



Agenda

FINANCE COMMITTEE - REGULAR MEETING

Executive Briefing Room - Plaza 111, Sammamish City Hall

March 1, 2018 – 8:00 – 9:30 AM

1. Call to Order
2. Election of Committee Chairperson
3. Approval of the Meeting Minutes from October 5, 2017
4. Public Comment on Finance Related Topics
5. Discussion on process for City Councilmember Medical Insurance Benefits Discussion (\$75,000 Budget)
6. Financial Report Review:
 - a. December 2017 Financial Management Report
 - b. January 2018 Financial Management Report
7. Retreat Follow-Up Items:
 - a. Discussion of Development Revenue/Fund Balance Restriction
 - b. Discussion of 2019-2020 Budget Stress Test/Decision card process
 - c. Timing of Long-term Forecasting Model (June, following May carry forward action)
8. Future Meeting Topics:
 - a. Classification & Compensation Study – Contractor Equity/Market Average or Other Standard for Total Compensation (2Q 18)
 - b. Facilities & IT Capital Planning Discussion (1Q 18)
 - c. Auto Enrollment Default/Employer Match Option on 457 Plan (TBD)
 - d. Discussion on Impact Fees/Impact Fee Deposits Annual Report (2Q 18)
 - e. Master Capital Project List/Waterline Discussion (Retreat Follow-Up) (TBD)



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- f. Revenue & Expense per capita comparisons – further detailed inquiry (Retreat Follow-Up) (TBD)
- g. Quarterly FMR reviews (ongoing throughout 2018)
- h. Review Financial Policies (1Q or 2Q 18)
- i. Transportation Improvement Plan (TIP) (2Q 18)

9. Next Meeting Date(s):

- a. Thursday, March 29, 2018 – 8:00 – 9:30 a.m.
- b. Thursday, May 3, 2018 – 8:00 – 9:30 a.m.

10. Adjourn Meeting

Public Comment Guidelines:

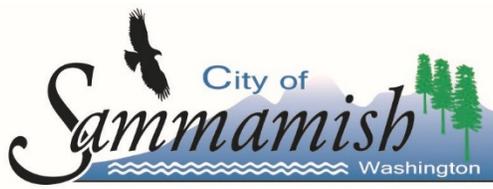
This is an opportunity for the public to address the Committee. For non-agenda items, three (3) minutes are granted per person, or five (5) minutes if representing the official position of a recognized community organization. Seven (7) minutes are granted per person for agenda items.

If you are submitting written material, please supply a minimum of four (4) copies (three (3) for the Committee; one (1) for the record). If you would like to show a video or present a PowerPoint, please contact Tammy Mueller (tmueller@sammamish.us; 425-295-0514) to determine whether the meeting room is equipped to accommodate this. All videos and PowerPoint presentations must be submitted or emailed by 5:00pm the day prior to the meeting to Tammy Mueller.

Please be aware that all materials submitted will become part of the public record.

Meeting Accessibility:

Committee meetings are wheelchair accessible. American Sign Language (ASL) interpretation is available upon request. Assisted Listening Devices are also available upon request. Please call (425) 295-0500 at least 48-hours in advance to request assistance.



Meeting Minutes
City of Sammamish Finance Committee
Regular Meeting
Thursday, October 5, 2017 – 1:00 p.m.
Plateau 129

Called to Order:

Committee Chair Kathleen Huckabay called the meeting to order at 1:00 p.m.

Committee Members Present:

Kathleen Huckabay, Councilmember – Chair
Christie Malchow, Deputy Mayor
Tom Odell, Councilmember

Staff Present:

Aaron Antin, Asst. City Mgr. and Finance & IT Director – Staff Lead
Lyman Howard, City Manager
Jessi Bon, Deputy City Manager
Chris Gianini, Finance Deputy Director
Rita Badh, Community Services Coordinator
Jeff Clark, Fire Chief (Eastside Fire & Rescue)
Tammy Mueller, Administrative Assistant

Approval of Meeting Minutes:

The minutes of the July 27, 2017 meeting were approved as distributed.

Public Comment:

No public comment provided.

Classification and Compensation 2017 Study Update

Staff updated the Committee on the classification and compensation study for the City. Consultant work is ongoing. We expect the project to be complete by the end of the year. The Finance Committee should anticipate reviewing information and any recommendations related to this study in the 1st Quarter of 2018.

Discussion/Recommendation following review of Mid-Biennial 2017-2018 Budget Modifications Request

Staff provided a summary review of the mid-biennial 2017-2018 budget modifications utilizing handouts of the 2017-2018 budget summary ([link](#)), ongoing and one time revenues and expenses ([link](#)), and stormwater fee increases ([link](#)).

a. Summary review of all adjustments to be presented to City Council

The Committee reviewed the handouts, clarifying several line items with Staff.

