

MEMORANDUM

1 September 8, 2014

2

3 To: Councilmembers
4 Cc: Department Directors
5 From: Mayor Nicola Smith
6 Subject: Transmittal of Mayor's Proposed Preliminary Budget for the 2015-2016
7 Biennium
8

9 The Mayor is the CEO of the city, and one of the most important responsibilities of the
10 Mayor is to implement the city budget after it is adopted by City Council. Preparation of
11 a proposed preliminary budget by the Mayor initiates the budget process. My approach
12 to this responsibility is based on transparency; community involvement; dialogue and
13 collaboration; and the Council's financial policies. The budget development process
14 embraced all department heads. Council leadership was invited very early in the process
15 to join budget retreats, presentations of budget numbers, and the sharing of insights on
16 budget revenues and pressures. We also received and incorporated as many City Council
17 budget priorities as possible in this preliminary budget.
18

19 Our process included all Department heads working together to build a preliminary
20 budget focusing on our commitment to the Community Vision. This proposed budget has
21 been created using a consensus based approach. I gave Department Directors the
22 responsibility of identifying budget excess and shortfalls, creating solutions, and
23 managing city operations to address our financial challenges. I appointed an Executive
24 Budget Balancing Group made up of department directors to develop recommendations
25 for a city wide budget that repositions resources to city priorities, maintains a level of
26 service in an austere time, starts to identify where we can further analyze efficiencies, and
27 looks to the future. This preliminary budget is the first step towards engaging in
28 conversations and further refining the 2015-2016 biennial budget with City Council,
29 Department heads and our Lynnwood community.
30

31 Developing a budget is never easy whether times are good or bad. Even in good times
32 there are always tough decisions to make about how to allocate limited dollars against
33 seemingly unlimited wants.
34

35 I believe strongly in a collaborative approach to solving problems. No one person is
36 smarter than all of us. We must work collectively as a team so that we succeed as a city.
37 Each of us brings to the table considerable personal strengths, budget experience and
38 problem solving skills. That collective strength, experience and skill will be needed as we
39 move forward in adopting a budget that balances its expenditures with available
40 revenues.
41

42 I want to thank Councilmembers, citizens, Department directors and city staff for their
43 professionalism, team effort and commitment to making decisions based on what is right
44 and good for the City of Lynnwood. I want to live up to my campaign platform to refresh

45 and reset the reality between city revenues and expenditures, make sound management
46 decisions around resources and future city needs, and focus on our citizens' quality of life
47 while maintaining fiscal accountability and trust.

48
49 Hope for our future is felt throughout the community. On May 7, 2014 a Citizens Summit
50 was held with residents and other key stakeholders to identify the top priorities relating to
51 the Community Vision. These dedicated citizens took the time to provide their opinions
52 on the priorities for Lynnwood's future which helped in forming the proposed preliminary
53 budget.

54
55 In addition to the Citizen Summit, there were other key events in developing this budget.
56 I've been gathering data at my weekly Citizen Engagement sessions, at a Builders
57 Summit in July, at the Joint Retreat with the City Council and the Public Facilities
58 District, through Council suggestions, my State of the City Address, a Director's Retreat
59 facilitated by Andrew Ballard, at a training for budgeting towards city priorities lead by
60 Mike Bailey, and through the Executive Budget Balancing Group.

61
62 The outcomes of these summits and engagements have played an important role in
63 developing this preliminary budget. My staff and I are taking measures to align our
64 budget to the City Vision, using the Vision as a directional tool to guide us in our
65 decision making.

66
67 Additionally, the city's Financial Management Policies, adopted by City Council in 2011,
68 provides guidance in developing the biennial budget.

69
70 We are committed to completing the budget process as outlined on January 13, 2014 by
71 the Council's adopting of Resolution 2014-02, which approved the City of Lynnwood's
72 Biennial Budget and Planning Calendar for the biennial years 2015-2016.

73
74 The Resolution requires the Mayor to provide to Council the Proposed Preliminary
75 Budget by September 8, 2014. By way of this transmittal letter, I am pleased to provide
76 to Council tonight the Proposed Preliminary Budget for the 2015-16 biennium.

77
78 **Budget Considerations**

79
80 According to Finance Director Hines, the City of Lynnwood's revenue projection for
81 2015-16 is expected to be flat. Most other cities across the state are in a similar situation
82 and are looking at structural changes to address changing funding streams and increasing
83 costs. We are fully aware that we cannot continue to budget as we have historically. To
84 be good stewards of the City's finances, we must modify our current spending patterns
85 and create a sustainability plan to address the 2015-2016 biennial budget and future
86 biennial budgets.

87
88
89

90

91 **Mayor Priorities for the 2015-16 Biennial Budget**

92

93 Here are my priorities for the 2015-16 Budget:

- 94 • Develop the budget with the Community Vision priorities in mind, and with an
- 95 eye towards 2025 including future regionalization of services
- 96 • Grow and diversify Lynnwood’s economic base to include making investments in
- 97 infrastructure and making improvements to the City’s local and regional
- 98 transportation system
- 99 • Implement process improvements to create a more business friendly Lynnwood
- 100 • Move towards public safety education and connections with the community
- 101 • Increase diversity training and address the need to diversify the city workforce
- 102 • Increase the physical attractiveness and safety of Lynnwood and bring back City
- 103 celebrations and events
- 104 • Reposition staff resources to address priority issues such as code enforcement,
- 105 public records requests, technology, etc.
- 106 • Strive to balance financial revenues in conjunction with current levels of service

107 **“Fix It, Refresh It, Grow It”**

108 This has come to be the theme of this budget process. Recovery from the Great Recession
109 has been slow, leaving revenues flat, while expenditures and labor costs have been
110 steadily increasing. My Proposed Preliminary Budget includes a combination of
111 department reductions, revenue increases, and strategic realignments. These “Fix It”
112 measures follow the Long Term Financial Plan as adopted by City Council in 2011,
113 follow the State Auditor’s recommendations, maintain levels of service to the
114 community, and kick-start a combination of Community Vision Initiatives.

115

116 In line with the “Fix It” theme, we have included five on-going staff positions into the
117 base budget that have previously been paid for with one-time funding. Our Department
118 Directors are in agreement that these five positions are serving in key roles directly
119 aligned to moving our Community Vision forward.

120

121 We also have allocated \$300,000 to the Capital Fund answering the commitment we
122 made when the library annexation happened.

123

124 During the 2015-2016 Biennium, I am suggesting a series of efficiency studies to be
125 conducted to review repositioning or alternative service delivery options for some of our
126 most costly City services such as Criminal Justice services, the Fire Department, and the
127 potential of a Regional Park District. This “Refresh It” process will explore ways to
128 address efficiencies and service levels as well as positioning Lynnwood as a strategic
129 regional partner.

130

131 From there, the next Biennium will be used to “Grow It” by focusing City expenditures to
132 create a Lynnwood community that follows our adopted Community Vision to be a
133 “regional model for a sustainable, vibrant community with engaged citizens and an
134 accountable government.”

135

136 **Council Suggestions and Input**

137 At the end of June, four of seven Councilmembers submitted to me their list of budget
138 priorities and proposals. I am pleased to report that my staff is in alignment with those
139 priorities and almost all of the priorities submitted are addressed by the repositioning of
140 staff, efficiency evaluations, revenue assumptions, and one-time or on-going Decision
141 Package requests.

142

143 **Reductions**

144 We asked each Department to submit their proposed 2015-2016 budgets based off of the
145 2013-2014 original budget. Due to increasing costs for services and labor there was a
146 \$3million budget shortfall that needed to be addressed. That short fall has been
147 addressed in two ways: 1) a percentage budget cost reduction shared by all departments
148 equally; and 2) a proportionate budget reduction based on labor cost increases incurred
149 by each department.

150

151 **Labor Philosophy**

152 Labor comprises 70% of the city’s budget. The City of Lynnwood is comprised of six
153 bargaining units and one General Salary Ordinance group. Compensation adjustments
154 among these groups have been inconsistent, with some getting raises and others receiving
155 little or no adjustment over many years. Many of our employees are long overdue to
156 compensation adjustments to keep them on par with some of our collective bargaining
157 groups. In the base budget proposal, the Directors and I were able to develop a
158 compensation strategy that Council is requested to include with the City’s financial
159 policies. We are proposing a workforce budgeting philosophy that provides base budget
160 funding for COLAs at 90% of CPI for employee wages, and that distributes additional
161 labor costs that are above this CPI threshold proportionately to each department based on
162 the number of employees that benefit.

163

164 **Revenues**

165 On August 12, the Directors and I met for a half day retreat in which we discussed ways
166 to address the budget shortfall. This discussion included a brainstorm to identify potential
167 ways to increase revenues. Here is a list of the ideas produced during the retreat:

168

- Short-Term Solutions:
 - Reverse the policy decision made in 2013 which decreased the City’s Utility Tax from 6% to 4%
 - Increase Utility Tax an additional 2%
 - Reverse the Business License decision made in 2013 – FTE to Head Tax
 - Full cost recovery for City’s Permit Center
 - Capture all loan repayments
 - Annual 1% increase in property tax

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175

- 176 ○ B&O Tax
- 177 ○ Full cost recovery from other jurisdictions
- 178 ○ Property tax bank capacity
- 179 ○ Parks and Recreation admission and program fees
- 180 ○ Public Works project to management utility reimbursement
- 181 ● Long-Term Possible Solutions:
 - 182 ○ Annexation
 - 183 ○ Increase photo enforcement fee
 - 184 ○ Parking meters
 - 185 ○ Park impact fees
 - 186 ○ Metro park district
 - 187 ○ Risk-based business license fees
 - 188 ○ Fire Benefit Charge
 - 189 ○ Take back healthcare costs for part-time employees
 - 190 ○ Outsource Fire Services

191
 192 Included in the preliminary budget are increases based upon the consensus achieved at
 193 that meeting.

194
 195 **Budget Pressures**

196 Six of Lynnwood’s labor unions will be up for contract negotiations in 2016. This is an
 197 unknown pressure that will be placed on the biennial budget. In addition to labor costs,
 198 there are unknown budget pressures coming from rising jail costs.

199
 200 **Reserve Policy Assumption**

201 The City Council approved the sale of the Edmonds Community College business park
 202 property on December 13, 2010, and the General Fund received \$2.8M in proceeds. My
 203 budget assumes that this amount will be transferred to the Revenue Stabilization Fund
 204 during fall 2014, addressing the requirements of the City’s Long Term Financial Policy.
 205 The additional \$186K needed to reach the \$5M requirement will be addressed at the
 206 2015-2016 mid-biennial review.

207
 208 **Decision Packages**

209 Department Directors submitted their Decision Packages as part of the preliminary
 210 budget process. There are about 60 Decision Packages submitted totaling almost
 211 \$7.5Million in additional money. Each department was thoughtful in their submission of
 212 Decision Packages, taking into consideration alignment to the Community Vision and
 213 services.

214
 215 There are limited revenues available that may be used to address One-Time only
 216 expenditures. However, after closing the \$3Million core budget gap, it is clear that the
 217 City is not in a position to expand services, or take on new On-Going initiatives with
 218 additional expenditures.

219

220 Itemized below are the One-Time funded Decision Packages which are recommended to
 221 be funded through the General Fund Balance. The On-Going Funded Decision Packages
 222 are dependent upon City Council’s consideration and approval of additional revenues.
 223

224 **One-Time**

| | | | |
|-----|---------|--|--------------------|
| 225 | AS-2 | Limited Term part Time Help with Procurement, Acct, PRR, Audit | \$250,000 |
| 226 | AS-4 | Document management, i.e. Public Records | 200,000 |
| 227 | AS/EXEC | Cost of Service Efficiency and Delivery and Regional Solutions | 300,000 |
| 228 | CD-3 | Code Enforcement Revolving Loan Fund | 100,000 |
| 229 | CD-7 | On Line Permitting/Electronic Plan Review | 25,000 |
| 230 | E-3 | Personal Services-Intergovernmental Services | 80,000 |
| 231 | E-4 | Community Vision Initiatives | 200,000 |
| 232 | PRL-1 | Recreation Center Claim Settlement/Remediation | 104,493 |
| 233 | PRCLS-1 | Park Maintenance ERR | 30,000 |
| 234 | PRCLS-4 | Landscape Renovation/Beautification Program | 12,000 |
| 235 | PW-6 | Major Appliance Replacement at Fire Stations 15/14 | 62,000 |
| 236 | | Total One-Time | <u>\$1,363,493</u> |

237
 238 **On-Going**

| | | | |
|-----|---------|--|--------------------|
| 239 | AS-8 | Increase Acct Tech to 0.3 FTE | \$ 36,668 |
| 240 | CD-2 | Reviewer/Building Inspector | 195,000 |
| 241 | CD-7 | On-line Permitting and Electronic Plan Review | 22,000 |
| 242 | ED-2 | Economic Growth: New Business Liaison Position | 205,000 |
| 243 | E-1 | Increase Mayor Executive Assistant to Full Time from 0.5 FTE | 70,000 |
| 244 | E-5 | City-Wide Translation Service | 5,000 |
| 245 | HR-2a | Employee Training and Development | 40,000 |
| 246 | HR-1 | Labor Relations Services | 50,000 |
| 247 | HR-2b | Linked in Recruiter License | 23,000 |
| 248 | PRELS-2 | Extended Recreation Center Hours | 79,194 |
| 249 | PRELS-3 | Increased Hours for Aquatics Staff | 76,398 |
| 250 | PD-2 | Jail Medical Program | 360,000 |
| 251 | | Total On-Going | <u>\$1,185,260</u> |

252
 253 **Conclusion**

254 There were several challenges we faced in the creation of this budget. Our Department
 255 Directors adjusted to a new budget process which was collaborative and open. There
 256 were frank conversations as we broadened our view beyond individual departments, and
 257 towards the entire organization and the community vision. The City is also in the middle
 258 of its transition to a new financial system which complicated the mechanics of preparing
 259 the budget. The City team worked together to meet these challenges.
 260

261 Aside from the challenges, this budget process has jump-started the use of best practices
 262 and an ability to provide on-going sustainability for the future success of Lynnwood.
 263 This approach will provide a collaborative model moving forward.
 264

265 There is reason to believe that, in the long term, Lynnwood’s economy will experience
 266 significant growth leading to a bright and exciting future. Using the “Fix It, Refresh It,
 267 Grow It” model that we have adopted, the next two biennium budgets, 2015-16, and
 268 2017-18, will greatly help position Lynnwood for that bright and exciting future. This

269 proposed preliminary budget is just the beginning of many conversations and solution
270 providing ideas that will support Lynnwood in being...*a Great Deal More!*

Vision Statement

The City of Lynwood will be a regional model for a sustainable, vibrant community with engaged citizens and an accountable government

- 1. To be a welcoming city that builds a healthy and sustainable environment*

- 2. To encourage a broad business base in sector, size, and related employment and promote high quality development*

- 3. To invest in preserving and expanding parks, recreation, and community programs*

- 4. To be a cohesive community that respects all citizens*

- 5. To invest in efficient, integrated, local and regional transportation systems*

- 6. To ensure a safe environment through rigorous criminal and property law enforcement*

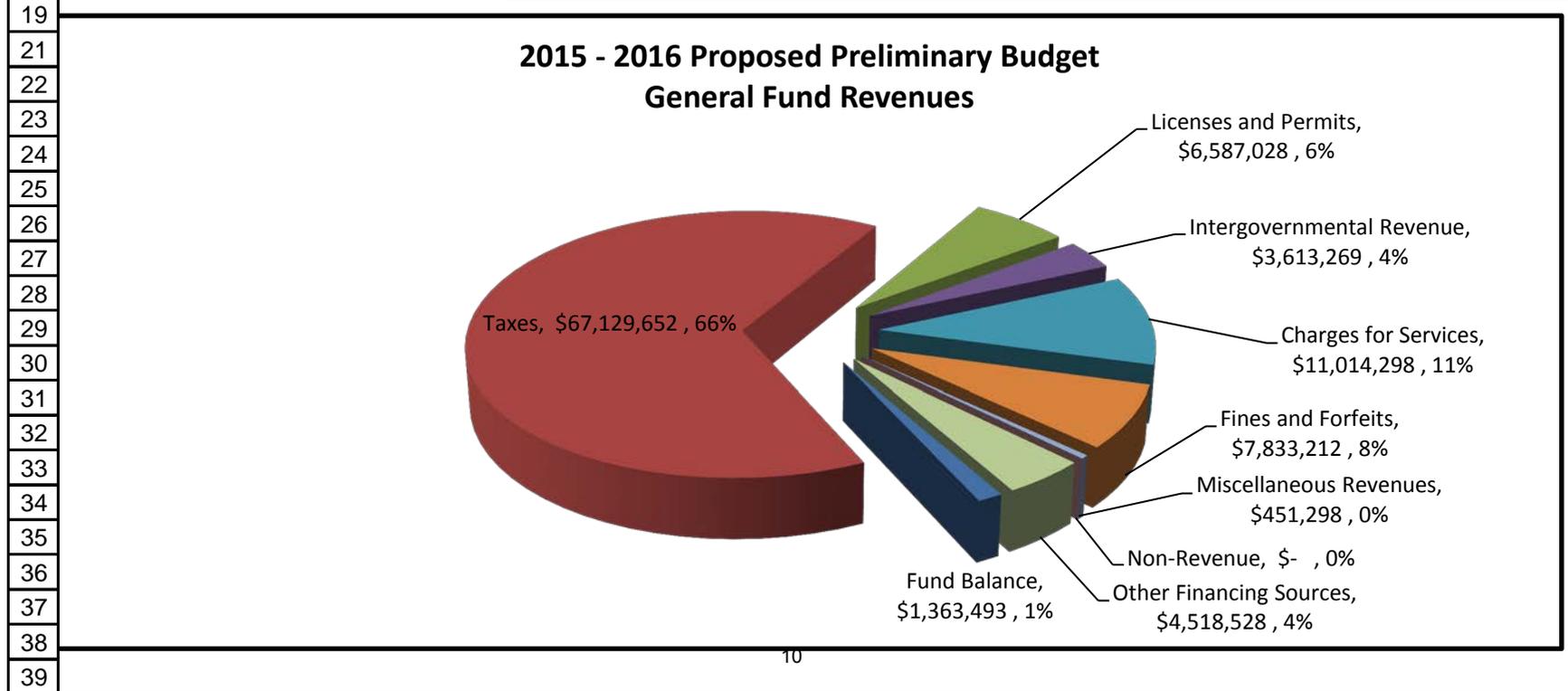
- 7. To be a city that is responsive to the wants and needs of our citizens*

**2015 - 2016 Proposed Preliminary Budget
General Fund Budget Worksheet
September 8, 2014**

| Revenue | 2015-16 Proposed Preliminary Budget | 2015-16 Dec Packs (Ongoing) | 2015-16 Dec Packs (One time)* | Total 2015-16 Budget |
|---|--|--|--|---------------------------------|
| General Fund | \$ 99,791,675 | | \$ 1,363,493 | \$ 101,155,168 |
| Restoration of 6% GF utility tax Increase | 800,000 | | | 800,000 |
| Business License Restoration | 620,000 | | | 620,000 |
| Additional Recreation Center Revenues | 235,610 | | | 235,610 |
| | - | | | - |
| | - | | | - |
| Total Revenue | \$ 101,447,285 | \$ - | \$ 1,363,493 | \$ 102,810,778 |
| <hr/> | | | | |
| Expenditures | | | | |
| General Fund | \$ 101,447,285 | | \$ 1,363,493 | \$ 102,810,778 |
| | - | | | - |
| | - | | | - |
| | - | | | - |
| | - | | | - |
| | - | | | - |
| Total Expenditures | \$ 101,447,285 | \$ - | \$ 1,363,493 | \$ 102,810,778 |
| Difference | \$ - | \$ - | \$ - | \$ - |
| One-Time use of Fund Balance | | | | \$ 1,363,493 |

