

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.

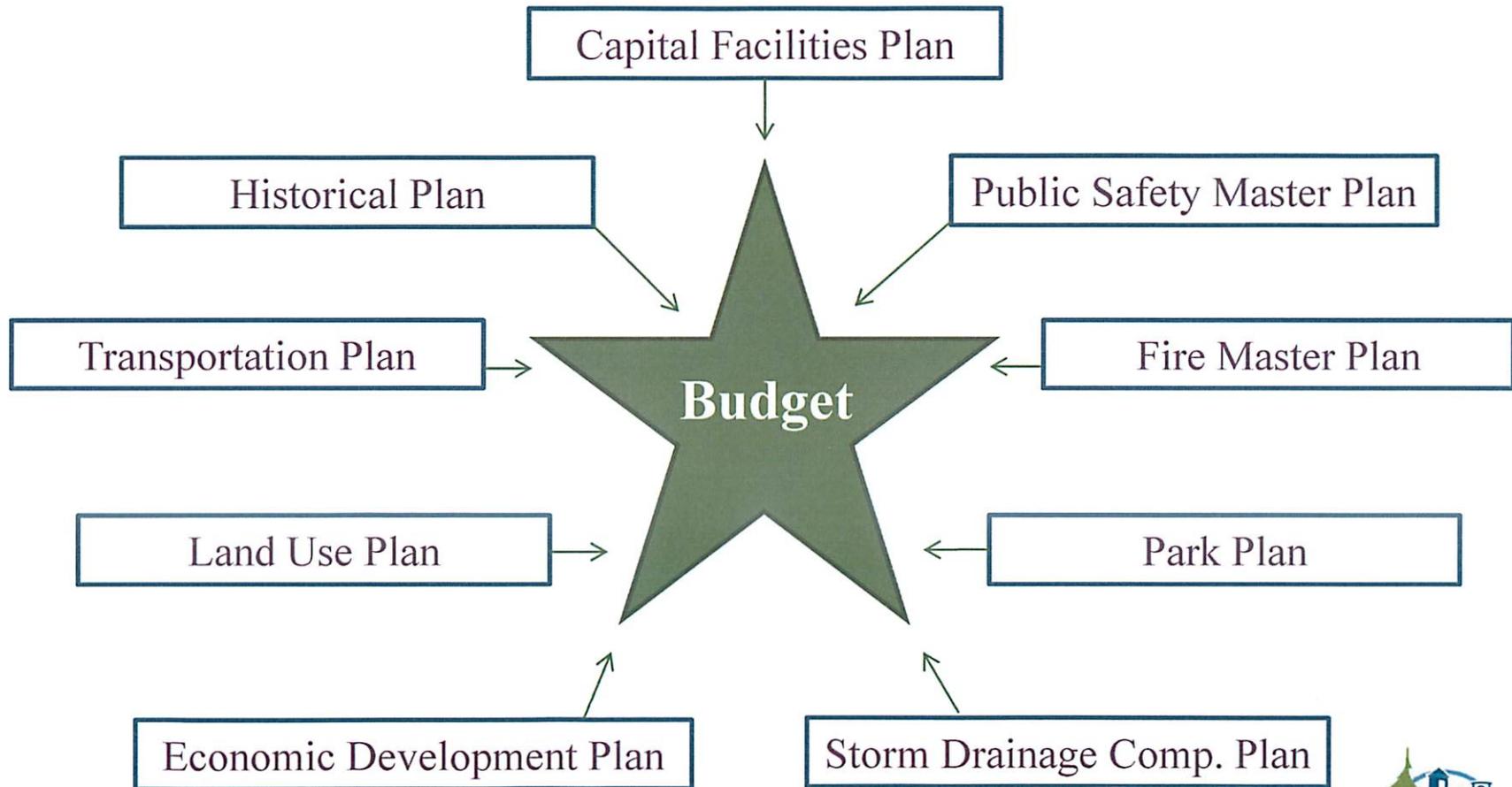


ROLES AND RELATED TOOLS

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



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

Source	2017	2018	2019	2020	2021	Total
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
GRAND TOTAL	1,097,000	7,465,000	1,700,000			10,262,000