- The Committee requested information regarding the repaving and restriping of roads and crosswalks around Sammamish Commons, the police services study, the fire station building analysis, and the vehicle purchase request for the Community Services Coordinator position. Staff provided additional details and justifications for the expense requests.
 - The pervious asphalt is due for replacement. The slope needs adjusting to assist with drainage issues. The sidewalks and restriping will address speeding and safety issues.
 - The purchase of a Ford Escape should be changed to “City vehicle” as the make and model have yet to be decided, however the cost estimate was based on a Ford Escape.
- plan is going down a tier which will result in overall personnel budget savings for the City.
- b. Public Hearing/1st Reading of Ordinance Scheduled for Nov. 7 Regular City Council Meeting**
Staff reminded the Committee of the public hearing and 1st reading of the ordinance on November 7.
- c. Surface Water Management (SWM) rate setting for 2018 discussion**
Staff informed the Committee of mid-biennial changes if the stormwater fee is increased by either 15% or 19% instead of the originally budgeted 2.5%.

Recommendation: The Committee was unanimously in favor of recommending the proposed budget with the exception of the 19% stormwater rate increase which Chair Huckabay and Councilmember Odell supporting, while Deputy Mayor Malchow opposed due to a potential upcoming proposal by Council members to restrict the usage of reserve funds.

Discussion/Recommendation on optional deferred compensation program being administered through WA State Dept. of Retirement Systems

Staff introduced a draft of the agenda bill regarding the resolution authorizing the City’s participation in the Washington State Deferred Compensation Program ([link](#)).

a. Potential price competition/administrative cost control consideration

This is an additional program option but it will have no effect to the 2017-2018 biennial budget.

Recommendation: The Committee was unanimously in favor of recommending approval of the resolution to the City Council with the request for a memo attached to the agenda bill offering more explanation of the item.

IT Staffing Update

Staff updated the Committee on a new LTE Website Associate (15 hours per week). Staff is also working with Robert Half on a contract position for an End User Support Technician.

Facilities & IT Capital

The Committee and Staff discussed the list of facilities ([link](#)).

- Staff explained that a docket request had been submitted to rezone the Boys and Girls Club property from R-18 to Commercial.
- The use and maintenance for Big Rock House Site A & B was discussed. It was noted that Site B should be marked ‘Caretaker’ instead of ‘Not in Use’ on the handout.

- The Sween House will likely be demolished in 3-7 years to accommodate Town Center.

Small and Attractive Assets

Staff briefed the Committee that the Small and Attractive Assets policy is changing. The \$500 threshold is being raised to \$1,000 and as items depreciate in value, there will be policy to allow for the items to no longer be inventoried. The Finance Committee recommended approval of the revised policy to be placed on the consent calendar of a future City Council regular meeting.

Future Meeting Topics:

- a. Classification & Compensation Study – review/implementation of results – 1st Quarter 2018
- b. Facilities & IT Capital Planning Discussion – 1st/2nd Quarter 2018
- c. City Council Healthcare – To Be Scheduled

Meeting Adjournment:

The meeting adjourned at 2:30 p.m.

PENDING APPROVAL

City Councilmember Medical Insurance Benefits Discussion

**Question: Shall medical insurance through the city be offered to Councilmembers?
If so, who should pay the premiums?**

- City employees’ medical insurance is through the Association of Washington Cities (AWC). Employees may choose coverage through either Regence or Kaiser Permanente.
- 50% participation by Councilmembers would be required for an elected official’s medical plan through AWC. This equates to participation by at least 4 Councilmembers.
- The city pays 100% of the premium for full time employees. Part time employees pay a pro-rated share of their insurance premium.
- All employees pay 8% of the premium for their dependents.

2018 Monthly Premium Rates for Employees and Councilmembers:

	<u>Regence</u>	<u>Kaiser Permanente</u>
Full Time Employees:		
**Full Family	\$1,987.60	\$1,601.84
Employee Only	\$719.45	\$566.44
½ Time Employees:		
**Full Family	\$993.80	\$800.92
Employee Only	\$359.75	\$400.46

** Includes 8% of the dependent premium paid by the employee.

What medical coverage do other cities offer their Councilmembers?

