



Agenda Item # B

Meeting Date: December 18, 2017

## CITY COUNCIL AGENDA SUMMARY

City of Mill Creek, Washington

### **AGENDA ITEM: 2017-2018 BUDGET AMENDMENT**

#### **PROPOSED MOTION:**

**ADOPTION OF ORDINANCE ADJUSTING APPROPRIATIONS FOR THE 2017-2018 BIENNIAL BUDGET.**

#### **KEY FACTS AND INFORMATION SUMMARY:**

On December, 6, 2016, the City Council adopted the 2017-2018 budget for all funds. RCW 35A.33.120 limits annual expenditures to the amounts appropriated for each fund for the current fiscal year. A standard year-end fiscal management procedure is to examine year-to-date expenditures and forecast them through the year-end period. When this analysis reveals a variance between the budgeted appropriations and expenditure projections, a budget amendment is necessary. Based on the foregoing analysis, the recommended budget amendments for 2017-2018 are set forth on the exhibit to the attached ordinance.

#### **CITY MANAGER RECOMMENDATION:**

The City Manager recommends the City Council adopt the proposed budget amendments as summarized in the attached ordinance.

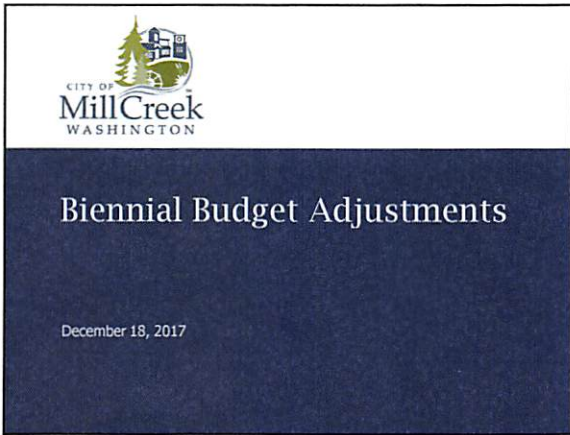
#### **ATTACHMENTS:**

- Ordinance amending the 2017-2018 biennial budget
- PowerPoint

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "Rebecca C. Polizzotto", is written over a horizontal line.

Rebecca C. Polizzotto  
City Manager



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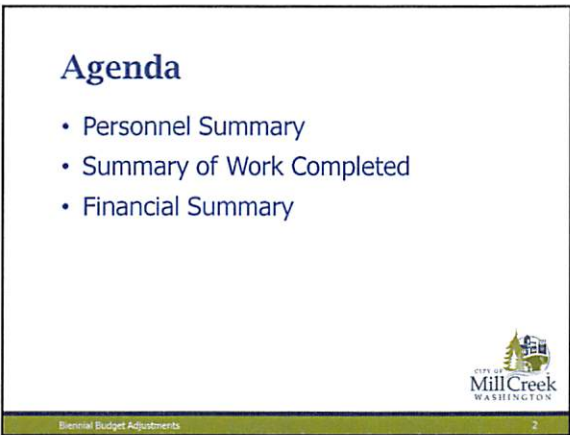
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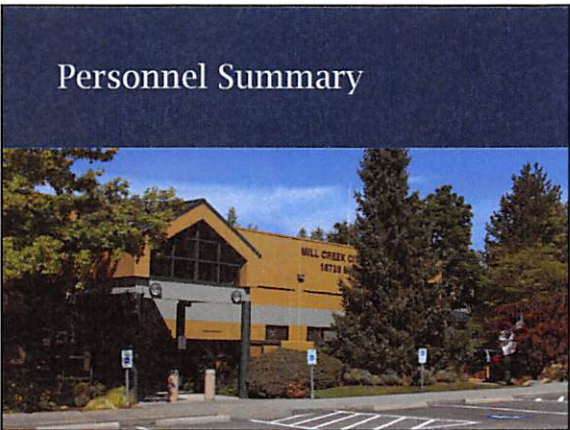
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### Personnel Summary

- Tom Gathmann retired generating savings. His position was not replaced.
- The City Clerk function was subsumed in an existing department and the position reallocated to provide for a Director of Communications & Marketing.



