in operating budget forecasts.
5. The City will use intergovernmental assistance to finance those capital improvements that are consistent with the Capital Improvements Program and City priorities, and whose operating and maintenance costs have been included in operating budget forecasts.
6. The City will maintain all its assets at a level adequate to protect its capital investment and to minimize future maintenance and replacement costs.
7. The City will project its equipment replacement and maintenance needs for the next several years, and will update this projection each biennium. From this projection, a maintenance and replacement schedule will be developed and followed.
8. The City will identify the estimated costs and potential funding sources for each capital project proposal



CAPITAL IMPROVEMENT PLAN

before it is submitted to the Council for Approval.

- 9. The City will determine the least costly financing method for all new projects.

**APPROACHES TO FINANCING CAPITAL IMPROVEMENTS**

There are a number of ways to finance capital improvement projects. Some of the most common methods are as follows:

Pay-As-You-Go

Pay-as-you-go is a method of financing capital projects with current revenues paying cash instead of borrowing against future revenues. The amount available to spend is the difference between what is collected currently and what is required for operating expenses and prudent reserves.

Pay-as-you-go works well where capital needs are steady and modest and financial capability is adequate. The method may include appropriations in the budgets of two or more years to pay for projects that take that long to build without borrowing. The technique can also provide for a fund for future expenditures built up by annual increments, or by setting aside unanticipated windfall income, until the balance is large enough to undertake the capital improvement.

Pay-as-you-go has several advantages. First, it saves interest costs. Interest on long-term bonds can more or less equal the original capital cost, depending on interest rates and repayment schedules. Thus, one can pay "twice" for a capital improvement even though the annual bill over an extended period is disarmingly low.

Second, pay-as-you-go protects borrowing capacity for unforeseen major outlays that are beyond any current year's capability.

Third, when combined with regular, steady completion of capital improvements, and good documentation and publicity, pay-as-you-go fosters favorable bond ratings when long-term financing is undertaken.

Finally, the technique avoids the inconvenience and considerable costs associated with marketing of bond issues—advisors, counsel, printing, etc. Despite its favorable characteristics, pay-as-you-go is by no means a panacea. It has both a practical and theoretical disadvantage, with arguments running such as those that follow:

Where capital projects are rarely undertaken, pay-as-you-go places a heavy burden on the project year. It creates awkward, fluctuating expenditure cycles that do not occur with extended financing.

A long-life asset should be paid for by its users throughout its normal life rather than all at once by those who may not have the use of it for the full term. The higher cost due to interest, spread over a larger number of users/payers, actually lowers the cost to all.

If tax rates have to be increased to pay for a series of capital improvements in a short period of time, it would not be fair to people who leave after a brief residence.

When inflation is driving up construction costs, it may be cheaper to borrow and pay today's prices rather than wait and pay tomorrow's.

## CAPITAL IMPROVEMENT PLAN

The pay-as-you-go approach places a premium on advance planning. The multi-year Capital Improvements Program allows not only for scheduling physical improvements prudently, but also for scheduling the financing so as to take advantage of accumulated surpluses and windfall income that may become available.

Bond Issue

The use of bond issues for borrowing is the major alternative to pay-as-you-go. A brief discussion of the different types of bonds follows:

General Obligation Bonds are backed by the full faith and credit of the municipality. Payment on these bonds may come from the General Fund. The advantage of General Obligation Bonds is, that because the municipality's credit is pledged, a lower interest rate may be obtained.

Special Assessment Bonds are sometimes used to finance the construction of streets, sewer lines, storm drains, or other improvements that actually improve the value of the adjacent property. Special assessments are levied against the owners of the property and this income is pledged to the repayment of the bonds. Such bonds usually carry a higher rate of interest than General Obligation Bonds.

Revenue Bonds are those to which the income from some specific enterprise is pledged. Such bonds might be used, for example, to finance the extension of municipal sewer lines to newly annexed areas of a city. Charges made to the recipients of the service are then committed to repayment of the borrowed money.

Short-term Notes

When local capital projects do not lend themselves to pay-as-you-go or bond financing, some cities turn to short-term notes issued by local banks or statewide banking establishments. Advantages of short-term notes include:

A substantial lump sum can be borrowed at the moment of need and repaid in installments over the next few years.

A prospective bond issue can be shortened in years and reduced in amount with consequent interest savings.

Interest on notes is generally less than interest on bonds and there are no marketing costs, such as bond counsel, printing or paying agents.

There are no appreciable disadvantages to this approach other than the interest cost of the temporary borrowing.

Reserve Funds

Reserve fund financing is a variation of the pay-as-you-go method. Under this procedure, funds are accumulated in advance for the construction of capital projects. The accumulation may result from surplus or "earmarked" operational revenues that are set aside, depreciating accounts, or from the sale of capital assets.

Lease-Purchase

Local governments utilizing the lease-purchase method prepare specifications for a needed public works project and take steps to have it constructed by a private company or authority. The facility is then leased by the municipality at an annual or monthly rental. At the end of the lease period, the title to the facility can be



CAPITAL IMPROVEMENT PLAN

conveyed to the municipality without any future payments. The rental over the years will have paid the total original cost plus interest. Vehicles and equipment may also be lease purchase financed.

Special Assessments

Public works that benefit certain properties more than others may be financed more equitably by special assessment. Local improvements often financed by this method include street paving and sanitary sewer systems.

Federal and State Aid

A major source of funding is federal assistance, and to a lesser degree, state financial assistance. This type of arrangement should be extensively explored for all applicable projects.

When contemplating the use of federal or state aid, it is important that local priorities still be maintained. A project should not be undertaken just because funds are available. Furthermore, since most aid programs require a local match of funds, too many lower priority projects could be undertaken without adequate planning so that the financial condition of the municipality could be seriously impaired. Finally, grant programs may place additional constraints on the operating budget.

Capital Facilities Inventory

The first step in establishing an accurate Capital Improvements Program is to prepare an inventory of the existing capital plant and equipment. Before a local government can begin to correct the deficiencies within existing facilities, it must identify its assets. It is important to determine what the City owns, when it was

acquired, the maintenance and repair history, and the current condition.

This identification process will not only help determine if there has been a pattern of deferred maintenance, it will also help determine whether the existing capital plant has the capacity to meet future growth and demand. The completed analysis of existing facilities will provide documentation for decisions on specific capital improvement proposals.

Fund Definitions

The CIP uses a variety of sources to fund capital projects. These funding sources are defined as:

General Fund - The General Fund includes all governmental activities, including police, public works, and other general governmental functions that are not totally self-supporting through the levying of user charges.

Sources of funding include property tax, franchise fee and certain state shared revenues.

Enterprise Funds - Enterprise funds are self supporting and derive their revenue from charges levied on the users of the service. The City of Mill Creek has a stormwater management utility that operates as an enterprise fund.

City of Mill Creek, Washington  
*Capital Improvement Plan*  
2017 thru 2021

**FUNDING SOURCE SUMMARY**

<b>Source</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Annex Fund 145	125,000	425,000				550,000
General Fund	396,000	15,000	50,000			461,000
Grant - Federal			720,000			720,000
Grant - State	150,000	4,276,000				4,426,000
Park Mitigation	45,000					45,000
REET	281,000	2,649,000	930,000			3,860,000
Traffic Mitigation	100,000	100,000				200,000
<b>GRAND TOTAL</b>	<b>1,097,000</b>	<b>7,465,000</b>	<b>1,700,000</b>			<b>10,262,000</b>

City of Mill Creek, Washington

*Capital Improvement Plan*

2017 thru 2021

**PROJECTS BY FUNDING SOURCE**

Source	Project#	Priority	2017	2018	2019	2020	2021	Total
<b>Annex Fund 145</b>								
City Hall - North Roof and Seismic Retrofit	17-BLDG-03	3		425,000				425,000
City Hall - North HVAC Control System	17-BLDG-04	3	125,000					125,000
<b>Annex Fund 145 Total</b>			<b>125,000</b>	<b>425,000</b>				<b>550,000</b>
<b>General Fund</b>								
Police / Engineering Total Station	17-EQUIP-03	4	21,000					21,000
Chipper	17-EQUIP-04	1	25,000					25,000
Dump Trailer	17-EQUIP-05	4	10,000					10,000
Armory Parts Washer	17-EQUIP-11	4	17,000					17,000
Citywide Computer Workstation Replacement	17-IT-01	3	105,000		50,000			155,000
Data Backup System Replacement	17-IT-02	3	35,000					35,000
Mobile Device Management and Encryption	17-IT-03	4	10,000					10,000
Server Room Update/Remodel	17-IT-05	3	10,000					10,000
Security Information & Event Management Tool	17-IT-08	2	18,000					18,000
ROW Inspector Vehicle	17-VEH-09	3	25,000					25,000
Maintenance Crew Vehicle	17-VEH-10	3	35,000					35,000
Flatbed Truck	17-VEH-12	3	85,000					85,000
City Hall Campus Wireless Access	18-IT-04	3		15,000				15,000
<b>General Fund Total</b>			<b>396,000</b>	<b>15,000</b>	<b>50,000</b>			<b>461,000</b>
<b>Grant - Federal</b>								
Seattle Hill Road Preservation	18-PAVE-03	3			720,000			720,000
<b>Grant - Federal Total</b>					<b>720,000</b>			<b>720,000</b>
<b>Grant - State</b>								
Public Works Shop	17-BLDG-02	4	150,000					150,000
35th Avenue SE Reconstruction	17-ROAD-02	3		4,000,000				4,000,000
Mill Creek Sports Park - Turf & Light Replacement	18-PARK-02	3		276,000				276,000
<b>Grant - State Total</b>			<b>150,000</b>	<b>4,276,000</b>				<b>4,426,000</b>
<b>Park Mitigation</b>								
North Pointe Park Design & Construction Documents	17-PARK-03	4	30,000					30,000
Cougar Park, Phase 2	17-PARK-04	4	15,000					15,000
<b>Park Mitigation Total</b>			<b>45,000</b>					<b>45,000</b>
<b>REET</b>								
Bridge Load Rating	17-BRDG-01	2	20,000					20,000

<b>Source</b>	<b>Project#</b>	<b>Priority</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Police / Engineering Total Station	17-EQUIP-03	4	21,000					21,000
35th Avenue SE Reconstruction	17-ROAD-02	3	100,000	1,900,000				2,000,000
Citywide Traffic Signal Upgrades	17-ROAD-03	3	75,000					75,000
Mill Creek Sports Park - Turf & Light Replacement	18-PARK-02	3	65,000	434,000				499,000
Seattle Hill Road Preservation	18-PAVE-03	3		250,000	930,000			1,180,000
164th Street Corridor Adaptive Signal System	18-ROAD-04	4		50,000				50,000
Gateway and SR 527 Median Landscaping	18-ROAD-13	3		15,000				15,000
<b>REET Total</b>			<b>281,000</b>	<b>2,649,000</b>	<b>930,000</b>			<b>3,860,000</b>
<b>Traffic Mitigation</b>								
Seattle Hill Road Widening w/SnoCo	17-ROAD-01	2	100,000	100,000				200,000
<b>Traffic Mitigation Total</b>			<b>100,000</b>	<b>100,000</b>				<b>200,000</b>
<b>GRAND TOTAL</b>			<b>1,097,000</b>	<b>7,465,000</b>	<b>1,700,000</b>			<b>10,262,000</b>

City of Mill Creek, Washington  
*Capital Improvement Plan*  
 2017 thru 2021

**PROJECTS BY DEPARTMENT**

Department	Project#	Priority	2017	2018	2019	2020	2021	Total
<b>Community and Economic Dev</b>								
Gateway and SR 527 Median Landscaping	18-ROAD-13	3		15,000				15,000
<b>Community and Economic Dev Total</b>				15,000				15,000
<b>Information Technology</b>								
Citywide Computer Workstation Replacement	17-IT-01	3	105,000		50,000			155,000
Data Backup System Replacement	17-IT-02	3	35,000					35,000
Mobile Device Management and Encryption	17-IT-03	4	10,000					10,000
Server Room Update/Remodel	17-IT-05	3	10,000					10,000
Security Information & Event Management Tool	17-IT-08	2	18,000					18,000
City Hall Campus Wireless Access	18-IT-04	3		15,000				15,000
<b>Information Technology Total</b>			178,000	15,000	50,000			243,000
<b>Infrastructure</b>								
Bridge Load Rating	17-BRDG-01	2	20,000					20,000
Seattle Hill Road Widening w/SnoCo	17-ROAD-01	2	100,000	100,000				200,000
35th Avenue SE Reconstruction	17-ROAD-02	3	100,000	5,900,000				6,000,000
Citywide Traffic Signal Upgrades	17-ROAD-03	3	75,000					75,000
Seattle Hill Road Preservation	18-PAVE-03	3		250,000	1,650,000			1,900,000
164th Street Corridor Adaptive Signal System	18-ROAD-04	4		50,000				50,000
<b>Infrastructure Total</b>			295,000	6,300,000	1,650,000			8,245,000
<b>Parks</b>								
North Pointe Park Design & Construction Documents	17-PARK-03	4	30,000					30,000
Cougar Park, Phase 2	17-PARK-04	4	15,000					15,000
Mill Creek Sports Park - Turf & Light Replacement	18-PARK-02	3	65,000	710,000				775,000
<b>Parks Total</b>			110,000	710,000				820,000
<b>Public Safety</b>								
Police / Engineering Total Station	17-EQUIP-03	4	42,000					42,000
Armory Parts Washer	17-EQUIP-11	4	17,000					17,000
<b>Public Safety Total</b>			59,000					59,000
<b>Public Works</b>								
Public Works Shop	17-BLDG-02	4	150,000					150,000
City Hall - North Roof and Seismic Retrofit	17-BLDG-03	3		425,000				425,000
City Hall - North HVAC Control System	17-BLDG-04	3	125,000					125,000
Chipper	17-EQUIP-04	1	25,000					25,000
Dump Trailer	17-EQUIP-05	4	10,000					10,000
ROW Inspector Vehicle	17-VEH-09	3	25,000					25,000
Maintenance Crew Vehicle	17-VEH-10	3	35,000					35,000
Flatbed Truck	17-VEH-12	3	85,000					85,000



<b>Department</b>	<b>Project#</b>	<b>Priority</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
<b>Public Works Total</b>			<b>455,000</b>	<b>425,000</b>				<b>880,000</b>
<b>GRAND TOTAL</b>			<b>1,097,000</b>	<b>7,465,000</b>	<b>1,700,000</b>			<b>10,262,000</b>

Project #	18-ROAD-13
Project Name	Gateway and SR 527 Median Landscaping

**Type** Maintenance / Repair      **Department** Community and Economic Dev  
**Useful Life** 20 years      **Contact** Dir. Community Dev.  
**Category** Roadway      **Priority** 3 Maintain Current Service Lev

**Total Project Cost** \$15,000

**Description**

Design a new landscaping plan for the gateway entry points into the City, specifically 164th Street SE, 132nd Street SE at 10th Street SE, Dumas Road at Park Road, 132nd Street SE at SR 527, 132nd Street SE at 35 Avenue SE, 132nd Street SE at Seattle Hill Road, 35th Avenue SE at Seattle Hill Road, and SR 527 at 175th Street, as well as the SR 527 medians. Once the construction and maintenance costs are defined, a detailed proposal will be brought to City Council for approval.

**Justification**

The landscaping at gateway entry points into the City is either non-existent, dated and/or overgrown. In accordance with the new Communication Plan, this would be an opportunity to update and unify the City brand while providing vibrant, visually appealing gateway entry features for the City.

The existing landscaping in the SR 527 medians was installed during the highway widening project in 2003. The medians require relatively high maintenance efforts due to traffic control requirements, which must be contracted out at a high cost. The medians are also overgrown and obstruct visibility, and plantings have been damaged by accidents over the years but not replaced. A new landscaping plan will reduce maintenance costs, as well as improve visibility and safety.



Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Professional Services		15,000									15,000
<b>Total</b>		<b>15,000</b>									<b>15,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
REET		15,000									15,000
<b>Total</b>		<b>15,000</b>									<b>15,000</b>

**Budget Impact/Other**

<b>Project #</b>	17-IT-01
<b>Project Name</b>	Citywide Computer Workstation Replacement

<b>Type</b>	Replacement Vehicles / Equip	<b>Department</b>	Information Technology
<b>Useful Life</b>	3-5 Years	<b>Contact</b>	IT Director
<b>Category</b>	IT Hardware Software	<b>Priority</b>	3 Maintain Current Service Lev

**Total Project Cost** \$230,000

### Description

This project is to replace 60 computer workstations and associated monitors in 2017. In 2013 the City spent approximately \$13,000 to upgrade the current computer workstations to extend their life as much as possible. This has allowed the City to utilize the computers for nearly 9 years, well beyond the typical lifespan of 3-5 years. Several other IT projects depend on bringing the computer workstations up-to-date, such as upgrading to the latest version of Office and migrating to a cloud-based email server, so this project is a top priority. Increasingly, end users have multiple programs open at once and are multi-tasking while they work. Therefore, this proposal includes dual monitors as the standard configuration.

This project is also to replace 9 police vehicle ruggedized laptops and docking stations in 2019. The current police vehicle laptops were purchased in January of 2014 with a 5 year warranty and will reach the end of their useful life in early 2019. Due to the critical functions the police laptops serve (dispatching, officer to officer communications, case report writing, license plate lookup, driver's license lookup, ticket writing, and call look-up) it is not recommended to extend the life of these laptops beyond their 5 year warranty period as an out-of-warranty failure will result in a vehicle being taken out of service for an extended period of time.