Medical Coverage Provided to Councilmembers						
Entity	FT or PT	Salary	Medical	Dental	Vision	Notes
Kent	PT	\$ 1,204.00	Medial insurance, including dental and vision, for Councilmembers as provided to full time employees. Councilmembers may cover their dependents by paying the full dependent coverage premium.			
Bellevue	PT	\$ 2,394.00	\$ 1,170.00	\$ 138.00	\$ 2.00	
Spokane	FT	\$ 2,600.00	\$ 1,316.00	\$ 98.00	\$ -	Included in medical
Tacoma	FT	\$ 3,732.00	\$ 1,353.00	\$ 125.00	\$ 12.00	
Vancouver	PT	\$ 1,872.00	\$ 1,485.00	\$ 167.00	\$ -	Included in medical
Everett	PT	\$ 2,292.00	\$ 1,529.00	\$ 149.00	\$ 18.00	
Renton	PT	\$ 1,250.00	\$ 565.00	\$ 69.00	\$ 11.00	
Federal Way	PT	\$ 1,185.00	\$ -	\$ -	\$ -	
Yakima	PT	\$ 1,075.00	\$ -	\$ -	\$ -	May participate in benefits by paying 100% of the premium
Bellingham	PT	\$ 2,069.00	\$ 594.00	\$ 59.00	\$ 5.00	
Kirkland	PT	\$ 1,144.00	\$ 436.00	\$ 56.00	\$ 13.00	May waive health benefits & receive \$300.
Redmond	PT	\$ 1,000.00	\$ 959.00	\$ -	\$ -	
Mercer Island	PT	\$ 200.00	\$ -	\$ -	\$ -	
Issaquah	PT	\$ 1,250.00	\$ -	\$ -	\$ -	
Amounts are for 2016.						



Financial Management Report

DRAFT

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Executive Summary

Stoplight Charts

Summary Sections

Select Revenue Graphs

Revenues – Line Item Details

Capital Expenditures

Salary Expenditures

Expenditure – Line Item Details

Revenue Detail – By Fund

Expenditure Detail – By Fund

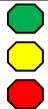
Investment Portfolio

Actuals thru December 31, 2017

As of February 1, 2018

TOP BUDGETED REVENUE ITEMS BY TYPE (NO TRANSFERS)
Actuals thru December 31, 2017

	2016 ACTUAL	Revenue Description	Annual BUDGET	Year-to-Date ACTUAL	Percent collected	Balance To Go	Projection	Variance	
<i>Column:</i>	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
<i>Calculation:</i>					(D/C)	(C-D)		(G-C)	
\$	27,224,405	Property Tax	\$ 27,700,000	\$ 27,757,935	100.21%	\$ (57,935)	\$ 27,757,935	\$ 57,935	
	5,356,905	Sales & Use Tax	5,000,000	5,730,786	114.62%	(730,786)	5,730,786	730,786	
	4,705,654	Surface Water Fees	4,950,000	4,894,051	98.87%	55,949	4,894,051	(55,949)	
	1,307,080	Street Fuel Tax	1,332,800	1,371,699	102.92%	(38,899)	1,371,699	38,899	
	1,591,788	Local Crim Justice Sales Tax	1,450,000	1,698,169	117.12%	(248,169)	1,698,169	248,169	
	545,541	Investment Interest Earnings	156,000	770,879	494.15%	(614,879)	770,879	614,879	
	1,385,842	Building Permits	1,250,000	1,708,821	136.71%	(458,821)	1,708,821	458,821	
	680,206	Cable Franchise Fee	775,000	626,857	80.88%	148,143	626,857	(148,143)	
	770,987	Liquor Fees	803,500	812,359	101.10%	(8,859)	812,359	8,859	
	1,147,896	Building Plan Check Fees	900,000	1,187,794	131.98%	(287,794)	1,187,794	287,794	
\$	44,716,305	Total Top 10 Operating	\$ 44,317,300	\$ 46,559,350	105.06%	\$ (2,242,050)	\$ 46,559,350	\$ 2,242,050	
\$	6,586,468	Real Estate Excise Tax - #1 & #2	\$ 4,900,000	\$ 7,198,765	146.91%	\$ (2,298,765)	\$ 7,198,765	\$ 2,298,765	
	3,653,333	Traffic Impact Fees	4,662,000	2,748,791	58.96%	1,913,209	2,748,791	(1,913,209)	
	1,707,953	Parks Impact Fees	1,985,000	2,893,595	145.77%	(908,595)	2,893,595	908,595	
\$	11,947,754	Top 3 Capital Recurring	\$ 11,547,000	\$ 12,841,152	111.21%	\$ (1,294,152)	\$ 12,841,152	\$ 1,294,152	
\$	7,978,873	Other Revenues (NO Transfers)	\$ 10,132,690	\$ 5,545,522	54.73%	\$ 4,587,168	\$ 5,545,522	\$ (4,587,168)	
\$	64,642,931	TOTAL REVENUES	\$65,996,990	\$ 64,946,023	98.41%	\$ 1,050,967	\$64,946,023	\$ (1,050,967)	