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### Personnel Summary (continued)

- The City previously advertised for an Assistant Director of Finance. Through reorganization of work, staff has determined they do not need to proceed with filling that position.



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### Personnel Summary (continued)

- Additional part-time customer service representatives (less than 20 hours/week) have been added to the budget to provide for the additional workload.



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**Personnel Summary** (continued)

- The permanent part-time customer service representative position has been eliminated from the budget.
- The building permit coordinator position has been reallocated to the Department of Finance to provide for an additional accounting person.



Biennial Budget Adjustments

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**Personnel Summary** (continued)

- Part-time Building Official and full-time Building Inspector were consolidated into one position.
- A Deputy Chief of Police position has been added.



Biennial Budget Adjustments

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**Personnel Summary** (continued)

- The Police Administrative Assistant position has been held vacant pending the outcome of the CPSM study. The staff person previously occupying this position was transferred to the new Department of Public Works and Development Services to fill an existing vacancy.



Biennial Budget Adjustments

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**Personnel Summary** (continued)

- As part of departmental merger, former Director of Public Works position became new Director of Public Works & Development Services.



Biennial Budget Adjustments

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**Personnel Summary** (continued)

- As part of departmental merger, former Director of Community & Economic Development Director position reclassified to Planning Manager position.
- Right of Way Inspector position merged with Engineering Tech position.



Biennial Budget Adjustments

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**Personnel Summary** (continued)

- Surface Water Technician currently vacant as new director evaluates needs of newly merged department.
- As part of succession planning, Director of Human Resources has reduced work hours to 20 hours/week and City is currently advertising for an HR/LR Specialist.



Biennial Budget Adjustments

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### Personnel Summary (continued)

- Due to our constant organizational evaluation and restructuring as needed, the City is able to absorb the 2 new positions of Deputy Chief and HR/LR Specialist with no increase in funding.



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### Summary of Work Completed



### Summary of Work Completed

- Negotiated a tentative agreement for the provision of Fire and EMS services. Contract drafting should be complete by December 2017 with ratification in January 2018.



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### Summary of Work Completed (continued)

- Negotiated a new contract with AFSCME for 2017-2020.
- Negotiated new telecommunications and cable franchise agreements.
- Conducted Comcast audit.



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### Summary of Work Completed (continued)

- Drafted a comprehensive policy and corresponding ordinance to govern the processing of public records requests. The policy incorporates provisions of the new laws passed last session. Scheduled for Council presentation on January 9.



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### Summary of Work Completed (continued)

- Developed an ordinance and procedure governing policy development for all departments and enhanced transparency by setting up an online policy manual with Code Publishing.



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### Summary of Work Completed (continued)

- Streamlined the processing of public records requests by utilizing a centralized tracking system.
- Updated the passport business model to allow for greater return on investment.



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### Summary of Work Completed (continued)

- Published a formal budget book for the 2017-2018 biennium that is organized based on GFOA budget criteria.
- Completely reorganized the City's chart of accounts for more streamlined reporting and better analytics.



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### Summary of Work Completed (continued)

- Streamlined the City's cash receipting processes.
- Deployed SIEM software to provide for security information and event logging.
- Provided for enhanced City operations by deploying a redundant internet connection.



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### Summary of Work Completed (continued)

- Implemented automated archiving system for the City's website, social media and text messaging.
- Deployed new backup system for City's computer systems.
- Implemented cyber security awareness training program.



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### Summary of Work Completed (continued)

- Implemented online recruitment, application and hiring processes.
- Developed electronic position requisition allowing for appropriate internal controls.
- Completed job description review and updates for all non-police positions.



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### Summary of Work Completed (continued)

- Consolidated and organized all City personnel files.
- Instituted internship program.
- Implemented K-9 version 2.0.
- Conducted (in-house) an executive recruitment for a new Deputy Chief of Police.



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### Summary of Work Completed (continued)

- Launched Citizen Police Academy.
- Researched, developed and implemented City Hall Campus Security Plan.
- Conducted CPSM study for police operations.



