

## TRANSMITTAL LETTER

November 22, 2016

Mill Creek City Council,

It is my privilege to present for your consideration the 2017-2018 proposed biennium budget and financial plan. This comprehensive document is the result of extensive collaboration by and among the City Council, the City Manager, the Management Team and the employees of the City. The entire City team has worked together to prepare a financial plan that allows us to carry out the City's Mission, Vision, Values and Goals while maintaining high standards of service to the community.

### INTRODUCTION

At adoption, the 2015-2016 biennium budget resulted in a deficit of \$1,734,920. This budget also contained a one-time transfer of \$640,000 from the REET Fund to the General Fund. Taking this transfer into account, the actual deficit for 2015-2016 was really \$2,374,920.

I am pleased to report that due to the hard work of the entire City team, I am able to present for Council consideration a proposed 2017-2018 biennium budget that is balanced, eliminates the City's deficit spending and limits the council-levied property tax rate to the rate of inflation (.953%) resulting in the lowest levy since 2010.

The work to achieve this balanced budget began 18 months ago. Utilizing "LEAN" as a catalyst, teams of City employees have worked to identify ways to change how we do business in order to provide our taxpayers with a government that is efficient and provides great value. This work has no finish line and we are committed to making continuous improvement a permanent element of our workplace culture.

I would like to take this opportunity to thank the City Council for their leadership in working with the staff to develop the City's *Guiding Principles*. These principles played a vital role in guiding the budget process. I would also like to thank the department directors who carefully reviewed their budgets and made important recommendations for cost savings. And, of course, I am truly appreciative of the work by so many of our employees to improve how we do business at the City of Mill Creek. Their hard work has contributed significantly to the balanced budget presented to you for consideration tonight.

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## PERSONNEL

The proposed 2017-2018 biennium budget provides for 61 full-time employee positions and 11 seasonal & part-time positions.

The City has a long history of providing competitive salaries and quality benefits to its employees. Through the staffing and organizational changes described below, the City has been able to achieve a personnel savings of approximately \$420,000 in the 2017-2018 budget.

The proposed budget includes cost of living adjustments (COLAs) for all employees and maintenance of the City's generous benefit programs.

Significant staffing changes contained in the proposed 2017-2018 biennium budget are as follows:

- The in-house City Attorney position has been eliminated from the 2017-2018 budget. There is not enough general advice legal work to justify this full time in-house position. Rather, because the City has needs across a wide spectrum of legal practice areas (employment, collective bargaining, land use, contracts, etc...) the decision has been made to contract out legal work during the 2017-2018 biennium.
- Based upon the contracting out of legal work, the part time legal assistant position has been eliminated from the budget.
- The Police Commander position has been eliminated from the 2017-2018 budget. Management is exploring adding a Deputy Chief of Police position, as well as at least one additional police officer position, to the police department. However, I am not prepared to make a staffing recommendation to the City Council until such time as a formal staffing analysis is undertaken.
- The Police Support Services Manager position has been eliminated from the 2017-2018 budget. Due to the transfer of management responsibility for the passport services function from the Police Department to the Finance Department, and the reorganization of administrative personnel, this position is no longer required.
- The Building Official position has been removed from the 2017-2018 budget based upon projected work load. The Planning & Development Director has projected a need of 12 hours/week for this function. Based upon that projection, it was deemed more efficient to fulfill these needs via a contract for services.

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- Again, based upon projected work load, the vacant Senior Planner position has been eliminated from the Community and Economic Development Department and funding for that position has been allocated to the Department of Public Works for a Supervising Engineer position.