LEGEND:

Green = Annual Performance is within expectations set in the budget

Yellow = Annual performance indicates this may become an area of concern in the future

Red = Annual Performance in this area is a cause for concern

BUDGETED EXPENDITURES BY CATEGORY (NO TRANSFERS)
Actuals thru December 31, 2017

	2016		Annual	Year-to-Date	Percent	Balance		Projected	
	ACTUAL	Expenditure Category	BUDGET	ACTUAL	Expended	To Go	Projection	Variance	
<i>Column:</i>	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
<i>Calculation:</i>					(D/C)	(C-D)		(C-G)	
	\$ 11,825,113	Personnel	\$ 14,710,960	\$ 12,968,009	88.15%	\$ 1,742,951	\$ 12,968,009	\$ 1,742,951	
	1,082,797	Supplies	1,264,000	1,200,316	94.96%	63,684	1,200,316	63,684	
	10,369,481	Services & Charges	17,077,881	13,438,926	78.69%	3,638,955	13,438,926	3,638,955	
	1,322,151	Intergovernmental	1,305,846	1,288,282	98.66%	17,564	1,288,282	17,564	
	7,254,232	EF&R Contract	7,567,582	7,472,740	98.75%	94,842	7,472,740	94,842	
	6,469,012	Police Contract	6,800,000	6,577,693	96.73%	222,307	6,577,693	222,307	
	10,784,121	Capital	53,284,330	17,211,426	32.30%	36,072,904	17,211,426	36,072,904	
	549,333	Debt Service	546,666	546,667	100.00%	(1)	546,667	(1)	
	\$ 49,656,241	TOTAL EXPENDITURES	\$102,557,265	\$ 60,704,060	59.19%	\$ 41,853,205	\$ 60,704,060	\$ 41,853,205	

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City of Sammamish
Summary of Expenditures by Fund
Budget to Actual Expenditure Comparison
Month Ending December 31, 2017

Department	Section	BUDGET	Monthly Actual	YTD Actual Expended	YTD % Expended
City Council		\$ 357,900	\$ 67,012	\$ 430,948	120%
City Manager		\$ 666,900	\$ 43,597	\$ 631,451	95%
Finance		\$ 1,038,600	\$ 71,943	\$ 926,168	89%
Legal Services		\$ 1,660,200	\$ 526,395	\$ 1,501,805	90%
Administrative Services	City Clerk	\$ 423,350	\$ 49,131	\$ 383,737	91%
	Human Resources	\$ -	\$ 10,516	\$ 39,160	0%
	Administration	721,650	22,425	373,112	52%
	Total	\$ 1,145,000	\$ 82,072	\$ 796,008	70%
Facilities		\$ 1,117,810	\$ 228,778	\$ 1,378,643	123%
Police Services		\$ 7,124,120	\$ 1,191,079	\$ 6,924,415	97%
Fire Services		\$ 7,573,482	\$ 1,196,675	\$ 7,477,052	99%
Emergency Management		\$ 262,400	\$ 20,757	\$ 146,833	56%
Public Works	Administration	\$ 287,750	\$ 35,878	\$ 271,227	94%
	Engineering	1,354,800	102,012	1,172,628	87%
	Total	\$ 1,642,550	\$ 137,890	\$ 1,443,855	88%
Social & Human Services		\$ 516,450	\$ 45,319	\$ 460,097	89%
Community Development	Planning	\$ 1,843,250	\$ 174,868	\$ 1,793,653	97%
	Building	1,500,700	117,746	1,296,382	86%
	Permit Center	607,800	45,181	531,144	87%
	Total	\$ 3,951,750	\$ 337,795	\$ 3,621,179	92%
Parks & Recreation	Wellness Program	\$ 3,250	\$ 620	\$ 1,522	47%
	Arts/Culture Programs	113,300	21,506	63,872	56%
	P&R Administration	472,500	36,400	452,903	96%
	Volunteer Services	168,720	14,639	107,555	64%
	Planning & Dev'l	940,550	79,334	543,648	58%
	Recreation Prgms	602,840	36,184	486,786	81%
	Park Resource Mgt	2,931,100	291,032	2,565,990	88%
	Total	\$ 5,232,260	\$ 479,715	\$ 4,222,277	81%
Non-Departmental	Voter Registration	\$ 170,000	\$ -	\$ 128,013	75%
	Economic Devel.	300,100	13,442	137,282	46%
	Other Gen Gov't Svcs	5,078,234	175,869	2,130,143	42%
	Pollution Control	54,600	-	58,464	107%
	Public Health	16,000	4,183	12,376	77%
	Operating Trnfs Out	7,455,000	592,083	7,455,000	100%
	Total	\$ 13,073,934	\$ 785,577	\$ 9,921,277	76%
TOTAL GENERAL FUND		\$ 45,363,356	\$ 5,214,605	\$ 39,882,008	88%
Other Funds	Fund Name	Annual Budget	Mo. Amount	Actual Expended	% Expended
	101 Street Fund	\$ 8,944,958	\$ 1,717,883	\$ 7,853,285	88%
	201 G.O. Debt Service	\$ 546,666	\$ -	\$ 546,667	100%
	301 Gen Gov't CIP	\$ 4,025,000	\$ 2,083	\$ 25,000	1%
	302 Park's CIP Fund	\$ 11,878,000	\$ 142,109	\$ 2,307,425	19%
	340 Transportation CIP	\$ 29,846,878	\$ 2,299,363	\$ 11,378,348	38%
	408 Surface Wtr Mgt	\$ 6,300,265	\$ 513,847	\$ 5,517,177	88%
	438 Surface Wtr Cap Prj.	\$ 5,494,365	\$ 674,004	\$ 2,925,470	53%
	501 Equipment Rental	\$ 420,890	\$ 59,415	\$ 551,963	131%
	502 Technology Repl.	\$ 1,447,050	\$ 147,509	\$ 1,431,079	99%
	503 Risk Mgt Fund	\$ 362,400	\$ -	\$ 358,202	99%
EXPENDITURE TOTALS		\$ 114,629,828	\$ 10,770,818	\$ 72,776,623	63%