By 2022 the City's deployment of approximately 60 computer workstations will be 5 years old and need to be replaced again. However, the monitors purchased in 2017 should still be usable for several more years so the cost will not be as high as in 2017. Funds have been allocated to replace 30 computers in 2022 and 30 computers in 2023.

### Justification

The 60 computer workstations needing replacement in 2017 were purchased in 2008-2009 and will be 8-9 years old in a few months. The typical life of a computer workstation is 3-5 years. To be efficient a user needs to have a computer that can run at an adequate speed and be able to stay up-to-date with software versions. Dual monitors are recommended as the standard configuration because multiple job tasks such as plan review, records processing, permit processing, case writing, and agenda prep benefit from dual monitors through increased productivity.



The 9 police vehicle ruggedized laptops are utilized 24 hours a day and often in severe conditions. By early 2019 they will no longer be under warranty and will require replacement due to the critical functions they serve.

By 2022 the City's deployment of 60 computers will be 5 years old and should be replaced again as the standard refresh cycle is 3-5 years. To adequately run the latest versions of programs such as Microsoft Windows and Microsoft Office, the computer workstations need to be kept reasonably up-to-date. Additionally, older equipment is more expensive to own as its maintenance costs rise and replacement parts are more difficult to purchase.

<b>Expenditures</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
Equipment / Furnishings	105,000		50,000			37,500	37,500				230,000
<b>Total</b>	<b>105,000</b>		<b>50,000</b>			<b>37,500</b>	<b>37,500</b>				<b>230,000</b>

<b>Funding Sources</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
General Fund	105,000		50,000			37,500	37,500				230,000
<b>Total</b>	<b>105,000</b>		<b>50,000</b>			<b>37,500</b>	<b>37,500</b>				<b>230,000</b>

**Budget Impact/Other**

<b>Project #</b>	17-IT-02
<b>Project Name</b>	Data Backup System Replacement

**Type** Replacement Vehicles / Equip      **Department** Information Technology  
**Useful Life** 5 Years      **Contact** IT Director  
**Category** IT Hardware Software      **Priority** 3 Maintain Current Service Lev

**Total Project Cost** \$35,000



**Description**

The City's current computer data backup system is tape-based and over 5 years old. This project is to replace the existing system with a current generation solution that is vastly more automated and provides additional functionality to better protect the City's data in the event of hardware failure or catastrophic event. The City has several types of important data stored on local servers that need to be backed up including email, police digital audio & photo evidence, permit data, plat maps, GIS maps, aerial imaging, council audio recordings, council agendas, council resolutions, City photos, City contracts, capital planning database, budget documents, HR files, scanned documents, general city documents, and server operating system images. Part of the project will be to implement an automated offsite backup component to protect the City's data in the event of a catastrophic event such as a fire or earthquake. The National Institute of Standards and Technology recommend that offsite backups be maintained in a separate location so that the probability of a single event destroying both the operational data files and offsite location is small. As part of the new solution, public and private cloud-based options will be evaluated.

**Justification**

The current tape-based system has reached capacity and can no longer perform a full backup of the City's critical data every night. A replacement must be put in place to ensure the protection of the City's electronic data to ensure full protection from accidental deletion of data as well as from catastrophic events.

Additionally, the current system requires the IT Director to swap the tape every day. If he is on vacation or otherwise offsite he must coordinate with someone else to swap the tape. On holidays, the backup does not run at all. A fully automated system will free up staff time to be used for higher level and more important tasks.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Equipment / Furnishings	35,000										35,000
<b>Total</b>	<b>35,000</b>										<b>35,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
General Fund	35,000										35,000
<b>Total</b>	<b>35,000</b>										<b>35,000</b>

**Budget Impact/Other**

Ongoing support/maintenance and licensing costs after the initial purchase of the equipment. Most vendors provide significant discounts for purchasing several years of support/maintenance/licensing.

<b>Budget Items</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
Operating Supplies		8,000	8,000	8,000	8,000	8,000					40,000
<b>Total</b>		<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>					<b>40,000</b>

<b>Project #</b>	<b>17-IT-03</b>
<b>Project Name</b>	<b>Mobile Device Management and Encryption</b>

<b>Type</b>	New Vehicles / Equipment	<b>Department</b>	Information Technology
<b>Useful Life</b>	3-4 Years	<b>Contact</b>	IT Director
<b>Category</b>	IT Hardware Software	<b>Priority</b>	4 Expand Service Levels

**Total Project Cost** \$10,000

**Description**

A Mobile Device Management (MDM) and Encryption solution will allow the City to document, enforce, and manage encryption on the City's various mobile devices (laptops, tablets, and phones). The Federal General Accountability Office and Office of Management and Budget defines personally identifiable information (PII) as any information about an individual that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information. This type of information is commonly stored in documents and emails saved on City mobile devices.

In the National Institute of Standards and Technology's Guide to Protecting the Confidentiality of Personally Identifiable Information (PII) they recommend encrypting the data stored on mobile devices to prevent unauthorized access. Lack of encryption on mobile devices was an area of concern in the Washington State Auditor's Office IT Security Audit Report performed last year. Additionally, they rated this as a "High" risk.

**Justification**

Mobile devices (cellular phones, tablets, and laptops) are at a higher risk of being lost or stolen and therefore should be encrypted to prevent the release of sensitive information. Enabling encryption scrambles the data so if the device is lost or stolen, the thief will be unable to read the information stored on the device. This reduces the risk of the City's sensitive data being compromised.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Equipment / Furnishings	10,000										10,000
<b>Total</b>	<b>10,000</b>										<b>10,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
General Fund	10,000										10,000
<b>Total</b>	<b>10,000</b>										<b>10,000</b>



**Budget Impact/Other**

Annual software license renewal costs, typically 20-30% of the initial cost.

Budget Items	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Operating Supplies		3,000	3,000	3,000	3,000	3,000					15,000
<b>Total</b>		<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>					<b>15,000</b>





<b>Project #</b>	17-IT-08
<b>Project Name</b>	Security Information & Event Management Tool

**Type** New Vehicles / Equipment      **Department** Information Technology  
**Useful Life** 3-4 Years      **Contact** IT Director  
**Category** IT Hardware Software      **Priority** 2 Legal Obligation

**Total Project Cost** \$18,000

**Description**

Security Information & Event Management (SIEM) software is used to collect security and event logs from various IT devices to provide for required auditing, alerting, and reporting. The FBI Criminal Justice Information Systems (CJIS) Policy requires that information systems generate audit records for various events, such as: successful/unsuccessful log-on attempts, changes to account passwords, changes to files, delete permissions, change permissions, etc. Additionally, these audit records must be retained for at least 1 year. The IT Security Audit performed by the State Auditor's Office also recommended the implementation of a Security Information and Event Management Tool citywide and rated it at a "High" risk.



**Justification**

Logging of audit records is a requirement of the FBI CJIS policy and the City is not currently able to meet that requirement and will have a finding in our current audit by the Washington State Patrol. If we do not implement a solution they may restrict our access to the State criminal justice databases. Additionally, this is recommendation from the IT Security Audit and IT security best practices.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Equipment / Furnishings	16,000										16,000
Professional Services	2,000										2,000
<b>Total</b>	<b>18,000</b>										<b>18,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
General Fund	18,000										18,000
<b>Total</b>	<b>18,000</b>										<b>18,000</b>

**Budget Impact/Other**

Annual software license renewal costs, typically 20-30% of the initial cost.

Budget Items	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Operating Supplies		2,000	2,000	2,000	2,000	2,000					10,000
<b>Total</b>		<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>					<b>10,000</b>

<b>Project #</b>	<b>18-IT-04</b>
<b>Project Name</b>	<b>City Hall Campus Wireless Access</b>

**Type** New Vehicles / Equipment      **Department** Information Technology  
**Useful Life** 4-5 Years      **Contact** IT Director  
**Category** IT Hardware Software      **Priority** 3 Maintain Current Service Lev

**Total Project Cost** \$15,000



**Description**

The City's current wireless network is an add-on to the City's firewall that was done to quickly add wireless coverage to the council chambers and lobby for public internet. For proper wireless coverage a building site survey should be conducted and a dedicated wireless solution be deployed that is not integrated with the City's firewall. Completing this project would provide proper wireless coverage of both City Hall Campus buildings for City staff devices, council use during meetings, police vehicle laptops, and public use in the lobby.

**Justification**

The current wireless access points were installed as a quick-fix solution to provide wireless capabilities for the public and the staff to use. The current system does not cover all necessary areas of the buildings. Wireless needs have increased over the years and a more robust solution is necessary to fully cover both buildings and to be able to provide the speeds necessary to support growth.

<b>Expenditures</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
Equipment / Furnishings		15,000									15,000
<b>Total</b>		<b>15,000</b>									<b>15,000</b>

<b>Funding Sources</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
General Fund		15,000									15,000
<b>Total</b>		<b>15,000</b>									<b>15,000</b>

**Budget Impact/Other**

Annual renewal fees for maintenance/support/licensing.

<b>Budget Items</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
Operating Supplies			4,000	4,000	4,000	4,000					16,000
<b>Total</b>			<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>					<b>16,000</b>

<b>Project #</b>	<b>17-BRDG-01</b>
<b>Project Name</b>	<b>Bridge Load Rating</b>

**Type** Maintenance / Repair      **Department** Infrastructure  
**Useful Life** 20 years      **Contact** Public Works Director  
**Category** Bridge      **Priority** 2 Legal Obligation

**Total Project Cost** \$20,000

**Description**

Consultant analysis to evaluate load carrying capacity of the four City-owned bridges over 20 feet long. Bridge locations are on 164th Street SE over North Creek, 153rd Street SE over North Creek, 144th Street SE over Penny Creek, and Mill Creek Road over Penny Creek. Bridges were originally load rated for legal design loads at the time of construction.



**Justification**

In 2013, the Federal Highway Administration issued a requirement to analyze bridges over 20 feet long for a new design standard, a specialized haul vehicle, which has to be completed by end of 2017. The analysis work is beyond in-house staff capabilities and will require a specialized structural engineering consultant. In addition, the four bridges should be re-rated for legal design loads to evaluate future life span.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Professional Services	20,000										20,000
<b>Total</b>	<b>20,000</b>										<b>20,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
REET	20,000										20,000
<b>Total</b>	<b>20,000</b>										<b>20,000</b>

**Budget Impact/Other**

None

Project #	17-ROAD-01
Project Name	Seattle Hill Road Widening w/SnoCo

<b>Type</b>	Construction	<b>Department</b>	Infrastructure
<b>Useful Life</b>	20 years	<b>Contact</b>	Public Works Director
<b>Category</b>	Roadway	<b>Priority</b>	2 Legal Obligation

**Total Project Cost** \$200,000

**Description**

Financial participation per approved Interlocal Agreement in Snohomish County's project to widen Seattle Hill Road (SHR) between 35th Avenue SE and 132nd Street SE. The County is widening SHR to a consistent three lanes with bike lanes, curb and sidewalk, street lights and drainage facilities for the entire length. The roadway will also be realigned both horizontally and vertically in several spots to meet current design standards. The project is fully funded for construction, which will start in early 2017 and last approximately one year.



**Justification**

Part of the County project is within the current city limits and the City would therefore be responsible for a proportional share of the costs. City and County staff negotiated a payment option for \$200,000 to be paid over two years. See Interlocal Agreement approved by the City Council in August 2014, City Contract No. 2014-1118.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Construction	100,000	100,000									200,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>									<b>200,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Traffic Mitigation	100,000	100,000									200,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>									<b>200,000</b>

**Budget Impact/Other**

No future maintenance or operating costs for Mill Creek. The city limit line will be adjusted to fit new County ROW boundaries per ILA.

<b>Project #</b>	<b>17-ROAD-02</b>
<b>Project Name</b>	<b>35th Avenue SE Reconstruction</b>
<b>Type</b>	Construction
<b>Useful Life</b>	30 years
<b>Category</b>	Roadway
<b>Department</b>	Infrastructure
<b>Contact</b>	Public Works Director
<b>Priority</b>	3 Maintain Current Service Lev
<b>Total Project Cost</b>	<b>\$6,000,000</b>



**Description**

Reconstruction of 35th Avenue SE between 144th Street SE and 141st Street SE. The new roadway will be above projected high water levels on top of a pin-pile supported reinforced concrete slab. The current consultant will need to finalize design and permitting work for bid documents in 2017 for construction in 2018, and the City will also need consultant inspection services for this large scale project.

**Justification**

35th Avenue SE was built on a peat deposit and has been sinking since the road was widened by Snohomish County in 2003. Some sections have sunk by over two feet and continue to settle at the rate of approximately 1/2" per year. The roadway can be closed by flooding during high water events caused by winter storms or beaver activity, which will continue to get worse as the roadway sinks. Design and permitting are nearly complete, and \$4.0 million in funding was awarded for construction as part of the State Transportation Package (CWA).

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Construction		5,500,000									5,500,000
Professional Services	100,000	400,000									500,000
<b>Total</b>	<b>100,000</b>	<b>5,900,000</b>									<b>6,000,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Grant - State		4,000,000									4,000,000
REET	100,000	1,900,000									2,000,000
<b>Total</b>	<b>100,000</b>	<b>5,900,000</b>									<b>6,000,000</b>

**Budget Impact/Other**

No new operational expenses will result from this project.

**Project #** 17-ROAD-03  
**Project Name** Citywide Traffic Signal Upgrades

**Type** Maintenance / Repair      **Department** Infrastructure  
**Useful Life** 10 years      **Contact** Public Works Director  
**Category** Roadway      **Priority** 3 Maintain Current Service Lev

**Total Project Cost** \$75,000

**Description**

On all seven City-owned traffic signals, install new pedestrian pushbutton systems, new conflict monitors and replace existing Type 170 controllers with new Model 2070E controllers. At the three oldest City signals, specifically 164th Street at Mill Creek Blvd, Dumas Rd at Park Road, and Mill Creek Road at Village Green Drive, install a new side mounted battery backup system. All work would be done by Snohomish County signal maintenance crews.

**Justification**

The City owns seven traffic signals that are operated and maintained by Snohomish County, and all are interconnected to the County's master traffic control center. The existing controllers and conflict monitors use outdated technology and need to be replaced in order for signals to work with the County's intergrated system. Installing battery backups will ensure signal operation during a power outage. Installing new pedestrian pushbuttons will help meet current ADA standards.



Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Construction	75,000										75,000
<b>Total</b>	<b>75,000</b>										<b>75,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
REET	75,000										75,000
<b>Total</b>	<b>75,000</b>										<b>75,000</b>

**Budget Impact/Other**

No additional or new future ongoing costs other than existing signal maintenance work by the County.

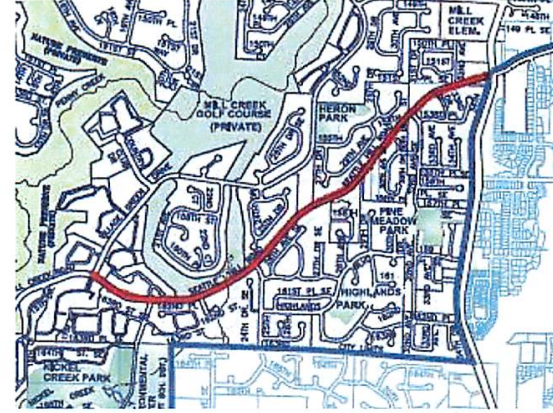
**Project #** 18-PAVE-03  
**Project Name** Seattle Hill Road Preservation

**Type** Construction                      **Department** Infrastructure  
**Useful Life** 20 years                      **Contact** Public Works Director  
**Category** Pavement                      **Priority** 3 Maintain Current Service Lev

**Total Project Cost** \$1,900,000

**Description**

Repave Mill Creek Road and Seattle Hill Road between Village Green Drive and 35th Avenue SE. The scope of work includes a full width 2" grind and overlay, replacement of landscaped median curbs, and ADA upgrades at all curb ramps and two traffic signals. The City will need consultant design work to produce bid documents for a Federal aid project.



A PSRC / Federal STP grant was obtained for construction in 2019 in the amount of \$720,000.

**Justification**

The pavement condition has deteriorated to a rating of 59 out of 100 and is a good candidate for structural resurfacing. The existing curb ramps and traffic signals do not meet current ADA standards. The curbs on all landscape medians have damaged beyond repair over the years by vehicle collisions.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Construction			1,500,000								1,500,000
Professional Services		250,000	150,000								400,000
<b>Total</b>		<b>250,000</b>	<b>1,650,000</b>								<b>1,900,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Grant - Federal			720,000								720,000
REET		250,000	930,000								1,180,000
<b>Total</b>		<b>250,000</b>	<b>1,650,000</b>								<b>1,900,000</b>

**Budget Impact/Other**

No new operational expenses will result from this project.



<b>Project #</b>	<b>18-ROAD-04</b>
<b>Project Name</b>	<b>164th Street Corridor Adaptive Signal System</b>

<b>Type</b>	Construction	<b>Department</b>	Infrastructure
<b>Useful Life</b>	10 years	<b>Contact</b>	Public Works Director
<b>Category</b>	Roadway	<b>Priority</b>	4 Expand Service Levels

**Total Project Cost** \$50,000

**Description**

Snohomish County successfully submitted a PSRC regional project application for the second phase of a new adaptive signal control system. The first phase of the system is funded and will be along the new Community Transit Swift 2 route on SR 96 and SR 527. This second phase covers a large portion of south Snohomish County, including the 164th Street corridor, and is an interagency effort including Lynnwood, Bothell and Mountlake Terrace. Mill Creek will have two traffic signals on the system, 164th Street at Mill Creek Blvd and Main Street at Mill Creek Blvd.