* For detail of Decision Packages see individual department sections

| | A | B | C | D | E | F |
|----|--|-------------------------------------|------------------------------|--------------------------------------|--|-----------------------------|
| 2 | 2015 - 2016 Proposed Preliminary Budget | | | | | |
| 3 | General Fund Revenues | | | | | |
| 4 | September 8, 2014 | | | | | |
| 5 | | | | | | |
| 6 | Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013-2014 through June 2014 - Actuals | 2015-2016 Budget |
| 7 | | | | | | |
| 8 | GENERAL FUND | | | | | |
| 9 | Fund Balance | \$ 71,543 | \$ - | \$ 4,164,238 | \$ - | \$ 300,000 |
| 10 | Taxes | 59,587,776 | 62,163,918 | 64,566,585 | 45,414,185 | 67,129,652 |
| 11 | Licenses and Permits | 6,294,478 | 6,174,840 | 6,080,514 | 5,569,750 | 6,587,028 |
| 12 | Intergovernmental Revenue | 3,512,383 | 3,634,289 | 2,869,208 | 1,987,182 | 3,613,269 |
| 13 | Charges for Services | 9,994,960 | 9,821,234 | 10,396,567 | 7,869,762 | 11,014,298 |
| 14 | Fines and Forfeits | 10,856,224 | 7,796,697 | 7,660,000 | 6,298,541 | 7,833,212 |
| 15 | Miscellaneous Revenues | 1,450,510 | 665,234 | 625,171 | 651,355 | 451,298 |
| 16 | Non-Revenue | - | 1,605,622 | - | - | - |
| 17 | Other Financing Sources | 6,798,779 | 9,734,496 | 7,721,435 | 3,422,709 | 4,518,528 |
| 18 | GENERAL FUND TOTAL | \$ 98,566,653 | \$ 101,596,330 | \$ 104,083,717 | \$ 71,213,485 | \$ 101,447,285 |



| | A | B | C | D | E | F | G | | | | |
|----|---|-----------|-------------------|------------------|------------------------|-----------------------|--------------------|-----------|-------------------|-----------|--------------------|
| 1 | 2015 - 2016 Proposed Preliminary Budget | | | | | | | | | | |
| 2 | General Fund Expenditures | | | | | | | | | | |
| 3 | September 8, 2014 | | | | | | | | | | |
| 4 | | | | | | | | | | | |
| 5 | | | 2011-2012 | | | | | | | | |
| 6 | | | Amended | 2011-2012 | 2013-2014 | 2013 Thru June | 2015-2016 | | | | |
| 7 | Object Category | | Budget | Actuals | Original Budget | 2014 Actuals | Budget | | | | |
| 8 | GENERAL FUND | | | | | | | | | | |
| 9 | Administrative Services | \$ | 8,872,624 | \$ | 8,543,067 | \$ | 9,078,843 | \$ | 6,627,596 | \$ | 9,365,004 |
| 10 | Community Development | | 4,353,465 | | 3,805,106 | | 4,020,975 | | 2,518,113 | | 4,142,970 |
| 11 | Economic Development | | 795,181 | | 629,570 | | 1,419,974 | | 786,300 | | 1,183,435 |
| 12 | Executive | | 527,659 | | 556,372 | | 708,036 | | 488,129 | | 968,322 |
| 13 | Fire | | 17,300,936 | | 16,243,004 | | 17,263,598 | | 12,554,379 | | 18,828,561 |
| 14 | Human Resources | | 1,099,198 | | 977,407 | | 1,103,632 | | 778,467 | | 1,100,453 |
| 15 | Legal | | 1,820,000 | | 2,173,705 | | 2,350,000 | | 1,665,214 | | 2,350,000 |
| 16 | Legislative | | 749,357 | | 657,066 | | 738,142 | | 537,959 | | 853,201 |
| 17 | Municipal Court | | 2,867,909 | | 2,505,566 | | 2,866,529 | | 1,786,545 | | 2,602,743 |
| 18 | Non-Departmental | | 5,518,060 | | 5,248,192 | | 14,190,393 | | 8,561,873 | | 10,113,426 |
| 19 | Parks & Recreation | | 11,746,446 | | 10,862,850 | | 12,783,348 | | 10,078,321 | | 12,798,030 |
| 20 | Police | | 33,367,938 | | 30,266,359 | | 31,843,629 | | 21,593,860 | | 31,883,169 |
| 21 | Public Works | | 7,299,936 | | 7,019,359 | | 5,563,502 | | 4,142,986 | | 5,257,971 |
| 22 | GENERAL FUND Total | \$ | 96,318,709 | \$ | 89,487,622 | \$ | 103,930,600 | \$ | 72,119,742 | \$ | 101,447,285 |
| 23 | 2015 - 2016 Proposed Preliminary Budget | | | | | | | | | | |
| 24 | General Fund Expenditures | | | | | | | | | | |
| 25 | <p>2015 - 2016 Proposed Preliminary Budget General Fund Expenditures</p> <ul style="list-style-type: none"> Police, \$31,883,169 , 31% Parks & Recreation, \$12,798,030 , 13% Non-Departmental, \$9,813,426 , 10% Fire, \$18,828,561 , 19% Public Works, \$5,257,971 , 5% Administrative Services, \$9,365,004 , 9% Community Development, \$4,142,970 , 4% Economic Development, \$1,183,435 , 1% Executive, \$968,322 , 1% Human Resources, \$1,100,453 , 1% Legal, \$2,350,000 , 2% Municipal Court, \$2,602,743 , 3% Legislative, \$853,201 , 1% | | | | | | | | | | |
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| | A | B | C |
|----|---|---|----------------------------|
| 1 | Administrative Services | | |
| 2 | General Fund | | |
| 3 | 2015-2016 Preliminary Budget Summary | | |
| 4 | | | |
| 5 | <u>Category</u> | | <u>Amount</u> |
| 6 | | | |
| 7 | Proposed Preliminary Budget from Departments | | \$ 9,365,004 |
| 8 | | | |
| 9 | | | |
| 10 | One-Time Decision Packages | | |
| 11 | Limited Term Part-Time Help with Procurement/Acctg | | \$ 250,000 |
| 12 | Document Management, i.e. Public Records | | <u>200,000</u> |
| 13 | | | \$ 450,000 |
| 14 | | | |
| 15 | | | |
| 16 | | | |
| 17 | Department Total including One-Time Decision Packages | | <u><u>\$ 9,815,004</u></u> |
| 18 | | | |
| 19 | | | |
| 20 | | | |
| 21 | | | |

Administrative Services

We strive to work with departments to facilitate outcomes through responsible financial and procurement practices and cost-effective computer applications.

The department provides support services to other city departments and operations as well as some services directly to citizens and other customers. These support services include payroll, accounting, information technology, treasury, purchasing and contracts, risk management, records and many other similar administrative functions. Services provided to outside customers include utility accounting, billing, business licensing, records services, reception and similar services.

The Administrative Services Department supports all city departments in maintaining quality community services within available revenues by efficient management of city resources and assets. This is accomplished through the Department's divisions of Accounting/Auditing Services, Budget, Fiduciary (Treasury) Services, Records Management, Purchasing and Contracts, and Information Services. The Administrative Services Department is responsible for developing and administering the city budget, supporting the mayor and council in financial planning and policy development.

Finance Administration is responsible for oversight of the Administrative Services Department. This includes direct supervision of the managers for Accounting, Treasury, Records, Purchasing and Contracts, and Information Services. Administration is also responsible for all fiscal matters concerning the City and is directly responsible for budget development, enterprise rate analysis and sales tax analysis.

This division also manages the City Clerk functions and is responsible for timely retrieval of appropriate records needed by staff, City Council and the public and monitoring City compliance with state public record laws.

Risk management functions and city-wide insurance and claims processing is also handled by this division.

Accounting / Audit Services is responsible for the financial classification, recording, and reporting of the transactions of the City in accordance with Generally Accepted Accounting Principles and applicable state laws. This

division includes oversight of Payroll, Accounts Payable, Utilities, Grants, Fleet Replacement, and Financial Reporting.

Treasury Services is responsible for the collection, safekeeping and oversight of all amounts owed and collected by the City. These responsibilities include oversight of collections and internal controls for cash at City Hall and other city locations. This division is responsible for all investment of cash activity in accordance with Council policy. It also includes oversight of Cashiers, Account Receivables, Business Licenses, Local Improvement Districts, Debt Service and Tax Administration. The treasury division provides reports on activities related to treasury services and is responsible to monitor city compliance with state laws.

Information Services is responsible for the management of the City's information technology infrastructure and services program. This includes planning, project management, development, maintenance and support of: custom/vendor application systems, network/desktop technology infrastructure, telecommunication systems, and IT plans in support of City goals and objectives.

Central Services is responsible for managing public bidding (including Requests for Proposals and other similar documents), award, purchasing and contracts for all equipment supplies, various services and certain small construction projects and for compliance with contract requirements as set forth in the Lynnwood Municipal Code and Washington State code purchasing statutes.

Additionally, Central Services is responsible for the security and maintenance of all official, active and archived city records. These include contracts and various other documents, and the processing of all incoming and outgoing city mail.

2013 – 2014 Biennium Accomplishments

The following accomplishments are in addition to providing effective support to accomplish numerous customer department initiatives.

- Developed and managed process for the management of the 2013-2014 biennial budget under current fiscal conditions
- Assisted the Mayor in the development and passage of the City's Long Term Financial Plan
- Evaluated staffing needs and re-organization to continuously achieve costs savings without sacrificing quality
- Successfully earned the City's Bond Rating from Standard and Poor's from 'A+' to 'AA+', a 3-step rating escalation for Lynnwood, and just a step lower from the highest rating. This provides the a more favorable and competitive bond rating for future city bond issuances.
- Developed and utilized a new budget development application for development of the city wide 2015-16 budget
- Made long term forecasting a standard component of the City's periodic financial reporting
- Integrated and engaged with the Mayor, City Council, board members, key stakeholders, and volunteers in "Budgeting for our Community Vision",
- Conducted public meetings to educate and collaborate with the citizens on the background, the process, and solutions of the City's financial state
- Successfully conveyed information/solutions regarding the City's financial state to City Council in spite of being in a highly politically charged environment
- Leading cross departmental efforts in the following areas:
 - Enhancing new city website to provide citizen access to various City services on a 24 hour basis and improve the City's image and brand.
 - Revising City's business licensing ordinance to provide an equitable and encouraging environment for the City's business community.

Overarching Goals for 2015-2016 Biennium

Goal #1: Ensure the City's financial stability through informed decision making, aligning with the City priorities.

Goal #2: Continue to bring innovative technology solutions to the City that benefit the citizens in positive and cost effective ways.

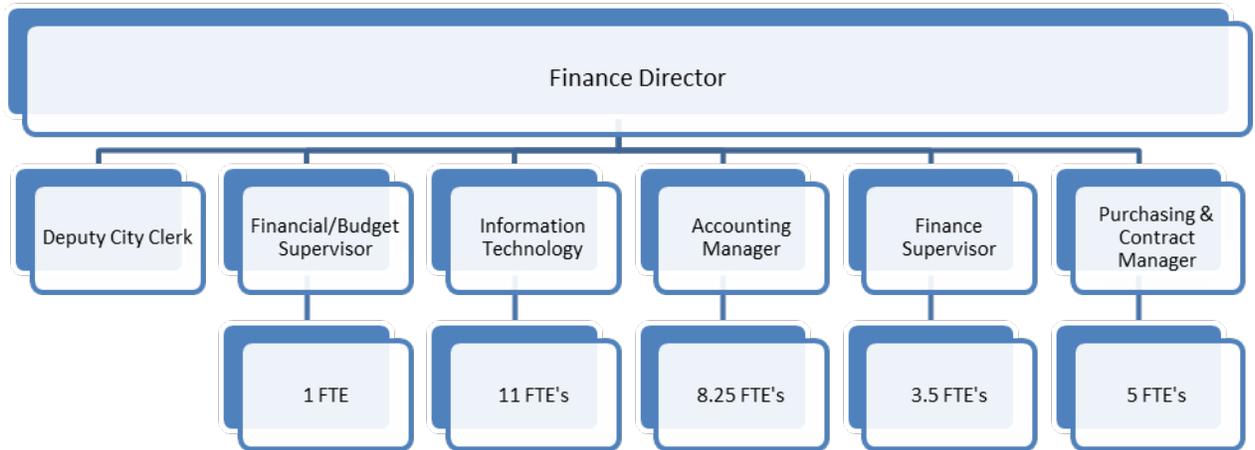
Goal #3: Provide meaningful and relevant financial information to City elected officials, employees, managers, supervisors and the general public.

Goal #4: Provide responsive public records and keep confidential information secure.

Goal #5: Ensure the City remains legally compliant with all federal and state financial and budget laws and regulations, as well as compliance to LMC.

Specific Goals for the 2015-2016 Biennium

- Stabilize and maximize the utilization of the City's technology infrastructure including CAFR software application, network and application portfolio.
- Completion of the implementation of the MUNIS Enterprise Resource Planning software.
- Fortify City Clerk function with additional staffing due high activity in this area.
- Continue to improve and expedite CAFR and budget reports production, automated management reports, and state audit.
- Continue to diagnose and rectify or address historical financial issues.
- Provide ongoing training and education opportunities for staff
- Update all purchasing policies to reflect accuracy and timeliness.



| | A | B | C | D | E | F | G |
|----|--|-----------|------------------|---------------------|------------------------|-----------------------|---------------------|
| 1 | City of Lynnwood | | | | | | |
| 2 | 2015-2016 Proposed Preliminary Budget | | | | | | |
| 3 | Department Detail | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | 2011-2012 | | | | |
| 7 | | | Amended | 2011-2012 | 2013-2014 | 2013 Thru June | 2015-2016 |
| 8 | Object Category | | Budget | Actuals | Original Budget | 2014 Actuals | Budget |
| 9 | ADMINISTRATIVE SERVICES | | | | | | |
| 10 | 0-Reclassification | \$ | - | \$ 91,864 | \$ | - | \$ - |
| 11 | 1-Salaries & Wages | | 4,491,635 | 4,746,038 | 5,058,817 | 3,555,364 | 5,338,847 |
| 12 | 2-Personnel Benefits | | 1,506,213 | 1,608,672 | 1,713,416 | 1,302,881 | 1,811,761 |
| 13 | 3-Supplies | | 698,388 | 317,075 | 431,037 | 445,599 | 443,569 |
| 14 | 4-Services | | 1,910,884 | 1,544,016 | 1,620,973 | 1,187,251 | 1,608,478 |
| 15 | 5-Intergovernmental Svcs | | 9,950 | 1,844 | - | 2,558 | 1,000 |
| 16 | 6-Capital Outlay | | 174,600 | 152,981 | 161,000 | 62,582 | 161,000 |
| 17 | 8-Debt Service-Interest | | 1,940 | 1,563 | - | 1,310 | 350 |
| 18 | 9-Interfund Payment for Svcs | | 79,014 | 79,014 | 93,600 | 70,050 | - |
| 19 | ADMINISTRATIVE SERVICES Total | \$ | 8,872,624 | \$ 8,543,067 | \$ 9,078,843 | \$ 6,627,596 | \$ 9,365,004 |

| | A | B | C |
|----|--|---|----------------------|
| 22 | Non-Departmental | | |
| 23 | General Fund | | |
| 24 | 2015-2016 Preliminary Budget Summary | | |
| 25 | | | |
| 26 | <u>Category</u> | | <u>Amount</u> |
| 27 | | | |
| 28 | Proposed Preliminary Budget from Departments | | \$ 10,113,426 |
| 29 | | | |
| 30 | | | |
| 31 | One-Time Decision Packages | | |
| 32 | Cost of Service Efficiency Service Delivery and Regional Solutions | | \$ 300,000 |
| 33 | | | \$ 300,000 |
| 34 | | | |
| 35 | | | |
| 36 | | | |
| 37 | Department Total including One-Time Decision Packages | | \$ 10,413,426 |
| 38 | | | |
| 39 | | | |

| | A | B | C | D | E | F | G |
|----|--|---|------------------------------|--------------------------------------|--|-----------------------------|---|
| 1 | City of Lynnwood | | | | | | |
| 2 | 2015-2016 Proposed Preliminary Budget | | | | | | |
| 3 | Department Detail | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget | |
| 7 | | | | | | | |
| 8 | NON-DEPARTMENTAL | | | | | | |
| 9 | 0-Reclassification | \$ 2,905,913 | \$ 2,265,934 | \$ 8,329,321 | \$ 3,999,881 | \$ 3,896,712 | |
| 10 | 1-Salaries & Wages | 47,167 | - | 200,000 | 86,040 | 208,877 | |
| 11 | 2-Personnel Benefits | 1,165,563 | 1,127,032 | 1,688,447 | 1,240,549 | 1,689,767 | |
| 12 | 3-Supplies | - | 59 | - | - | - | |
| 13 | 4-Services | 83,615 | 204,490 | 1,494,760 | 1,096,686 | 1,646,560 | |
| 14 | 5-Intergovernmental Svcs | 1,315,802 | 1,296,949 | 2,477,865 | 2,138,717 | 2,671,510 | |
| 15 | 6-Capital Outlay | - | 284,034 | - | - | - | |
| 16 | 8-Debt Service-Interest | - | 69,694 | - | - | - | |
| 17 | NON-DEPARTMENTAL Total | \$ 5,518,060 | \$ 5,248,192 | \$ 14,190,393 | \$ 8,561,873 | \$ 10,113,426 | |

| Non Departmental - Description | | Biennial Amount |
|---|--|------------------------|
| 0002 | 2009 A& B LT Refunding (202) | \$ 687,450 |
| 0002 | 800 MHz Debt Service (215) | 281,786 |
| 0002 | LTGO Bonds Series 2010-Recreation Center | 2,627,476 |
| | Transfer to Capital Development | 300,000 |
| Total 0-Reclassification | | \$ 3,896,712 |
| 1101 | Employee Buy-Outs & Related Costs | 208,877 |
| 2107 | LEOFF Retirement Insurance | |
| | Police | 690,330 |
| | Fire | 774,777 |
| 2108 | Medical Benefits-LEOFF | |
| | Police | 150,330 |
| | Fire | 74,330 |
| Total 2-Personnel Benefits | | \$ 1,689,767 |
| 4101 | State Auditor | 330,000 |
| 4501 | Rent on Pioneer Building | 275,752 |
| 4701 | City Utilities-Natural Gas | 152,637 |
| 4702 | City Utilities-Electricity | 407,265 |
| 4703 | City Utilities-Water and Sewer | 105,460 |
| 4704 | City Utilities-Garbage | 7,632 |
| 4706 | City Utilities-Storm Drainage | 20,814 |
| 4902 | AWC Membership | 50,000 |
| 4902 | Snohomish County Cities and Towns | 600 |
| 4902 | Snohomish County Tomorrow | 13,000 |
| 4902 | Puget Sound Regional Council | 27,500 |
| 4902 | Snohomish County Econ Alliance | 20,000 |
| 4902 | Housing Consortium | 1,400 |
| 4902 | ICLEI | 1,200 |
| 4902 | Other | 6,300 |
| 4902 | ICMA - Center for Performance Measures | 11,000 |
| | Other Misc. | 90,000 |
| 4911 | Election Costs (2 Special Elections) | 51,000 |
| 4911 | Voter List Maintenance | 75,000 |
| Total 4-Services | | \$ 1,646,560 |
| 5102 | Puget Sound Clean Air | 50,000 |
| 5102 | ESCA | 221,510 |
| 5102 | SnoCom/SERS | |
| | Police | 1,465,525 |
| | Fire | 934,475 |
| Total 5 - Intergovernmental Services | | \$ 2,671,510 |
| Grand Total | | \$ 10,113,426 |

| | A | B | C |
|----|---|---|----------------------|
| 40 | Community Development | | |
| 41 | General Fund | | |
| 42 | 2015-2016 Preliminary Budget Summary | | |
| 43 | | | |
| 44 | <u>Category</u> | | <u>Amount</u> |
| 45 | | | |
| 46 | Proposed Preliminary Budget from Departments | | \$ 4,142,970 |
| 47 | | | |
| 48 | | | |
| 49 | One-Time Decision Packages | | |
| 50 | Code Enforcement Revolving Loan Fund | | \$ 100,000 |
| 51 | On Line Permitting/Electronic Plan Review | | 25,000 |
| 52 | | | <u>\$ 125,000</u> |
| 53 | | | |
| 54 | | | |
| 55 | | | |
| 56 | Department Total including One-Time Decision Packages | | <u>\$ 4,267,970</u> |
| 57 | | | |
| 58 | | | |
| 59 | | | |
| 60 | | | |

Community Development

The Community Development Department is committed to enriching the quality of life in our community. This is accomplished with a focus on Lynnwood's Core Values of Communication, Accessibility, Commitment and Innovation. The Department supports building partnerships within our community and we strive for responsible, responsive, and creative solutions to meet the needs of our customers.