Financial Management Report

Actuals *thru* January 31, 2018



TOP BUDGETED REVENUE ITEMS BY TYPE (NO TRANSFERS)
Actuals thru January 31, 2018

	2017 ACTUAL	Revenue Description	Annual BUDGET	Year-to-Date ACTUAL	Percent collected	Balance To Go	Projection	Projected Variance	
Column:	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Calculation:					(D/C)	(C-D)		(G-C)	
	\$ 27,757,935	Property Tax	\$ 28,100,000	\$ 103,336	0.37%	\$ 27,996,664	\$ 28,100,000	\$ -	
	5,730,786	Sales & Use Tax	5,150,000	506,805	9.84%	4,643,195	5,150,000	-	
	4,894,051	Surface Water Fees	5,950,000	21,593	0.36%	5,928,407	5,950,000	-	
	1,371,699	Street Fuel Tax	1,351,500	101,207	7.49%	1,250,293	1,351,500	-	
	1,698,169	Local Crim Justice Sales Tax	1,500,000	140,005	9.33%	1,359,995	1,500,000	-	
	770,879	Investment Interest Earnings	156,000	75,769	48.57%	80,231	156,000	-	
	1,708,821	Building Permits	1,250,000	96,952	7.76%	1,153,048	1,250,000	-	
	626,857	Cable Franchise Fee	775,000	214,547	27.68%	560,453	775,000	-	
	812,359	Liquor Fees	803,500	72,414	9.01%	731,086	803,500	-	
	1,187,794	Building Plan Check Fees	900,000	78,868	8.76%	821,132	900,000	-	
	\$ 46,559,350	Total Top 10 Operating	\$ 45,936,000	\$ 1,411,495	3.07%	\$ 44,524,505	\$ 45,936,000	\$ -	
	\$ 7,198,765	Real Estate Excise Tax - #1 & #2	\$ 4,900,000	\$ 708,721	14.46%	\$ 4,191,279	\$ 4,900,000	\$ -	
	2,748,791	Traffic Impact Fees	5,000,000	332,754	6.66%	4,667,246	5,000,000	-	
	2,893,595	Parks Impact Fees	1,985,000	193,440	9.75%	1,791,560	1,985,000	-	
	\$ 12,841,151	Top 3 Capital Recurring	\$ 11,885,000	\$ 1,234,914	10.39%	\$ 10,650,086	\$ 11,885,000	\$ -	
	\$ 5,545,522	Other Revenues (NO Transfers)	\$ 8,410,190	\$ 459,381	5.46%	\$ 7,950,809	\$ 8,410,190	\$ -	
	\$ 64,946,023	TOTAL REVENUES	\$66,231,190	\$ 3,105,791	4.69%	\$ 63,125,400	\$66,231,190	\$ -	

LEGEND:

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Yellow = Annual performance indicates this may become an area of concern in the future