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

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	2017	2018	2019	2020	2021	Total
Annex Fund 145								
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
Annex Fund 145 Total			125,000	425,000				550,000
General Fund								
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
General Fund Total			396,000	15,000	50,000			461,000
Grant - Federal								
Seattle Hill Road Preservation	18-PAVE-03	3			720,000			720,000
Grant - Federal Total					720,000			720,000
Grant - State								
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
Grant - State Total			150,000	4,276,000				4,426,000
Park Mitigation								
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
Park Mitigation Total			45,000					45,000
REET								
Bridge Load Rating	17-BRDG-01	2	20,000					20,000

Source	Project#	Priority	2017	2018	2019	2020	2021	Total
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
REET Total			281,000	2,649,000	930,000			3,860,000
Traffic Mitigation								
Seattle Hill Road Widening w/SnoCo	17-ROAD-01	2	100,000	100,000				200,000
Traffic Mitigation Total			100,000	100,000				200,000
GRAND TOTAL			1,097,000	7,465,000	1,700,000			10,262,000

City of Mill Creek, Washington

Capital Improvement Plan

2017 thru 2021

PROJECTS BY DEPARTMENT

Department	Project#	Priority	2017	2018	2019	2020	2021	Total
Community and Economic Dev								
Gateway and SR 527 Median Landscaping	18-ROAD-13	3		15,000				15,000
Community and Economic Dev Total				15,000				15,000
Information Technology								
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
Information Technology Total			178,000	15,000	50,000			243,000
Infrastructure								
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
Infrastructure Total			295,000	6,300,000	1,650,000			8,245,000
Parks								
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
Parks Total			110,000	710,000				820,000
Public Safety								
Police / Engineering Total Station	17-EQUIP-03	4	42,000					42,000
Armory Parts Washer	17-EQUIP-11	4	17,000					17,000
Public Safety Total			59,000					59,000
Public Works								
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

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

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
Total		15,000									15,000

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

Budget Impact/Other

Project # 17-IT-01

Project Name Citywide Computer Workstation Replacement

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

Total Project Cost \$230,000

Description

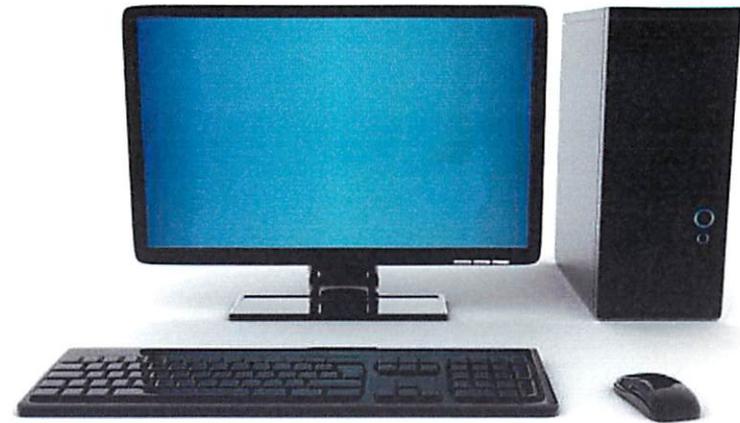
This project is to replace 60 computer workstations and associated monitors in 2017. In 2013 the City spent approximately \$13,000 to upgrade the current computer workstations to extend their life as much as possible. This has allowed the City to utilize the computers for nearly 9 years, well beyond 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.

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

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

Budget Impact/Other

Project # 17-IT-02

Project Name 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
Total	35,000										35,000

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



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.