**Justification**

164th Street is the busiest east - west corridor in the area and carries nearly 40,000 vehicles per day. Congestion is extremely bad during the peak commute hours and operates at a level of service of F. Adaptive signal controls utilize new technology for detecting and immediately adjusting to traffic flow instead of operating on a timed program. While not a full solution, the adaptive signals will help ease future congestion by being more responsive to changes in traffic flow.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Construction		50,000									50,000
<b>Total</b>		<b>50,000</b>									<b>50,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
REET		50,000									50,000
<b>Total</b>		<b>50,000</b>									<b>50,000</b>

**Budget Impact/Other**

No additional or new future operational costs other than existing signal maintenance work by the County.

**Project #** 17-PARK-03  
**Project Name** North Pointe Park Design & Construction Documents

**Type** Construction                      **Department** Parks  
**Useful Life** 20 years                      **Contact** Public Works Director  
**Category** Parks                              **Priority** 4 Expand Service Levels

**Total Project Cost** \$30,000

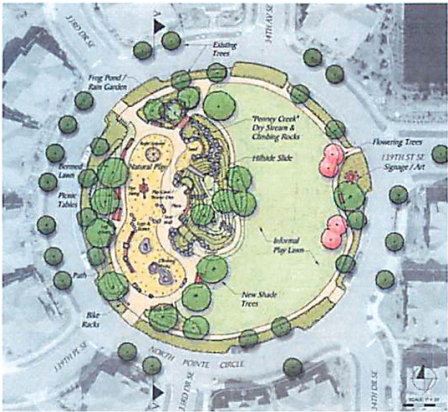
**Description**

In 2006, in conjunction with the development of the North Pointe plat, the developer dedicated a one acre parcel for neighborhood park land in lieu of park mitigation fees. The City chose to defer development of this park until the neighborhood was built out so the future residents would have an opportunity to participate in the park planning. In the meantime, the developer installed lawn and temporary irrigation.

**Justification**

The North Pointe subdivision is now built out and in early 2016, the City’s Parks and Recreation Board worked with staff and several members of the Design Review Board to develop concepts that were reviewed by the public at the Mill Creek Festival and two public meetings held in the park. The Natural Play Park option was the overwhelming preference of the public. Therefore, the Parks and Recreation Board recommended the Natural Play Park design concept to Council at their regular meeting on September 27, 2016. The purpose of this CIP project is to design improvements and prepare construction drawings for North Pointe Park per the Council approved Master Plan. Once the design is completed and construction costs are defined, a revised action plan will be brought to the City Council for approval.

The Natural Play Park concept includes the major components of the traditional park concept, such as a playground area with play equipment and surrounding benches and small picnic tables, but the playground and play equipment element take a different approach with a focus on naturally occurring objects, shapes and topography. This design brings attention to the natural features of the Penny Creek drainage basin in which the park is located. The proposed park improvements will be funded from dedicated neighborhood park mitigation fees.



Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Professional Services	30,000										30,000
<b>Total</b>	<b>30,000</b>										<b>30,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Park Mitigation	30,000										30,000
<b>Total</b>	<b>30,000</b>										<b>30,000</b>

**Budget Impact/Other**

There are no operating costs associated with the design and preparation of the construction plans for the park improvements.

**Project #** 17-PARK-04  
**Project Name** Cougar Park, Phase 2

**Type** Construction                      **Department** Parks  
**Useful Life** 20 years                      **Contact** Public Works Director  
**Category** Parks                              **Priority** 4 Expand Service Levels

**Total Project Cost** \$15,000

**Description**

Cougar Park improvements were proposed in two phases. Phase I included the play equipment and the restroom/shelter building, as well as an open lawn play area. Phase 2 included the cable ride and a trail through the eastern portion of the park property to 35th Avenue. Subsequently, it was decided to move the cable ride from the wooded area to a more visible location to address safety concerns and the cable ride was installed in 2012. At that time it was decided to forego the proposed trails through to 35th Avenue.



**Justification**

Residents have recently expressed concerns regarding vandalism in the wooded area. As a result, the Parks and Recreation Board discussed revisiting the idea of constructing the trail and cleaning up some of the undergrowth to improve visibility and safety on the north side of the heavily wooded area in the hope that it would discourage vandalism. The trail would also create direct access to the park from 35th Avenue. The trail would need to be hard surfaced to meet ADA requirements. Design work will be done in-house.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Construction	15,000										15,000
<b>Total</b>	<b>15,000</b>										<b>15,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Park Mitigation	15,000										15,000
<b>Total</b>	<b>15,000</b>										<b>15,000</b>

**Budget Impact/Other**

The City has existing maintenance and operational costs for this developed park. The addition of a trail will not increase those costs.

<b>Project #</b>	<b>18-PARK-02</b>
<b>Project Name</b>	<b>Mill Creek Sports Park - Turf &amp; Light Replacement</b>

**Type** Maintenance / Repair      **Department** Parks  
**Useful Life** 10 years      **Contact** Public Works Director  
**Category** Parks      **Priority** 3 Maintain Current Service Lev

**Total Project Cost** \$775,000

**Description**

Replace artificial turf at Mill Creek Sports Park and replace existing field lights with new LED fixtures. The turf replacement portion of the project is approximately \$400,000 and the new LED lights total approximately \$310,000.



**Justification**

Artificial turf has a useful life span of approximately 8 years. The turf at the Sports Park was installed in 2003 and is 13 years old and at the end of its useful life. The turf is becoming a safety concern due to seam tears and loss of granulated rubber cushioning. The City received the maximum use from the artificial turf because of good ongoing maintenance practices.

The existing lights are proposed to be replaced with LED lights. The existing system is composed of Metal Halide and High Pressure Sodium lights and the field needs re-lamping every five to six years. The LED lights will have a life span of up to 20 years, and the elimination of many re-lamping cycles will provide a significant maintenance cost savings.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Maintenance / Repair		710,000									710,000
Professional Services	65,000										65,000
<b>Total</b>	<b>65,000</b>	<b>710,000</b>									<b>775,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Grant - State		276,000									276,000
REET	65,000	434,000									499,000
<b>Total</b>	<b>65,000</b>	<b>710,000</b>									<b>775,000</b>

**Budget Impact/Other**

The City has existing maintenance and operational costs for the developed park. However, Snohomish PUD has reviewed the proposed lighting plans and specifications and estimates a 63% reduction in power consumption resulting in a \$6,000 annual savings based on current electric rates, and greater savings as those rates increase in the future.

<b>Project #</b>	<b>17-EQUIP-03</b>
<b>Project Name</b>	<b>Police / Engineering Total Station</b>

<b>Type</b>	New Vehicles / Equipment	<b>Department</b>	Public Safety
<b>Useful Life</b>	10 years	<b>Contact</b>	Dir. Public Safety
<b>Category</b>	Equipment	<b>Priority</b>	4 Expand Service Levels

**Total Project Cost** \$42,000

**Description**

Total Station collision/ crime scene/ engineering equipment. Trimble S7 3 "Robotic, DR Plus, Trimble VISION, FineLock, Scanning Capable" plus all hardware, software and accessories. Item may be used across all departments for scene reconstruction, roadway planning and project planning.



**Justification**

The City does not have this equipment in its inventory. From a public safety standpoint, the use of total station for crime scene and collision scene mapping is an industry standard and is necessary for appropriate prosecution of criminal offenders. Historically, the City could receive support from the Snohomish County Sheriff's Office with this technology, but with their pending budget cuts, we have been advised that they can no longer support the crime scene mapping needs of the cities within the county. We may be able to draw upon other allied agencies, but this is unreliable.

From an engineering standpoint, a total station could be used by internal staff to create project base maps and AutoCAD drawings for small scale or technically straightforward CIP projects such as the ongoing sidewalk and storm pipe repair projects. The ability to do the initial surveying and design work in-house would reduce outside consultant costs.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Equipment / Furnishings	42,000										42,000
<b>Total</b>	<b>42,000</b>										<b>42,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
General Fund	21,000										21,000
REET	21,000										21,000
<b>Total</b>	<b>42,000</b>										<b>42,000</b>

**Budget Impact/Other**

There are no anticipated future budget impacts.

<b>Project #</b>	<b>17-EQUIP-11</b>
<b>Project Name</b>	<b>Armory Parts Washer</b>

**Type** New Vehicles / Equipment      **Department** Public Safety  
**Useful Life** 10 years      **Contact** Dir. Public Safety  
**Category** Equipment      **Priority** 4 Expand Service Levels

**Total Project Cost** \$17,000

**Description**

System-One Model 501S fully recyclable parts washer to be used to clean all parts of handguns and long guns as well as equipment associated with the firearms training and use program. This system recovers 100% of cleaning solvent perpetually and eliminates 100% of solvent waste and is wholly VOC free. This equipment will be installed in the recently-renovated armory that is contained in the police department remodel. In addition, an HVAC system modification will be required to vent fumes from the Armory to the outside, which will likely involve new structural penetrations in the roof and/or exterior wall. Work would include a design / build RFP and permitting by the contractor.



**Justification**

Our firearms training and usage program is conducted on two levels: 1) off-site training with department-provided ammunition at area ranges, and 2) range time at the SCSO range four times per year for training and qualifications. This requires the cleaning and maintenance of our weapons. While the SCSO range has the appropriate equipment for cleaning, many times our available time at the facility is limited. Often, our weapons are cleaned at the PD afterwards, using aerosol cleaners on the squad room countertop. This equipment will allow us to safely use VOC free solvents to clean our weapons and the ability to recycle 100% of the used solvent for future use.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Construction	10,000										10,000
Equipment / Furnishings	7,000										7,000
<b>Total</b>	<b>17,000</b>										<b>17,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
General Fund	17,000										17,000
<b>Total</b>	<b>17,000</b>										<b>17,000</b>

**Budget Impact/Other**

There are no anticipated future budget impacts.

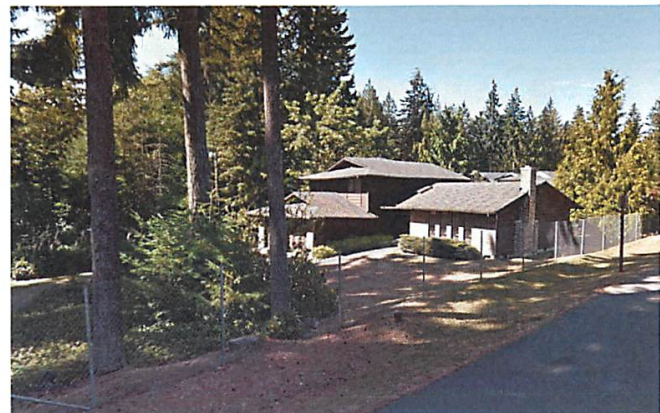
<b>Project #</b>	17-BLDG-02
<b>Project Name</b>	Public Works Shop

<b>Type</b>	Construction	<b>Department</b>	Public Works
<b>Useful Life</b>	30 years	<b>Contact</b>	Public Works Director
<b>Category</b>	Buildings	<b>Priority</b>	4 Expand Service Levels

**Total Project Cost** \$150,000

**Description**

Design and prepare construction bid documents for a new Public Works Shop on the Cook property. Once the design is completed and construction and operating costs are defined, a proposed construction plan will be brought to City Council for approval.



Note that design work and some state grant expenditures began in 2016 and carryover into 2017.

**Justification**

City Hall does not provided adequate parking, facilities or storage for Public Works maintenance vehicles and materials. In September 2016, the City Council approved a consultant contract for the design of a Public Works Shop on the City owned Cook property on North Creek Drive.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Professional Services	150,000										150,000
<b>Total</b>	<b>150,000</b>										<b>150,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Grant - State	150,000										150,000
<b>Total</b>	<b>150,000</b>										<b>150,000</b>

**Budget Impact/Other**

There will be future ongoing annual maintenance and utility costs associate with this new building.

**Project #** 17-BLDG-03  
**Project Name** City Hall - North Roof and Seismic Retrofit

**Type** Maintenance / Repair      **Department** Public Works  
**Useful Life** 20 years      **Contact** Public Works Director  
**Category** Buildings      **Priority** 3 Maintain Current Service Lev

**Total Project Cost** \$425,000



**Description**

The City Hall North building is in need of a new roof and a seismic retrofit of the structure. Design of the roof replacement has been completed, but a specialized consultant will be required for the seismic retrofit portion.

**Justification**

The existing roof on the City Hall North building has reached the end of its life and needs to be replaced. However, with good inspection practices and remedial repairs done in a timely manner, the roof replacement can be deferred until 2018. The building has also never been upgraded with a seismic retrofit and currently houses staff in three City departments and the Senior Center.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Construction		400,000									400,000
Professional Services		25,000									25,000
<b>Total</b>		<b>425,000</b>									<b>425,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Annex Fund 145		425,000									425,000
<b>Total</b>		<b>425,000</b>									<b>425,000</b>

**Budget Impact/Other**

No new operational costs or impacts associated with this project.



**Project #** 17-BLDG-04  
**Project Name** City Hall - North HVAC Control System

**Type** Replacement Vehicles / Equip    **Department** Public Works  
**Useful Life** 10 years    **Contact** Public Works Director  
**Category** Buildings    **Priority** 3 Maintain Current Service Lev

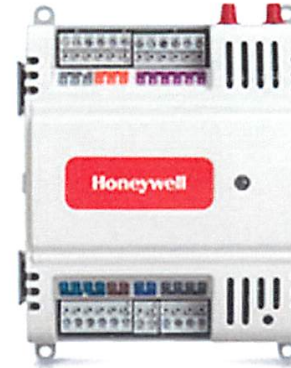
**Total Project Cost** \$125,000

**Description**

The HVAC control system for the City Hall North building is in need of replacement. An energy efficiency engineer from Snohomish PUD inspected the overall HVAC system in the City Hall North building and made several recommendations. Replacing the HVAC control system was the highest priority, but several individual heat pumps also need to be replaced. Work will be a contractor design / build RFP instead of typical architect design / bid / build process.

**Justification**

The display on the circa 1980's combined monitor / computer for the HVAC control system has failed, and if the system dies or malfunctions, there is currently no way to reset it or get it running again. The computer includes the programming that has all the control points and schedules for the 23 individual heat pumps in the building, and also controls the boiler and cooling tower outside the building. Without the monitor it is not possible to change any operational settings.



Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Equipment / Furnishings	125,000										125,000
<b>Total</b>	<b>125,000</b>										<b>125,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Annex Fund 145	125,000										125,000
<b>Total</b>	<b>125,000</b>										<b>125,000</b>

**Budget Impact/Other**

No new operational costs or impacts associated with this project.

<b>Project #</b>	17-EQUIP-04
<b>Project Name</b>	Chipper

**Type** Replacement Vehicles / Equip    **Department** Public Works  
**Useful Life** 10 years    **Contact** Public Works Director  
**Category** Equipment    **Priority** 1 Imminent Threat to Public W

**Total Project Cost** \$25,000

**Description**

Replacement equipment for the existing tow-behind wood chipper used by Public Works maintenance crew. A new chipper should have a 9-inch limb capacity to handle large storm debris.

**Justification**

The chipper is used seasonally in the fall and winter to mulch tree debris for easier disposal and reuse, typically with tree pruning or storm debris cleanup activities. The existing chipper was a low quality used purchase, is unreliable for operation when needed during storm events, undersized for larger debris, and does not meet current safety standards. Crew members have had several near misses with feeding limbs into the existing chipper, which could have been tragic accidents.



Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Equipment / Furnishings	25,000										25,000
<b>Total</b>	<b>25,000</b>										<b>25,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
General Fund	25,000										25,000
<b>Total</b>	<b>25,000</b>										<b>25,000</b>

**Budget Impact/Other**

Replacement equipment; therefore, there will be no new operating expenses associated with this item.

**Project #** 17-EQUIP-05  
**Project Name** Dump Trailer

**Type** New Vehicles / Equipment      **Department** Public Works  
**Useful Life** 10 years      **Contact** Public Works Director  
**Category** Equipment      **Priority** 4 Expand Service Levels

**Total Project Cost** \$10,000

**Description**

New utility trailer with a dump capacity to unload maintenance materials and debris.



\* This photo may not depict standard options.

**Justification**

A dump trailer would greatly increase maintenance crew efficiency and productivity by providing the ability to unload large quantities of materials all at once. Currently materials such as bark mulch or storm debris are loaded and unloaded by hand, which is not time efficient and more likely to cause workplace injuries. The new trailer could also be used to transport equipment or vehicles, like a new tractor or loader, between sites.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Equipment / Furnishings	10,000										10,000
<b>Total</b>	<b>10,000</b>										<b>10,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
General Fund	10,000										10,000
<b>Total</b>	<b>10,000</b>										<b>10,000</b>

**Budget Impact/Other**

Occasional repair costs

<b>Project #</b>	17-VEH-09
<b>Project Name</b>	ROW Inspector Vehicle

**Type** Replacement Vehicles / Equip    **Department** Public Works  
**Useful Life** 10 years    **Contact** Public Works Director  
**Category** Vehicles    **Priority** 3 Maintain Current Service Lev

**Total Project Cost** \$25,000



**Description**

Replacement vehicle for the 1998 Jeep currently being driven by the ROW Inspector. Replacement should be a mid-sized pickup truck or SUV.