Red = Annual Performance in this area is a cause for concern

BUDGETED EXPENDITURES BY CATEGORY (NO TRANSFERS)
Actuals thru January 31, 2018

	2017 ACTUAL	Expenditure Category	Annual BUDGET	Year-to-Date ACTUAL	Percent Expended	Balance To Go	Projection	Projected Variance	
<i>Column:</i>	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
<i>Calculation:</i>					(D/C)	(C-D)		(C-G)	
	\$ 12,968,009	Personnel	\$ 14,941,080	\$ 1,088,882	7.29%	\$ 13,852,198	\$ 14,941,080	\$ -	
	1,200,316	Supplies	1,249,440	18,453	1.48%	1,230,987	1,249,440	-	
	13,438,926	Services & Charges	17,060,810	519,001	3.04%	16,541,809	17,060,810	-	
	1,288,282	Intergovernmental	1,342,995	43,374	3.23%	1,299,621	1,342,995	-	
	7,472,740	EF&R Contract	7,867,929	908,859	11.55%	6,959,070	7,867,929	-	
	6,577,693	Police Contract	7,000,000	-	N/A	7,000,000	7,000,000	-	
	17,211,426	Capital	38,804,137	(65,915)	*	38,870,052	38,804,137	-	
	546,667	Debt Service	544,000	-	N/A	544,000	544,000	-	
	\$ 60,704,059	TOTAL EXPENDITURES	\$ 88,810,391	\$ 2,512,654	2.83%	\$ 86,297,737	\$ 88,810,391	\$ -	

LEGEND:



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City of Sammamish
Summary of Expenditures by Fund
Budget to Actual Expenditure Comparison
Month Ending January 31, 2018

Department	Section	BUDGET	Monthly Actual	YTD Actual Expended	YTD % Expended
City Council		\$ 623,000	\$ 12,529	\$ 12,529	2%
City Manager		\$ 670,000	\$ 49,705	\$ 49,705	7%
Finance		\$ 1,067,250	\$ 110,684	\$ 110,684	10%
Legal Services		\$ 1,729,440	\$ -	\$ -	0%
Administrative Services	City Clerk	\$ 419,200	\$ 34,432	\$ 34,432	8%
	Human Resources	\$ 128,600	\$ 14,488	\$ 14,488	0%
	Administration	488,600	5,306	5,306	1%
	Total	\$ 1,036,400	\$ 54,226	\$ 54,226	5%
Facilities		\$ 1,401,440	\$ 30,727	\$ 30,727	2%
Police Services		\$ 7,440,420	\$ 9,454	\$ 9,454	0%
Fire Services		\$ 7,949,029	\$ 908,859	\$ 908,859	11%
Emergency Management		\$ 283,200	\$ 13,514	\$ 13,514	5%
Public Works	Administration	\$ 263,750	\$ 35,811	\$ 35,811	14%
	Engineering	1,263,400	80,574	80,574	6%
	Total	\$ 1,527,150	\$ 116,385	\$ 116,385	8%
Social & Human Services		\$ 446,350	\$ 5,307	\$ 5,307	1%
Community Development	Planning	\$ 2,327,650	\$ 122,550	\$ 122,550	5%
	Building	1,445,000	80,297	80,297	6%
	Permit Center	606,850	39,992	39,992	7%
	Total	\$ 4,379,500	\$ 242,839	\$ 242,839	6%
Parks & Recreation	Wellness Program	\$ 3,250	\$ 38	\$ 38	1%
	Arts/Culture Programs	98,300	11,412	11,412	12%
	P&R Administration	486,900	38,049	38,049	8%
	Volunteer Services	174,770	7,473	7,473	4%
	Planning & Dev'l	635,770	15,587	15,587	2%
	Recreation Prgms	611,640	33,726	33,726	6%
	Park Resource Mgt	2,732,500	122,602	122,602	4%
	Total	\$ 4,743,130	\$ 228,887	\$ 228,887	5%
Non-Departmental	Voter Registration	\$ 170,000	\$ 42,643	\$ 42,643	25%
	Economic Devel.	100	-	-	0%
	Other Gen Gov't Svcs	5,471,234	247,381	247,381	5%
	Pollution Control	60,000	-	-	0%
	Public Health	16,000	-	-	0%
	Operating Trnfs Out	9,342,000	778,500	778,500	8%
	Total	\$ 15,059,334	\$ 1,068,524	\$ 1,068,524	7%
TOTAL GENERAL FUND		\$ 48,355,643	\$ 2,851,640	\$ 2,851,640	6%
Other Funds	Fund Name	Annual Budget	Mo. Amount	Actual Expended	% Expended
	101 Street Fund	\$ 8,125,907	\$ 141,649	\$ 141,649	2%
	201 G.O. Debt Service	\$ 544,000	\$ -	\$ -	0%
	301 Gen Gov't CIP	\$ 415,372	\$ 10,698	\$ 10,698	3%
	302 Park's CIP Fund	\$ 6,520,500	\$ -	\$ -	0%
	340 Transportation CIP	\$ 27,032,589	\$ 24,752	\$ 24,752	0%
	408 Surface Wtr Mgt	\$ 5,909,565	\$ 323,232	\$ 323,232	5%
	438 Surface Wtr Cap Prj.	\$ 3,385,403	\$ -	\$ -	0%
	501 Equipment Rental	\$ 710,780	\$ 557	\$ 557	0%
	502 Technology Repl.	\$ 1,396,300	\$ 41,686	\$ 41,686	3%
	503 Risk Mgt Fund	\$ 399,600	\$ 329,214	\$ 329,214	82%
EXPENDITURE TOTALS		\$ 102,795,659	\$ 3,723,427	\$ 3,723,427	4%