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

Project # 17-IT-03

Project Name Mobile Device Management and Encryption

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

Total Project Cost \$10,000

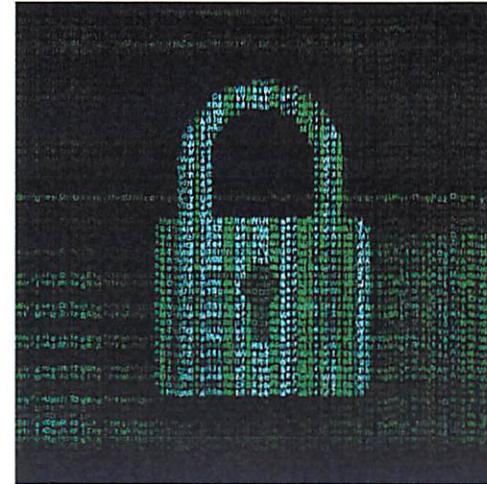
Description

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
Total	10,000										10,000

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

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
Total		3,000	3,000	3,000	3,000	3,000					15,000

Project #	17-IT-05
Project Name	Server Room Update/Remodel

Type	Construction	Department	Information Technology
Useful Life	10-20 Years	Contact	IT Director
Category	IT Hardware Software	Priority	3 Maintain Current Service Lev

Total Project Cost \$10,000

Description

The City Hall server / networking main distribution frame (MDF) room is in need of upgrades and retrofitting to reduce the risk of damage to the servers and network infrastructure IT equipment. Currently there is a water-based fire suppression sprinkler above the server and networking racks. Additionally, the flooring is carpet which can generate static and damage computer equipment. This project would cap off the wet sprinkler and replace it with a computer-friendly fire suppression system as well as remove the carpeting and replace it with computer-friendly flooring. The IT Security Audit performed by the State Auditor's Office identified the wet sprinkler as a risk to the City's IT Security and gave it a risk rating of "High".

Justification

The current server / networking main distribution frame room is a repurposed storage closet with only minor changes made to accommodate servers and networking equipment. Several items were discovered during the IT security audit as needing correction (e.g. wet sprinkler, no grounding of equipment racks). While many services have already been moved to the cloud and more will be in the future, there will always be a need for some amount of IT equipment to be located in the City Hall Building. Examples of these include the keycard entry system, workstation networking equipment, telephone system, and the firewall. These upgrades are necessary to protect the City's substantial investment IT equipment.



Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Construction	10,000										10,000
Total	10,000										10,000

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

Budget Impact/Other

Normal building maintenance.

Project #	17-IT-08
Project Name	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
Total	18,000										18,000

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

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
Total		2,000	2,000	2,000	2,000	2,000					10,000

Project #	18-IT-04
Project Name	City Hall Campus Wireless Access

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.

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

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

Budget Impact/Other

Annual renewal fees for maintenance/support/licensing.

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

Project # 17-BRDG-01
Project Name Bridge Load Rating

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
Total	20,000										20,000

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

Budget Impact/Other

None

Project # 17-ROAD-01

Project Name Seattle Hill Road Widening w/SnoCo

Type Construction

Department Infrastructure

Useful Life 20 years

Contact Public Works Director

Category Roadway

Priority 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
Total	100,000	100,000									200,000

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

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.

Project # 17-ROAD-02
Project Name 35th Avenue SE Reconstruction

Type Construction **Department** Infrastructure
Useful Life 30 years **Contact** Public Works Director
Category Roadway **Priority** 3 Maintain Current Service Lev

Total Project Cost \$6,000,000



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
Total	100,000	5,900,000									6,000,000

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
Total	100,000	5,900,000									6,000,000

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
Total	75,000										75,000