The Department plays a key role in working with the Council, the public and other City Departments in developing and implementing long range plans intended to achieve the City's Vision. Department staff provide direct support to the City Council, Planning Commission, Hearing Examiner and Historic Commission. Offering high quality customer service, we coordinate and provide much of the staff for the development review program that takes projects from design, through approval and construction. Our inspection and Code Enforcement functions help protect health, safety and welfare and the desirability of Lynnwood as a place to live, invest and do business. Our staff is a major source of information on the City. We undertake frequent efforts at public outreach and involvement and serve as the focal point for residents seeking to have their voices heard on development and environmental reviews, long range planning and City regulations. The Department plays major roles in coordinating annexation efforts and representing Lynnwood's interests with other jurisdictions and government agencies. For the past few years we have led the City's efforts working with Sound Transit and our community to implement the optimal light rail route and station location while spearheading the successful effort to locate the related rail/service yard into Bellevue away from Lynnwood.

| AUTHORIZED PERSONNEL | FY 2010 | FY 2015 |
|--|----------------|----------------|
| Admin | 4 | 4 |
| Planning | 9.6 | 6.5 |
| Building & Inspections/ Code Enforcement | 7 | 5 |
| Total | 20.6 | 15.5 |

The Department is broadly divided into two areas. The first combines long range and current planning functions, the second building inspection and code enforcement. A small

administrative group manages the operation.

Planning Group

The Planning Group is a result of a reorganization that was implemented in 2007. Long Range and Current Planning were combined into one entity. The new structure improved staffing flexibility while allowing staff more opportunities for professional growth. A major result of the reorganization was the creation of a one-stop Permit Center. The Permit Center operation offers greatly improved customer service, improved staff and inter-Departmental coordination and a more efficient and timely approval process. Front counter staff that formerly were from the Planning, Building and Public Works, were merged to staff the Center. Economic Development, Fire Prevention and Public Works staff work together to provide a single point of contact for all City permitting.

Building Group

The Building Group consists of inspectors and plan reviewers handling all aspects of building mechanical and electrical permitting. Under the reorganization they were joined by an expanded Code Enforcement function. The group has primary responsibility for insuring public health and safety and elimination of violations of nuisance and zoning codes. These efforts have a major role to play in preserving neighborhood property values and stability. Numerous code and procedural improvements in recent years have enhanced our Code Enforcement function. During the recession the Permit Center operating hours had to be reduced due to loss of staff and the Code Enforcement function was cut in half. With the improving economy we were able to return the Permit Center to full time operation while Code Enforcement cuts remain in effect.

2013-2014 Biennium Accomplishments

- The Department suffered a roughly 40% cut in staffing from 2006 through the recession.

We were forced to cut back to core functions, cut services and find ways to do more with less. With improved economics we were able to refill one Permit Tech position while converting a formerly part time planner to full time status. Our promise to reestablish a full operating schedule for the Permit Center was fulfilled in the fall of 2013.

- Community Development staff played the lead role in helping to define the alignment and station location for Sound Transit's Light Rail extension to the Lynnwood Transit Center. We organized and hosted a series of neighborhood meetings and drew up what become the selected route and station location that is designed to minimize adverse impacts, provide the highest level of service to City Center and facilitate future expansion to Everett.
- Community Development staff played the key role in orchestrating the City's successful effort to have the Light Rail service yard located in Bellevue rather than Lynnwood.
- 2015 Major Update to the City's Comprehensive Plan as required by the Growth Management Act. The City had previously set aside funding to support this effort but this was eliminated during the recession and not restored. Consequently, the Plan is being written using in-house resources. During the balance of 2014 the Planning Commission and Council will be reviewing draft elements. Public input and adoption are expected by June 2015.
- Transition Area Plan. After years of delay the Plan was adopted by the City Council during July 2014. The Transition Area is a critical link between City Center and Alderwood Mall.
- The staff has managed to approve significant and growing levels of development while maintain customer service in spite of reduced staffing. This development is key to the City's ability to restore and encourage economic vitality. Development fees continue to offset more than 50% of the cost to operate Community Development.
- After years of planning Lynnwood Place is finally under construction. It will bring nearly 1 Million square feet of development to the City including a new Costco, 500 apartments and mixed use retail.

- Again after a lengthy planning period, the Lynnwood Crossroads shopping center at the intersection of Hwy 99 and 196th is nearing completion. It is the first major new development to be designed to meet the City's Hwy 99 Corridor development standards.
- At the time of writing a code amendment designed to facilitate mixed use development around Alderwood Mall is being scheduled for final approval by the Council. The amendment would encourage higher density development including residential and the use of parking structures instead of surface parking fields. This type of development would be very supportive to expanding the economic vitality of the area while helping the City meet its GMA population Growth Targets.
- A new ordinance allowing the use of banner signs for the first time in Lynnwood was developed and adopted. This brings the City in line with other communities and was desired by our business community.
- Community Development collaborated with other Departments to design and launch the permit tracking software known as Energov. This project required a considerable amount of staff resources, and was necessary due to the discontinuance of the former software system.
- Community Development led an inter-departmental effort to update the City's regulations for special events. This draft legislation is scheduled for Council review during the fall of 2014.

Goals for 2015-2016 Biennium

City finances remain constrained during this budget cycle. As a consequence, major new initiatives have not been proposed. Our focus will be on incremental improvements to customer service, efficiencies, city codes and on-going programs. At the same time, as funding allows we would devote resources to refilling a code enforcement and plan reviewer/building inspector positions that were lost due to recession-era budget cuts.

- Adoption of the 2015 major Comprehensive Plan Update required under the Growth Management Act. Due to budget cuts a decision was made to develop the plan using in-house resources and work has been

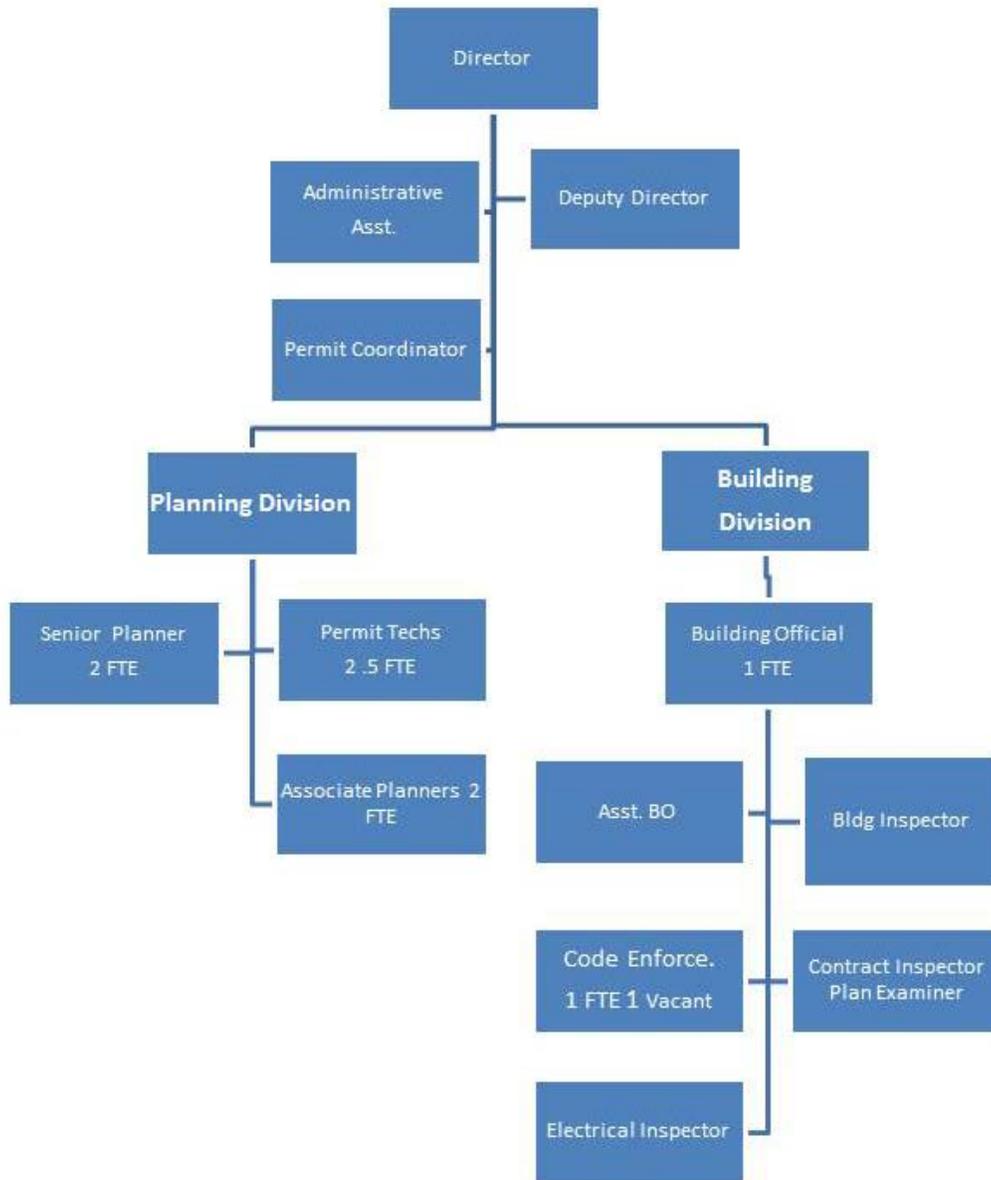
underway throughout 2014. Adoption is expected by the June 2015 deadline. The plan is undergoing major revisions to promote consistency with the City Vision, and to comply with mandated population growth targets.

- Continuous improvement of Permit Center Services and efficiency. As the recession ended the volume of development activity accelerated without a commensurate restoration of staffing. With a minor investment in 2013 full operating hours at the Center were restored. However, time needed to review and approve projects has grown, we have been unable to restore “over-the-counter-permitting” services and we are forced to rely upon part-time consultant contracts for inspections and plan reviews. As funding allows we would like to address these issues. At the time of writing we are investigating joining the “MyBuildingPermit.Com” cities. This would enable us to offer on-line permit applications, payment, issuance of simple permits and scheduling inspections greatly improving customer service and staff efficiency,
- Lynnwood’s Zoning Code remains a patchwork quilt of recent and effective amendments, older sections some dating back decades-- while all organized in a fashion that is difficult for staff much less the public, policy makers and developers to use. While we intend to continue to offer refinements as needed to respond to current needs a total overhaul is what is required. With limited availability of funding in-house staff will begin to focus on this effort in late 2015 after the Comp Plan update is completed.
- Lynnwood Link Light Rail; ST 3 Extension to Everett. Tremendous progress was made in 2014 to define to track alignment and station location/ design; coordination with Edmonds School District and to rebuff the potential for location a related rail yard in the City. Work in 2015 and 2016 will move to final design of Lynnwood Link and regional efforts to gain public support for and design ST3 which will likely offer additional stops at City

Center, Alderwood Mall and the Ash Way Transit Center that is to be annexed.

- Annexations. Annexation of the City’s Urban Growth Area (MUGA) remains critical to our future. A major annexation that could have doubled the size of the City was nearly completed before the recession. Economic chaos brought these efforts to a halt with Council direction to revisit as conditions stabilized. While it is unlikely that major annexations will be initiated during the biennium, efforts should be made to facilitate them in the future. Issues regarding future boundaries between the City, Mukilteo and Mill Creek should be resolved via interlocal agreements. A workable accommodation between FD 1 and Lynnwood Fire needs to be reached. If funding and staffing permit, early work should be initiated on planning and finances of future annexations.
- Neighborhood stabilization and revitalization. Many of the City’s neighborhoods are showing signs of stress including code violations, lack of maintenance, conversion to rental units and issues dealt with by LPD. In the past Community Development recommended increased code enforcement and neighborhood revitalization planning. Since that time funding and staff cuts reduced code personnel and led to a cancelation of the planning effort. In the 2015-2016 period efforts should focus on restoring code enforcement capabilities and coordination with LPD’s efforts in this area. Neighborhood revitalization planning remains a goal but with in-house staff and funding limitations we are unlikely to be able to initiate them until 2017
- Sustainability. Prior to the recession Lynnwood was becoming a leader in environmental and community sustainability efforts. However, the program was halted due to staff and budget cuts. In the new biennium we would like to re-initiate this effort in coordination with the City Parks and Public Works Departments.

COMMUNITY DEVELOPMENT ORG CHART AUGUST 2014



| | A | B | C | D | E | F | G |
|----|--|-----------|------------------|------------------|------------------------|-----------------------|------------------|
| 1 | City of Lynnwood | | | | | | |
| 2 | 2015-2016 Proposed Preliminary Budget | | | | | | |
| 3 | Department Detail | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | 2011-2012 | | | | |
| 7 | | | Amended | 2011-2012 | 2013-2014 | 2013 Thru June | 2015-2016 |
| 8 | Object Category | | Budget | Actuals | Original Budget | 2014 Actuals | Budget |
| 9 | COMMUNITY DEVELOPMENT | | | | | | |
| 10 | 0-Reclassification | \$ | - | \$ 42,726 | \$ | - | \$ - |
| 11 | 1-Salaries & Wages | | 2,752,375 | 2,449,017 | 2,425,006 | 1,633,502 | 2,493,729 |
| 12 | 2-Personnel Benefits | | 794,496 | 844,462 | 879,525 | 674,081 | 1,003,057 |
| 13 | 3-Supplies | | 89,972 | 36,482 | 93,630 | 33,118 | 95,500 |
| 14 | 4-Services | | 654,676 | 372,773 | 560,868 | 128,968 | 550,684 |
| 15 | 9-Interfund Payment for Svcs | | 61,946 | 59,647 | 61,946 | 48,445 | - |
| 16 | COMMUNITY DEVELOPMENT Total | \$ | 4,353,465 | \$ | 3,805,106 | \$ | 4,020,975 |
| 17 | | | | | \$ | 2,518,113 | \$ |
| 18 | | | | | | | 4,142,970 |

| | A | B | C |
|----|--|---|----------------------|
| 61 | Economic Development | | |
| 62 | General Fund | | |
| 63 | 2015-2016 Preliminary Budget Summary | | |
| 64 | | | |
| 65 | <u>Category</u> | | <u>Amount</u> |
| 66 | | | |
| 67 | Proposed Preliminary Budget from Departments | | \$ 1,183,435 |
| 68 | | | |
| 69 | | | |
| 70 | | | |
| 71 | Department Total | | <u>\$ 1,183,435</u> |
| 72 | | | |
| 73 | | | |
| 74 | | | |
| 75 | | | |
| 76 | | | |

Economic Development

The Office of Economic Development serves as a catalyst for economic development that provides healthy businesses, quality employment opportunities and sustainable city revenues; and fosters economic vitality through programs and projects necessary to implement economic development policies.

The Office of Economic Development (OED) fulfills the city's commitment to economic development through:

- Successful completion of economic development programs and projects
- Collaborative involvement with the community and stakeholders
- Professional staff representation
- Accountability and measured results
- Quality customer service

Lynnwood has a strong and sustained commitment to economic development for the purpose of providing an improved quality of life through quality jobs, healthy businesses and revenue growth. OED is responsible for economic development planning, implementation, and the management and administration of various programs and projects. The department budget provides staffing and financial resources for programs and projects. Performance is measured through the accomplishment of implementation activities, and by tracking various economic development metrics.

The city's economic development plan seeks to grow the local economy, provide economic opportunity for our residents, and improve the city's quality of life. Employment opportunities, living wage jobs, diverse housing, and sustainable revenues will improve Lynnwood's relative economic position in the region. The budget for the economic development department is directly linked to the programs and projects identified in the plan.

What the Department Does

- Promote Lynnwood as a vibrant center for commerce, employment and tourism
- Undertake and coordinate implementation of the City Center Plan
- Prepare and implement economic development plans, strategies, and programs
- Manage the Tourism Development function for the City of Lynnwood
- Partner with stakeholders and the community to achieve economic development

- Identify economic growth opportunities and projects compatible with the City Vision
- Facilitate economic development projects to attract and expand business, create quality jobs, increase city revenues, and enhance residential quality of life
- Provide economic development information and assistance to the public, elected officials, stakeholders and other departments

2013-2014 Biennium Accomplishments

Four primary goals were established by the Citywide Economic Development Action Plan as adopted by City Council. Each goal involves various action strategies and implementation activities. In 2010, City Council adopted the Community Vision. Economic Development Action Plan goals and strategies align with the Vision. Major accomplishments in FY 2013-2014 to achieve economic development goals, and implement the Citywide Vision are summarized below.

Overarching Goals for Economic Development

Goal #1: *Grow and diversify Lynnwood's economy and employment base through business retention and attraction*

- Facilitated new businesses, expansion and private investment, including
 - Zumiez, corporate headquarters
 - Uni Bank headquarters, new office building
 - NetRiver expansion
 - Total Wine and More
 - Mammography Reporting Systems Inc
- Conducted outreach to auto dealerships for attraction and expansion in Lynnwood including
 - Car max
- Facilitated retail development attraction and expansion projects including
 - Alderwood mall
 - American Girl, new
 - Anthony's Seafood Grill, new
 - Brighton Collectibles, new
 - H&M, new

- Pandora, new
 - Forever 21, expansion
 - Macy's, remodel
 - Lulu Lemon, new
 - Microsoft Kiosk, new
- Old Navy, remodel
- Target, remodel
- Whole Foods, reuse
- Lynnwood Crossing, new retail project at Highway 99 and 196th St SW
- Walgreens
- Lynnwood Place, new mixed-use project at the old Lynnwood High School site
- Identified desirable retail sectors and potential areas for redevelopment
- Monitored activity by sector and geographic area
- Facilitated new hotel development projects within Lynnwood including
 - Hilton Homewood Suites, Lynnwood Legacy LLC
 - Lynnwood Public Facilities District, hotel prospects
 - Proposed Hilton Garden Inn
- Conducted business outreach and marketing including
 - Presentations to commercial real estate brokers, Lynnwood Chamber and Lynnwood Rotary
 - Worked with prospects to assess project viability and identify available buildings and sites
 - Advertisement design and placements
 - Developed and distributed collateral to key market segments/prospects and follow up with prospects
 - Redesigned and maintained Economic Development web site
- Worked on Communications Committee to develop the City of Lynnwood Social media Policy
- Economic Alliance Snohomish County, city representative
 - Small Business Development Board
 - Advocacy Board
 - Industry & Resource Development Advisory Board
- Washington Economic Development Association
 - Legislative advocacy for economic development and infrastructure funding
 - Training and best practices for business recruitment and expansion

- Developed and adopted Economic Development Infrastructure Policy
- Liaison to private sector regarding economic information and city permitting
- Create the Economic Development Advisory Group to assist in updating the Economic Development Action Plan
- Update the Economic Profile and Economic Development Action Plan

Goal #1 - Tourism: The following accomplishments pertain to Tourism which is a dedicated fund within the Office of Economic Development.