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### Summary of Work Completed (continued)

- Reorganized and expanded the recreation department into the new Department of Communications and Marketing.



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### Summary of Work Completed (continued)

- Conducted (in-house) an executive recruitment for a Director of Communications & Marketing. Joni Kirk started with the City on February 1.
- Developed and implemented a City wide communications strategy and marketing plan.



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**Summary of Work Completed** (continued)

- Developed and implemented consistency of branding across City departments for items like letterhead, business cards, PowerPoint templates, etc.
- Produced 4 City newsletters.



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**Summary of Work Completed** (continued)

- Developed a quarterly Neighborhood Focus Group, Senior Center Focus Group and a Brookdale Focus Group.
- Implemented a Town Hall meeting.



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**Summary of Work Completed** (continued)

- Partnered with ICMA TV to develop a television production about the City.
- Developed and implemented a City wide social media policy.
- Launched the City's social media channels.



Biennial Budget Adjustments 30

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### Summary of Work Completed (continued)

- Developed and implemented a new City website and tourism subsite.
- Developed and implemented legislative communications to include a legislative tracking report for Council and initiated a legislative priorities work session.



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### Summary of Work Completed (continued)

- Planned and implemented 15 community events and provided support for 7 other community events.
- Conducted a cost/benefit analysis of all recreational programming which allowed staff to critically analyze programming for fall 2017 and adjusted as appropriate.



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### Summary of Work Completed (continued)

- Significant development projects:
  - Arena Sports
  - Mill Creek Sports
  - Vintage at Mill Creek
  - Mill Creek Park Vista



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### Summary of Work Completed (continued)

- Revised the code enforcement process to lead with an educational component rather than a regulatory focus.



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### Summary of Work Completed (continued)

- Merged the Departments of Public Works and Community & Economic Development into the new Department of Public Works and Development Services.



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### Summary of Work Completed (continued)

- Conducted (in-house) an executive recruitment for a Director of the new Department of Public Works and Development Services. Gina Hortillosa started November 1.



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### Summary of Work Completed (continued)

- The City applied for and received a \$50,000 stormwater grant from the Department of Ecology.



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Staff Managed Engineering and Design of the Following Projects to Prepare for Construction:

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### Construction Preparation

- 35<sup>th</sup> Avenue – design is 95% completed. Environmental permitting phase is complete. The City has advertised a Request for Qualifications (RFQ) for Inspection and Construction Management Services and will select a consultant in December 2017. Staff will perform a final project constructability review in December 2017 and advertise for construction in January 2018. Construction is anticipated to start by April 2018.



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**Construction Preparation** (continued)

- HVAC Control System – City Hall North – The City awarded the 2017 City Hall North HVAC Control System Repair Contract to Pacific Air Control. Construction started in September and will be completed by the end of December 2017.



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**Construction Preparation** (continued)

- Exploration Park – Design is 95% complete pending constructability and bid review. Will advertise for a Request for Qualification for Inspection and Construction Management Services and will select a consultant in January 2018. Construction is anticipated to start by April 2018.



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**Construction Preparation** (continued)

- 2017 Overlay – The City completed the overlay at Wildflower and Mill Park Village neighborhoods in September 2017.



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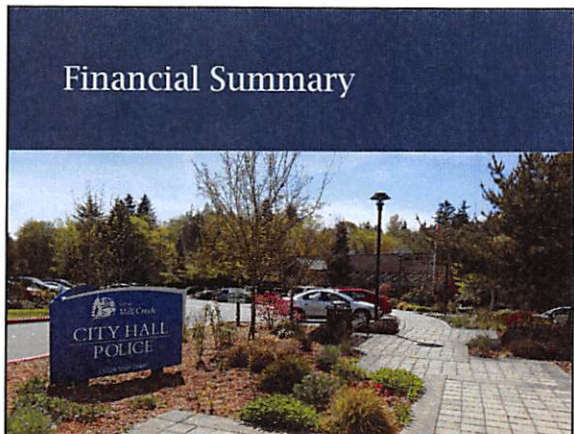
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### Financial Summary - Revenues