**Justification**

The ROW Inspector’s job duties include performing field inspections for private land developments, City CIP projects and ROW permits at various locations throughout the City, which can require a vehicle for 6 to 7 hours of the work day. A vehicle with safety lights and storage capacity is necessary for the ROW Inspector to perform their job duties. The current inspector vehicle has been fully depreciated and is in dire need of transmission and brake work, but Kelly Blue Book value is not worth the cost of repairs.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Vehicles	25,000										25,000
<b>Total</b>	<b>25,000</b>										<b>25,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
General Fund	25,000										25,000
<b>Total</b>	<b>25,000</b>										<b>25,000</b>

**Budget Impact/Other**

Typical operating costs for a new vehicle include gas and ongoing regular minor maintenance such as oil changes, plus occasional repairs and major maintenance expenses such as new tires / tune ups as the vehicle ages.

**Project #** 17-VEH-10  
**Project Name** Maintenance Crew Vehicle

**Type** Replacement Vehicles / Equip    **Department** Public Works  
**Useful Life** 10 years    **Contact** Public Works Director  
**Category** Vehicles    **Priority** 3 Maintain Current Service Lev

**Total Project Cost** \$35,000



**Description**

Replacement vehicle for the 2002 GMC Sonoma pickup currently being driven by a maintenance crew member. Replacement should be a full-sized pickup (F150 or similar).

**Justification**

The maintenance crew duties include park, street and facility work at various locations around the City throughout the day, which can require a vehicle for 6 to 7 hours of the work day. The current crew vehicle has been fully depreciated and is in need of major repairs, including bearings and seals, engine gaskets, tires, brake fluid, thermostat, coolant system service, and brake rotors. The quote for repairs totaled more than the Kelly Blue Book value on the truck.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Vehicles	35,000										35,000
<b>Total</b>	<b>35,000</b>										<b>35,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
General Fund	35,000										35,000
<b>Total</b>	<b>35,000</b>										<b>35,000</b>

**Budget Impact/Other**

Typical operating costs for a new vehicle include gas and ongoing regular minor maintenance such as oil changes. There are no new operating expenses anticipated.

**Project #** 17-VEH-12  
**Project Name** Flatbed Truck

**Type** Replacement Vehicles / Equip    **Department** Public Works  
**Useful Life** 10 years    **Contact** Public Works Director  
**Category** Vehicles    **Priority** 3 Maintain Current Service Lev

**Total Project Cost** \$85,000



**Description**

Replacement vehicle for the 2002 Isuzu NPR HD flatbed truck currently being used by the maintenance crew, also serves as sander / deicer application vehicle. Replacement will be large capacity flatbed pickup (F450) that could be a combined deicer / snow plow / sander vehicle in the winter.

**Justification**

The maintenance crew utilizes the flatbed truck on a daily basis for transporting materials around the City for various repair, maintenance and clean up activities. Examples include daily park trash pickup, hauling large objects or equipment, seasonal landscaping work like bark mulch, and emergency storm debris clean up. The existing flatbed also serves as the sander / deicer truck during the winter, but is not capable of snow plowing, so combining the two functions will double crew efficiency during winter storm events.

The Flatbed truck has been fully depreciated and is in need of major repairs, including the fuel tank has rusted and was patched, the frame is rusting from a leaking deicer pump, and the engine is burning oil.

Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Vehicles	85,000										85,000
<b>Total</b>	<b>85,000</b>										<b>85,000</b>

Funding Sources	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
General Fund	85,000										85,000
<b>Total</b>	<b>85,000</b>										<b>85,000</b>

**Budget Impact/Other**

Typical operating costs for a new vehicle include gas and ongoing regular minor maintenance such as oil changes.



Date: October 25, 2016

A/P Check Batches		
Dated	Check Numbers	Amount
10/13/2016	56055-56112	\$148,452.03
<b>Total</b>		<b>\$148,452.03</b>

Voided Checks	
Numbers	Explanation

CLAIMS APPROVAL

We, the undersigned Finance/Audit Committee of the City of Mill Creek, recommend approval of check numbers 56055 through 56112, and Wire in the amount of \$148,452.03.

We recommend approval of the above stated amount with the following exceptions:

\_\_\_\_\_

\_\_\_\_\_  
Councilmember

\_\_\_\_\_  
Councilmember

\_\_\_\_\_  
Finance Director

\_\_\_\_\_  
Rebecca C. Polizzotti  
City Manager

F:\DATA\EXECUTIVE\WP\FORMS\FIN\Voucher Approval1.doc

**Accounts Payable**

**Checks by Date - Detail by Check Date**

User: Jodieg  
 Printed: 10/17/2016 4:07 PM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
56055	A&CFLAGS 08/30	A & C Flags and Flagpoles 1 Solar Light-Library Flag Pole	10/13/2016		66.28
				Total for Check Number 56055:	0.00 66.28
56056	ACCOUNTP 46111204	Accountemps Conversion Fee/Accountant Position-B Devenny	10/13/2016		17,000.00
				Total for Check Number 56056:	0.00 17,000.00
56057	AMTESTIN 94985	Am Test, Inc 5 Fecal Coliform Analysis	10/13/2016		125.00
				Total for Check Number 56057:	0.00 125.00
56058	AMERDIST 163223	American Distributing Co 278.80 Propane-Fuel for Emergency Generator	10/13/2016		454.96
				Total for Check Number 56058:	0.00 454.96
56059	HRSUSA 054788	Capital One Commercial 4 - 5 Shelf Storage Rack-Annex Remodel	10/13/2016		292.61
				Total for Check Number 56059:	0.00 292.61
56060	CARTERE Reimb Footwear	Eric Carter Reimb 1 Pr Boots-Per AFSCME Contract-E Cart	10/13/2016		193.75
				Total for Check Number 56060:	0.00 193.75
56061	CINTAS 460661575 460661575A 460672238 460672238A 460693045 460693045A	Cintas Corporation Loc. #460 Floor Mat Service 08/19 Floor Mat Service 08/19 Floor Mat Service 09/02 Floor Mat Service 09/02 Floor Mat Service 09/30 Floor Mat Service 09/30	10/13/2016		64.72 38.01 64.72 38.01 64.72 38.01
				Total for Check Number 56061:	0.00 308.19
56062	CITYBELL 31321	City of Bellevue MBP Surcharge, Qtr 3, 2016	10/13/2016		1,734.23
				Total for Check Number 56062:	0.00 1,734.23
56063	CIEDMOND RGG-160070	City of Edmonds Domestic Violence Coordinator - October	10/13/2016		926.59
				Total for Check Number 56063:	0.00 926.59
56064	COMCAST 0724345	Comcast Internet for ITS 10/14-11/13	10/13/2016		96.33



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 56064:	0.00	96.33
56065	DAY&NITE 005620-1	Day & Nite Plumbing & Heating Emergency Plumbing Response/Inspection-New	10/13/2016		973.71
			Total for Check Number 56065:	0.00	973.71
56066	ECITYHAR 190796	Emerald City Harley-Davidson 3 Jiffy (Kickstand) Springs-Motorcycle	10/13/2016		23.04
			Total for Check Number 56066:	0.00	23.04
56067	NWPLGDEC 40195	Northwest Playground Equipment, Inc Bolts & Washers-Hillside Park Repair/Play Struc	10/13/2016		49.66
			Total for Check Number 56067:	0.00	49.66
56068	HORIZON 2M052406	Horizon 3 Bags Fertilizer-Buffalo Park	10/13/2016		70.47
			Total for Check Number 56068:	0.00	70.47
56069	INTEGRA 14169343	Integra T-1 Monthly Chgs - Oct	10/13/2016		623.46
			Total for Check Number 56069:	0.00	623.46
56070	JOHNCLNR 1844	John's Cleaning Services Inc Uniform Dry Cleaning & Repairs - Sept	10/13/2016		75.07
			Total for Check Number 56070:	0.00	75.07
56071	KCDA 300086488	KCDA Purchasing Cooperative White Board-Recreation Coordinator	10/13/2016		185.36
			Total for Check Number 56071:	0.00	185.36
56072	KLEIJ Reimb Rx/Dental	John Klei Reimb Rx, Dental, Medical & Replacement Glas	10/13/2016		489.33
			Total for Check Number 56072:	0.00	489.33
56073	EHRlichD 918	Law Offices of Daniel Ehrlich, PLLC Conflict Public Defense-6Z0135888	10/13/2016		300.00
			Total for Check Number 56073:	0.00	300.00
56074	LESSCHW 39500299776 39500299886 39500300071	Les Schwab Dismount & Mount/Wheel Spin Balance-Car#41 LOF-Car#32 Wiper Blades-Car #40	10/13/2016		208.81 38.46 54.84
			Total for Check Number 56074:	0.00	302.11
56075	LJBMC Rec #129198 Rec #129198A	LJB Mill Creek LLC Refund Applicant Paid Twice-PL2015-0025-Tecl Refund Applicant Paid Twice-PL2015-0025-Min	10/13/2016		7.50 250.00
			Total for Check Number 56075:	0.00	257.50
56076	OREILLY 2986-479899	O'Reilly Automotive Inc LED Light, Spare Mini Bulb	10/13/2016		20.87

**AGENDA ITEM #C.**

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	2986-479910	Spare Mini Bulb-Trailer			6.25
	2986-480235	Adapter/Connector-Chipper Repair			25.26
	2986-480304	Utility Light-Backup Light			21.97
			Total for Check Number 56076:	0.00	74.35
56077	PACAIR	Pacific Air Control, Inc.	10/13/2016		
	189305	VAV Controller Box-PD Remodel			397.62
	189306	HVAC Update-City Hall Remodel			140.67
	189307	HVAC Repair HP7 & HP17-Annex			339.60
			Total for Check Number 56077:	0.00	877.89
56078	PACLAB	PacLab	10/13/2016		
	PEMCI065	Blood Draw-DUI - Case No. 2016-11097			15.50
			Total for Check Number 56078:	0.00	15.50
56079	CLYDEWST	PacWest Machinery	10/13/2016		
	20309854	Repair Gutter Broom-PW10			554.89
			Total for Check Number 56079:	0.00	554.89
56080	PENNPUP	Pennies for Puppies	10/13/2016		
	E-Collar Class	3 Day E-Collar Class 10/10-10/12-1 Durkee			200.00
			Total for Check Number 56080:	0.00	200.00
56081	PERKINSK	Kristen Perkins	10/13/2016		
	748	Police Composite Sketch Case #16-13459			150.00
			Total for Check Number 56081:	0.00	150.00
56082	PITNEYB	Pitney Bowes Global Financial Services	10/13/2016		
	3301576050	Lease Postage Machine, Meter & Scale			606.19
			Total for Check Number 56082:	0.00	606.19
56083	PLANTSCP	Plantscapes Horticultural Services	10/13/2016		
	41551	Landscape Maintenance/City Hall			332.34
	41551A	Landscape Maintenance/Annex			139.23
	41551B	Landscape Maintenance/Library			330.67
	41551C	Landscape Maintenance/Parks			6,355.33
	41551D	Landscape Maintenance/RW Medians			1,039.65
	41551E	Landscape Maintenance/Interior Medians			111.16
	41551F	Landscape Maintenance/SR527			1,192.85
	41551G	Landscape Maintenance/Pond 6			89.81
	41552E	Landscape Maintenance - Ditches/Ponds			944.22
			Total for Check Number 56083:	0.00	10,535.26
56084	SNOCPUD	PUD No. 1 of Snohomish County	10/13/2016		
	2007-4359-9	190 Lights - 200W Var Loc 09/01-09/30			1,664.40
	2013-5396-8	15728 Main St 09/07-10/05			1,741.86
	2013-6774-5	902 164th St SE 09/02-10/03			35.05
	2016-6928-0	16110 1/2 29th Dr SE 08/30-09/26			21.23
	2017-5296-1	15429 1/2 Bothell Everett Hwy 09/03-10/04			18.49
	2017-8113-5	2701 155th St SE 08/26-09/26			32.33
	2025-2921-0	386 Lights - 100 W Var Loc 09/01-09/30			1,312.40
	2025-7077-6	88 Lights - 250W Var Loc 09/01-09/30			908.16
	2026-2439-1	832 Lights - 100W Var Loc 09/01-09/30			5,674.24
	2027-6793-5	21 Lights - 400W Var Loc 09/01-09/30			298.20

# AGENDA ITEM #C.

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	2029-0994-1	6 Lights - 150W Var Loc 09/01-09/30			27.42
	2029-2633-3	14729 12th Ave SE 08/31-09/27			14.84
	2029-5905-2	4842 SAC 09/03-10/04			57.00
	2030-2812-1	4560 SAC 09/01-09/30			49.34
	2032-5163-2	15510 Village Green Dr 08/26-09/26			16.96
	2033-8815-2	15429 Bothell Everett Hwy 09/03-10/04			24.16
	2047-1752-4	9 Lights - 200W Var Loc 09/01-09/30			50.76
	2047-1753-2	38 Lights - 250W Var Loc 09/01-09/30			269.80
	2047-1754-0	39 Lights - 400W Var Loc 09/01-09/30			417.30
	2050-8723-2	17 Lights - 100W Var Loc 09/01-09/30			49.98
	2054-9532-8	49 Lights - 20W Var Loc 09/01-09/30			16.17
	22006-1241-0	15601 22nd Ct SE 08/26-09/26			20.65
	2203-1739-0	1 Light - 240W Var Loc 09/01-09/30			7.51
	2207-6351-0	13332 44th Ave SE 09/01-09/30			48.64
			Total for Check Number 56084:	0.00	12,776.89
56085	MCROTARY 1588	Rotary Club of Mill Creek Rotary Facility Fee Oct 1, 2016-December 31, 2016	10/13/2016		50.00
			Total for Check Number 56085:	0.00	50.00
56086	SHI B05541887	SHI International Corp 6 Pk Adhesive White Labels-Property Rm	10/13/2016		66.36
			Total for Check Number 56086:	0.00	66.36
56087	SHORTCR 491764 491766 491767	Short Cressman & Burgess PLLC Prof Legal Serv-Council-Sept Prof Legal Serv-Exec-Sept Prof Legal Serv-Finance-Sept	10/13/2016		3,964.00 2,997.60 93.00
			Total for Check Number 56087:	0.00	7,054.60
56088	SILVERL 14112-27585 14737-19068 17679-27345 17684-27596 24079-27593 32140-27632 32141-27633 35995-27914 35996-27914 35997-27914 35998-27914 35999-27914 36000-27914 36016-27914 36025-27914 36026-27914 36365-27593 37034-30017 40191-27914	Silverlake Water District 132nd & SR 527 Irrig 09/01-09/30 13617 28th Dr SE Irrig 09/01-09/30 15429 1/2 Bothell Everett Hwy 09/01-09/30 15429 Bothell Way-Irrig 09/01-09/30 Hillside Irrig 09/01-09/30 13903 N Creek Dr-Irrig 09/01-09/30 13903 N Creek Dr 09/01-09/30 SR 527-Irrig 09/01-09/30 14600 SR 527-Irrig 09/01-09/30 13800 N SR 527-Irrig 09/01-09/30 1600 SR 527-Irrig 09/01-09/30 15200 SR 527-Irrig 09/01-09/30 15100 N SR 527-Irrig 09/01-09/30 SR 527 & Trillium Blvd-Irrig 09/01-09/30 14600 SR 527-Irrig 09/01-09/30 SR 527 & Dumas Rd-Irrig 09/01-09/30 Dumas Rd Irrig 09/01-09/30 14721 12th Ave SE-Irrig 09/01-09/30 13315 45th Ave SE-Restroom 09/01-09/30	10/13/2016		20.20 7.60 59.80 81.40 92.20 162.40 72.35 7.60 7.60 7.60 7.60 7.60 7.60 7.60 7.60 7.60 7.60 22.30 7.60 63.25
			Total for Check Number 56088:	0.00	657.50
56089	SIXROBLE 14-340048	Six Robblees' Inc. Tail Lights-Trailer	10/13/2016		30.06