- Redesigned Lynnwood tourism web site
- Update and optimize Lynnwood tourism web site, ongoing
- Initiated City of Lynnwood Tourism Face Book pages
- Identified key tourism segments
- Monitor tourism performance metrics
- Develop and implement marketing plans for each tourism segment, ongoing
- Design, update and distribute collateral materials, itineraries and newsletters, ongoing
- Participated in Snohomish County sales missions to Vancouver BC
- Attended tourism outreach conferences including National Tour Association and Go West Summit
- Developed and implemented co-op advertising opportunities with Lynnwood Hotels and Alderwood mall
- Serve on the Snohomish County Tourism Bureau marketing committee
- Serve on the Snohomish County Tourism Branding task force
- Serve as Treasurer on the Snohomish County Sports Commission Board
- Serve on the Snohomish County Tourism Promotion Area Board
- Serve as liaison to the Lynnwood LPFD regarding program and project activities

Goal #2: Implement redevelopment activities to enhance the City's economy & sense of place

City Center

- Implementation of City Center seed money projects required for new development
- Facilitated sale of City property to Edmonds School District
- Facilitated private and public projects

including the:

- City Center Senior Living Apartments
- Hilton Garden Inn hotel
- Reserve at Lynnwood Apartments
- B3 Restaurant (formerly Local Yolk)
- Met with prospects regarding City Center sites, buildings and opportunities
- Staffed and coordinated interdepartmental committees for City Center projects and activities
- Worked with Community Transit on routing and, transit infrastructure and regional policies
- Worked with Sound Transit on Lynnwood Link routing, Draft Environmental Impact Statement, and conceptual design
- Worked with Sound Transit on the OMFS Draft Environmental Impact Statement
- Completed the City Center Streetscape Plan
- Worked with community and City boards and commissions to finalize and adopt the City Center Project Prioritization
- Created the City Center Development Handbook
- Initiated the preparation of the City Center Revitalization Strategies
- Participated with the PFD on the preparation of a site master plan for the PFD property

Highway 99 Revitalization Strategies

- Development of strategies, sub area plan, design guidelines and zoning to implement the Highway 99 redevelopment plan
- Outreach to auto dealerships
- Served as liaison to the Edmonds Community College for the master plan implementation

Alderwood-City Center Transition Area Study

- Worked with consultants and project team to develop draft regulations and implementation measures for the area linking the City Center with Alderwood mall area
- Worked with Community Development to on Alderwood-City Center Transition Area Zoning Code and Map Amendments

Other Activities

- Lynnwood Place Phase 1:
 - Project approvals
 - Development agreement
 - Site development / Infrastructure
 - Costco

- Lynnwood Place: Phase 2
 - Project approvals
 - Development Agreement
 - Mixed-use development
- Liaison to Edmonds School District regarding reuse of various surplus properties
- Facilitate Edmonds Community College master plan and facility development
- Participate with Parks & Recreation on City/College property lease
- Amend PRC and PCD zoning areas to accommodate mixed use development in conjunction with Community Development

Goal #3: *Enhance Lynnwood's Livability and Quality of Life*

- Participated on the staff committee for the design and implementation of the Interurban pedestrian bridge at 44th Ave. W.
- Participated in the planning and implementation of the citywide Street Master Plan
- Developed guidelines for City Center streetscapes
- Participate with Parks & Recreation on facility development and enhancements

Goal #4: *Improve City's image and identity in the region through targeted communication projects and outreach*

- Developed and updated a media kit, presentation materials and prospect brochures
- Initiated Citywide brand implementation
- Enhanced and updated the Economic Development web pages
- Updated and optimized the City of Lynnwood Tourism web site
- Updated and implemented the Lynnwood Tourism marketing campaign
- Participated on the Communication Committee

Economic Development Key Goals for 2015-2016

City Center

- Create City Center Development Handbook
- Create and implement marketing program for City Center
- Outreach to property owners and developers for City Center implementation
- Preparation of a master plan for the PFD property in conjunction with the Lynnwood PFD
- Facilitate other projects within the City Center

- Prepare and adopt revitalization strategies for City Center
- Identify and pursue infrastructure financing programs for City Center
- Complete preliminary design of 42nd Ave W and 194th Street
- Implement City Center streetscape plan
- Develop property acquisition strategy and parameters within City Center
- Create list of available properties for potential redevelopment in City Center
- Establish City Center as focused location for governmental activities
- Develop and fund inducements to encourage development in City Center
- Participate on the Interurban Trail Improvement study group
- Complete utility consolidation and real estate transaction for the development of the ESD “bus barn” site
- Liaison with Sound Transit on the environmental review and design of the Lynnwood Link route and Station
- Update media kit, web site and presentation materials
- Develop communication strategies, themes and messages for target business sectors
- Implement the Tourism work program
- Monitor economic indicators and metrics; publish annual metrics report
- Pursue grant opportunities for economic development programs and projects

Highway 99

- Develop and fund inducements to encourage development on Highway 99
- Create list of available properties for potential redevelopment
- Identify large sites and reuse potential on Highway 99
- Facilitate implementation of Lynnwood Crossing
- Facilitate implementation of new auto dealership

College District

- Facilitate Edmonds Community College Projects
- Facilitate implementation of the Edmonds Community College Master Plan
- Pursue opportunities to relocate government uses from College District to City Center
- Identify and implement infrastructure strategies

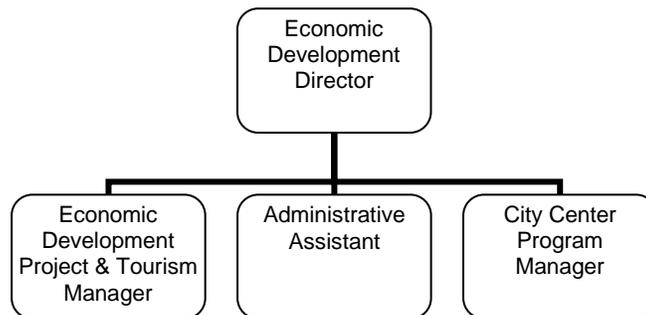
Other

- Lynnwood Place: Complete Phase 1
- Lynnwood Place: Initiate Phase 2
- Initiate a citywide business liaison outreach program
- Strengthen community partnerships by convening meetings with private and public stakeholders
- Assess and implement new residential developments, amenities and common space within City Center and Highway 99

Economic Development

The Office of Economic Development serves as a catalyst for economic development that provides healthy businesses, quality employment opportunities and sustainable city revenues; and fosters economic vitality through programs and projects necessary to implement economic development policies.

Office of Economic Development Organizational Chart FY 2013-2014



| | A | B | C | D | E | F | G |
|----|--|---|------------------------------|--------------------------------------|--|-----------------------------|---|
| 1 | City of Lynnwood | | | | | | |
| 2 | 2015-2016 Proposed Preliminary Budget | | | | | | |
| 3 | Department Detail | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget | |
| 7 | | | | | | | |
| 8 | ECONOMIC DEVELOPMENT | | | | | | |
| 9 | 0-Reclassification | \$ - | \$ 8,320 | \$ - | \$ - | \$ - | |
| 10 | 1-Salaries & Wages | 527,971 | 456,091 | 748,325 | 514,559 | 764,726 | |
| 11 | 2-Personnel Benefits | 155,402 | 118,729 | 254,355 | 171,056 | 265,618 | |
| 12 | 3-Supplies | 5,180 | 3,921 | 5,480 | 3,647 | 4,980 | |
| 13 | 4-Services | 97,486 | 33,368 | 402,672 | 90,181 | 148,111 | |
| 14 | 9-Interfund Payment for Svcs | 9,142 | 9,142 | 9,142 | 6,857 | - | |
| 15 | ECONOMIC DEVELOPMENT Total | \$ 795,181 | \$ 629,570 | \$ 1,419,974 | \$ 786,300 | \$ 1,183,435 | |

| | A | B | C |
|----|---|--------------------------------------|----------------------|
| 77 | | Executive | |
| 78 | | General Fund | |
| 79 | | 2015-2016 Preliminary Budget Summary | |
| 80 | | | |
| 81 | | <u>Category</u> | <u>Amount</u> |
| 82 | | | |
| 83 | Proposed Preliminary Budget from Departments | | \$ 968,322 |
| 84 | | | |
| 85 | | | |
| 86 | One-Time Decision Packages | | |
| 87 | Personal Services - Intergovernmental Services | | 80,000 |
| 88 | Community Vision Initiatives | | 200,000 |
| 89 | | | <u>\$ 280,000</u> |
| 90 | | | |
| 91 | | | |
| 92 | | | |
| 93 | Department Total including One-Time Decision Packages | | <u>\$ 1,248,322</u> |
| 94 | | | |
| 95 | | | |
| 96 | | | |
| 97 | | | |
| 98 | | | |

Executive

The Mayor heads the Executive Department which provides executive leadership for the City and administrative direction for the functions of City government.

The Mayor

The Mayor is the highest elected position in the city, is elected to a four year term and is a full time position. The Mayor serves as the Chief Executive Officer (CEO) for the city. As CEO, the Mayor is the city's Chief Administrator and runs the city. The Mayor also has veto authority. With the help of an Assistant City Administrator, The Mayor provides leadership and oversees the day-to-day administration and operation of the city. An Executive Assistant provides staff and administrative support to the Mayor and Assistant City Administrator.

Implementing Budget and Oversight of City Departments

All heads of city departments report to the Mayor. As CEO, one of the most important responsibilities of the Mayor is to implement the city budget. The city is on a biennial budget system which means every other year the Mayor develops a proposed two-year budget that is reviewed and adopted by the City Council. In implementing the budget, the Mayor provides direction to city departments on city priorities and management of city government including the coordination and support for the development of effective programs and services for the public.

The Mayor and Council

Each week, the Mayor and Assistant City Administrator meet with the Council President, Vice-President and Council Assistant to discuss city business and policy items that need Council review, discussion and action. Items that go to Council are placed on a Council Work Session or Business Meeting agenda. The meetings are open to the public and are usually on a Monday night. The Mayor typically chairs and facilitates Council meetings.

Communications and Public Affairs

Another important member of the Mayor's Executive Office is the Manager of Communications and Public Affairs. This position is responsible for developing and

implementing communications, marketing and outreach strategies for the City of Lynnwood. Some of the top priorities of this position are the oversight of the integrated city-wide communications strategy, emergency communications protocols, fostering the city's external and internal relationship, and all media relations.

Accomplishments in 2013-2014

- Held a public Joint Retreat with Lynnwood's City Council, Department Directors and Lynnwood's Public Facilities to discuss the vision and priorities of the City of Lynnwood.
- Actively participated in and represented City in regional meetings with key policy makers at the local, state and federal level.
- Established a new weekly citizen engagement process to allow citizens to meet with the Mayor.
- Reorganized the way the city manages and coordinates its communication and public affairs responsibilities by reclassifying a position to a Manager of Communications and Public Affairs and assigning that position to report directly to the Mayor.
- Held a Citizens Summit to discuss community priorities for the 2015-16 budget.
- Initiated efforts to clean up and beautify the City of Lynnwood.
- Established a partnership with Edmonds Community College to start a Mayor's internship program.
- Established a new consensus based approach to creating the biennial budget which involved participation from the community, key stakeholders, Department Directors and City Council.
- Hired a new Fire Chief
- Held a State of the City Address at the Lynnwood Convention Center.

Goals for 2015-16

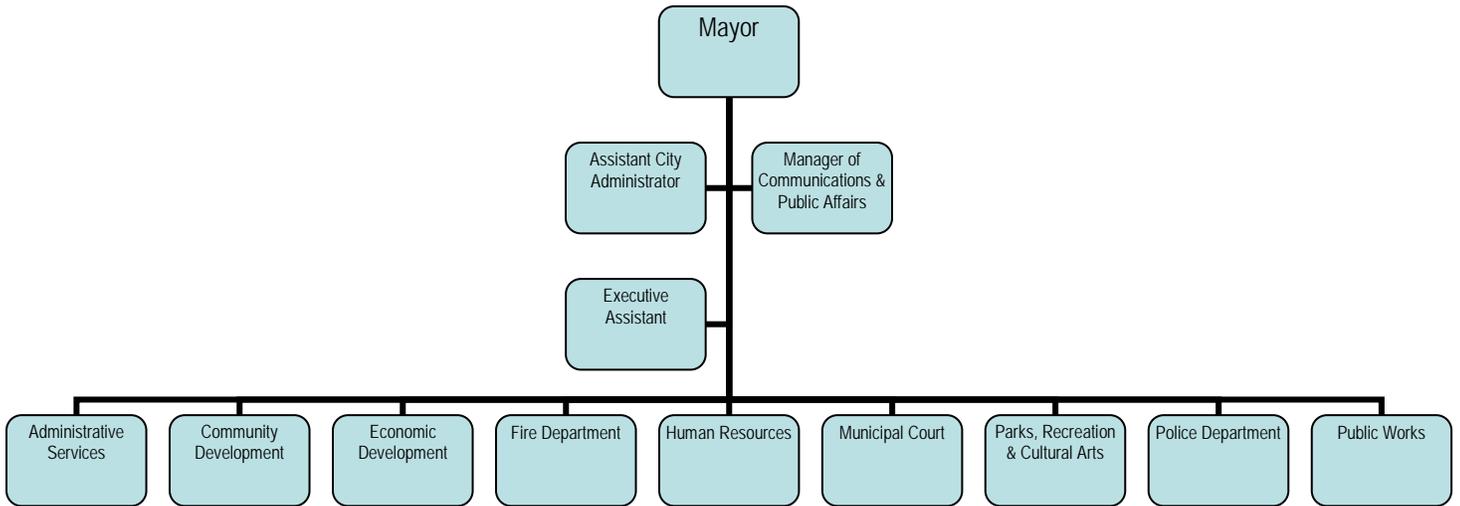
- Continue to strengthen the city's partnerships with key policymakers and

Executive

The Mayor heads the Executive Department which provides executive leadership for the City and administrative direction for the functions of City government.

- organizations at the local, state and federal level.
- Explore creative ways to foster engagement with citizens.
- Create a Pilot program or position to ensure Lynnwood has an effective intergovernmental relations presence.
- Work closely with business leaders to ensure their issues and concerns are heard.
- Dedicate a source of funds to support innovative ideas and other initiatives related to the community vision.

**Executive Office
Organizational Chart
FY 2015-2016**



| | A | B | C | D | E | F | G |
|----|--|---|------------------------------|--------------------------------------|--|-----------------------------|---|
| 1 | City of Lynnwood | | | | | | |
| 2 | 2015-2016 Proposed Preliminary Budget | | | | | | |
| 3 | Department Detail | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget | |
| 7 | | | | | | | |
| 8 | EXECUTIVE | | | | | | |
| 9 | 0-Reclassification | \$ - | \$ 5,840 | \$ - | \$ - | \$ - | |
| 10 | 1-Salaries & Wages | 380,500 | 381,906 | 466,608 | 335,483 | 626,943 | |
| 11 | 2-Personnel Benefits | 114,249 | 121,179 | 184,810 | 116,598 | 216,474 | |
| 12 | 3-Supplies | 8,646 | 3,316 | 15,000 | 4,260 | 11,000 | |
| 13 | 4-Services | 17,146 | 17,320 | 34,500 | 17,220 | 113,905 | |
| 14 | 5-Intergovernmental Svcs | - | 19,693 | - | 9,231 | - | |
| 15 | 9-Interfund Payment for Svcs | 7,118 | 7,118 | 7,118 | 5,338 | - | |
| 16 | EXECUTIVE Total | \$ 527,659 | \$ 556,372 | \$ 708,036 | \$ 488,129 | \$ 968,322 | |

| | A | B | C |
|-----|--|---|----------------------|
| 99 | Fire | | |
| 100 | General Fund | | |
| 101 | 2015-2016 Preliminary Budget Summary | | |
| 102 | | | |
| 103 | <u>Category</u> | | <u>Amount</u> |
| 104 | | | |
| 105 | Proposed Preliminary Budget from Departments | | \$ 18,828,561 |
| 106 | | | |
| 107 | | | |
| 108 | | | |
| 109 | Department Total | | <u>\$ 18,828,561</u> |
| 110 | | | |
| 111 | | | |
| 112 | | | |

Fire

The Lynnwood Fire Department is committed to a safe and livable community. We safeguard people, property and the environment through education, prevention and emergency response with innovation and compassion.

The services provided by the Fire Department include: fire suppression, emergency medical services (EMS), fire prevention and code enforcement, plan review services, fire and life safety education, hazardous materials and technical rescue response. Per capita, the Lynnwood Fire Department continues to be one of the busiest fire departments in Washington State, responding to approximately 177 incidents per 1,000 residents.

Emergency Operations

The Operations Bureau provides timely response to all types of emergency incidents, both within the City of Lynnwood and to neighboring jurisdictions via automatic and mutual aid agreements. Emergency functions include Fire Suppression, Emergency Medical Services, Technical Rescue, and Hazardous Materials Responses.

Fire Suppression

Responsibilities of Fire Suppression include extinguishing of fires, conservation of property, removing of trapped persons, and response to all types of natural and human emergencies throughout our community in conjunction with various specialized response teams when necessary.

Special Operations

Special Operations includes Hazardous Materials and Technical Rescue Emergency Response and the Northwest Washington Incident Management Team. These teams respond to emergencies in our community and other jurisdictions through multijurisdictional effort that exemplifies regional cooperation.

Hazardous Materials Team

The Hazmat Team is responsible for providing rapid response and mitigation of incidents involving hazardous materials, including nuclear, biological and chemical emergencies.

Incident Management Team (NWIMT)

The NWIMT is responsible for responding to complex incidents such as the SR 530 Mudslide, earthquakes and other disasters to provide incident management for prolonged periods.

Technical Rescue Team

The Rescue Team is responsible for specialized responses including structural collapse, high/low angle rope rescue, trench rescue, confined space and surface water rescue.

Emergency Medical Services (EMS)

The EMS Division of Operations provides emergency medical care to citizens and guests of the City of Lynnwood. The Lynnwood Fire Department's fire-based EMS service provides both Basic Life Support (BLS) and Advanced Life Support (ALS) medical care. The Department has 12 paramedics and 1 Medical Services Officer.

Community Assistance and Referral Program

This new program, which is supported by a grant from the Verdant Commission, has been implemented by the Fire Department to help reduce nonemergency 911 calls and to help residents get connected to needed social and health services. Referrals come from our firefighters, healthcare professionals, family members and other public safety agencies. Key partners of the program include Swedish Edmonds and South Snohomish County Health.

Fire Prevention

The Fire Prevention Bureau is responsible for the administration and enforcement of the International Fire Code and other codes related to fire services as adopted by City Ordinance. The bureau is also responsible for fire and arson investigation, construction plan review, inspection of new buildings under construction, annual fire safety inspections, permit issuance and special event planning.

Fire and Life Safety Education

While the Lynnwood Fire Department is most recognized for responding to emergencies, it also works to reduce the number of community emergencies through public safety education and fire prevention programs which include fall prevention, smoke alarm installation, and earthquake preparedness.

2013 – 2014 Biennium Accomplishments

- The Department completed the grant cycle for the \$634,000 SAFER grant from the Department of Homeland Security to fill four (4) vacant firefighter positions. These positions were added back to the Fire Department after the grant cycle completed.
- The Department received a 2-year grant from the Verdant Health Commission to develop a Mobile Intensive Healthcare Program designed to reduce 911 calls by connecting citizens to social and healthcare services and provide education.
- Promoted Gregg Sieloff to Assistant Chief in 2013 after two years as the Interim AC of Operations.
- The Department continued the trend of increasing call load as we had our busiest year on record, responding to 7046 incidents in 2013.
- The Department continued its successful a partnership with the City of Mukilteo to provide EMS Management services and cost share the Medical Services Officer position.
- The EMS Division continued to administer a grant of \$82,000 from the Verdant Health Commission for new emergency cardiac

technology and heart attack awareness education for the community.