General Fund	Proposed Increase
Sales Tax	100,000
Plan Check Fees	50,000
Passports	200,000
Interest	50,000
Unemployment Fund (transfer in)	7,270
<b>Increase in Resources - GF</b>	<b>407,270</b>

  
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### Financial Summary - Revenues

(continued)

Other Funds	Proposed Increase
Municipal Arts (transfer in)	7,822
Capital Improvement:	
Equip Replacement (transfer in)	1,556,210
Road Improvement Fund	750,000
CIP – REET Funding	3,046,032
<b>Increase in Resources - All Funds</b>	<b>5,767,334</b>

  
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### Financial Summary - Expenditures

General Fund	Proposed Increase
Legal Fees:	
Union Negotiations	
Public Records Act	
Public Records Policy	
Franchise Agreements	
City Executive Contract	
Bank Fees	
CPSM	207,270
CIP (transfer out)	200,000
<b>Increase in Expenditures – GF</b>	<b>407,270</b>

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### Financial Summary - Expenditures

(continued)

Other Funds:	Proposed Increase
Council Contingency	3,000
Municipal Arts	6,500
Paths & Trails	500
Drug Buy Fund	25,000
Beautification Fund (transfer out)	7,822
CIP – REET Funding	3,046,032
Road Improvement	250,000
Equip Replacement (transfer out)	1,556,210
Unemployment Fund (transfer out)	7,270
<b>Increase in Expenditures</b>	<b>5,309,604</b>

Biennial Budget Adjustments

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**ORDINANCE NO 2017-\_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF MILL CREEK, WASHINGTON, RELATING TO THE 2017-2018 BUDGET; AMENDING THE 2017-2018 BUDGET, TO ADJUST REVENUES AND APPROPRIATIONS FOR SPECIFIED FUNDS; ORIGINALLY ADOPTED BY ORDINANCE 2016-810.**

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WHEREAS, the City Council (the "Council") of the City of Mill Creek, Washington ("City"), is required by applicable State law to finalize its biennial budget prior to the commencement of the first fiscal year of the biennium; and

WHEREAS, the amount of revenue and expenditures can only be estimated at the time of finalization of the budget; and

WHEREAS, by Ordinance No. 2016-810, the City Council adopted the 2017-2018 Biennial Budget on December 6, 2016; and

WHEREAS, a notice was published that the City Council would meet on December 18, 2017, at 6:00 p.m., in the Council Chambers of City Hall for a Public Hearing on the mid biennial proposed amendments to the 2017-2018 Biennial Budget; and

WHEREAS, the City is required by law to ensure appropriations do not exceed revenues in any fund; and

WHEREAS, revenues and expenditures have been identified for amendment in certain funds.

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

Section 1: Section 1 of Ordinance 2016-810 is hereby amended as follows: In accordance with the provisions of RCW 35A.33.075, the revenues and appropriations budget of the City of Mill Creek for the years 2017-2018 in the aggregate amount of \$41,294,810 and \$43,727,162, respectively.

Section 2: Ordinance 2016-810 is amended as shown in Exhibit A attached to this Ordinance.

Section 3: This Ordinance shall take effect and be in full force five (5) days after publication of the ordinance, or a summary thereof, consisting of the title.

Passed in open meeting this 18<sup>th</sup> day of December, 2017 by a vote of \_\_\_\_\_ for,  
\_\_\_\_\_ against, and \_\_\_\_\_ abstaining.