In addition to the above, the 2017-2018 budget calls for certain City functions to be reorganized to allow the City to provide more services without increasing personnel:

- The City Clerk & IT functions will be relocated under the Department of Finance & Administration. A preliminary financial review of the City's records functions and IT costs indicate the need to explore a City wide enterprise resource management system. The design and implementation of such a system requires the collaboration of finance, records and IT personnel. Consolidating these functions under the Department of Finance & Administration provides an organizational structure that promotes better collaboration and organizational efficiency.
- Under the proposed budget, the Property Room Attendant position is upgraded from a part time position to a full time position. The duties of this position have been expanded to serve as lead for the police records function. This will allow for better coordination and communication of administrative related functions within the police department.
- The proposed budget calls for the records specialist, previously assigned to the police department, to be reallocated to the City Clerk's office. This will allow for the centralization of all public records requests. To accommodate this reorganization, customer service personnel have been trained and are now authorized to release over the counter requests for public records such as police reports and collision reports. By eliminating this function from the duties assigned to the records specialist, this employee is now able to assume the additional work associated with coordinating responses for all City public records requests. This has alleviated the need to hire additional personnel.
- For 2017-2018, the passport function has been physically and organizationally relocated to the Department of Finance & Administration. This allows for the supervision of a significant cash function to fall under the purview of the Department's Finance Division. Further, by physically relocating these staff to the front counter in City Hall, the City is able to relocate the front counter receptionist to serve as the Executive Assistant for the City Manager, and provide administrative support for the Director of Administration and the Human Resources Director, without the hiring of any additional personnel.

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- With the expansion of the City operations into City Hall North (aka the Annex Building), the City has a need for a receptionist in that building. By reorganizing the passport function as described above, the City is able to allocate one passport position to serve as the receptionist position in the newly renovated City Hall North. This alleviates the need to hire additional personnel for this position.
- The City Clerk position was previously responsible for serving as the executive assistant to the City Manager, responding to public records requests and fulfilling Public Information Officer (PIO) functions. By removing the executive assistant functions as described above, the City Clerk function is now solely focused on records management and is organized under the Director of Finance & Administration. This will allow the City to expand the public information function to include maintaining the City's websites and launching and managing social media sites for better communication with the community, especially during an emergency. Again, this is being accomplished through reorganization and without the need for new personnel allocations. The PIO will also provide communications and marketing support for community events.

### **KEY OBJECTIVES**

The proposed 2017-2018 biennium budget allocates funds to achieve the following key City objectives:

#### **Public Safety Objectives**

- Negotiate a new contract for the provision of Fire and EMS services in the City of Mill Creek that provides appropriate service and is consistent with the City's financial goals and policies.
- Attain accreditation through the Washington Association of Sheriffs and Police Chiefs.
- Implement Mill Creek's role in regional emergency management efforts.
- Identify crime trends and establish reduction targets for identified trends.
- Develop and implement public safety programs to meet identified crime reduction targets and provide reporting metrics on the effectiveness of such programs.
- Host two citizen police academies per year beginning in 2017.
- Implement a citizen volunteer program to promote civic engagement in the community.

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- Implement a Safe Internet Exchange Location Program.
- Develop and implement a Police Explorer Program.
- Develop a strategic training program for police department employees to promote individual career enhancement, legal compliance and achievement of City goals.

### **Financial Objectives**

- Development a long range (6 year) financial strategic plan.
- Provide internal and external customers with meaningful financial information on a quarterly basis.
- Formulate a biennium budget document that serves as a planning, financial and information tool that meets Government Finance Officers Association budget standards.
- Utilizing technology, provide meaningful ways for the community to engage in the budget process.
- Design and implement a comprehensive purchase order and contracting system.
- Conduct a comprehensive risk management review of City operations.
- Perform a cost benefit analysis for all City contracted services.
- Audit the City's existing franchise fee agreements and provide recommendations for changes as necessary.
- Evaluate business license processing options.

### **Public Works Objectives**

- Investigate and provide for Council review alternatives to "chip seal" as a pavement preservation technique for neighborhood streets. Such alternatives should be consistent with the City's financial and community preservation goals. The Council has asked staff to make this a priority and this work is being planned for presentation to Council during the first quarter of 2017.
- Review, revise and update traffic engineering policies to address community concerns and current best practices.
- Working with the City Manager and Director of Administration, prepare for Council consideration a comprehensive Capital Improvement Program that

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identifies needs, projects, priorities and funding options for pavement preservation, concrete replacement and vehicle/equipment replacement. This work will complement the development of a six year financial strategic plan.

- Conduct a staffing needs analysis for the Maintenance Division.
- Implement LEAN process improvements for the Maintenance Division.
- Review, revise and standardize City contract forms and processes.
- Coordinate design and construction of a new Public Works Maintenance Facility.
- Oversee construction of North Pointe Park.