**AGENDA ITEM #C.**

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 56089:	0.00	30.06
56090	SMITHS Reimb Travel	Scott Smith Reimb Lodging & Parking Fall APWA Conf 10/	10/13/2016		714.52
			Total for Check Number 56090:	0.00	714.52
56091	SNOCOC 2016-3332 2016-3375	Snohomish County Corrections Jail Service Fees - July 2016 Jail Service Fees - Aug 2016	10/13/2016		11,211.69 11,816.92
			Total for Check Number 56091:	0.00	23,028.61
56092	SNOCOPW I000418257 I000418258 I000418259 I000418259A	Snohomish County Public Works RR6138-Overlay Program RR7797-Aid Agreement-Annual Striping Work RR7552-Dumas Rd & Park Rd-Aug RR7864-Dumas @ N Creek Dr-Aug	10/13/2016		18,830.93 21,139.17 199.23 199.23
			Total for Check Number 56092:	0.00	40,368.56
56093	SNOCOSH1 2016-3353 2016-3394	Snohomish County Treasurer Inmate Medical Billing - July Inmate Medical Billing - August	10/13/2016		69.53 13.76
			Total for Check Number 56093:	0.00	83.29
56094	SNYDERRF 5870094	Snyder Roofing Annual Roof Maintenance-Annex	10/13/2016		1,903.47
			Total for Check Number 56094:	0.00	1,903.47
56095	STAND 600156-0001	Standard Ins. Company RA Life, AD&D & LTD Prem MEBT-ER Paid-Oct	10/13/2016		4,061.27
			Total for Check Number 56095:	0.00	4,061.27
56096	STAND2 600156-0002	Standard Ins. Company RA Survivor Prem. MEBT-ER Paid-Oct	10/13/2016		2,590.75
			Total for Check Number 56096:	0.00	2,590.75
56097	STAPLEAD 8040372318 8040372318A 8040372318B 8040372318C 8040372318D 8040372318E 8040372318F	Staples Advantage Dept Share Copy Ppr Dept Share Copy Ppr/Tabs/Post-It Notes Dept Share Copy Ppr/File Prongs Dept Share Copy Ppr/Envelopes/Toner Cartridge Dept Share Copy Ppr Dept Share Copy Ppr Dept Share Copy Ppr	10/13/2016		68.81 129.57 80.34 383.75 68.81 68.81 68.81
			Total for Check Number 56097:	0.00	868.90
56098	STERICYC 3003589700	Stericycle Inc Biomedical Waste Services - Monthly Fee	10/13/2016		10.36
			Total for Check Number 56098:	0.00	10.36
56099	TASINTER S11453829	Taser International 1 Replacment Taser w/DPM	10/13/2016		1,233.53

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 56099:	0.00	1,233.53
56100	THYSSEN 3002808325	Thyssenkrupp Elevator Corp. Elevator Maintenance 10/01-12/31	10/13/2016		1,152.86
			Total for Check Number 56100:	0.00	1,152.86
56101	TLOLLC 839489	TransUnion Risk and Alternative Background/Identity Investigations-Sept	10/13/2016		25.00
			Total for Check Number 56101:	0.00	25.00
56102	UPS 00009X8014406	United Parcel Service UPS Chgs-KB Industries	10/13/2016		18.01
			Total for Check Number 56102:	0.00	18.01
56103	USBANK XXXXXX139	US Bank NA - Custody Investment Custody Charges 09/01-09/30	10/13/2016		44.00
			Total for Check Number 56103:	0.00	44.00
56104	USIC 203334 203334A	USIC Locating Services, LLC 109 NC Locates/66 Ticket Locates-Sept 109 NC Locates/66 Ticket Locates-Sept	10/13/2016		756.69 756.69
			Total for Check Number 56104:	0.00	1,513.38
56105	UULC 6090171 6090171A	Utilities Underground Location Center On Call Location Service - 71 Locates On Call Location Service - 71 Locates	10/13/2016		45.80 45.79
			Total for Check Number 56105:	0.00	91.59
56106	VERIZON 9772319206 9772325903 9772325903A 9772325903B 9772327901 9772327901A 9772334146	Verizon Wireless Air Cards/USB Cell Chgs 08/21-09/20-PD Access & Usage Chgs 08/21-09/20-Parks Access & Usage Chgs 08/21-09/20-PW Access & Usage Chgs 08/21-09/20-Admin Access & Usage Chgs 08/21-09/20-Exec Broadband Unlimited-Hot Spot 09/14-10/20-Exc Access & Usage Chgs 08/21-09/20-P & R	10/13/2016		1,321.31 126.96 63.48 21.17 111.50 49.04 131.64
			Total for Check Number 56106:	0.00	1,825.10
56107	WASTPAT 117002305	Washington State Patrol Background Checks - Sept	10/13/2016		88.50
			Total for Check Number 56107:	0.00	88.50
56108	WASTEMN 0430361-2677-9	Waste Management-Northwest 15728 Main St-St Sweeper-Sept	10/13/2016		48.86
			Total for Check Number 56108:	0.00	48.86
56109	WATAI 2017 Dues	WATAI 2017 WATAI Membership Dues - C White	10/13/2016		60.00
			Total for Check Number 56109:	0.00	60.00
56110	WOLFEFR 5325	Wolfe Fire Protection Inc Annual Inspection-Fire Sprinkler System-City H	10/13/2016		250.00

# AGENDA ITEM #C.

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	5326	Annual Inspection-Fire Sprinkler System-Annex			250.00
			Total for Check Number 56110:	0.00	500.00
56111	AFSCME September	WSCCCE, AFSCME, AFL-CIO Union Dues - AFSCME-Sept	10/13/2016		1,322.42
			Total for Check Number 56111:	0.00	1,322.42
56112	ZAC&THOM 1209	Zachor & Thomas, Inc., P.S. Monthly Prosecution Legal Retainer-Sept	10/13/2016		8,701.91
			Total for Check Number 56112:	0.00	8,701.91
			Total for 10/13/2016:	0.00	148,452.03
			Report Total (58 checks):	0.00	148,452.03



**CITY COUNCIL MINUTES**

October 4, 2016

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

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

**CALL TO ORDER**

Mayor Pruitt called the meeting to order at 6:00 p.m.

**FLAG SALUTE**

Flag Salute was conducted.

**ROLL CALL**

Roll was called by the City Clerk with all Councilmembers present.

**AUDIENCE COMMUNICATION:**

City Clerk Chelin read a letter into the record from Kathy Nielsen, 3015 146<sup>th</sup> Place SE, Mill Creek, Washington 98012. The letter stated that if the mayor or any other elected official, wishes to express his or her personal opinion in the news media, it is imperative that a disclaimer be attached to the article, stating that that the information is the personal opinion of the writer and is not the consensus of the City Council.

Wil Nelson  
15429 25<sup>th</sup> Drive SE  
Mill Creek, Washington 98012

Mr. Nelson spoke to the Guild MOU on the agenda tonight. He stated that he disagrees with the 3% premium pay for the traffic unit.

Thomas W. Amacker  
1111 Mill Creek Blvd, F104  
Mill Creek, Washington 98012

Mr. Amacker invited the Council to two events at Brookdale on October 11 and October 12. Both events will discuss City issues and initiatives.

**NEW BUSINESS:**

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

Council Meeting Minutes  
October 4, 2016  
Page 2

The following agenda summary information was presented:

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.

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.

Discussion.

City Manager Polizzotto reviewed a budget presentation. She also reviewed the Guiding Principles, financial policies and revenue projections. There will be a series of budget presentations presented to the Council over the next several months.



Council Meeting Minutes  
October 4, 2016  
Page 3

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

The following agenda summary information was presented:

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.

Discussion.

City Manager Polizzotto reviewed the MOU with the Council. The Council and staff engaged in a discussion.

**MOTION: Councilmember Todd made a motion to extend the meeting to 9:00 p.m., Councilmember Kelly seconded the motion. The motion passed unanimously.**

**MOTION: Councilmember Michelson made a motion to authorize the City Manager to sign the MOU, Councilmember Bond seconded the motion. The motion passed 6-0-1 with Councilmember Cavaleri abstaining.** (Councilmember Cavaleri stated that he abstained due to his union perspective and position.)

**REPORTS:**

Mayor Pruitt reported that the Economic Alliance of Snohomish County's public official's reception is October 27. She also spoke on the status of the consolidation between SNOCOM and SNO PAC.

Councilmember Michelson asked the Council if they were going to respond to Ms. Nielsen's letter that was read into the record tonight.

Council Meeting Minutes  
October 4, 2016  
Page 4

Council discussed the letter. The Editor from the Beacon was in the audience and stated there was a disclaimer on the Mayor's column.

City Manager Polizzotto discussed the chip seal program in the City. She stated for the record that she will not be doing any more chip seal projects in the City in 2017.

**AUDIENCE COMMUNICATION:**

There were no comments from the audience.

**ADJOURNMENT**

With no objection, Mayor Pruitt adjourned the meeting at 8:53 p.m.

---

Pam Pruitt, Mayor

---

Kelly M. Chelin, City Clerk



**CITY COUNCIL MINUTES**

October 11, 2016

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

**October 11, 2016**  
**Regular City Council Meeting**  
**6:00 p.m.**

**CALL TO ORDER**

Mayor Pruitt called the meeting to order at 6:00 p.m.

**FLAG SALUTE**

Flag Salute was conducted.

**ROLL CALL**

Roll was called by the City Clerk with all Councilmembers present.

**AUDIENCE COMMUNICATION:**

Thomas W. Amacker  
1111 Mill Creek Blvd, F104  
Mill Creek, Washington 98012

Mr. Amacker thanked City staff for attending the Brookdale event on City issues and encouraged more to attend tomorrow night's meeting.

**PRESENTATIONS:**

Employee Recognition: Officer Todd Bridgman, 10 Years of Service  
(Rebecca C. Polizzotto, City Manager)

**NEW BUSINESS:**

2017-2018 Biennial Budget Presentation  
(Rebecca C. Polizzotto, City Manager)

The following agenda summary information was presented:

The budget is an economic plan that focuses the entity's financial and human resources on the accomplishment of specific goals and objectives established by the policy makers.

During Part I of the 2017-2018 Biennial Budget Presentation, the City Manager reviewed with the City Council the goals established by the Council during their annual retreat this year and discussed how those goals facilitate budgeting planning. The City Manager also presented for discussion with the City Council proposed financial goals that serve as the framework for revenue and expenditure

Council Meeting Minutes  
October 11, 2016  
Page 2

forecasting.

In Part II of the 2017-2018 Biennial Budget Presentation, the City Manager will review the proposed Pay & Classification Plan for the upcoming biennium and how that Pay & Classification Plan provides the framework for achievement of the Council's goals and departmental strategic objectives.

Discussion.

City Manager Polizzotto reviewed the compensation data in order to foster discussion between the City Manager and the City Council regarding the appropriate human resources framework for achievement of the goals and objectives.

**CONSENT AGENDA:**

Approval of Checks #55993 through #56054 and ACH Wire Transfers in the Amount of \$222,168.54.

*(Audit Committee: Mayor Pruitt and Councilmember Bond)*

Payroll and Benefit ACH Payments in the Amount of \$204,839.91.

*(Audit Committee: Mayor Pruitt and Councilmember Bond)*

City Council Meeting Minutes of September 27, 2016

There were no exceptions from the audit committee.

**MOTION: Councilmember Bond made a motion to approve the consent agenda, Councilmember Cavaleri seconded the motion. The motion passed unanimously.**

**REPORTS:**

Mayor Pruitt reminded Council about the Snohomish County Cities dinner coming up. She also reminded the Council about the Economic Alliance of Snohomish County public official's reception on October 27. Lastly, she stated that she heard that there was going to be bad weather this weekend.

City Manager Polizzotto asked the Council to confirm the meeting schedule for November. She asked if they would like to hold a meeting on election night on November 8 and/or the week of Thanksgiving on November 22. After discussion, the Council agreed that they would like to keep the November meeting schedule as is since there is a lot of work and review to do with the budget.

**AUDIENCE COMMUNICATION:**

There were no comments from the audience.

**ADJOURNMENT**

With no objection, Mayor Pruitt adjourned the meeting at 7:52 p.m.

---

Pam Pruitt, Mayor

---

Kelly M. Chelin, City Clerk



**MEMORANDUM**

TO: Rebecca Polizzotto, City Manager  
FROM: Peggy Lauerman, Finance Director  
DATE: October 19, 2016  
SUBJECT: Financial Report as of September, 2016 relating actual performance to the biennial budget ending December 31, 2016

**General Fund:**

The fund balance at the end of September decreased from August by \$273,000 to \$4,530,303. Biennium to date expenses are \$21.983 million and revenues are \$19.924 million. Fund balance is approximately \$137,000 lower than at the same point in time a year ago.

**Revenues (see General Fund Revenue Report and related graphs):**

Total General Fund revenues are \$714,000 ahead of budget to date. The City is well ahead of budget in the Licenses and Permits, Grants and Charges for Services categories.

Regular property tax revenue exceeds the budget by \$185,000 year to date. Sales taxes are \$188,000 ahead of budget. EMS property tax continues to lag at \$98,000 below budget year to date.

Licenses and Permits is \$306,000 over the biennium budget to date with 127% collected. Franchise Fees and Permits continue to exceed the budget at well over 100% of the biennium budget.

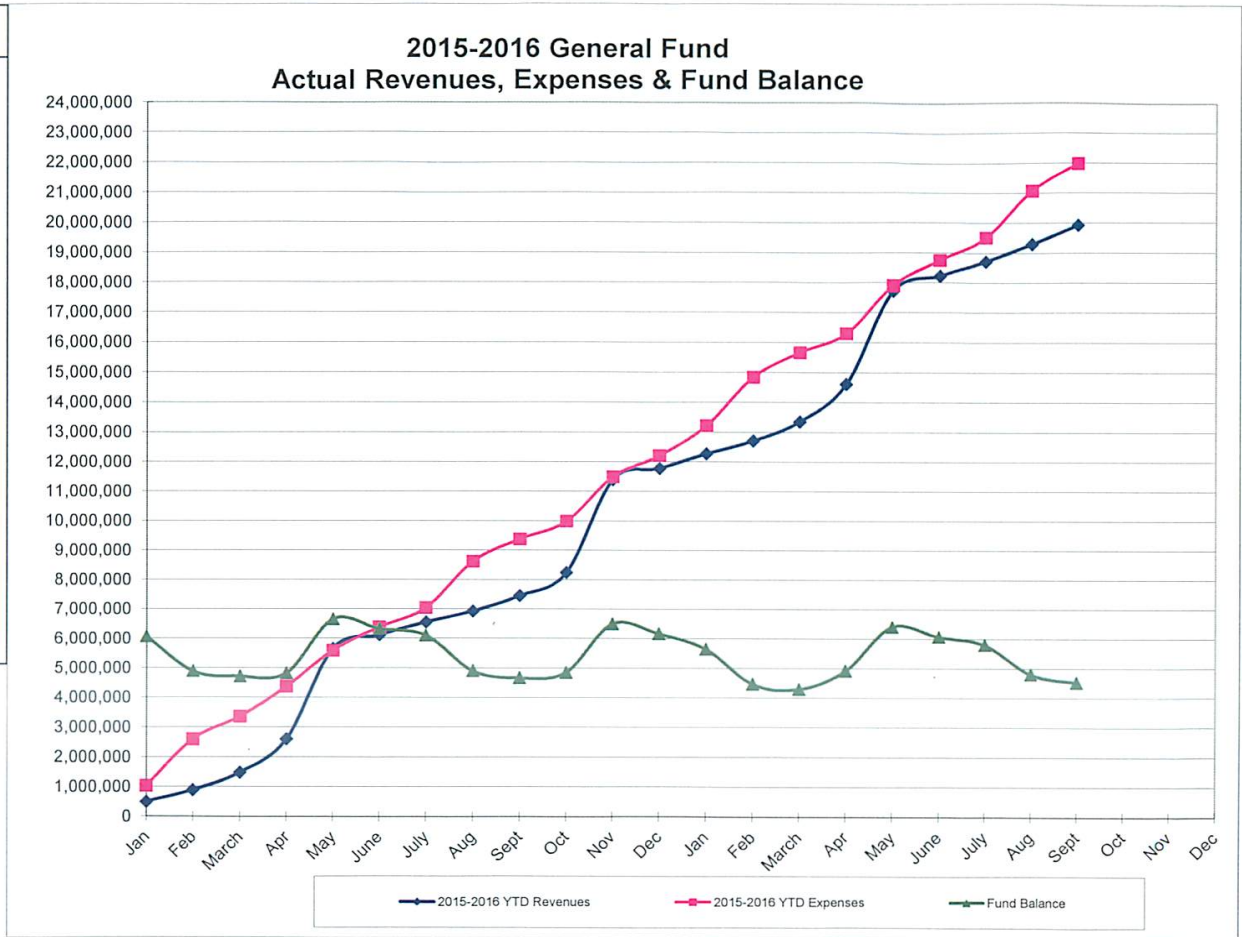
Charges for Services are at 196% of the budget to date collected and \$535,000 over budget with three months to go in the biennium. Passport fees are at 119% of the biennium budget collected. Development/Plan Check fees have more than doubled the budget at 241% collected and exceed the budget by \$288,000.

Fines and Miscellaneous are \$112,000 under budget through September. Traffic infractions and investment interest revenues continue to lag projected amounts.

**Expenditures (see General Fund Expenditure Report and related graphs):**

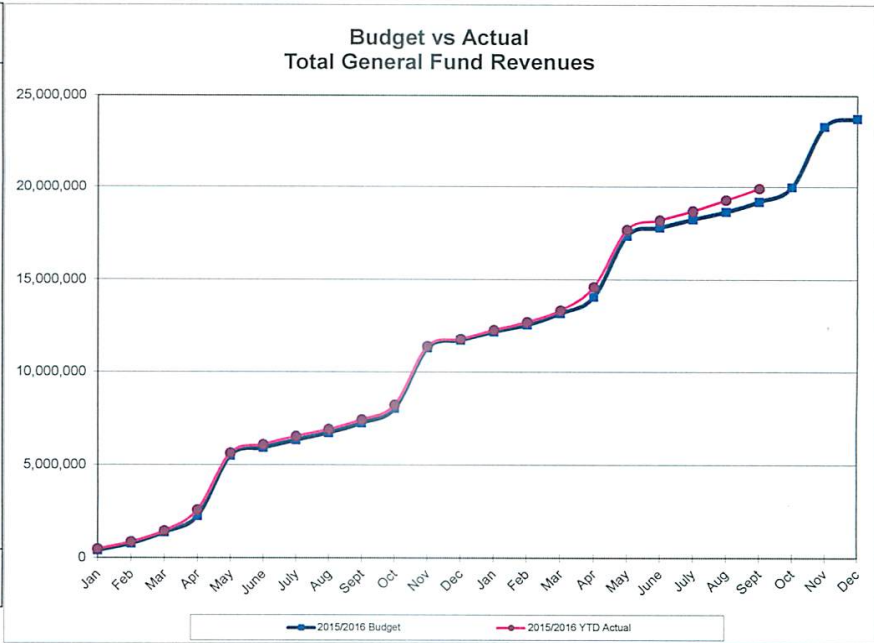
Total General Fund expenses are at 86% which is \$442,000 under budget through September.