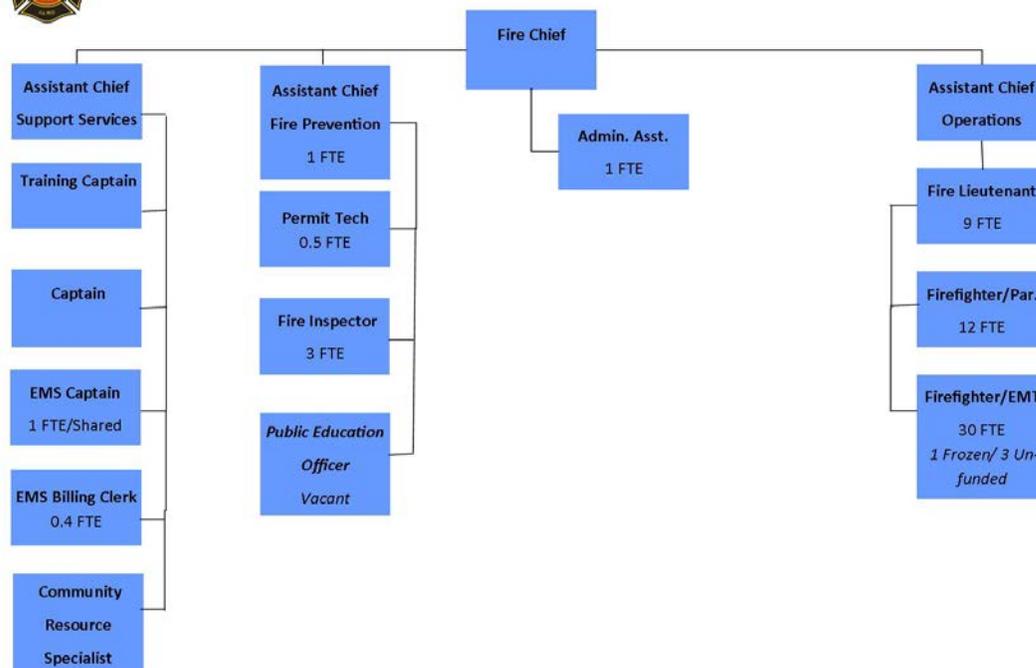
- Fire Prevention Inspectors conducted 3690 technical inspections and assisted in correcting 3335 violations.
- The Department welcomed its new Fire Chief, Scott Cockrum, in September of 2014 after 3 years of Interim leadership.

2015 – 2016 Biennium Goals

- Meet service demand expectations with minimum daily staffing with 10 firefighters.
- Replace Fire Inspector vehicles.
- Continue to study regionalization opportunities.
- Maintain dependency on automatic aid at 11% or less.
- Firefighter Monte Pfeil will complete Paramedic training at the University of Washington/Harborview Paramedic Program in 2015.
- Continue to look at cost-efficiencies while ensuring the department can meet its level of service requirements in all areas.



LYNNWOOD FIRE DEPARTMENT ORGANIZATIONAL CHART



| | A | B | C | D | E | F | G |
|----|--|-----------|-------------------|----------------------|------------------------|-----------------------|----------------------|
| 1 | City of Lynnwood | | | | | | |
| 2 | 2015-2016 Proposed Preliminary Budget | | | | | | |
| 3 | Department Detail | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | 2011-2012 | | | | |
| 7 | | | Amended | 2011-2012 | 2013-2014 | 2013 Thru June | 2015-2016 |
| 8 | Object Category | | Budget | Actuals | Original Budget | 2014 Actuals | Budget |
| 9 | FIRE | | | | | | |
| 10 | 0-Reclassification | \$ | - | \$ 185,923 | \$ - | \$ - | \$ - |
| 11 | 1-Salaries & Wages | | 11,117,690 | 10,530,578 | 10,801,418 | 8,289,184 | 11,736,604 |
| 12 | 2-Personnel Benefits | | 4,109,669 | 4,027,895 | 4,323,752 | 2,867,349 | 4,696,935 |
| 13 | 3-Supplies | | 432,645 | 280,476 | 510,249 | 329,026 | 461,351 |
| 14 | 4-Services | | 554,836 | 395,507 | 509,283 | 253,386 | 1,921,671 |
| 15 | 5-Intergovernmental Svcs | | 600,026 | 336,930 | 5,190 | 18,613 | 12,000 |
| 16 | 9-Interfund Payment for Svcs | | 486,070 | 485,695 | 1,113,706 | 796,821 | - |
| 17 | FIRE Total | \$ | 17,300,936 | \$ 16,243,004 | \$ 17,263,598 | \$ 12,554,379 | \$ 18,828,561 |

| | A | B | C |
|-----|--|--------------------------------------|----------------------|
| 113 | | Human Resources | |
| 114 | | General Fund | |
| 115 | | 2015-2016 Preliminary Budget Summary | |
| 116 | | | |
| 117 | | <u>Category</u> | <u>Amount</u> |
| 118 | | | |
| 119 | Proposed Preliminary Budget from Departments | | \$ 1,100,453 |
| 120 | | | |
| 121 | | | |
| 122 | | | |
| 123 | Department Total | | <u>\$ 1,100,453</u> |
| 124 | | | |
| 125 | | | |

Human Resources

The Human Resources Department serves as a leader and strategic partner with City Departments in attracting and retaining quality and diverse professional staff as a key to providing effective service to the citizens of the City of Lynnwood.

The Human Resources Department is an internal service department, providing strategic and operational human resource management and administration assistance to City departments, supervisors, and employees. The department is staffed with four full-time employees and is a full-service human resources organization that provides services in all traditional human resource areas, including talent acquisition, employee and labor relations, benefits, classification and compensation, safety, and training.

Human Resources staff works in a fast paced, high volume environment to support a workforce of over 340 regular and 150 part time or seasonal employees. For example, the department processed in the following biennium periods:

- 2011-2012 4369 applications
- 2013-2014 6260 applications to date

- 2011-2012 61 recruitments
- 2013-2014 136 recruitments to date

- 2011-2012 8 civil service examinations
- 2013-2014 13 civil service examinations to date

- Guided one executive search in each biennium period.

- Department staff also conduct employee orientations and workshops, annual benefits open enrollment, and support ongoing labor negotiations.

2013 – 2014 Biennium Accomplishments and Challenges

The 2013 – 2014 biennium is one of transition. While still feeling the effects of the economic downturn, the City political and economic landscape changed this biennium. HR began the biennium with a focus on providing assistance to

clients on workplace planning resulting from layoffs, reorganizations, retirements, and related logistics of staffing changes. Changes in the Mayor's Office, City Council, and upticks in the economy have spurred changes throughout the City in services, technology, staffing, and related business processes to better meet the needs and expectations of the citizens of Lynnwood.

HR is focused on developing long term workforce talent acquisition strategies that will meet the City vision for diversity and service. Work has begun on implementing a new HR module using Munis enterprise software.

Approximately 75% of the City's workforce is represented by one of seven unions and all union contracts are currently settled. Due to economic uncertainty, union contracts in this biennium were negotiated for shorter terms and HR staff and the bargaining teams they support have been in a perpetual cycle of labor negotiations.

2015 – 2016 Department Goals

Align HR operations with the City vision statement and goals.

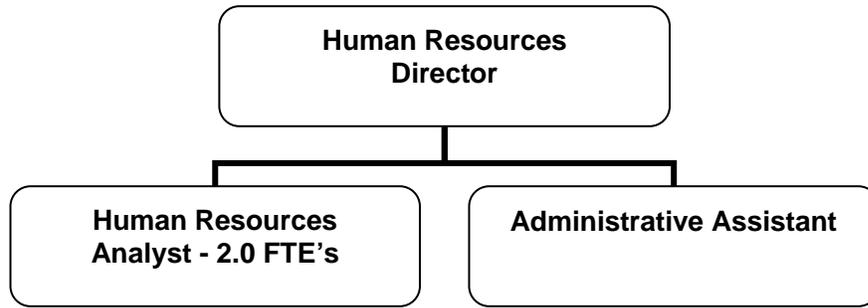
Attract and retain a diverse workforce reflective of the community.

Increase support to labor negotiations; six union contracts expire in 2015 and 1 expires in 2016.

Utilize technology to improve business processes and efficiency; successfully convert to the new HR module in Munis.

Provide job related and career enhancing training to City employees.

Ensure the City remains legally compliant with all federal and state employment regulations.



| | A | B | C | D | E | F | G |
|----|--|---|------------------------------|--------------------------------------|--|-----------------------------|---|
| 1 | City of Lynnwood | | | | | | |
| 2 | 2015-2016 Proposed Preliminary Budget | | | | | | |
| 3 | Department Detail | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget | |
| 7 | | | | | | | |
| 8 | HUMAN RESOURCES | | | | | | |
| 9 | 1-Salaries & Wages | \$ 678,440 | \$ 630,818 | \$ 665,444 | \$ 508,665 | \$ 719,797 | |
| 10 | 2-Personnel Benefits | 214,987 | 222,669 | 240,592 | 174,995 | 206,000 | |
| 11 | 3-Supplies | 20,710 | 10,650 | 19,145 | 3,059 | 19,145 | |
| 12 | 4-Services | 173,217 | 89,925 | 166,607 | 82,865 | 155,511 | |
| 13 | 9-Interfund Payment for Svcs | 11,844 | 11,844 | 11,844 | 8,883 | - | |
| 14 | HUMAN RESOURCES Total | \$ 1,099,198 | \$ 965,906 | \$ 1,103,632 | \$ 778,467 | \$ 1,100,453 | |

| | A | B | C |
|-----|--|--------------------------------------|----------------------|
| 126 | | Legal Department | |
| 127 | | General Fund | |
| 128 | | 2015-2016 Preliminary Budget Summary | |
| 129 | | | |
| 130 | | <u>Category</u> | <u>Amount</u> |
| 131 | | | |
| 132 | Proposed Preliminary Budget from Departments | | \$ 2,350,000 |
| 133 | | | |
| 134 | | | |
| 135 | | | |
| 136 | Department Total | | <u>\$ 2,350,000</u> |
| 137 | | | |
| 138 | | | |

Legal

The Legal department exists to provide expert, efficient and timely legal counsel and representation to the City's executive and legislative branches, and City boards and commissions, and to provide expert, efficient prosecution services for the City and public defender services for indigent defendants.

General legal services to the City are provided pursuant to contract with the firm of Inslee Best Doezie & Ryder PS. for a designated City Attorney. The City contracts with other firms for municipal prosecution services to handle the criminal prosecution of ordinance violations, and

for public defender services. The City also retains special legal counsel on special projects.

Note: The City's legal services are provided through contracts with various legal firms.

| | A | B | C | D | E | F | G |
|----|--|---|------------------------------|--------------------------------------|--|-----------------------------|---|
| 1 | City of Lynnwood | | | | | | |
| 2 | 2015-2016 Proposed Preliminary Budget | | | | | | |
| 3 | Department Detail | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget | |
| 7 | | | | | | | |
| 8 | LEGAL | | | | | | |
| 9 | 0-Reclassification | \$ - | \$ 19,043 | \$ - | \$ - | \$ - | |
| 10 | 4-Services | 1,820,000 | 2,154,662 | 2,350,000 | 1,665,214 | 2,350,000 | |
| 11 | LEGAL Total | \$ 1,820,000 | \$ 2,173,705 | \$ 2,350,000 | \$ 1,665,214 | \$ 2,350,000 | |

| | A | B | C |
|-----|--|--------------------------------------|----------------------|
| 139 | | City Council | |
| 140 | | General Fund | |
| 141 | | 2015-2016 Preliminary Budget Summary | |
| 142 | | | |
| 143 | <u>Category</u> | | <u>Amount</u> |
| 144 | | | |
| 145 | Proposed Preliminary Budget from Departments | | \$ 853,202 |
| 146 | | | |
| 147 | | | |
| 148 | | | |
| 149 | Department Total | | <u>\$ 853,202</u> |
| 150 | | | |
| 151 | | | |

Legislative

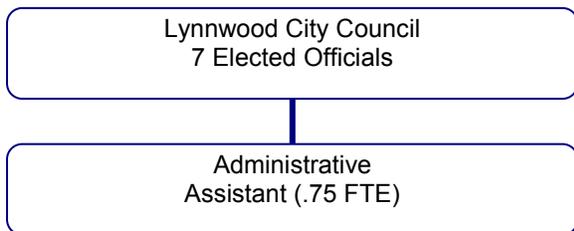
The Lynnwood City Government exists to provide effective elected representation of the citizens of Lynnwood.

The City Council meets regularly to set public policy, consider land use applications and approve expenditures of funds with the primary criteria being the health, safety and general welfare of the community.

The Council is made up of seven members. They are elected at large for staggered four-year terms. Each year, one councilmember is elected to serve as President and one councilmember is elected to serve as Vice President of the Council. In addition to participating in regular council meetings, each councilmember is elected and/or assigned to represent the city on various internal and external boards and commissions.



Benjamin Goodwin, Ian Cotton, Van AuBuchon, Ruth Ross, Christopher Boyer, Loren Simmonds, Sid Roberts



Goals for 2013 – 2014 Biennium

The council holds an annual retreat early each year. For the 2013-14 biennium, the council continues to pursue the following broad areas of emphasis:

Financial Planning and Oversight

Oversight of that budget and long-term financial planning is the top priority identified by the council during this biennium. To that end, the council approved an overhaul of the city's financial policies during 2011-12. And continues to be active in the implementation of the policy.

Priorities of Government/Budgeting for Outcomes

Closely linked to Financial Planning and Oversight, and looking forward to the 2013-14 biennial budget, the council will be engaging in a process called Priorities of Government. This process asks the essential question of residents, city staff, elected officials, businesses and other stakeholders: "What are the services and levels of those services people want and how much are we as a community willing to pay for those services."

City Center Review and Implementation

Economic development is at the forefront of the councils priorities. Our City Center Sub-area plan envisions a thriving downtown core that includes retail, office space, parks and residential areas in an urban village type setting. With approximately 300 acres targeted for redevelopment over a multi-year time frame, this project will attract family wage jobs to Lynnwood while relieving the pressure on our single-family neighborhoods by accommodating expected population growth in the new multifamily residential areas.

| | A | B | C | D | E | F | G |
|----|--|---|------------------------------|--------------------------------------|--|-----------------------------|---|
| 1 | City of Lynnwood | | | | | | |
| 2 | 2015-2016 Proposed Preliminary Budget | | | | | | |
| 3 | Department Detail | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget | |
| 7 | | | | | | | |
| 8 | LEGISLATIVE | | | | | | |
| 9 | 0-Reclassification | \$ - | \$ 7,841 | \$ - | \$ - | \$ - | |
| 10 | 1-Salaries & Wages | 366,814 | 370,415 | 366,814 | 282,950 | 388,355 | |
| 11 | 2-Personnel Benefits | 203,764 | 210,082 | 214,526 | 193,921 | 306,165 | |
| 12 | 3-Supplies | 6,780 | 2,288 | 2,790 | 1,706 | 2,790 | |
| 13 | 4-Services | 163,983 | 58,424 | 145,996 | 53,370 | 155,892 | |
| 14 | 9-Interfund Payment for Svcs | 8,016 | 8,016 | 8,016 | 6,012 | - | |
| 15 | LEGISLATIVE Total | \$ 749,357 | \$ 657,066 | \$ 738,142 | \$ 537,959 | \$ 853,202 | |

| | A | B | C |
|-----|--|--------------------------------------|----------------------|
| 152 | | Municipal Court | |
| 153 | | General Fund | |
| 154 | | 2015-2016 Preliminary Budget Summary | |
| 155 | | | |
| 156 | | <u>Category</u> | <u>Amount</u> |
| 157 | | | |
| 158 | Proposed Preliminary Budget from Departments | | \$ 2,602,743 |
| 159 | | | |
| 160 | | | |
| 161 | | | |
| 162 | Department Total | | <u>\$ 2,602,743</u> |
| 163 | | | |
| 164 | | | |
| 165 | | | |

Municipal Court

The Mission of the Municipal Court is to contribute to the quality of life in our community by fairly and impartially administering justice in such a manner that it preserves both the dignity and rights of the defendant as well as the citizens of Lynnwood.

“Lynnwood Municipal Court exists to serve the community of Lynnwood. State law does not require cities and towns to have their own courts; they are free to use state and county courts instead. Lynnwood chooses to have its own municipal court. Lynnwood has its own court because it is more convenient to citizens in this community and because the council and mayor believe that justice is better served by a court in and for the city.” Judge Stephen E. Moore

The municipal court provides court services to adjudicate civil, criminal, and infraction matters arising from violations of city ordinances. Criminal and infraction violations are filed into the court by the Lynnwood Police Department or Prosecuting Attorney. In addition to providing court services, the court's Probation Department provides thorough, accurate, and timely reports regarding non-compliance of court ordered conditions. The mission of probation is to ensure public safety.

According to Caseload Reports published by the Administrative Office of the Courts, 31,295 cases were filed into Lynnwood Municipal Court in 2013. Our present location is not sufficient to hold all of the people requiring court access. We are not able to provide jurors with a comfortable environment to assemble. Attorneys do not have adequate space that allows for private and confidential dialogue. The court's lobby is not large enough in size to allow for security screening prior to entering the court. Individuals are screened prior to entering the courtroom; however screening should occur prior to gaining access to the court facility. The Board of Judicial Administration Courthouse Public Safety Standards states “All courts should screen for weapons at every access point.”

The Administrative Office for the Courts measures judicial staffing needs with two primary data components: (1) the observed caseload processes, and (2) the number of judicial officers. The need for judicial officers is expressed in terms of judge and commissioner FTEs. Presently we are funded for 1 FTE. The latest AOC measurement is 1.5 FTE, which does not take into account Photo Enforcement filings and hearings. It is difficult to meet the current demand for judicial services with 1 FTE.

Court Services Program

Court Services incorporates 4 areas of service, infractions, photo enforcement, criminal, and administration.

Infraction Processing: Infractions are citations issued by the Lynnwood Police Department or prosecuting attorney for violations of minor traffic rules such as speeding, running a red light, failing to yield or non-traffic violations such as littering or animal control violations. Infractions are processed according to how the defendant responds. Persons receiving an infraction must respond to the court within 15 days. A person may pay the penalty, request a hearing to mitigate the circumstances surrounding the commission of the infraction, or contest the determination that the infraction was committed

Photo Enforcement Processing: Photo Enforcement cases are treated like parking infractions. The same infraction rules apply but the violation is against the vehicle and not the driver.

Criminal Trial Processing: Misdemeanor and gross misdemeanor cases require a mandatory court appearance. The maximum sentence for a misdemeanor is \$1000 fine and 90 days jail; the maximum fine for a gross misdemeanor is \$5000 fine and 364 days jail. Defendants are advised at their first appearance (the arraignment) of the charge(s), their rights and the maximum and minimum penalties if they are convicted of the offense(s). The defendant's plea (or answer to the charge(s)) determines how the case proceeds. Defendants who plead not guilty have a right to have their case heard before a jury of their peers or they may choose to have a bench trial where the judge determines the finding. Most cases are

disposed at pre-trial. The court holds 60 criminal calendars a month.

Administration: The Court Administrator provides strategic direction and has overall management authority and responsibility of all non-judicial functions of the court. The Court Administrator is appointed by the Municipal Court Judge and is responsible for program and budget development and coordination, development and implementation of policy and procedures, accounting management, case flow and jury management, project management, contracts, and acts as a liaison with City departments as well as State and County agencies.

Probation

The Probation Department assists the court in management of post sentence cases. The department determines the defendant's risk to the community, evaluates appropriate treatment programs, oversees community agencies providing services and reports to the court as directed by the judge or when judicial intervention is warranted. Serious offenses such as DUI and Assault DV are placed on active probation. Failing to comply with the court imposed sentence will result in re-imposition of the suspended sentence. Due to budget restrictions the department was reduced from three to two people. The loss of the probation assistant resulted in a reduction in our level of service. Probationers no longer have immediate phone access to the probation department but must leave voice mails which are returned within 24 hours often times resulting in phone tag. There is no longer the ability for a probationer to drop by and check on the status of their case or get answers to questions or concerns regarding their program. Treatment agencies used to immediate access to the probation assistant must now leave messages and wait for information.