### **Community & Economic Development Objectives**

- Create an economic development plan focusing on tourism, with recreation as the foundation, to enhance sales tax revenues. As part of this economic development plan, create a long-term vision for the development of the “Dobson” and “Remillard” properties.
- Implement a proactive code enforcement program to maintain the City’s beauty, protect property values and promote the health and safety of its residents.
- Review and revise the City’s development codes to ensure compliance with current law and Council vision.
- Conduct a review and analysis of the City’s mitigation fee structure and programs to ensure compliance with current law and coordination with capital improvement planning.

### **Tourism and Recreation Objectives**

- Design a community events program that expands tourism investment in the City.
- Actively pursue partnerships with schools, businesses and non-profit organizations to provide efficient recreational programming.
- Design and launch the City’s first Tourism focused website to feature community events, shopping, dining, lodging, maps, photography, parks, trails and social media integration.
- Conduct a “LEAN” review of the special event permitting process.
- Develop and implement a policy governing City sponsorships of events.

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- Explore the creation and adoption of a City mascot.
- Create and implement a volunteer program charter to guide development of a City (adult) volunteer corps.
- Conduct a cost recovery analysis of recreation user fees.

### **Public Information Objectives**

- Complete a comprehensive redesign of the City's website to reflect the City's brand and ensure easy accessibility of information for all users.
- Implement a comprehensive, user friendly and responsive digital citizen request and feedback program.
- Develop and implement a social media policy to govern the use of City social media accounts.
- Enhance the City's outreach efforts by implementing a comprehensive digital communication program to reach more demographics.
- Develop and implement a citizen recognition program to foster civic engagement and pride of community.
- Initiate a Home Owners Association outreach program.
- Create an annual *State of the City Report* for residents & businesses.

### **Human Resource Objectives**

- Negotiate new collective bargaining agreements with the City's labor unions.
- Provide a comprehensive rewrite of the City's personnel policies and procedures to comply with current law and best practices.
- Implement a comprehensive performance evaluation system for all City employees.
- Design and implement a recruitment selection process that allows the City to hire the best employees to fulfill its vision, mission, values, and goals.
- Develop and implement high school and college student internship programs that provide students with relevant work experience and the City with additional resources.

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- Complete full implementation of the City's new Human Resource Information System.

### **Records Management Objectives**

- Draft a comprehensive policy and procedure manual governing the City's record management function to include but not limited to: records retention, destruction and disclosure, social media archiving, text message archiving and other electronic archiving. Perform records management tasks in compliance with newly drafted policy.

### **Information Technology Objectives**

- Develop a technology master plan for the City to allow for strategic purchasing and financial planning with emphasis on:
  - Providing transparency through data publication on City's website.
  - Evaluating enterprise resource management system solutions.
  - Evaluating electronic records content management solutions independently or as part of a City wide enterprise resource management system.
- Establish an Information Technology (IT) Steering Committee to evaluate, recommend and implement innovative technology solutions.

### **CONCLUSION**

Adopting and monitoring the budget to ensure financial stability is one of the primary functions of City government. The budget process affords the City of Mill Creek the opportunity to balance the needs of the community against available resources. The budget does not constitute a mandate to spend, only the authority to do so. A conscientious effort has been made to evaluate budget requests and set priorities covering those proposals which could be judiciously undertaken with available funding.

The test of government is the ability to ensure its long term operating functions without periodic disruptive impacts upon those we serve. The demands placed on this budget are certainly as great if not greater than those we have faced in the past. However, the proposed 2017-2018 budget has been designed to provide for financial stability, while continuing to offer the highest standards of service possible to the residents of Mill Creek. This budget is evidence of our efforts to be a fiscally responsible and proactive government. Our ever-present goal is long term financial stability.



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On behalf of the City team, thank you for the opportunity to serve.

Respectfully submitted,

A handwritten signature in blue ink that reads "Rebecca C. Polizzotto". The signature is fluid and cursive, with a large initial 'R' and a distinct 'O' at the end.

Rebecca C. Polizzotto  
City Manager