Month	2015-2016 YTD Revenues	2015-2016 YTD Expenses	Fund Balance
Jan	498,453	1,020,434	6,067,540
Feb	888,356	2,589,195	4,888,681
March	1,477,497	3,350,515	4,716,502
Apr	2,600,618	4,363,653	4,826,486
May	5,649,205	5,584,091	6,654,635
June	6,117,974	6,372,560	6,334,934
July	6,556,574	7,039,286	6,106,809
Aug	6,931,719	8,617,609	4,903,632
Sept	7,454,298	9,376,688	4,667,131
Oct	8,242,928	9,986,026	4,846,423
Nov	11,404,037	11,495,950	6,497,608
Dec	11,786,601	12,208,131	6,167,991
Jan	12,276,914	13,219,323	5,647,111
Feb	12,717,087	14,839,088	4,467,521
March	13,356,451	15,659,994	4,285,978
Apr	14,618,407	16,297,589	4,910,339
May	17,709,105	17,895,785	6,402,840
June	18,221,760	18,739,228	6,072,053
July	18,714,779	19,505,423	5,798,877
Aug	19,295,982	21,082,234	4,803,269
Sept	19,924,010	21,983,228	4,530,303
Oct			
Nov			
Dec			



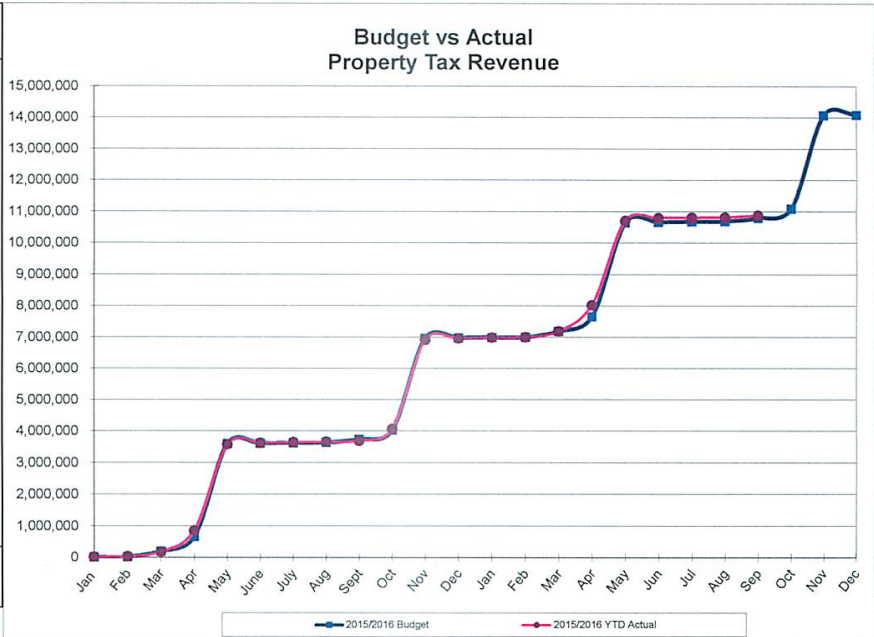
**Total General Fund Revenues**

Month	2015/2016 Budget	2015/2016 YTD Actual
Jan	426,231	498,453
Feb	792,238	888,356
Mar	1,404,547	1,477,497
Apr	2,270,336	2,600,618
May	5,512,894	5,649,205
June	5,935,487	6,117,974
July	6,352,897	6,556,574
Aug	6,745,742	6,931,719
Sept	7,273,898	7,454,298
Oct	8,055,817	8,242,928
Nov	11,307,099	11,404,037
Dec	11,734,138	11,786,601
Jan	12,182,788	12,276,914
Feb	12,561,664	12,717,087
Mar	13,187,188	13,356,451
Apr	14,081,538	14,618,407
May	17,388,938	17,709,105
June	17,822,289	18,221,760
July	18,263,367	18,714,779
Aug	18,668,171	19,295,982
Sept	19,209,517	19,924,010
Oct	20,007,403	
Nov	23,323,917	
Dec	23,762,157	
YTD over (under) Budget		714,492
Actual % of YTD Budget		103.7%
% of Total Budget Collected		83.8%



**REGULAR & EMS PROPERTY TAX**

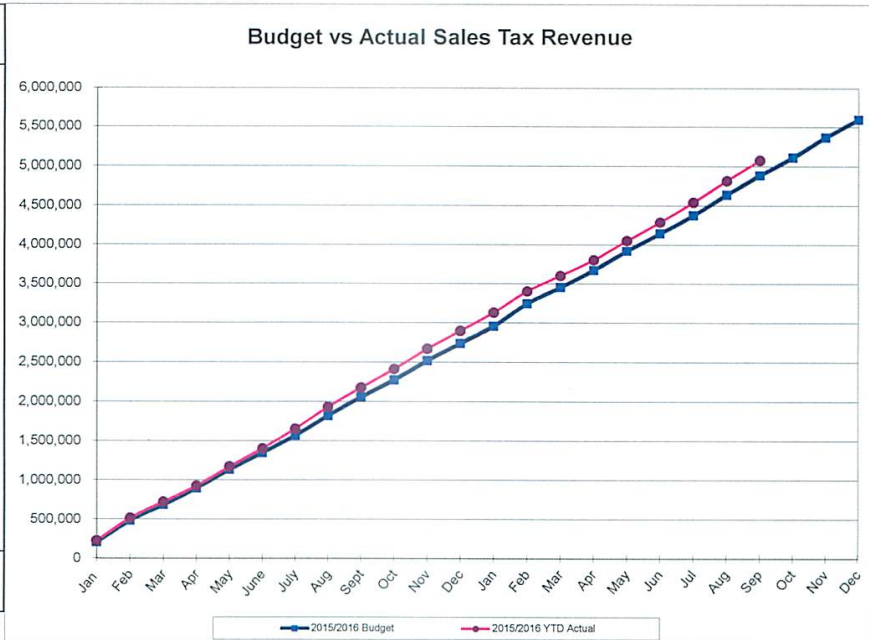
Month	2015/2016 Budget	2015/2016 YTD Actual
Jan	13,972	29,284
Feb	20,958	39,882
Mar	202,594	186,705
Apr	670,656	866,294
May	3,604,776	3,594,032
June	3,618,748	3,633,605
July	3,632,720	3,656,226
Aug	3,646,692	3,667,985
Sept	3,744,496	3,700,064
Oct	4,037,908	4,077,658
Nov	6,972,028	6,922,224
Dec	6,986,000	6,971,129
Jan	7,000,228	6,999,605
Feb	7,007,343	7,009,427
Mar	7,192,311	7,204,628
Apr	7,668,961	8,038,363
May	10,656,916	10,719,975
Jun	10,671,144	10,806,512
Jul	10,685,373	10,819,055
Aug	10,699,601	10,829,717
Sep	10,799,199	10,887,064
Oct	11,097,995	
Nov	14,085,950	
Dec	14,100,178	
YTD over (under) Budget		87,865
Actual % of YTD Budget		100.8%
% of Total Budget Collected		77.2%



**General Fund Revenues**

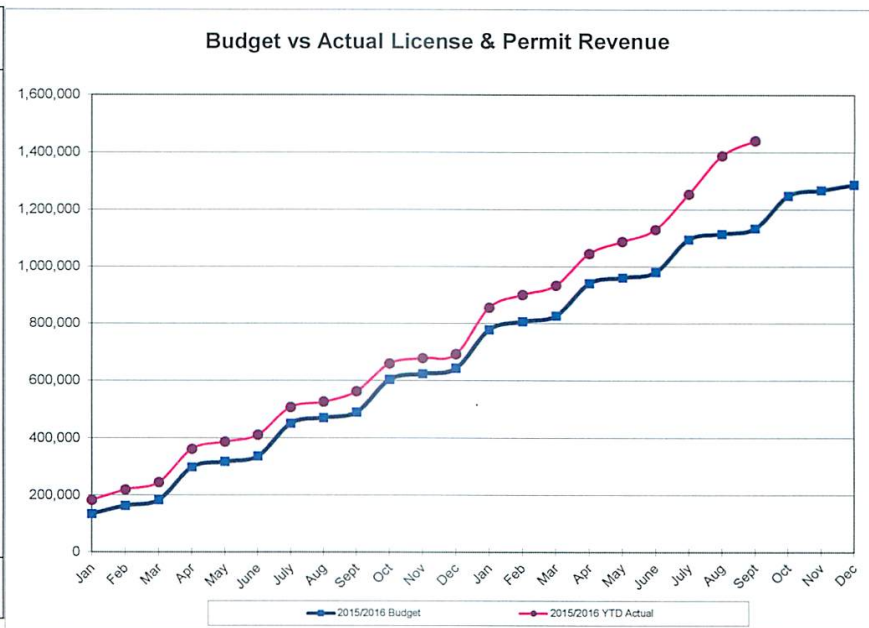
**RETAIL, PUBLIC SAFETY & CRIMINAL JUSTICE SALES TAX**

Month	2015/2016 Budget	2015/2016 YTD Actual
Jan	208,919	228,176
Feb	486,459	518,173
Mar	686,888	725,433
Apr	899,545	929,224
May	1,135,597	1,173,708
June	1,350,651	1,405,913
July	1,572,428	1,657,376
Aug	1,825,059	1,936,034
Sept	2,061,844	2,180,027
Oct	2,278,581	2,416,925
Nov	2,523,351	2,672,116
Dec	2,742,852	2,902,198
Jan	2,960,456	3,134,268
Feb	3,249,541	3,408,163
Mar	3,458,292	3,607,068
Apr	3,679,790	3,811,355
May	3,925,649	4,055,855
Jun	4,149,645	4,293,016
Jul	4,380,643	4,546,438
Aug	4,643,782	4,822,271
Sep	4,890,404	5,078,494
Oct	5,116,142	
Nov	5,371,114	
Dec	5,600,000	
YTD over (under) Budget		188,090
Actual % of YTD Budget		103.8%
% of Total Budget Collected		90.7%



**LICENSES & PERMITS**

Month	2015/2016 Budget	2015/2016 YTD Actual
Jan	134,964	183,355
Feb	163,664	219,590
Mar	184,051	245,371
Apr	298,400	362,227
May	318,005	387,423
June	337,615	411,457
July	451,614	507,937
Aug	471,225	526,795
Sept	490,835	563,003
Oct	604,834	660,033
Nov	624,445	679,319
Dec	644,055	692,997
Jan	779,019	856,800
Feb	807,719	902,089
Mar	828,106	934,992
Apr	942,455	1,046,060
May	962,065	1,087,979
June	981,674	1,130,252
July	1,095,673	1,254,377
Aug	1,115,283	1,388,408
Sept	1,134,892	1,440,871
Oct	1,248,891	
Nov	1,268,500	
Dec	1,288,110	
YTD over (under) Budget		305,978
Actual % of YTD Budget		127.0%
% of Total Budget Collected		111.9%

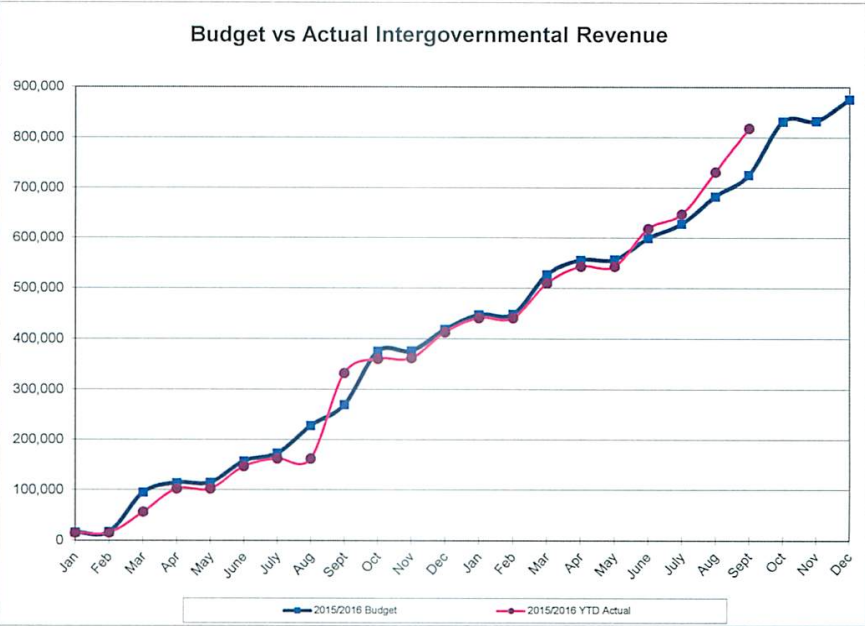




**General Fund Revenues**

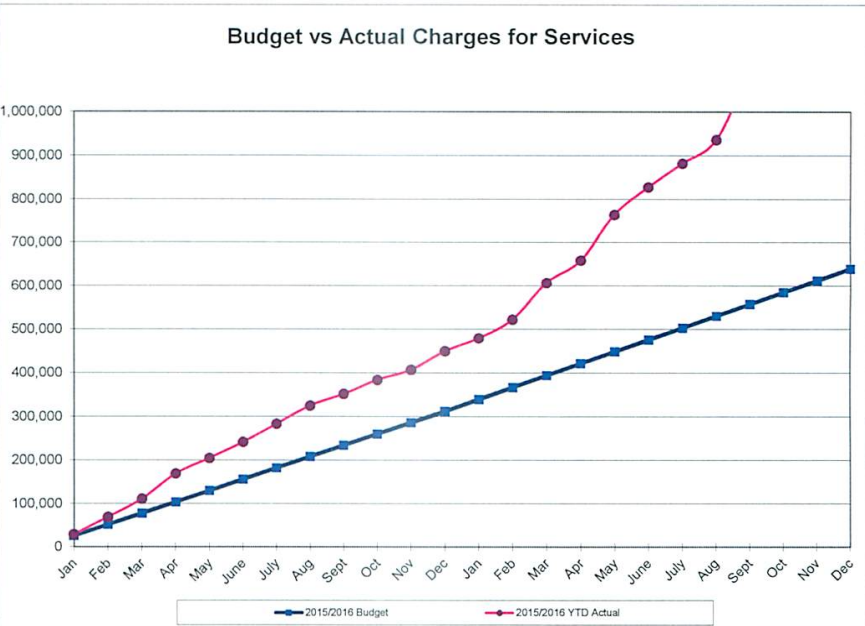
**INTERGOVERNMENTAL & GRANTS**

Month	2015/2016 Budget	2015/2016 YTD Actual
Jan	16,553	15,897
Feb	17,512	15,897
Mar	95,545	57,048
Apr	114,443	102,878
May	115,402	102,878
June	157,535	147,414
July	173,374	162,460
Aug	228,183	162,460
Sept	270,316	333,236
Oct	376,265	361,431
Nov	377,223	363,023
Dec	419,357	414,013
Jan	448,191	441,919
Feb	449,149	441,919
Mar	527,547	510,487
Apr	556,382	543,644
May	557,340	543,644
June	599,838	618,964
July	628,672	648,213
Aug	683,481	732,062
Sept	725,978	818,739
Oct	832,313	
Nov	833,271	
Dec	875,769	
YTD over (under) Budget		92,760
Actual % of YTD Budget		112.8%
% of Total Budget Collected		93.5%



**CHARGES FOR SERVICES**

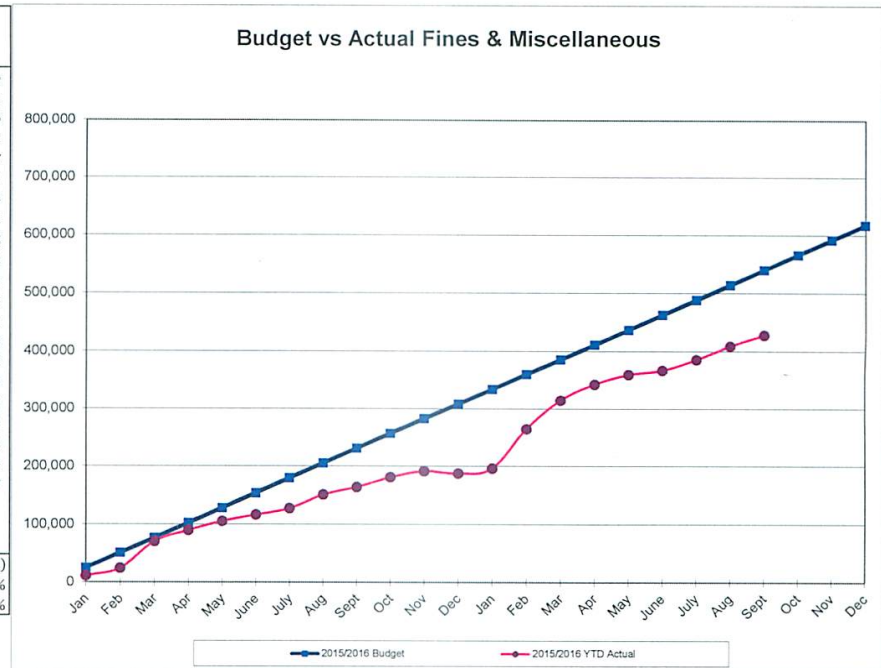
Month	2015/2016 Budget	2015/2016 YTD Actual
Jan	26,073	29,820
Feb	52,146	69,851
Mar	78,219	111,849
Apr	104,292	169,625
May	130,365	205,140
June	156,438	242,037
July	182,510	284,168
Aug	208,583	325,884
Sept	234,656	352,572
Oct	260,729	384,631
Nov	286,802	407,655
Dec	312,875	450,261
Jan	340,144	479,922
Feb	367,413	522,624
Mar	394,681	607,124
Apr	421,950	658,863
May	449,219	764,676
June	476,488	828,557
July	503,756	883,352
Aug	531,025	936,857
Sept	558,294	1,093,011
Oct	585,563	
Nov	612,831	
Dec	640,100	
YTD over (under) Budget		534,717
Actual % of YTD Budget		195.8%
% of Total Budget Collected		170.8%