2013-2014 Accomplishments

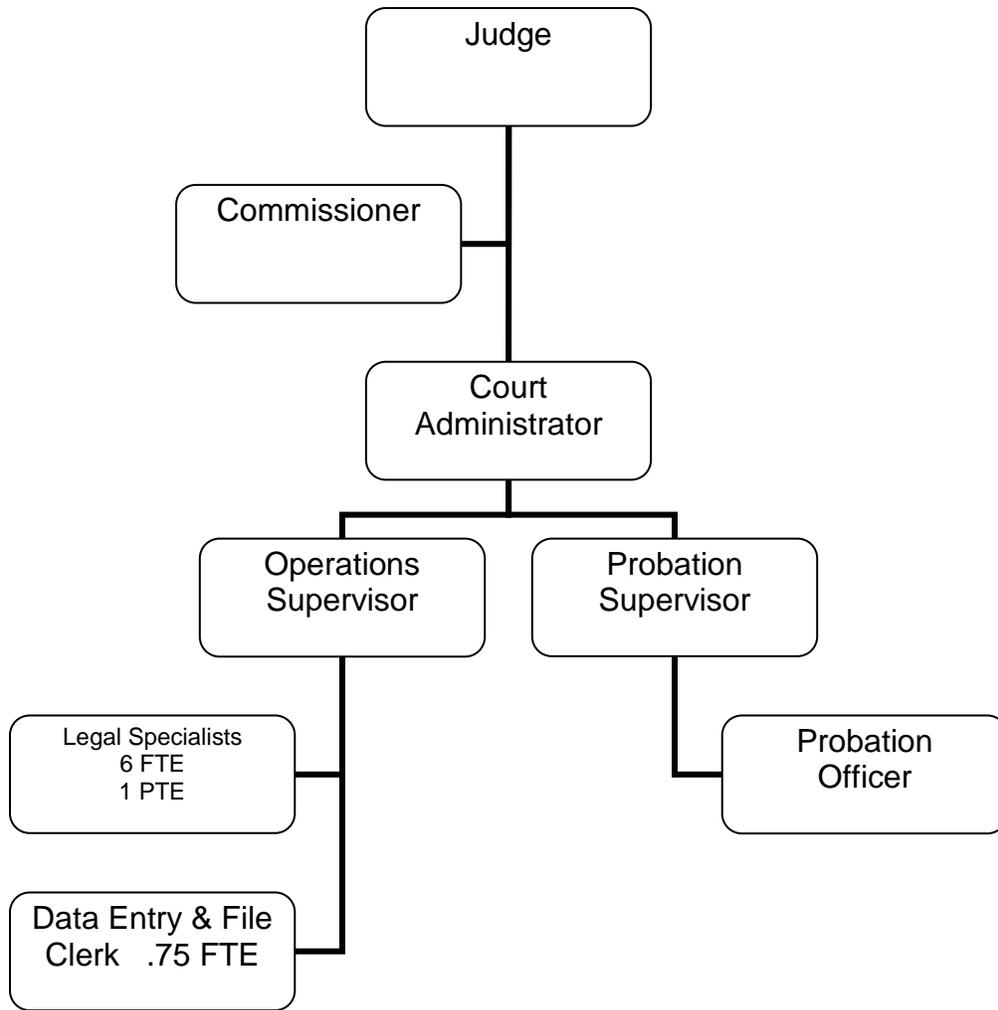
- Video Conference hearings from SCORE Correctional Facility in Des Moines.
- Conversion to Plain Paper Bench Warrants.
- Upgraded video conference connectivity with Snohomish County Corrections.
- Revised court procedures to include Lean principles.

Goals for 2015-2016 Biennium

- Enhance web site to allow forms and pleadings to be filed online.
- Enhance web site to allow for mitigation and contested hearings via email.
- Continue to migrate from paper to electronic criminal files and forms.

Future Trends

Technology is offering new ways of doing business. Payments and hearings on line provide opportunities to conduct court business without physically having to be present. E-filings and scanning court documents reduce our storage needs and the staffing dedicated to filing. E-Citation filings have improved our quality of services and reduced our data entry needs. Web based communication and interaction will improve court services.



| | A | B | C | D | E | F | G |
|----|--|-----------|------------------|---------------------|------------------------|-----------------------|---------------------|
| 1 | City of Lynnwood | | | | | | |
| 2 | 2015-2016 Proposed Preliminary Budget | | | | | | |
| 3 | Department Detail | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | 2011-2012 | | | | |
| 7 | | | Amended | 2011-2012 | 2013-2014 | 2013 Thru June | 2015-2016 |
| 8 | Object Category | | Budget | Actuals | Original Budget | 2014 Actuals | Budget |
| 9 | MUNICIPAL COURT | | | | | | |
| 10 | 0-Reclassification | \$ | - | \$ 29,578 | \$ | - | \$ - |
| 11 | 1-Salaries & Wages | | 1,449,823 | 1,371,372 | 1,642,204 | 1,032,725 | 1,498,152 |
| 12 | 2-Personnel Benefits | | 488,754 | 508,472 | 529,554 | 407,803 | 484,054 |
| 13 | 3-Supplies | | 30,221 | 66,333 | 54,181 | 18,639 | 20,960 |
| 14 | 4-Services | | 879,471 | 510,171 | 620,950 | 312,648 | 599,577 |
| 15 | 9-Interfund Payment for Svcs | | 19,640 | 19,640 | 19,640 | 14,730 | - |
| 16 | MUNICIPAL COURT Total | \$ | 2,867,909 | \$ 2,505,566 | \$ 2,866,529 | \$ 1,786,545 | \$ 2,602,743 |

| | A | B | C |
|-----|---|--------------------------------------|----------------------|
| 166 | | Parks, Recreation and Cultural Arts | |
| 167 | | General Fund | |
| 168 | | 2015-2016 Preliminary Budget Summary | |
| 169 | | | |
| 170 | | <u>Category</u> | <u>Amount</u> |
| 171 | | | |
| 172 | Proposed Preliminary Budget from Departments | | \$ 12,798,030 |
| 173 | | | |
| 174 | | | |
| 175 | One-Time Decision Packages | | |
| 176 | Recreation Center Claim Settlement/Remediation | | 104,493 |
| 177 | Park Maintenance ERR | | 30,000 |
| 178 | Landscape Renovation/Beautification Program | | 12,000 |
| 179 | | | <u>\$ 146,493</u> |
| 180 | | | |
| 181 | | | |
| 182 | | | |
| 183 | Department Total including One-Time Decision Packages | | <u>\$ 12,944,523</u> |
| 184 | | | |
| 185 | | | |
| 186 | | | |

Parks, Recreation & Cultural Arts

Lynnwood Parks, Recreation & Cultural Arts is creating a healthy community through people, parks, programs and partnerships.

We are part of Lynnwood's daily life and we shape the character of the community by providing stewardship of our resources, providing recreation opportunities for all ages, contributing to the City's economic vitality, promoting health and wellness, fostering social connections, embracing innovation, supporting staff professional development and excellence, engaging and responding to the changing needs of our community, creating a connected community, providing premier customer service and leaving a legacy for future generations.

The Parks, Recreation & Cultural Arts Department provides a comprehensive system of facilities and programs to meet the parks and recreation needs of the community. The Department acquires plans and develops parks and recreation facilities, operates and maintains parks and facilities, and provides a wide variety of affordable recreation activities and programs for all age groups.

Administration & Park Development is responsible for the leadership, development and operation of a comprehensive Parks, Recreation and Cultural Arts system. This includes administrative functions, strategic planning, marketing, outreach activities, healthy communities initiatives and programs, arts programming, sponsorship development, community events, long range capital and program planning, development of partnerships with other agencies and non-profits, acquisition and development of properties, capital project planning, grant writing and monitoring for compliance, development of the biennial budget, and establishment of performance measures and goals.

Park Operations administers and is responsible for the effective operations and maintenance of over 316 acres of City parks, athletic fields, park trails and other civic lands and recreational open space. Staff works to preserve, maintain and enhance the community's investment in parks, while providing quality facilities for leisure and athletic experiences.

Recreation provides recreation programs for all ages and manages recreation facilities including the Recreation Center, Senior Center, Cedar Valley Gym and Meadowdale Playfields so that

the community can participate in safe, fun, and quality activities resulting in opportunities for fitness, social interaction, life-long learning, creativity and healthier living.

2013-2014 Biennium Accomplishments

- Studied operations of the Golf Course and developed strategies for making Golf Course financially viable.
- Issued RFP and RFI for private management of the Golf Course.
- Negotiated and executed a 5-year contract with Premier Golf Centers, LLC for management of the Golf Course.
- Completed replacement of new overwater boardwalk at Scriber Lake Park (2013) for a total cost of \$150,831.87
- Completed phase 4, environmental and ADA improvements at Lynndale Park Amphitheater (2014) for a total cost of \$85,979.17
- Continued partnerships with non-profit organizations in the operations of Heritage Park
- Hosted 8 Open Houses at Heritage Park as well as offered more than 20 group tours of Interurban Car 55
- Received grant to create and install permanent interpretive boards about the history of Interurban Car 55 at Heritage Park
- Continued development of Ethnobotanical Garden at Gold Park with EdCC LEAF School
- Resurfaced and lined four tennis courts at Lynndale park
- Sealcoated and restriped parking lots at Lynndale Park, Daleway Park, Meadowdale Athletic Complex and Skate Park.
- Construction of new park signs at Wilcox

- Park, Mini Park and the Amphitheater.
- Park Maintenance staff supported operations of the golf course during the transition to Premier.
- Continued repair and replacement of cart paths at the Lynnwood Municipal Golf Course.
- The addition of a tee box to the #2 hole at the Lynnwood Municipal Golf Course.
- Continued support for the Parks Equipment Replacement Fund with partial funding and equipment purchases in support of maintenance service levels
- Strategically amended maintenance priorities to adjust to the loss of two full time positions.
- Continued partnership with Pacific Little League to provide baseball and softball opportunities for youth at Lynndale Park
- Continued support of the City's community service program, working with the Police Department and Court to put community service workers to work in our parks instead of incarceration at added cost to the City
- Processed 265 park shelter rentals, 889 room rentals and 1,053 pool rentals in 2013
- Began reserving the Senior Center for party rentals on the weekends in 2013, increasing rental capacity by 67%
- Implemented pre-sales for open swims in 2014 with 596 presales in the first 8 months of the program
- Receipted \$2,516,592 in 2013 and \$1,591,705 in the first eight months of 2014
- Online registrations continue to be 12% of total registrations
- Had at least one group rental during each weekday open swim in the summer of 2014.
- Doubled attendance and participation for adaptive aquatics from 10 students a week to 20
- Generated over \$14,000 in new revenue by adding additional classes in Sunday group classes
- Offered monthly CPR & First Aid classes to the community generating over \$31,000 in revenue
- Registered 227 adult softball teams for league play at the Meadowdale Playfields generating \$125,867
- Generated \$296,653 from fitness classes taught by independent contract instructors through July 31, 2014
- Introduced additional employee-taught group fitness classes which have been included as a Recreation Center membership benefit. 958 group fitness classes were offered with 8,740 participants through August 1, 2014.
- Tracked 76,794 visits to the Cardio/Weight Room through August 1, 2014
- Continue to serve area middle school students with health and fitness programs – Move 60 Teens (funded by Verdant Health Commission), and Nightwaves with 2,157 participants to date in the biennium. Served 1,931 summer campers in Kamp Kookamunga in the biennium, with a record 103% fill rate in 2014.
- Filled 359 of 360 available spots in Kids Klub preschool for the 2013-2014 school year.
- Successfully implemented two new family events: "Father Daughter Dance" and "Spook and Splash Family Halloween Event," serving 298 and 553 participants respectively in the last two years. The Father Daughter Dance has now outgrown its current location and will move to a larger facility next year.
- Initiated a new partnership with non-profit Free Range Health to provide 1,377 acupuncture sessions between July 2013 and July 2014, generating \$7,774 revenue for the Senior Center.
- Introduced new 62+ outdoor recreation activities: white river rafting, zip lining, stand-up paddle boarding, indoor skydiving, horseback riding, and backyard hikes. Together these had 243 registrations, with an additional 59 people wanting to participate but waitlisted due to vehicle capacity.
- In 2013 the Senior Center had 105 volunteers who contributed over 7,343 hours of service equivalent to 3.5 FTE with an in-kind value of \$165,585.
- Built Lynnwood's first municipal community garden through the efforts of 20 youth, 20 senior center members, Senior Center and Public Works staff. Intentionally designed for older adults while encouraging intergenerational participation, Lynnwood's project was chosen from over 100 nationwide for the National Coalition on Aging's Program of Excellence Award for Leadership, Civic Engagement & Community Development.
- The Recreation Center won the prestigious Golden Teddy customer-based award for

- best Aquatic & Swimming facility in Puget Sound in 2013 and 2014
- Parks & Recreation Foundation's Par 4 Kids Golf Tournament generated over \$8,600 for the Recreation Benefit Fund in 2013 and at least as much for 2014
- Redeveloped the recreation guide, published quarterly (8 editions) to include community advertising
- Participated with the Website Advisory Team that implemented a new City website including the creation of over 90 content pages and on-going management of content, calendar items, news items, homepage highlights, and e-publications
- Hosted 12 Shakespeare in the Park performances viewed by more than 1,200 audience attendees / year.
- Generated more than \$37,000 in event/program sponsorships (2014)
- Edited and published 8 editions of Inside Lynnwood
- Edited and published 7 editions of In the Loop, an internal city newsletter
- Successfully managed two Martin Luther King Jr. Celebrations
- Continued management of the City's eNews service, GovDelivery, including training of new users, establishing additional topics, creating regular news content and increased overall subscriptions
- Successfully developed and a Social Media policy and launched the use of Facebook citywide
- Planned and executed two Volunteer Appreciation Events
- Hosted 2 Lynnwood University programs
- Planned and executed the first annual Celebrate! Lynnwood Music & Dance Festival generating \$21,500 in sponsorship revenue and attracting more than 2,500 participants (2014)
- Planned and executed 2 Stand Against Racism rallies in collaboration with the YWCA of King & Snohomish County
- Collaborated with the YWCA of King & Snohomish County on the 2013 Domestic Violence Awareness Month
- Partnered with the VFW Post 1040 to co-host the 2014 Memorial Day & Veterans Day Ceremonies
- Hosted a Remembering the Holocaust lecture at the Lynnwood Senior Center (2014)
- Planned and executed the Mayor's State of the City Address (2014)
- Facilitated the 2014 Citizen Survey
- Collaborated with the Diversity Commission on a presentation to City Council (2014)
- Planned and executed a Citizen Summit (2014)
- Collaborated with the Diversity Commission and the Verdant Health Commission to host 2 Affordable Care Act community resource fairs (2013)
- Collaborated with the Economic Development and Community Development Departments to host 3 community forums on Sound Transit Lynnwood Link Project
- Coordinated a city-wide clothing drive for Clothes For Kids (2013)
- Created a Language Access Plan and implemented a strategy for city-wide translation of critical documents
- Launched the development of a 10-year Healthy Communities Strategic Plan with briefings with City Council, Department Directors, and several strategic partners (2014)
- Collaborated and produced the 10th and final Snohomish County Get Movin' summer programs with a local kick-off event at Alderwood serving over 5,000 participants (2013)
- Hosted second year of the grant funded (\$52,250/year) Get Movin' Fit program providing youth with enhanced fitness opportunities in the summer (2013)
- Collaborated to host the annual Walk to School event with Lynnwood Elementary where over 500 students walked or biked to school (2013 & 2014)
- Collaborated with Edmonds Community College to host the annual Celebration of Food Festival serving over 1,200 participants to learn about local, organically produced foods (2013 & 2014)
- Awarded \$1.9 million dollar BikeLink grant from Verdant Health Commission to improve regional bicycle infrastructure and safety (2014)
- Continued involvement in collaborative partnerships focused on community health including the Healthy Communities Collaborative, Creating Community Connections Coalition, and the Health Leadership Coalition
- Partnered with Verdant Health Commission on the annual 6 Weeks to a Healthier You community health program (2013 & 2014)

- Planned and opened the 16-week, seasonal Lynnwood Farmers Market helping to increase access to healthy foods and generating supporting revenue of more than \$20,000 (2014)
- Facilitated the successful relaunch of an employee wellness initiative including assessments, program components and evaluations (2013)
- Earned the AWC WellCity Award (2014)
- Established and maintain the Lynnwood Intergenerational Garden and workshop series.
- Collaborated with existing community organizations to begin conversations around potential community and school gardens in Lynnwood.

Goals for the 2015-2016 Biennium

Parks: Provide a comprehensive system of parks, open space and recreation facilities that serves the recreational needs of the community, striving to incorporate green technology and Leadership Energy and Environmental Design (LEED) standards:

Provide new park development to meet the recreational needs of the community:

- Meadowdale Neighborhood Park - expanded parking lot and picnic shelter
- Doc Hageman Park – submit grant application for Phase I funding
- Rowe Park – work with community groups to raise funding for development
- Heritage Park – complete Phase II renovation of water tower
- Heritage Park – complete installation of children’s play area
- Heritage Park – complete Phase II development of the Wickers Museum
- Heritage Park – complete extension of trolley tracks
- Interurban Trail – master plan the trail with Mountlake Terrace, Edmonds and Snohomish County
- South Lund’s Gulch Trail – plan trail with RTCA and County
- Off-Leash Dog Park – complete development in Lynndale Park
- Senior Center Patio – complete installation of patio
- Gold Park – continue development of Ethnobotanical Garden with EdCC LEAF School
- Partner with Public Works on feasibility

- study of City Center to Sound Trail on Scriber Creek
- Develop long-term acquisition strategy to identify priorities for property acquisition to address the recreational needs in the City and the Municipal Urban Growth Area
- Develop a new Comprehensive Plan that will guide future development including: level of service, facility needs, recreation needs, and community priorities
- Assist Community Development to update the City’s Comprehensive Plan with new community character, arts & culture, sustainability, and parks and recreation chapters
- Assess park acreage level of service
- Explore new funding opportunities to develop, maintain and operate our system of parks, facilities and programs including feasibility of a Metropolitan Parks District
- Work with Economic Development on acquisition of park property in the City Center
- Negotiate and complete acquisition of Seabrook property

Facilities: Provide facilities that promote a balance of recreational opportunities, striving to incorporate green technology and LEED standards:

Maintain our existing facilities to meet the recreational needs of the community:

- Work with Edmonds School District and City of Edmonds to improve fields at Meadowdale Athletic Complex and mitigate impacts to Lynndale Park due to school construction
- Park System – work to bring all parks up to ADA standards

Programs: Provide programming opportunities that are responsive to community needs:

- Provide instant approval for online accounts starting in 2015
- Offer bi-annual annual pass holder perks starting in 2015
- Create an annual pass holders retention program starting in summer of 2015
- Create new opportunities to retain swimming lesson students through water safety and fitness classes
- Continue growth in community safety classes

- Continue to evaluate and adjust aquatic schedule based on customer feedback
- Register 230 or more softball teams in 2015-2016
- Offer 1,000 or more group fitness classes, which are included in membership passes, in 2015-2016
- Produce revenues of \$300,000 or more from fitness classes to reach 100,000 participants or more in the weight room for 2015-2016
- Resubmit grant application to Verdant Health Commission to continue the Move 60 Teens program for an additional three years
- Continue to expand Father Daughter Dance and Spook and Splash Halloween events while seeking sponsorships from local businesses to offset costs
- Plan, develop, and implement a drop-in volunteering activities at the Senior Center to accommodate interested persons who are unable to work a regularly scheduled weekly volunteer shift position
- Increase 62+ outdoor recreation program diversity by adding hot air ballooning and rock climbing
- Complete appliance installation and necessary construction to achieve commercial kitchen designation for the Senior Center

People - Developing Human Capital:

- Increase diversity in program participation by employing a variety of strategies:
- Provide training to ensure that staff has the tools to be innovative, efficient and effective
- Enhance volunteer program to offer ongoing and one-time volunteer opportunities throughout the year, to include recruitment, retention and recognition.
- Promote physical and mental well-being of PRCA staff, and support programs such as Eat 5 a Day, Active for Life, and Wellness Program
- Refine our programming to directly support our department mission

Partnerships: Maintain and develop partnerships to enhance programs, events and facilities:

- Verdant Health Commission: partner to enhance existing and provide new programs with focus on health, community wellness, fitness and nutrition
- Edmonds School District: enhance joint use opportunities at existing facilities and fields and community health programming