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

Budget Impact/Other

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

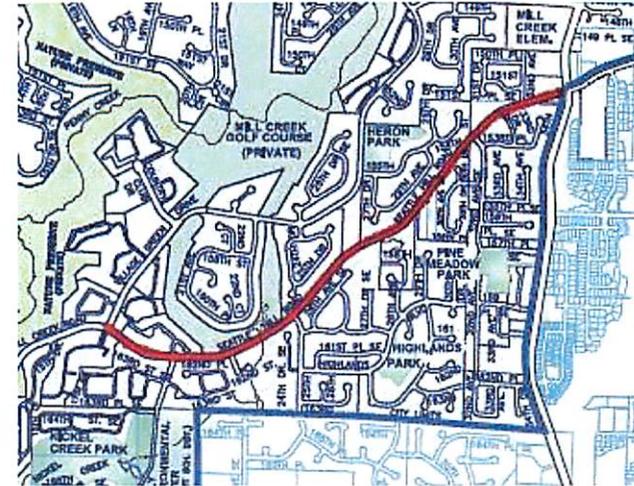
Project # 18-PAVE-03
 Project Name Seattle Hill Road Preservation

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
Total		250,000	1,650,000								1,900,000

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
Total		250,000	1,650,000								1,900,000

Budget Impact/Other

No new operational expenses will result from this project.

Project # 18-ROAD-04

Project Name 164th Street Corridor Adaptive Signal System

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

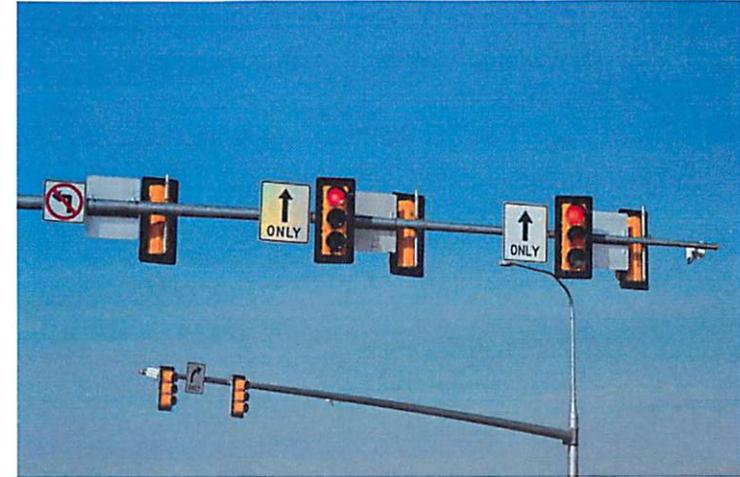
Total Project Cost \$50,000

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
Total		50,000									50,000

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

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

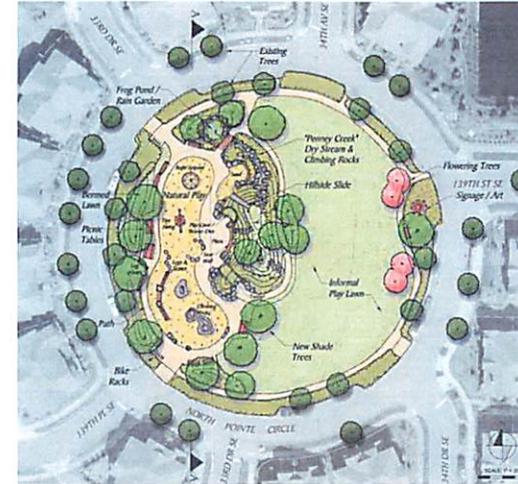
Description

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 design 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
Total	30,000										30,000

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

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
Total	15,000										15,000

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

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.