APPROVED:

\_\_\_\_\_  
PAM PRUITT, MAYOR

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Peggy Lauerman, City Clerk

**City of Mill Creek**  
**2017 - 2018 Mid Biennial Amendment Summary**  
**Revenues**  
**Exhibit A**

<b>FUND</b>	<b>2017-2018 Revenue Budget</b>	<b>2017 Mid Biennium Amendments</b>	<b>2017-2018 Amended Revenue Budget</b>
<b>General Fund</b>	<u>\$24,622,330</u>	<u>\$407,270</u>	<u>\$25,029,600</u>
<b>Special Revenue Funds</b>			
City Streets	1,016,446	-	1,016,446
Municipal Arts	-	7,822	7,822
Paths & Trails	4,000	-	4,000
Drug Buy Fund	-	-	0
Annex Building	359,482	-	359,482
	<u>1,379,928</u>	<u>7,822</u>	<u>1,387,750</u>
<b>Debt Service Funds</b>			
Debt Service Fund	66,218	-	66,218
Local Revitalization Fund	66,000	-	66,000
	<u>132,218</u>	<u>-</u>	<u>132,218</u>
<b>Capital Improvement Funds</b>			
Real Estate Excise Tax	1,520,000	-	1,520,000
Capital Improvement	185,000	1,943,242	2,128,242
Capital Improvement-Grants	4,526,000	(4,526,000)	-
Park Improvement	194,000	775,000	969,000
Road Improvement	317,000	7,160,000	7,477,000
	<u>6,742,000</u>	<u>5,352,242</u>	<u>12,094,242</u>
<b>Enterprise &amp; Internal Service Funds</b>			
Surface Water	1,426,000	-	1,426,000
Recreation Enterprise	1,225,000	-	1,225,000
	<u>2,651,000</u>	<u>-</u>	<u>2,651,000</u>
<b>Total All Funds</b>	<u><u>\$35,527,476</u></u>	<u><u>\$5,767,334</u></u>	<u><u>\$41,294,810</u></u>

**City of Mill Creek  
2017 - 2018 Mid Biennial Amendment Summary  
Expenditures  
Exhibit A**

<b>FUND</b>	<b>2017-2018 Expenditure Budget</b>	<b>2017 Mid Biennium Amendments</b>	<b>2017-2018 Amended Expenditure Budget</b>
Legislative	110,897	15,000	125,897
City Manager	1,412,915	75,000	1,487,915
Finance & Administration	1,349,405	60,000	1,409,405
Information Technology	834,375	-	834,375
Police	9,425,826	50,000	9,475,826
Fire	7,557,900	-	7,557,900
Non-Departmental	834,580	207,270	1,041,850
Public Works and Development Services	1,253,586	1,842,846	3,096,432
Public Works	1,842,846	(1,842,846)	-
<b>Total General Fund Budget</b>	<b>\$24,622,330</b>	<b>\$407,270</b>	<b>\$25,029,600</b>
<b>Special Revenue Funds</b>			
City Streets	1,016,000	-	1,016,000
Council Contingency	-	3,000	3,000
Municipal Arts	-	6,500	6,500
Paths & Trails	-	500	500
Drug Buy Fund	-	25,000	25,000
Beautification Fund(consolidate fund-Muni Arts)	-	7,822	7,822
Annex Building	861,243	-	861,243
<b>Total Budget</b>	<b>1,877,243</b>	<b>42,822</b>	<b>1,920,065</b>
<b>Debt Service Funds</b>			
Debt Service Fund	66,218	-	66,218
<b>Capital Improvement Funds</b>			
Real Estate Excise Tax	3,046,032	-	3,046,032
General Fund - Capital Improvement	1,061,000	387,032	1,448,032
Capital Improvement	4,526,000	(4,526,000)	-
Park Improvement	545,000	775,000	1,320,000
Road Improvement	200,000	6,660,000	6,860,000
<b>Total Budget</b>	<b>9,378,032</b>	<b>3,296,032</b>	<b>12,674,064</b>
<b>Enterprise &amp; Internal Service Funds</b>			
Surface Water	1,248,735	-	1,248,735
Recreation Enterprise	1,225,000	-	1,225,000
Equipment Replacement(consolidate fund-CIP)	-	1,556,210	1,556,210
Unemployment Self-Insurance(consolidate fund-GF)	-	7,270	7,270
<b>Total Budget</b>	<b>2,473,735</b>	<b>1,563,480</b>	<b>4,037,215</b>
<b>Total All Funds</b>	<b>38,417,558</b>	<b>5,309,604</b>	<b>43,727,162</b>