Development Revenue Fund Balance Restriction Discussion

Question: How Much of the Operating Fund Balance is restricted for on-going development funded activities?

The short answer, is for the 2014-2017 period, the ending balance is a shortfall = \$392,935. The complexity is involved in how this is tracked and accounted for to maintain compliance with state laws governing these restrictions and state definitions on what is an allowable use of “development related revenue.”

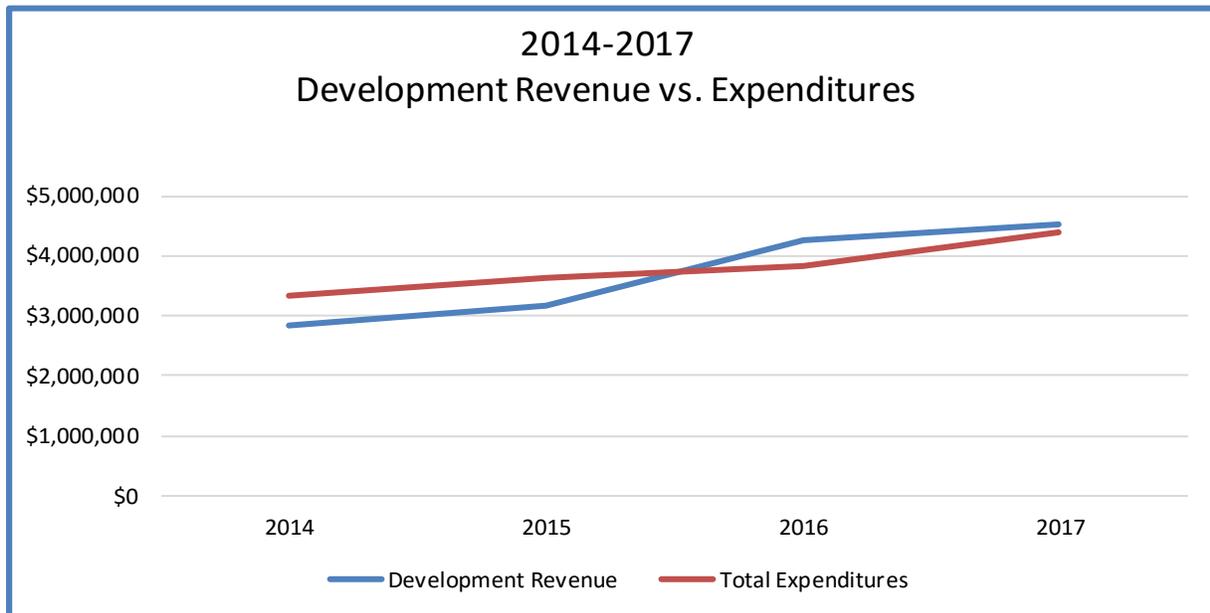
Discussion Point: Today’s discussion is to inform the Finance Committee of an RCW (attached) that limits the use of development revenue to covering certain development expenditures. Excess development revenue is not available to fund non-development activities such as Police and Fire services or other activities that don’t specifically meet the State definition.

The development climate of the past two years has resulted in development revenues exceeding allowable development costs. However, over the span of the past four years, development revenues and costs have been quite close as shown in the graph below. Continued fast-paced development in 2018 may result in an overall excess of development revenues over expenditures at year-end.

Background: RCW 82.02.020 prohibits cities from imposing any charge on the construction or reconstruction of most types of buildings or on the development, subdivision, classification, or reclassification of land. This same RCW does allow cities to collect reasonable fees to cover the cost of processing applications, inspecting and reviewing plans, or preparing detailed environmental impact statements. The RCW gives no specific guidance, such as direct vs. indirect costs, on what can be included as development expenditures.