- Pacific Little League: continue community use of Lynndale Park
- Non-profit organizations: improve services and recreational opportunities (e.g. Boys & Girls Club, Kiwanis Club)
- Private sector: provide services and amenities in parks
- Snohomish County: preserve Lund's Gulch
- Heritage Park Partners Advisory Committee: develop programs, activities and exhibits that interpret Lynnwood's heritage
- Lynnwood Parks & Recreation Foundation: support Lynnwood's parks and recreation projects, programs and the Par 4 Kids annual golf tournament
- Lynnwood Convention Center: partner on community events such as MLK Celebration
- Alderwood Mall: coordinate promotion of community events
- Edmonds Community College: Golf Course, fields and maintenance building

Projects & New Programs:

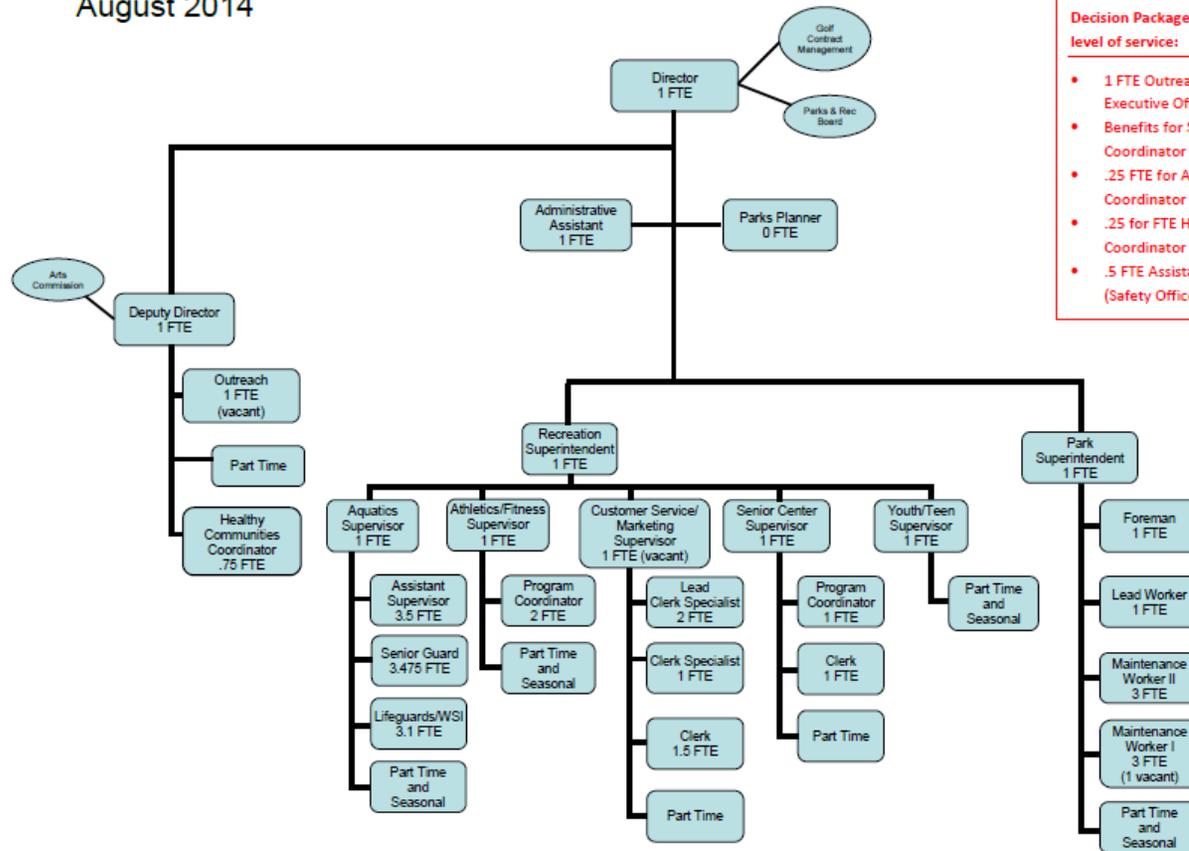
Develop and implement the Healthy Communities Program.

- Earn a WellCity Award annually
- Collaborate with Verdant Health Commission on Health Summit
- Expand Safe Routes to School programming and improvements with additional grant funds
- Contract with Verdant for the BikeLink grant and begin 5-year infrastructure improvement and safety program
- Develop, publish and implement a 10-year Healthy Communities Strategic Plan
- Implement components of the Snohomish Health District's Community Health Improvement Plans (CHIPs)
- Continue development of the Farmers Market and revenues to self-sustaining level
- Complete a renovation of the Meadowdale layfields

Pilot or continue new outreach and events program elements:

- Celebrate! Music & Dance Festival
- VFW special events
- 4th of July display
- Community festival outreach

Parks, Recreation & Cultural Arts Organizational Chart August 2014



Includes the following submitted as Decision Packages to maintain current level of service:

- 1 FTE Outreach (1 FTE transferred to Executive Office in 2014)
- Benefits for Senior Program Coordinator
- .25 FTE for Athletics Program Coordinator
- .25 for FTE Healthy Communities Coordinator
- .5 FTE Assistant Aquatics Supervisor (Safety Officer)

August 20, 2014

| | A | B | C | D | E | F | G |
|----|--|---------------------------|------------------------------|--------------------------------------|--|-----------------------------|---|
| 1 | City of Lynnwood | | | | | | |
| 2 | 2015-2016 Proposed Preliminary Budget | | | | | | |
| 3 | Department Detail | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | 2011-2012 | | | | | |
| | Object Category | Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget | |
| 7 | | | | | | | |
| 8 | PARKS & RECREATION | | | | | | |
| 9 | 0-Reclassification | \$ - | \$ 122,344 | \$ - | \$ - | \$ - | |
| 10 | 1-Salaries & Wages | 6,658,166 | 6,142,052 | 6,861,232 | 4,778,826 | 6,702,640 | |
| 11 | 2-Personnel Benefits | 2,304,124 | 1,979,490 | 2,203,872 | 1,656,086 | 2,341,596 | |
| 12 | 3-Supplies | 465,799 | 624,317 | 585,375 | 377,475 | 691,756 | |
| 13 | 4-Services | 1,815,715 | 1,480,757 | 2,353,827 | 1,677,191 | 2,939,284 | |
| 14 | 5-Intergovernmental Svcs | 51,500 | 89,539 | 51,500 | 79,502 | 122,755 | |
| 15 | 6-Capital Outlay | 18,600 | 714 | 294,000 | 1,193,756 | - | |
| 16 | 9-Interfund Payment for Svcs | 432,542 | 423,637 | 433,542 | 315,484 | - | |
| 17 | PARKS & RECREATION Total | \$ 11,746,446 | \$ 10,862,850 | \$ 12,783,348 | \$ 10,078,321 | \$ 12,798,030 | |

| | A | B | C |
|-----|---|--|----------------------|
| 187 | | Police | |
| 188 | | General Fund | |
| 189 | | 2015-2016 Preliminary Budget Summary | |
| 190 | | | |
| 191 | | <u>Category</u> | <u>Amount</u> |
| 192 | | | |
| 193 | | Proposed Preliminary Budget from Departments | \$ 31,883,169 |
| 194 | | | |
| 195 | | | |
| 196 | | | |
| 197 | | Department Total | <u>\$ 31,883,169</u> |
| 198 | | | |
| 199 | | | |

Police

The mission of the Lynnwood Police Department is to provide competent, effective public safety services to all persons, with the highest regard for human dignity through efficient and professional law enforcement and crime prevention practices.

The Lynnwood Police Department is a full service law enforcement agency serving the citizens of Lynnwood and the City's business population. Core services include reactive and proactive patrol, special operations, traffic enforcement, animal control, special weapons and tactics (SWAT) team, records, detention, evidence, community health and safety, narcotics and criminal investigations. The Department is committed to active involvement and participation with the community resulting in a partnership that directly and significantly impacts the quality of life in our City.

Administration

The Administrative Unit provides administrative support to the command staff. Specific responsibilities include the management of the hiring and applicant screening process, polygraph, grant administration, conducting and supervising background and internal investigations and initiating and writing policy revisions.

Community Health and Safety Section

This Community Health and Safety Section improves the department's ability to manage, evaluate and deliver community-oriented policing services through an interactive partnership between the police, other city departments and the community. Community blight and safety issues are identified and addressed through innovative problem-solving strategies. Providing information and education to businesses, neighborhoods and schools are a primary focus. Personnel involved include crime prevention staff, officers, animal control/code enforcement, volunteers and explorers.

Criminal Investigations

The Criminal Investigations Division conducts follow-up investigations and aggressively pursues violators for prosecution and property recovery. This program is implemented through the specialized skills of the investigators assigned to person's crimes, property crimes, fraud, organized crime, computer forensics and cyber crime.

Narcotics

The South Snohomish County Narcotics Task

Force is comprised of members from the Lynnwood, Edmonds and Mountlake Terrace Police Departments. It is commanded by the Lynnwood Police Department. The task force attempts to reduce drug availability in our communities by investigation, apprehension and conviction of drug traffickers in order to improve the quality of life in South Snohomish County.

Support Services

The Support Services Division is responsible for the maintenance and dissemination of accurate, detailed and timely police department records. The clerical staff works around the clock to deliver public service to those that come to, or call the Police Department.

Detention & Corrections

The Detention Division delivers safe and secure temporary housing of inmates, providing humane incarceration of those arrested, charged and/or convicted. The Detention Division also manages a community service program, an alternative to the incarceration program, which enhances public works and park services.

Planning, Training & Accreditation

The Planning, Training, and Accreditation Section provides quality training on all aspects of police work, maintains accurate computerized training records consistent with accreditation standards, and tracks the expenditures of training funds utilized by each departmental division. Cadets assist the staff, other members of the Department and City staff as requested.

Property/Evidence

The Property/Evidence Section processes all evidence and property in order to preserve the integrity of the evidence for the officers and the court. They serve the citizens by returning property or evidence upon case disposition. The officers not only maintain property and evidence, but they provide storage and processing of other City records and surplus property.

Patrol

The Patrol Division is responsible for protecting life and property, preventing crime, apprehending criminals, conducting preliminary

investigations, traffic enforcement and responding to 911 calls for service. In partnership with the community, the division enhances the quality of life in the City of Lynnwood by enforcement of Federal law, Washington State law and municipal ordinances.

Special Operations

The Special Operations Section is charged with street level emphasis enforcement in response to high incidence criminal activity, or criminal activity not easily targeted by other units. The Special Operation Sections also develops and implements response strategies to reduce crime, as determined by crime analysis, public input, police referral or other means.

Traffic

The Traffic Section is responsible for the promotion and provision of a safe transportation environment for motorists, pedal cyclists and pedestrians through education, engineering and enforcement.

The North Sound Metro Special Weapons and Tactics Team (SWAT)

The SWAT is a multi-jurisdictional team that responds to high-risk incidents that require specialized training and equipment to resolve potentially dangerous situations without injury or loss of life to officers, suspects or innocent citizens.

Animal Control

The Animal Control unit is responsible for the code enforcement under the Community Health and Safety Section and control and welfare of all animals in the City. This includes the collection, detention, and disposition of animals at large, unclaimed animals and the collection and disposition of deceased animals. This unit assists the public with all animal related problems. Additional functions include investigation of abandoned vehicles, parking enforcement, assisting with vehicle lockouts and taking lost/found property reports.

2013 Activity

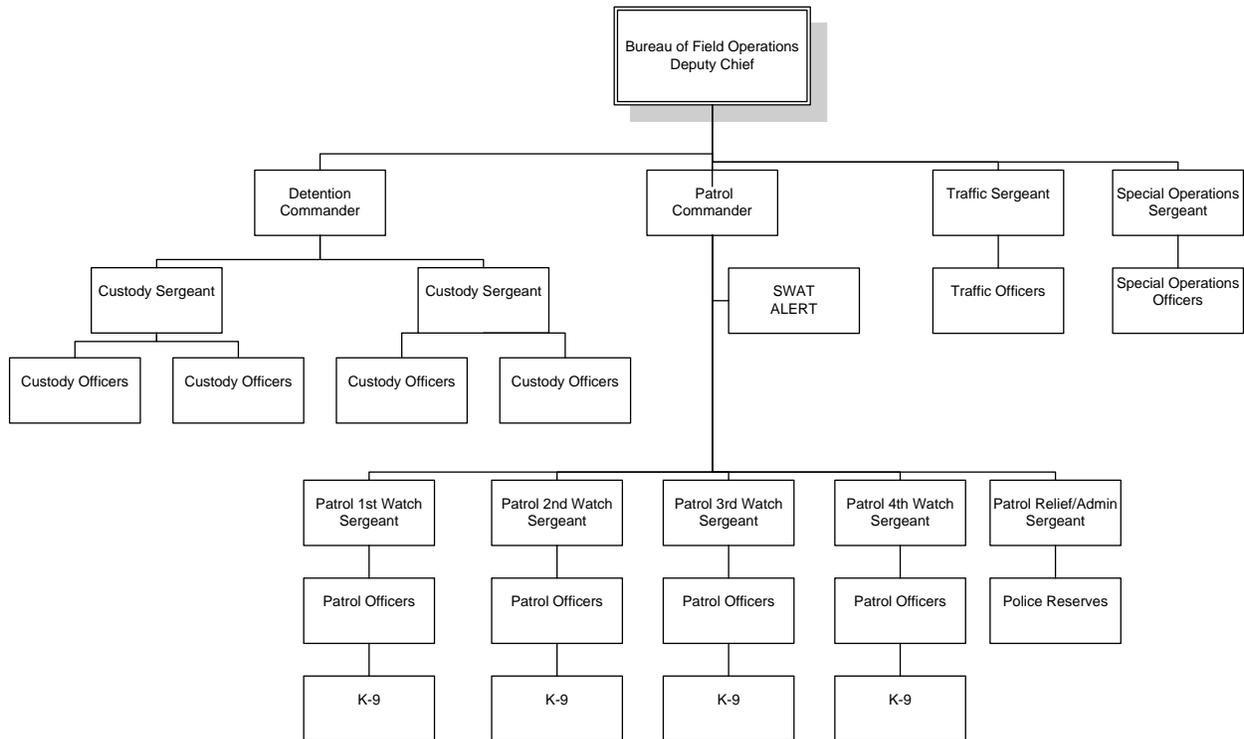
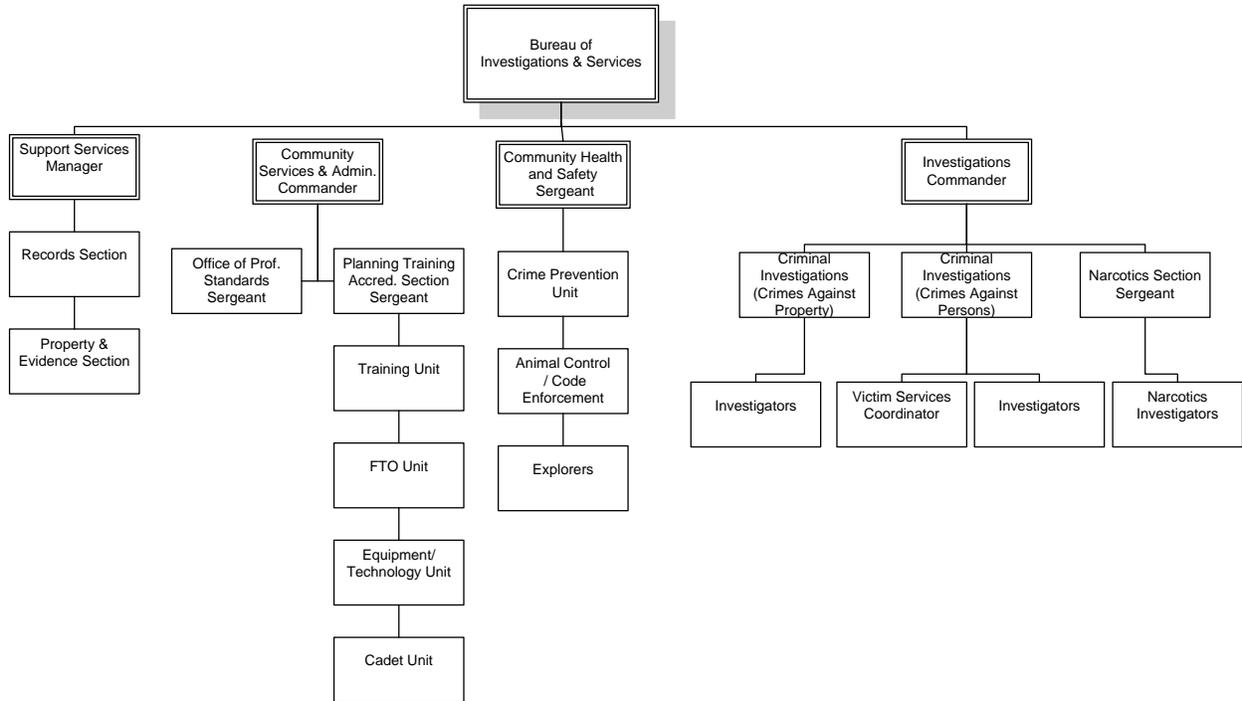
- Uniformed Crime Report (UCR) totals saw a 12.5% increase in crime over 2012.
- The Patrol Division handled 33,221 calls for service an increase of 4.9% over 2012.
- The Special Operations Section continued to focus on larger scale operations and serious offenders which lead to arrests of suspects

who had committed a variety of felony offenses including bank robbery, burglary, auto theft, unlawful firearms possession, narcotics, identity theft, forgery, assault and robbery..

- The Traffic Unit targeted specific areas and specific traffic violations throughout the City which had a positive effect on roadway collisions.
- The Criminal Investigations Division was able to take enforcement action on 62% of all potentially solvable cases.
- Lynnwood jail bookings were 4,065. We continued to try to reduced the number of prisoner housing days at our contract jails (Snohomish County, Chelan, Okanogan, and Sunnyside) to achieve cost savings for the City.
- Participation through alternatives to incarceration (Electronic Home Monitoring and Community Service programs) saved the City approximately \$450,515.
- The Police Department continued to promote the use of Cop Logic, a citizen based reporting system that allows reports to be conveniently filed via the internet for some lower level crimes.
- The South Snohomish County Narcotics Task Force spent four months on a Title III case in conjunction with the Drug Enforcement Agency that resulted in 14 arrests and one of the largest heroin seizures seen by the task force at 50.71 pounds.
- Regional leader for DUI Enforcement with 323 impaired drivers arrested.
- The Department continued to run what is generally considered to be one of the best citizen volunteer programs in the state; utilizing over 70 volunteers in a variety of crime prevention and community service roles. The group worked approximately 15,170 hours or the equivalent of 7.3 full-time positions.
- The Police Department's Victim Services Coordinator continued to provide services to victims of domestic violence and other violent crimes, handling 234 criminal cases and 157 verbal domestic violence cases.