Project # 18-PARK-02

Project Name Mill Creek Sports Park - Turf & Light Replacement

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

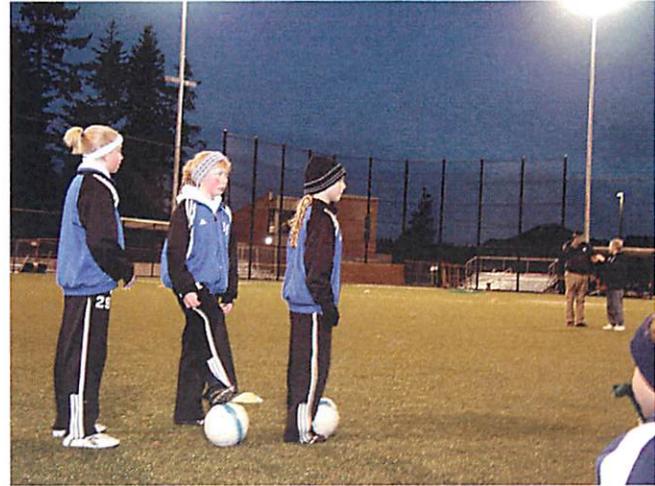
Description

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
Total	65,000	710,000									775,000

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
Total	65,000	710,000									775,000

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.

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

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 \$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
Total	42,000										42,000

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

Budget Impact/Other

There are no anticipated future budget impacts.

Project #	17-EQUIP-11
Project Name	Armory Parts Washer

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
Total	17,000										17,000

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

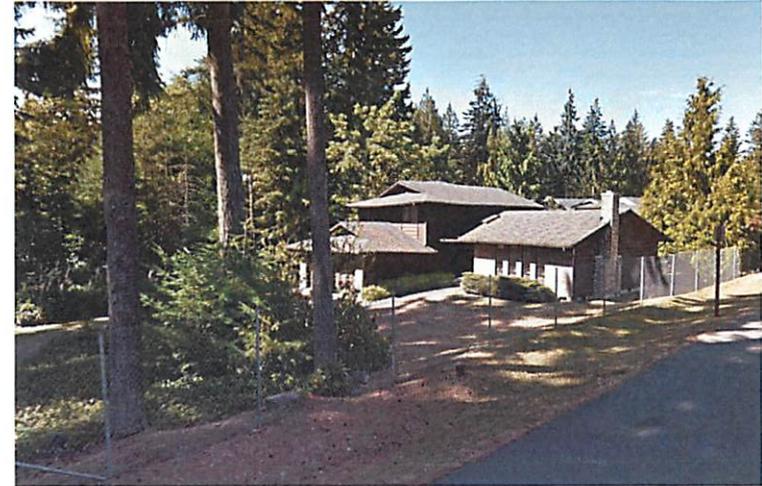
Budget Impact/Other

There are no anticipated future budget impacts.

Project #	17-BLDG-02
Project Name	Public Works Shop

Type	Construction	Department	Public Works
Useful Life	30 years	Contact	Public Works Director
Category	Buildings	Priority	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 provide 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
Total	150,000										150,000

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

Budget Impact/Other

There will be future ongoing annual maintenance and utility costs associated 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
Total		425,000									425,000

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

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

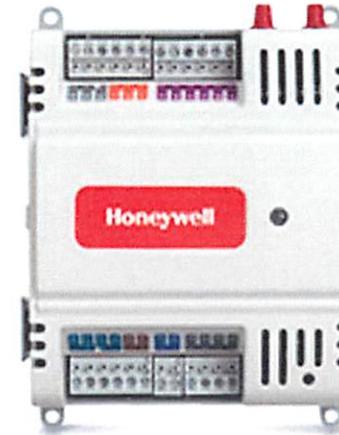
Total Project Cost \$125,000

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
Total	125,000										125,000

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

Budget Impact/Other

No new operational costs or impacts associated with this project.

Project # 17-EQUIP-04

Project Name 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
Total	25,000										25,000

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

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
Total	10,000										10,000

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

Budget Impact/Other

Occasional repair costs

Project # 17-VEH-09
Project Name 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
Total	25,000										25,000

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

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
Total	35,000										35,000

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

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
Total	85,000										85,000

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

Budget Impact/Other

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