There has also been at least one court case (Feb 2007 Home Builders Ass’n of Kitsap County v. City of Bainbridge Island) that found the statutorily allowed costs may not be read so broadly as to include all costs of a building and planning department.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Rev	\$2,842,082	\$3,179,407	\$4,249,162	\$4,517,951
Exp	<u>\$3,326,514</u>	<u>\$3,622,878</u>	<u>\$3,829,755</u>	<u>\$4,402,391</u>
Diff	<u>(\$484,432)</u>	<u>(\$443,470)</u>	<u>\$419,407</u>	<u>\$115,559</u>
Cum	(\$484,432)	(\$927,902)	(\$508,495)	(\$392,935)



[RCWs](#) > [Title 82](#) > [Chapter 82.02](#) > [Section 82.02.020](#)

[82.02.010](#) << [82.02.020](#) >> [82.02.030](#)

RCW 82.02.020

State preempts certain tax fields—Fees prohibited for the development of land or buildings—Voluntary payments by developers authorized—Limitations—Exceptions.

Except only as expressly provided in chapters [67.28](#), [81.104](#), and [82.14](#) RCW, the state preempts the field of imposing retail sales and use taxes and taxes upon parimutuel wagering authorized pursuant to RCW [67.16.060](#), conveyances, and cigarettes, and no county, town, or other municipal subdivision shall have the right to impose taxes of that nature. **Except as provided in RCW [64.34.440](#) (condo conversions) and [82.02.050](#) through [82.02.090](#), (impact fees) no county, city, town, or other municipal corporation shall impose any tax, fee, or charge, either direct or indirect, on the construction or reconstruction of residential buildings, commercial buildings, industrial buildings, or on any other building or building space or appurtenance thereto, or on the development, subdivision, classification, or reclassification of land.** However, this section does not preclude dedications of land or easements within the proposed development or plat which the county, city, town, or other municipal corporation can demonstrate are reasonably necessary as a direct result of the proposed development or plat to which the dedication of land or easement is to apply.

This section does not prohibit voluntary agreements with counties, cities, towns, or other municipal corporations that allow a payment in lieu of a dedication of land or to mitigate a direct impact that has been identified as a consequence of a proposed development, subdivision, or plat. A local government shall not use such voluntary agreements for local off-site transportation improvements within the geographic boundaries of the area or areas covered by an adopted transportation program authorized by chapter [39.92](#) RCW. Any such voluntary agreement is subject to the following provisions:

(1) The payment shall be held in a reserve account and may only be expended to fund a capital improvement agreed upon by the parties to mitigate the identified, direct impact;

(2) The payment shall be expended in all cases within five years of collection; and

(3) Any payment not so expended shall be refunded with interest to be calculated from the original date the deposit was received by the county and at the same rate applied to tax refunds pursuant to RCW [84.69.100](#); however, if the payment is not expended within five years due to delay attributable to the developer, the payment shall be refunded without interest.

No county, city, town, or other municipal corporation shall require any payment as part of such a voluntary agreement which the county, city, town, or other municipal corporation cannot establish is reasonably necessary as a direct result of the proposed development or plat.

Nothing in this section prohibits cities, towns, counties, or other municipal corporations from collecting reasonable fees from an applicant for a permit or other governmental approval to cover the cost to the city, town, county, or other municipal corporation of processing applications, inspecting and reviewing plans, or preparing detailed statements required by chapter [43.21C](#) RCW, (*environmental impact statements*) including reasonable fees that are consistent with RCW [43.21C.420\(6\)](#), [43.21C.428](#), and beginning July 1, 2014, RCW [35.91.020](#).

This section does not limit the existing authority of any county, city, town, or other municipal corporation to impose special assessments on property specifically benefited thereby in the manner prescribed by law.

Nothing in this section prohibits counties, cities, or towns from imposing or permits counties, cities, or towns to impose water, sewer, natural gas, drainage utility, and drainage system charges. However, no such charge shall exceed the proportionate share of such utility or system's capital costs which the county, city, or town can demonstrate are attributable to the property being charged. Furthermore, these provisions may not be interpreted to expand or contract any existing authority of counties, cities, or towns to impose such charges.

Nothing in this section prohibits a transportation benefit district from imposing fees or charges authorized in RCW [36.73.120](#) nor prohibits the legislative authority of a county, city, or town from approving the imposition of such fees within a transportation benefit district.

Nothing in this section prohibits counties, cities, or towns from imposing transportation impact fees authorized pursuant to chapter [39.92](#) RCW.

Nothing in this section prohibits counties, cities, or towns from requiring property owners to provide relocation assistance to tenants under RCW [59.18.440](#) and [59.18.450](#).

Nothing in this section limits the authority of counties, cities, or towns to implement programs consistent with RCW [36.70A.540](#), nor to enforce agreements made pursuant to such programs.

This section does not apply to special purpose districts formed and acting pursuant to Title [54](#), [57](#), or [87](#) RCW, nor is the authority conferred by these titles affected.