**General Fund Revenues**

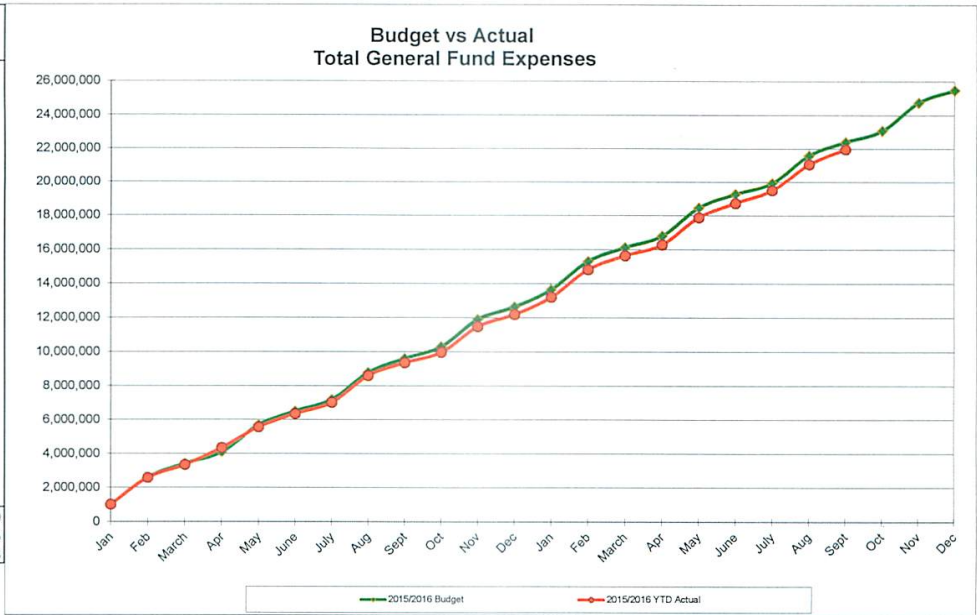
**FINES & MISCELLANEOUS**

Month	2015/2016 Budget	2015/2016 YTD Actual
Jan	25,750	11,920
Feb	51,500	24,961
Mar	77,250	71,086
Apr	103,000	90,351
May	128,750	105,907
June	154,500	117,169
July	180,250	128,098
Aug	206,000	151,812
Sept	231,750	164,745
Oct	257,500	181,594
Nov	283,250	192,170
Dec	309,000	188,346
Jan	334,750	196,739
Feb	360,500	265,203
Mar	386,250	315,308
Apr	412,000	343,276
May	437,750	360,129
June	463,500	367,614
July	489,250	386,499
Aug	515,000	409,813
Sept	540,750	428,977
Oct	566,500	
Nov	592,250	
Dec	618,000	
YTD over (under) Budget		(111,773)
Actual % of YTD Budget		79.3%
% of Total Budget Collected		69.4%



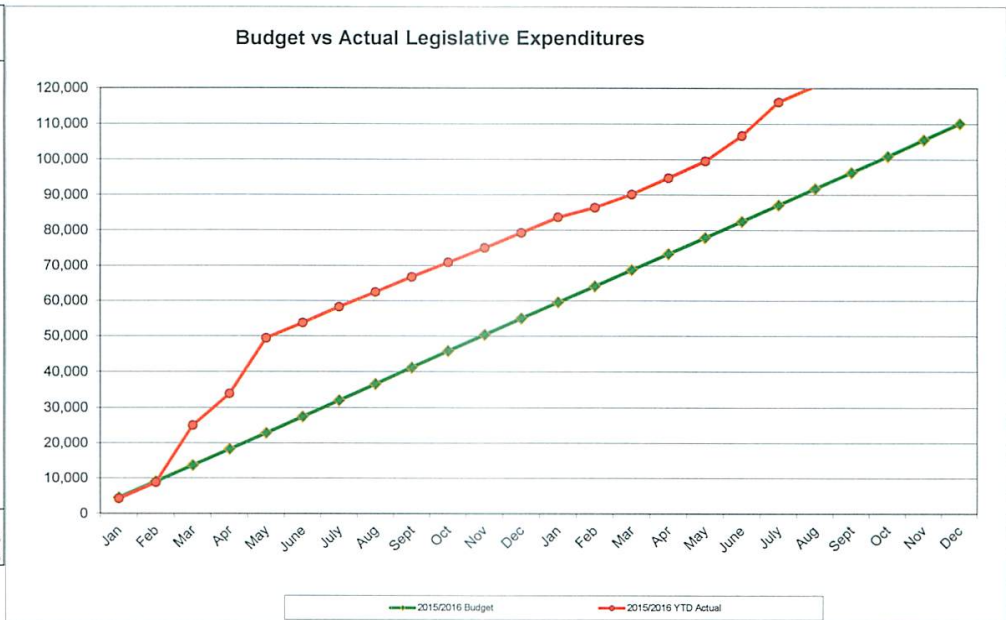
**Total General Fund Expenses**

Month	2015/2016	
	Budget	YTD Actual
Jan	1,010,405	1,020,434
Feb	2,602,914	2,589,195
March	3,423,759	3,350,515
Apr	4,113,374	4,363,653
May	5,705,883	5,584,091
June	6,526,728	6,372,560
July	7,216,342	7,039,286
Aug	8,808,852	8,617,609
Sept	9,629,697	9,376,688
Oct	10,319,311	9,986,026
Nov	11,916,820	11,495,950
Dec	12,655,243	12,208,131
Jan	13,666,639	13,219,323
Feb	15,327,940	14,839,088
March	16,135,419	15,659,994
Apr	16,811,666	16,297,589
May	18,472,967	17,895,785
June	19,280,445	18,739,228
July	19,956,693	19,505,423
Aug	21,617,994	21,082,234
Sept	22,425,472	21,983,228
Oct	23,101,720	
Nov	24,770,846	
Dec	25,497,077	
YTD over (under) Budget		(442,244)
YTD Actual % of YTD Budget		98.0%
% of Total Budget Expended		86.2%



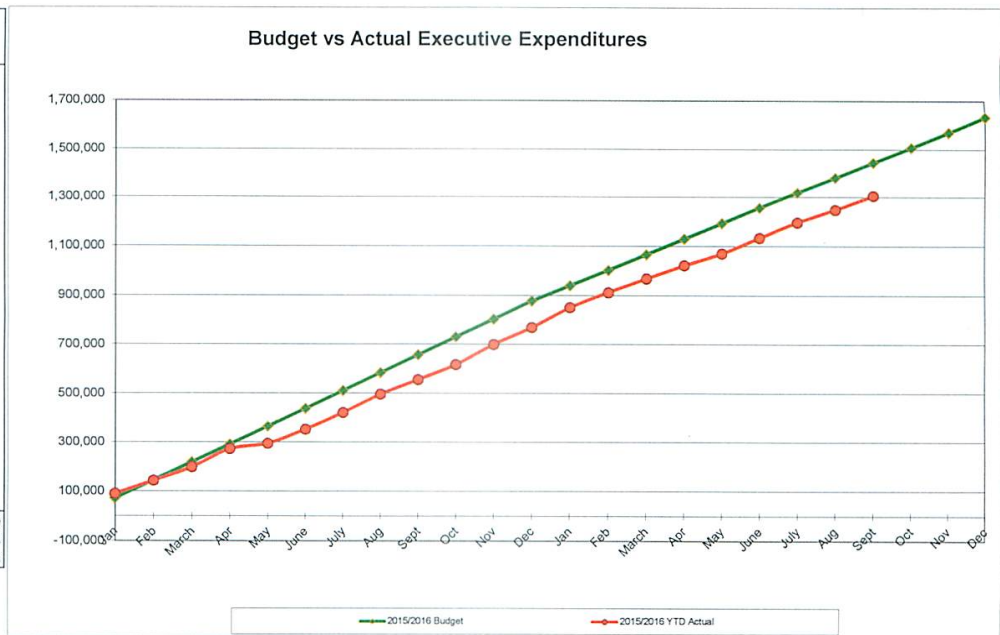
**LEGISLATIVE**

Month	2015/2016	
	Budget	YTD Actual
Jan	4,592	4,290
Feb	9,183	8,824
Mar	13,775	25,080
Apr	18,366	34,012
May	22,958	49,538
June	27,549	53,812
July	32,141	58,335
Aug	36,732	62,560
Sept	41,324	66,864
Oct	45,915	71,011
Nov	50,507	75,089
Dec	55,098	79,408
Jan	59,689	83,774
Feb	64,281	86,523
Mar	68,872	90,230
Apr	73,464	94,866
May	78,055	99,666
June	82,647	106,765
July	87,238	116,207
Aug	91,829	120,712
Sept	96,421	124,740
Oct	101,012	
Nov	105,604	
Dec	110,195	
YTD over (under) Budget		28,319
YTD Actual % of YTD Budget		129.4%
% of Total Budget Expended		113.2%



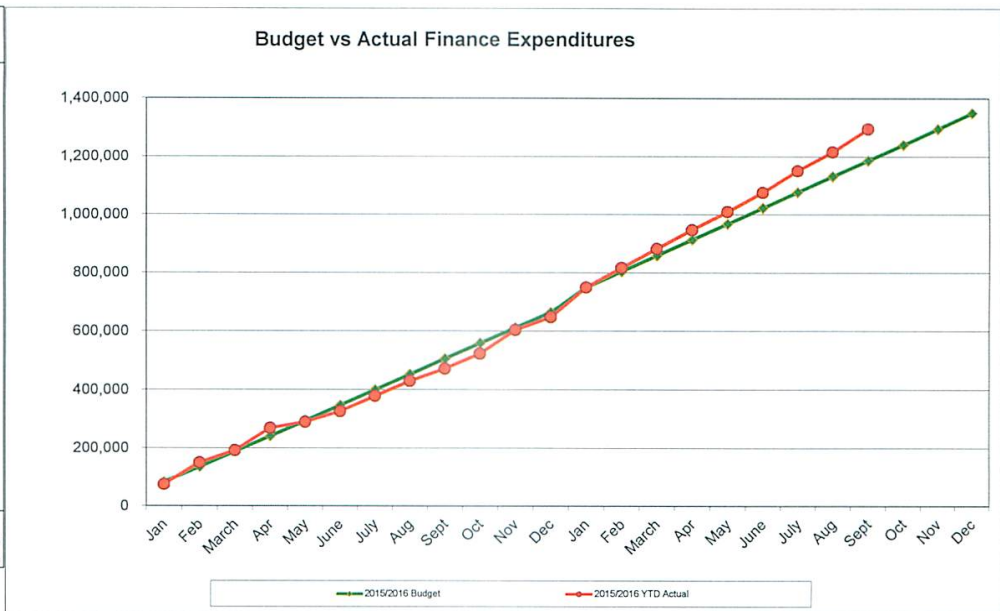
**EXECUTIVE**

Month	2015/2016	
	Budget	YTD Actual
Jan	73,224	91,839
Feb	146,448	144,658
March	219,672	199,508
Apr	292,895	273,650
May	366,119	296,160
June	439,343	354,034
July	512,567	422,950
Aug	585,791	497,444
Sept	659,015	557,597
Oct	732,238	619,087
Nov	805,462	701,035
Dec	878,686	770,861
Jan	941,712	852,242
Feb	1,004,737	913,725
March	1,067,763	969,655
Apr	1,130,789	1,023,213
May	1,193,814	1,071,598
June	1,256,840	1,134,316
July	1,319,866	1,196,871
Aug	1,382,891	1,248,817
Sept	1,445,917	1,306,400
Oct	1,508,943	
Nov	1,571,968	
Dec	1,634,994	
YTD over (under) Budget		(139,517)
YTD Actual % of YTD Budget		90.4%
% of Total Budget Expended		79.9%



**FINANCE**

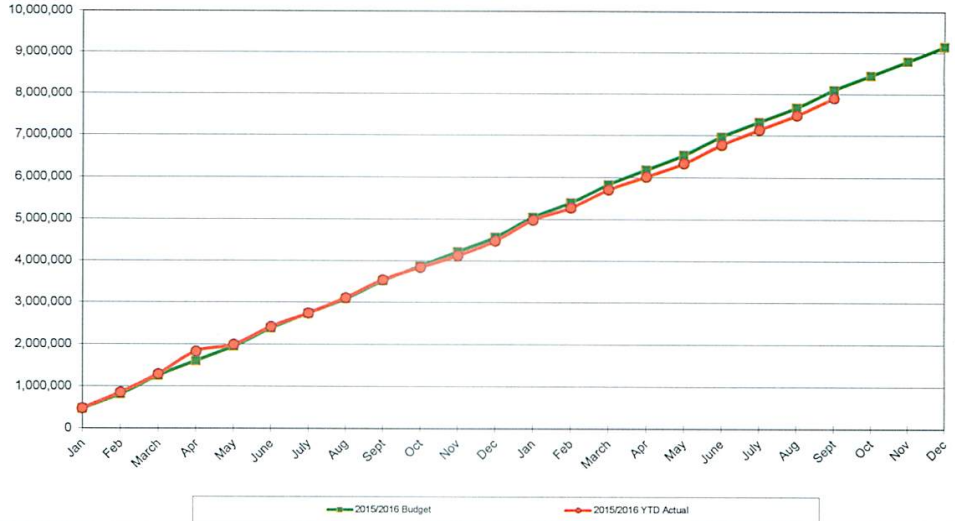
Month	2015/2016	
	Budget	YTD Actual
Jan	83,007	74,941
Feb	136,013	150,824
March	189,020	192,731
Apr	242,027	269,815
May	295,033	290,604
June	348,040	327,696
July	401,047	379,582
Aug	454,054	430,825
Sept	507,060	473,127
Oct	560,067	524,327
Nov	613,074	605,563
Dec	666,080	649,525
Jan	750,673	751,269
Feb	805,267	817,721
March	859,860	883,749
Apr	914,453	948,310
May	969,046	1,010,918
June	1,023,639	1,076,953
July	1,078,232	1,151,999
Aug	1,132,825	1,216,873
Sept	1,187,418	1,296,662
Oct	1,242,012	
Nov	1,296,605	
Dec	1,351,198	
YTD over (under) Budget		109,243
YTD Actual % of YTD Budget		109.2%
% of Total Budget Expended		96.0%



**POLICE**

Month	2015/2016 Budget	2015/2016 YTD Actual
Jan	477,888	485,904
Feb	828,225	862,983
March	1,260,984	1,299,085
Apr	1,611,320	1,839,547
May	1,961,657	2,002,147
June	2,394,416	2,427,525
July	2,744,753	2,749,616
Aug	3,095,089	3,118,080
Sept	3,527,848	3,550,326
Oct	3,878,185	3,849,739
Nov	4,228,521	4,131,287
Dec	4,578,858	4,488,576
Jan	5,057,987	4,990,912
Feb	5,408,211	5,287,148
March	5,840,857	5,717,385
Apr	6,191,081	6,027,427
May	6,541,305	6,344,774
June	6,973,951	6,781,662
July	7,324,175	7,139,500
Aug	7,674,399	7,485,480
Sept	8,107,045	7,906,630
Oct	8,457,269	
Nov	8,807,492	
Dec	9,157,716	
YTD over (under) Budget		(200,415)
YTD Actual % of YTD Budget		97.5%
% of Total Budget Expended		86.3%

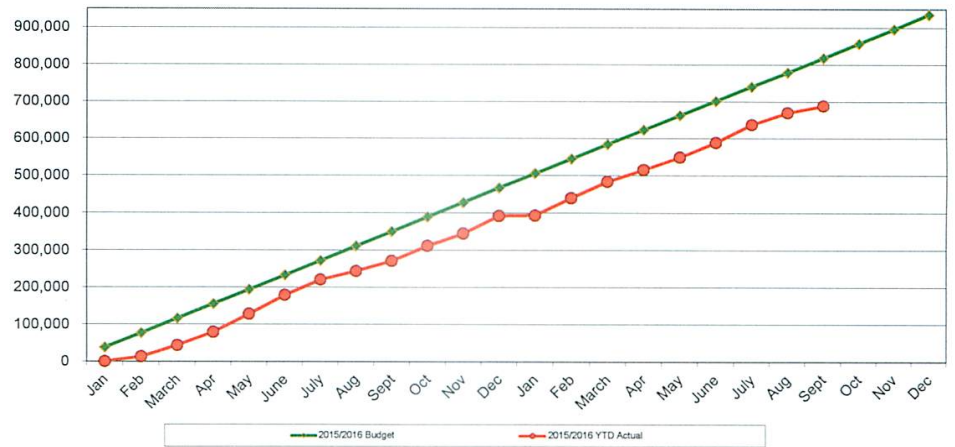
**Budget vs Actual Police Expenditures**



**CRIMINAL JUSTICE**

Month	2015/2016 Budget	2015/2016 YTD Actual
Jan	39,022	1,027
Feb	78,045	13,885
March	117,067	44,590
Apr	156,090	80,065
May	195,112	128,656
June	234,135	179,830
July	273,157	221,272
Aug	312,179	244,666
Sept	351,202	272,312
Oct	390,224	313,112
Nov	429,247	346,088
Dec	468,269	393,309
Jan	507,291	394,535
Feb	546,314	441,135
March	585,336	484,863
Apr	624,359	516,710
May	663,381	550,113
June	702,404	589,563
July	741,426	638,229
Aug	780,448	670,931
Sept	819,471	689,610
Oct	858,493	
Nov	897,516	
Dec	936,538	
YTD over (under) Budget		(129,861)
YTD Actual % of YTD Budget		84.2%
% of Total Budget Expended		73.6%

**Budget vs Actual Criminal Justice Expenditures**



**NON-DEPARTMENTAL**

Month	2015/2016 Budget	2015/2016 YTD Actual
Jan	167,197	158,413
Feb	172,331	175,022
March	225,097	204,387
Apr	229,056	246,860
May	234,189	251,239
June	286,956	292,682
July	290,914	296,039
Aug	296,048	302,649
Sept	348,814	335,358
Oct	352,773	336,422
Nov	362,906	340,258
Dec	415,673	360,823
Jan	595,874	517,207
Feb	601,007	525,478
March	653,774	562,261
Apr	657,732	566,449
May	662,866	549,692
June	715,632	603,412
July	719,591	605,645
Aug	724,724	612,096
Sept	777,491	639,487
Oct	781,449	
Nov	794,407	
Dec	848,349	

YTD over (under) Budget (138,004)  
 YTD Actual % of YTD Budget 82.3%  
 % of Total Budget Expended 75.4%

**Budget vs Actual Non Department Expenditures**



**FIRE SERVICES**

Month	2015/2016 Budget	2015/2016 YTD Actual
Jan	0	20,025
Feb	901,720	895,078
March	901,720	915,103
Apr	901,720	915,103
May	1,803,440	1,790,156
June	1,803,440	1,810,181
July	1,803,440	1,810,181
Aug	2,705,160	2,684,139
Sept	2,705,160	2,704,164
Oct	2,705,160	2,704,164
Nov	3,606,880	3,570,822
Dec	3,606,880	3,570,822
Jan	3,606,880	3,592,359
Feb	4,590,758	4,558,608
March	4,590,758	4,576,405
Apr	4,590,758	4,576,405
May	5,574,636	5,563,322
June	5,574,636	5,563,322
July	5,574,636	5,560,161
Aug	6,558,514	6,439,102
Sept	6,558,514	6,568,011
Oct	6,558,514	
Nov	7,542,392	
Dec	7,542,392	

YTD over (under) Budget 9,497  
 YTD Actual % of YTD Budget 100.1%  
 % of Total Budget Expended 87.1%

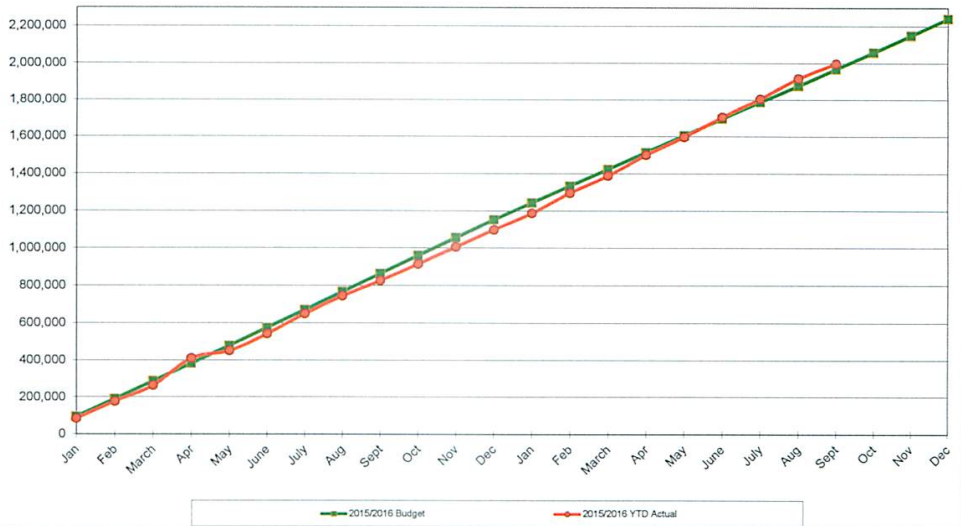
**Budget vs Actual Fire Services Expenditures**



**COMMUNITY DEVELOPMENT**

Month	2015/2016 Budget	2015/2016 YTD Actual
Jan	96,205	86,235
Feb	192,410	178,200
March	288,615	264,589
Apr	384,820	411,766
May	481,025	452,492
June	577,230	544,106
July	673,435	651,617
Aug	769,640	747,066
Sept	865,845	828,076
Oct	962,050	916,525
Nov	1,058,255	1,008,148
Dec	1,154,460	1,100,067
Jan	1,245,165	1,188,617
Feb	1,335,869	1,297,704
March	1,426,574	1,390,768
Apr	1,517,278	1,502,984
May	1,607,983	1,599,688
June	1,698,688	1,706,911
July	1,789,392	1,808,058
Aug	1,880,097	1,919,546
Sept	1,970,801	2,000,843
Oct	2,061,506	
Nov	2,152,210	
Dec	2,242,915	
YTD over (under) Budget		30,042
YTD Actual % of YTD Budget		101.5%
% of Total Budget Expended		89.2%

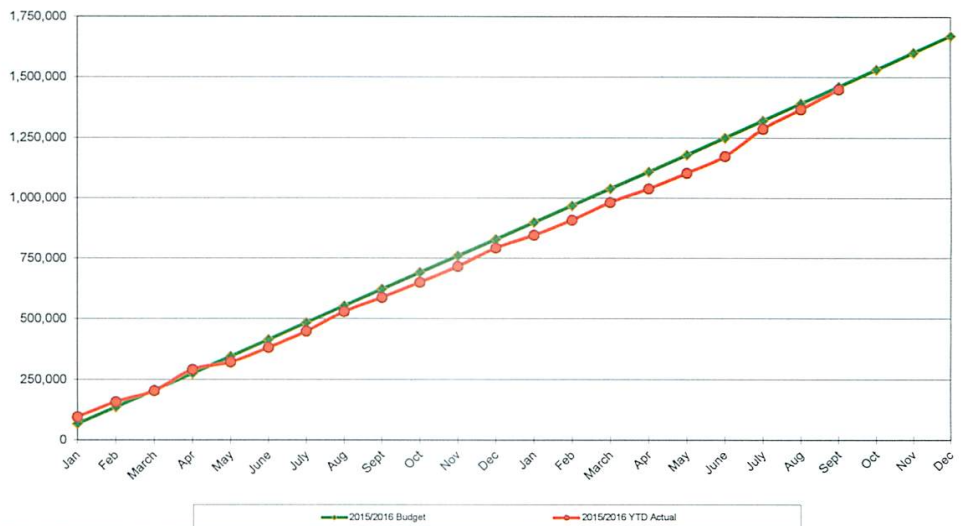
**Budget vs Actual Community Development Expenditures**



**PUBLIC WORKS**

Month	2015/2016 Budget	2015/2016 YTD Actual
Jan	69,270	97,759
Feb	138,540	159,723
March	207,810	205,442
Apr	277,080	292,835
May	346,350	323,099
June	415,620	382,693
July	484,889	449,692
Aug	554,159	530,180
Sept	623,429	588,864
Oct	692,699	651,639
Nov	761,969	717,660
Dec	831,239	794,740
Jan	901,367	848,407
Feb	971,496	911,047
March	1,041,624	984,678
Apr	1,111,753	1,041,224
May	1,181,881	1,106,013
June	1,252,010	1,176,324
July	1,322,138	1,288,753
Aug	1,392,266	1,368,676
Sept	1,462,395	1,450,846
Oct	1,532,523	
Nov	1,602,652	
Dec	1,672,780	
YTD over (under) Budget		(11,548)
YTD Actual % of YTD Budget		99.2%
% of Total Budget Expended		86.7%

**Budget vs Actual Public Works Expenditures**



**CITY OF MILL CREEK  
General Fund Revenue Report  
As of September 30, 2016**

	Biennial Estimate 2015/2016	Biennium Actual As of 09/30/16	Actual Over (Under) Estimate	% of Estimate Collected	Estimate of Receipts Through 09/30/16	Actual Over (Under) Estimate
<b>Revenues:</b>						
Property Tax-Regular	11,615,627	9,081,772	(2,533,855)	78.2%	8,896,296	185,475
Property Tax-EMS Levy	2,484,551	1,805,293	(679,258)	72.7%	1,902,903	(97,611)
Sales Tax	4,600,000	4,129,951	(470,049)	89.8%	4,016,971	112,979
Public Safety Sales Tax	460,000	404,287	(55,713)	87.9%	471,718	(67,431)
Criminal Justice Sales Tax	540,000	544,256	4,256	100.8%	401,714	142,542
<b>TOTAL TAXES</b>	<b>19,700,178</b>	<b>15,965,558</b>	<b>(3,734,620)</b>	<b>81.0%</b>	<b>15,689,603</b>	<b>275,955</b>
Franchise Fees	755,110	722,874	(32,236)	95.7%	660,721	62,152
Business Licenses	95,000	97,762	2,762	102.9%	90,921	6,841
Building Permits	410,000	577,614	167,614	140.9%	358,750	218,864
Other Licenses/Permits	28,000	42,621	14,621	152.2%	24,500	18,121
<b>TOTAL LICENSES &amp; PERMITS</b>	<b>1,288,110</b>	<b>1,440,871</b>	<b>152,761</b>	<b>111.9%</b>	<b>1,134,892</b>	<b>305,978</b>
PUD Privilege Tax	155,000	163,907	8,907	105.7%	77,500	86,407
Liquor Excise Taxes	137,387	119,126	(18,261)	86.7%	115,764	3,362
Liquor Board Profit	330,859	292,258	(38,601)	88.3%	289,320	2,938
Criminal Justice Funding	50,023	47,389	(2,634)	94.7%	43,770	3,619
Everett School District SRO	179,500	147,234	(32,266)	82.0%	179,500	(32,266)
Grants	23,000	48,826	25,826	212.3%	20,125	28,701
Other Intergovernmental	0	0	0	0.0%	0	0
<b>TOTAL INTERGOVERNMENTAL/GRANTS</b>	<b>875,769</b>	<b>818,739</b>	<b>(57,030)</b>	<b>93.5%</b>	<b>725,978</b>	<b>92,760</b>
Development/Plan Check Fees	186,500	449,661	263,161	241.1%	161,394	288,267
Passport Fees	425,000	506,514	81,514	119.2%	371,875	134,639
Other Charges for Services	28,600	136,836	108,236	478.4%	25,025	111,811
<b>TOTAL CHARGES FOR SERVICES</b>	<b>640,100</b>	<b>1,093,011</b>	<b>452,911</b>	<b>170.8%</b>	<b>558,294</b>	<b>534,717</b>
<b>TOTAL FINES &amp; FORFEITURES</b>	<b>402,000</b>	<b>243,426</b>	<b>(158,574)</b>	<b>60.6%</b>	<b>351,750</b>	<b>(108,324)</b>
Interest on Investments	100,000	44,264	(55,736)	44.3%	87,500	(43,236)
Other Miscellaneous Revenue	116,000	141,286	25,286	121.8%	101,500	39,786
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>216,000</b>	<b>185,550</b>	<b>(30,450)</b>	<b>85.9%</b>	<b>189,000</b>	<b>(3,450)</b>
Insurance recovery	0	16,855	16,855	0.0%	0	16,855
Transfers In	640,000	160,000	(480,000)	25.0%	560,000	(400,000)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>640,000</b>	<b>176,855</b>	<b>(463,145)</b>	<b>27.6%</b>	<b>560,000</b>	<b>(383,145)</b>
<b>TOTAL REVENUES</b>	<b>23,762,157</b>	<b>19,924,010</b>	<b>(3,838,147)</b>	<b>83.8%</b>	<b>19,209,517</b>	<b>714,492</b>
<b>BEGINNING FUND BALANCE</b>	<b>6,589,521</b>	<b>6,589,521</b>	<b>(0)</b>	<b>100.0%</b>	<b>6,589,521</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>30,351,678</b>	<b>26,513,531</b>	<b>(3,838,147)</b>	<b>87.4%</b>	<b>25,799,038</b>	<b>714,492</b>



**General Fund Expenditure Report  
As of September 30, 2016**

	<b>Biennial Budget 2015/2016</b>	<b>Biennium Actual As of 09/30/16</b>	<b>Actual Over (Under) Budget</b>	<b>% of Budget Expended</b>	<b>Estimate of Spending Through 09/30/16</b>	<b>Actual Over (Under) Estimate</b>
<b>Expenditures:</b>						
Legislative	110,195	124,740	14,545	113.2%	96,421	28,319
Executive	1,634,994	1,306,400	(328,594)	79.9%	1,445,917	(139,517)
Finance	1,351,198	1,296,662	(54,536)	96.0%	1,187,418	109,243
Police	9,157,716	7,906,630	(1,251,086)	86.3%	8,107,045	(200,415)
Criminal Justice	936,538	689,610	(246,928)	73.6%	819,471	(129,861)
Non-Department	848,349	639,487	(208,862)	75.4%	777,491	(138,004)
Fire Services	7,542,392	6,568,011	(974,381)	87.1%	6,558,514	9,497
Community Development/Building	2,242,915	2,000,843	(242,072)	89.2%	1,970,801	30,042
Public Works	1,672,780	1,450,846	(221,934)	86.7%	1,462,395	(11,548)
<b>TOTAL EXPENDITURES</b>	<b>25,497,077</b>	<b>21,983,228</b>	<b>(3,513,849)</b>	<b>86.2%</b>	<b>22,425,472</b>	<b>(442,244)</b>
<b>ENDING FUND BALANCE</b>	<b>4,854,601</b>	<b>4,530,303</b>	<b>(324,299)</b>	<b>93.3%</b>	<b>3,373,566</b>	<b>1,156,737</b>
<b>TOTAL FINANCIAL USES</b>	<b>30,351,678</b>	<b>26,513,531</b>	<b>(3,838,147)</b>	<b>87.4%</b>	<b>25,799,038</b>	<b>714,492</b>

**CITY OF MILL CREEK  
FINANCIAL REPORT - ALL OTHER FUNDS  
As of September 30, 2016**

Fund	Revenues			Expenditures		
	2015/2016 Estimated Revenue	2015/2016 Revenue Collected	2015/2016 % of Estimate Collected	2015/2016 Budgeted Expenditures	2015/2016 Expended	2015/2016 % of Budget Expended
<b>SPECIAL REVENUE FUNDS:</b>						
City Street Fund	908,713	826,769	91.0%	1,094,222	872,437	79.7%
Council Contingency	100	14	13.6%	22,000	14,000	63.6%
Municipal Arts Fund	10,000	9,821	98.2%	15,000	1,511	10.1%
Paths & Trails	4,000	4,002	100.0%	4,000	327	8.2%
Drug Buy Fund	25,000	34,579	138.3%	15,000	13,581	90.5%
Beautification Fund	0	0	0.0%	1,500	1,070	71.3%
Annex Building Fund	369,000	311,810	84.5%	860,294	524,843	61.0%
35th Avenue Reserve Fund	0	0	0.0%	236,000	191,860	81.3%
<b>DEBT SERVICE FUNDS:</b>						
Debt Service Fund	259,485	62,129	23.9%	259,395	36,595	14.1%
Local Revitalization	22,000	35,023	159.2%	0	0	
<b>CAPITAL PROJECT FUNDS:</b>						
Real Estate Excise Tax	1,470,000	2,641,944	179.7%	2,876,000	1,604,731	55.8%
Capital Improvement	1,510,000	325,017	21.5%	1,510,000	220,879	14.6%
Park Capital Improvement	517,000	898,217	173.7%	1,410,000	14,013	1.0%
Road Improvement	2,722,000	2,419,110	88.9%	2,150,000	1,589,092	73.9%
<b>ENTERPRISE FUNDS:</b>						
Surface Water Utility	1,513,735	1,166,479	77.1%	2,362,752	1,727,426	73.1%
Recreation Enterprise	1,245,062	982,519	78.9%	1,260,385	1,037,915	82.3%
<b>INTERNAL SERVICE FUNDS:</b>						
Equipment Replacement	325,592	263,031	80.8%	383,622	355,793	92.7%
Unemployment/Self-Insurance Reserve	0	3	0.0%	15,000	19,513	130.1%