Goals for 2015-2016 Biennium

- Provide quality police services to our community.
- Through the new Community Health and Safety Section in conjunction with other City Departments work to improve blight and the general quality of life for residents and business owners in the City.
- Continue to look at cost-efficiencies while ensuring the department can meet its level of service requirements in all areas.
- Attempt to retain current experienced employees.
- Rebuild the commissioned staff to reduce the increase in police response times to Priority I calls that have occurred with the reduction in patrol staffing.
- Rebuild investigative staffing in order to provide for aggressive investigation of felony and misdemeanor crimes which have been discontinued due to short staffing.
- Rebuild special operations staffing in order to maintain and enhance safety by responding proactively to all community concerns such as criminal problems in parks, prostitution, gang-related crime, burglary and serious felonies.
- Rebuild the narcotics unit in order to fully address community drug issues.
- Continue to recruit and fully utilize volunteer programs to enhance safety, support police operations and provide outreach and education to the citizens of Lynnwood.
- In conjunction with Information Services, stabilize existing technology resources and continue to research and implement new programs and technology for improved service delivery.
- Continue to improve the safety of our streets and efficient movement of vehicles.
- Actively involve residents and the business community in crime prevention and promoting community safety awareness.
- Complete Implementation of new Records Management System (RMS)/Computer Aided Dispatch (CAD) / Automated Field Reporting (AFR)/Jail Management System (JMS) systems to increase effectiveness and efficiency.



| | A | B | C | D | E | F | G |
|----|--|----|---------------------------|------------------------------|--------------------------------------|--|-----------------------------|
| 1 | City of Lynnwood | | | | | | |
| 2 | 2015-2016 Proposed Preliminary Budget | | | | | | |
| 3 | Department Detail | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | 2011-2012 | | | | |
| | Object Category | | Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
| 7 | | | | | | | |
| 8 | POLICE | | | | | | |
| 9 | 0-Reclassification | \$ | - | \$ 361,993 | \$ | - | \$ - |
| 10 | 1-Salaries & Wages | | 18,473,404 | 17,228,982 | 19,128,313 | 13,101,425 | 18,304,316 |
| 11 | 2-Personnel Benefits | | 6,423,623 | 5,852,606 | 5,974,114 | 4,413,873 | 6,514,418 |
| 12 | 3-Supplies | | 801,201 | 780,589 | 813,272 | 471,016 | 814,872 |
| 13 | 4-Services | | 2,331,943 | 2,152,251 | 2,343,709 | 1,472,428 | 4,482,562 |
| 14 | 5-Intergovernmental Svcs | | 3,418,433 | 1,843,647 | 1,727,800 | 776,691 | 1,767,000 |
| 15 | 6-Capital Outlay | | - | 171,051 | - | 15,713 | - |
| 16 | 9-Interfund Payment for Svcs | | 1,919,334 | 1,875,240 | 1,856,421 | 1,342,715 | - |
| 17 | POLICE Total | | \$ 33,367,938 | \$ 30,266,359 | \$ 31,843,629 | \$ 21,593,860 | \$ 31,883,169 |

| | A | B | C |
|-----|---|--------------------------------------|----------------------|
| 200 | | Public Works | |
| 201 | | General Fund | |
| 202 | | 2015-2016 Preliminary Budget Summary | |
| 203 | | | |
| 204 | <u>Category</u> | | <u>Amount</u> |
| 205 | | | |
| 206 | Proposed Preliminary Budget from Departments | | \$ 5,257,971 |
| 207 | | | |
| 208 | | | |
| 209 | One-Time Decision Packages | | |
| 210 | Major Appliance Replacement at FS 15/14 | | 62,000 |
| 211 | | | <u>\$ 62,000</u> |
| 212 | | | |
| 213 | | | |
| 214 | | | |
| 215 | Department Total including One-Time Decision Packages | | <u>\$ 5,319,971</u> |

Public Works - Building & Property Services

To build, maintain, operate, and renovate enduring facilities, while providing facilities management services and support services by trying to exceed our customers' expectations.

The Public Works Department will efficiently develop, manage and operate the physical infrastructure that is the foundation of the City's health, safety, and welfare while enhancing the quality of life in our community.

The Building and Property Services Group is housed in the Public Works Department and is an internal service provider. It supports all other departments within the city by doing facility maintenance, system repairs, light construction work and all custodial work at each building owned by the city.

| AUTHORIZED PERSONNEL | FY 11/12 | FY 13/14 | FY 15/16 |
|---|-----------------|-----------------|-----------------|
| Supervisor | 1 | 1 | 1 |
| Maintenance | 4 | 3 | 3 |
| Custodial (shift to Maint. Leads in 2013) | 2 | 0 | 0 |
| Maintenance Leads | 0 | 2 | 2 |
| Total | 7 | 6 | 6 |

**Assumes 2 additional for Rec Center Expansion*

What Our Group Does

To perform our mission, the B&PS Group currently employs six full-time employees engaged in planning, design, and execution of construction and renovation projects; building maintenance; oversight of our custodial contract; preventive maintenance; equipment repair; surplus property disposal; special event support and furniture repair. In the 2011-12 budget, four custodians were laid off and a private contract for custodial services was put in place. Two Lead Custodians were kept in order to watch over the private forces and do any necessary left over custodial work. These two positions were shifted to Maintenance Leads in the 2013-14

cycle. This new model has worked well in that the need wasn't for two full time custodial leads but for Maintenance Leads that could oversee the custodial contractor as well as our in-house maintenance workers. It was also necessary as a part of budget reductions to lay off one Maintenance Worker in 2011.

The B&PS Group is responsible for operating, maintaining, and renewing a campus that includes several buildings with major components reaching and exceeding the end of their normal expected life. Major building systems such as heating, ventilation, and air conditioning (HVAC) systems and roofs have a useful life that is far less than the building structure itself. These aging facilities should be scheduled for renovation and renewal. This critical work is being analyzed and planned for through the Building Assessment work from the 2011-12 biennium that is being expanded to include the new Recreation Center, however the amount of available capital funding for such improvements is always of concern.

To keep these systems operating reliably beyond what is considered the normal useful life is expensive and demands extraordinary skill from the maintenance staff. For systems that are beyond their service life, it is more cost effective in the long run to replace or renovate the systems rather than operate them in a "break-down maintenance" mode. This is why a proactive rather than reactive approach to systems maintenance is more cost effective in the long run.

2013 – 2014 Biennial Accomplishments: Public Works Administration

- Fire Station 15 Remodel: New carpet; linoleum; paint and base cover; replace countertop edges

- Fire Station 14: Paint Interior and exterior of building
- Library: Complete Remodel men's and women's restroom
- Evidence Facility: Garage Bay: Walls 16 foot high; HVAC; wiring; flooring; driveway; and Garage door
- Completed addition to building maintenance shop
- Build Evidence lab
- Repair and paint exterior of Justice Facility
- Training on new HVAC at Rec center
- Work on facility assessment

2015 – 2016 Biennial Goals

- Add the Recreation Center to our comprehensive long-term buildings maintenance and financing plan and program to ensure the long-term upkeep of our many municipal buildings.
- Continue development of a Preventative Maintenance Management System (PMMS) using the Cartegraph infrastructure database management computer system.
- Work towards reducing the backlog of needed building maintenance needs.

Public Works

The Public Works Department will efficiently develop, manage and operate the physical infrastructure that is the foundation of the City's health, safety, and welfare while enhancing the quality of life in our community.

The Engineering Division provides for the overarching management of the Public Works Department under the leadership of the Director of Public Works and the Deputy Director/City Engineer.

The Public Works Department has embraced a philosophy of responsible long-term stewardship of our infrastructure through objective evaluation and analysis of programs using pertinent data collection and management. Key areas of focus include:

- Cooperation and communication with stakeholders
- Scientific/professional data measurement and analysis
- Design of Infrastructure programs with an emphasis on:
 - Sustainability
 - Effectiveness and efficiency
 - Forward thinking
 - Innovation
 - Accountability

| AUTHORIZED PERSONNEL | FY 11/12 | FY 13/14 | FY 15/16 |
|-----------------------------|-----------------|-----------------|-----------------|
| Administration | 4 | 4 | 4 |
| Development Services | 2 | 3 | 3 |
| Project Engineering | 4 | 5 | 5 |
| Construction Administration | 2.5 | 3 | 3 |
| Total | 12.5 | 15 | 15 |

Major initiatives underway and/or reflected in this biennial budget request, as supported in the Department's Strategic Plan and consistent with the City's adopted vision and Council priorities include:

Building the databases and systems to effectively manage the short-term and long-term needs of our infrastructure

Key studies completed or underway related to infrastructure include utility rate studies, pavement management system update, traffic

signal rebuild program validation, Traffic Impact Fee analysis, Multi-choice Transportation Systems studies, Transportation Benefit District analysis, and the Public Buildings Condition Database. We are continuing to build the foundation of a data-driven system to assess ongoing maintenance, operation and funding needs of our sizable public infrastructure investment. In 2013 an update to the Utility Rate Study analysis was performed and a new schedule of rates were implemented in 2014. In addition, the new Recreation Center is being added into the Buildings Assessment which was completed in the 2011-12 biennium for most of our municipal buildings.

Consultant support is needed to continue the work efforts related to implementing tasks identified in the transportation comprehensive plan, implementation of the traffic impact mitigation fee program, as well as capital projects, for example. The engineering division is not staffed to do all study and design work for our projects and programs, but instead does a blend of such work along with project management of consultants who complete tasks beyond our staff's capabilities and specialties. An update to the City's Transportation Model is planned in the next biennium.

Continuing the funding model of Public Works' construction group

The current construction work group currently has 3 FTE's. During the construction season, this group is expanded as needed, using both consultants and temporary staff to meet the demands of the workload. During the summer of 2014, consultant help was used to bridge the gap.

The real benefit of this model is the ability to keep a core unit of expertise related to construction inspection. The group performs some duties for small projects and relies on consultant help for the balance of projects. It is a critical City function to maintain the

consistency and history of a stable core of long-term employees. This model will also allow cross-training and personnel sharing to occur with other divisions of Public Works during slow times as well as peak times.



What the Department Does

The Public Works Department is divided into two major divisions: 1) Engineering Services; 2) Operations and Maintenance.

Engineering Services is responsible for nine major programs:

General Fund

- Departmental administration
- Permit development review and inspection
- Project management for capital projects
- Construction management
- Buildings & Property Services (see separate narrative section)

Fund 411

- Environmental Engineering
- Sewer/Water Capital Projects
- Storm Utility Capital Projects

Fund 121

- Tree Fund

Operation and Maintenance is responsible for eight major programs:

- Fund 112 - Arterial Streets
- Fund 411 - Water Utility
- Fund 411 - Sewer Utility including WWTP
- Fund 411 - Storm Utility
- Fund 111 - Streets
- Fund 144 - Solid Waste
- Fund 511 - Maintenance of Equipment Rental
- Fund 513 - Joint Shop Operations

Only the General Fund Programs are highlighted in this section. All other funds are described in other sections of the budget.

What The Engineering Fund Does

The fund is subdivided into four major programs:

- Administration - Manage Public Works department, including Funds 011-6, 111, 112, 121, 144, 411, 511, and 513
- Permits and Support Services – review and inspection of private development projects
- Project Engineering – development and implementation of capital projects and programs, grant management, Transportation Improvement Plan (TIP) and Capital Facilities Plan (CFP), project/program management, and environmental engineering
- Construction Management – review and inspection of the capital projects

Project Management and Construction Administration staff manages publicly financed projects. Their responsibilities include management of consultant contracts, limited in-house design services, construction management and inspection, review and development of engineering standards, coordination with other agencies, and grant administration.

Environmental Engineering and Development Services staff implement city codes for private development projects by reviewing plans for compliance with city codes and engineering standards. Staff routinely meets with developers on plat applications, environmental checklists, pre-development reviews, engineering design, and pre-construction conferences. The inspectors conduct spot inspections of the work being done. Staff also issues and manages 26 different permits including; clearing and grading, utility work, tree removal, work within sensitive areas, and other general engineering work. In addition, the staff issues right-of-way permits for work that extends beyond private property and into the public right-of-way. In the 2011-12 budget the 1 FTE Support Services (GIS mapping) position was moved to the Finance Department, Informational Services group.

Engineering staff are also involved with development of the city budget; grant writing, and the long range planning of capital projects. Planning efforts cover Comprehensive Plans for Storm Water, Sewer, Water; and Transportation; the City Comprehensive Plan; City Center project, the 6-Year TIP; and the CFP.

**2013 – 2014 Biennial Accomplishments:
Public Works Administration**

- Performed 52% of performance evaluations by due date, 17.5% of performance evaluations within 3 months of due date and 13% completed within 6 months of due date for a with Public Works Staff of 65.
- Director Franz continued in his role as chair of the Northwest Incident Management Team (NWIMT) Board of Directors.
- Successfully managed water, sewer, and stormwater rate analysis and passage of 6-year rate schedule for 2014-19 by Council. Ordinances included new measures to assist less fortunate customers.
- Declared 4 emergencies and managed successfully process of necessary contracts and repairs.
- Title VI:
 - Set dates for training and ordered supplies to implement the language line in all Public Works vehicles.
 - Worked with Purchasing Department on contract language.
 - Arranged purchase of the Rostad property adjacent to the Lynnwood Recreation Center to meet future parking needs.
 - Worked with the City Council and owners of Casa Del Rey condominiums towards construction of an interim solution to sewer backups.
 - Participated in negotiations with Cypress Equities and Costco resulting in the City Council's passage of a development agreement for the site.
 - Made a presentation with Economic Development Department to a delegation of Moroccan representatives on infrastructure.
 - Reconcile past capital funds with negative balances.
 - Resolve Casa Del Rey sewage interim solution issue

**2013 – 2014 Biennial Accomplishments:
Planning and Development**

- Legacy Hotel at 18123 Alderwood Mall Boulevard nearing completion, expected opening in the first quarter of 2014.
- LA Fitness at Lynnwood Crossroads at 196th and Highway 99 opened for business October 2013.
- Site improvements at Lynnwood Crossroads at 196th and Highway 99 near 100 percent completion.

- Lynnview Apartments at 5024 200th St installed site utilities for reconstruction of the building destroyed by fire in 2010.
- Started construction of the 14 lot Belterra Plat on 36th Ave and 172nd St. This plat will provide an additional east-west connecting road from 36th Ave to 33rd Ave
- Completed construction of the site improvements and house construction of the 4 lot Crabapple Plat at 44th Ave and 172nd Pl and the 4 lot Echelbarger Plat at 44th Ave and 186th St.
- Completed construction of the new Unibank headquarters at 19315 Highway 99.
- Completed site improvements and construction of new homes on the Lynnwood Rotary Short Plat in the 6300 block of 208th St.

Project Management

Completed or In Process through 2014

- Submitted seven grant applications, received funding for two totaling over \$1.5 million, and waiting on one.
- Capital Projects & Programs: Public Works at any one time has 20-30 projects underway. Including:
 - 204th St. SW
 - Access Control policy/ordinance
 - 196th & Scriber Lake Rd. Signal Replacement
 - Interurban Trail – North segment
 - Update CFP
 - 48th Ave Sidewalk – Completed design, right of way acquisition and construction
 - 44th Ave Pavement Overlay
 - 33rd Ave Extension Project
 - 36th Ave Pavement and Sidewalk improvements
 - Evidence Storage Vehicle Processing Bay
 - SR99 and SR524 Safety Improvements
 - Citywide Safety Improvements
 - 176th St Road Diet
 - Adaptive Signal Control
 - Poplar Way Extension Bridge
 - WWTP Heat Exchanger Replacement Project
 - WWTP Flow Meter Replacements
 - WWTP VFD Replacements
 - 76th Ave W Sewer and Water Improvements
 - Scriber Creek Flood Reduction Study
 - 60th Ave W Utility and Roadway Repairs Project

- 2014-2019 TIP Update
- Processed 10 transportation impact fee assessments which generated a total of \$618,000 in 2013
- Issued the 2012 transportation impact fee report
- Transportation Benefit District –
 - Adopted the 2014 budget
 - Approved the 2012 Annual Report
 - The State Auditors completed an audit of the TBD. There were no findings.
 - Conducted a meeting with the Transportation and Traffic Task Force



2013 – 2014 Biennial Goals

- Continue to work with the Transportation Benefit District (TBD) Board to develop funding programs that address needed infrastructure maintenance needs of all transportation programs. A ballot measure will be before voters in November, 2014 for transportation/paving related funding.
- Research and develop new funding sources for Public Works programs.
- Deliver Public Works projects on time and within the limitation of any grant conditions, by utilizing successful design and construction processes.
- Develop Public Works projects with current design methods and latest technical standards to provide safe, least lifetime cost, and efficient infrastructure for use by city departments and our customers while promoting employee productivity and service delivery.
- Maintain historical information on Public Works infrastructure through our Cartegraph GIS program to provide timely and quality Public Works information to the public.

| | A | B | C | D | E | F | G |
|----|--|----|---------------------------|------------------------------|--------------------------------------|--|-----------------------------|
| 1 | City of Lynnwood | | | | | | |
| 2 | 2015-2016 Proposed Preliminary Budget | | | | | | |
| 3 | Department Detail | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | 2011-2012 | | | | |
| | Object Category | | Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
| 7 | | | | | | | |
| 8 | PUBLIC WORKS | | | | | | |
| 9 | 0-Reclassification | \$ | - | \$ 75,359 | \$ | - | \$ - |
| 10 | 1-Salaries & Wages | | 3,459,291 | 3,139,178 | 3,035,329 | 2,344,225 | 3,166,392 |
| 11 | 2-Personnel Benefits | | 1,108,256 | 1,096,232 | 1,123,752 | 900,531 | 1,067,513 |
| 12 | 3-Supplies | | 354,785 | 257,425 | 313,837 | 142,268 | 250,513 |
| 13 | 4-Services | | 2,191,432 | 2,235,830 | 772,084 | 450,531 | 773,553 |
| 14 | 5-Intergovernmental Svcs | | 20,000 | 19,721 | - | - | - |
| 15 | 6-Capital Outlay | | 7,350 | 31,439 | 98,000 | 182,437 | - |
| 16 | 9-Interfund Payment for Svcs | | 158,822 | 164,174 | 220,500 | 122,994 | - |
| 17 | PUBLIC WORKS Total | | \$ 7,299,936 | \$ 7,019,359 | \$ 5,563,502 | \$ 4,142,986 | \$ 5,257,971 |

City of Lynnwood
Proposed Preliminary Budget

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Hotel & Tourism Fund 101

The Hotel and Tourism Fund was created to provide for the collection and disbursement of the hotel/motel tax collected by the City, and to provide an accounting of these funds to ensure their use in compliance with state law and City policy. The Use of the hotel/motel fund is defined by state law. These purposes are to:

- Attract visitors
- Tourism promotion
- Tourism facilities

The City uses the hotel/motel fund for:

- Tourism marketing
- Snohomish County Tourism Bureau visitor information center
- Tourism advertising
- Tourism brochures and visitor guides
- Provide funding to the Public Facilities District to support financing of the Lynnwood Convention Center project

The purpose of the Tourism program is to create economic activity and generate municipal revenues from visitor spending within Lynnwood.

Source of Funds

The hotel/motel fund is derived from a special 2% excise tax on lodging (Ordinance 972, LMC 3.10.010).

Current Financial Condition

The fund is estimated to receive \$1,358,700 in lodging tax revenue for the 2015 – 2016 biennium. This amount can vary based upon local economic conditions. The expenditures in the budget reflect the recommendations from the Lodging Tax Advisory Committee. These funds include funding for marketing activities, advertising, the Snohomish County Tourism Bureau Visitor Center, and payments to the Public Facilities District to support financing of the Lynnwood Convention Center. Approximately \$921,167 is budgeted to be provided to the Lynnwood Public Facility District for the 2015 – 2016 biennium. Additionally, \$199,462 for the biennium will be transferred to the general fund for personnel to support the Tourism function.

Tourism activities are detailed in the Economic Development Section of this document.

Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|--|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 101 - STADIUM/CONVENTION CENTER | | | | | |
| 30-Fund Balance | \$ 260,184 | \$ - | \$ 346,025 | \$ - | \$ 240,000 |
| 31-Taxes | 898,187 | 1,068,165 | 1,154,596 | 743,843 | 1,358,700 |
| 33-Intergovernmental Revenue | 1,161,423 | 1,125,805 | 1,060,000 | 615,782 | 1,154,595 |
| 34-Charges for Services | - | 74 | - | 38 | - |
| 36-Miscellaneous Revenues | - | 3,994 | 2,000 | 849 | 2,010 |
| 38-Non-Revenue | - | 72,409 | - | - | - |
| 101 - STADIUM/CONVENTION CENTER Total | \$ 2,319,794 | \$ 2,270,446 | \$ 2,562,621 | \$ 1,360,512 | \$ 2,755,305 |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|--|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 101 - STADIUM/CONVENTION CENTER | | | | | |
| 0-Reclassification | \$ 165,200 | \$ 111,546 | \$ 199,462 | \$ 85,997 | \$ 199,462 |
| 3-Supplies | 300 | 269 | 400 | 276 | 400 |
| 4-Services | 2,154,294 | 2,084,927 | 1,935,031 | 1,420,606 | 2,552,195 |
| 101 - STADIUM/CONVENTION CENTER | \$ 2,319,794 | \$ 2,196,742 | \$ 2,134,893 | \$ 1,506,879 | \$ 2,752,057 |

Drug Enforcement Fund 104

Created in 1989 (Ord. 1674, LMC 3.95.010), as a special revenue fund into which all monies and proceeds from the sale of property seized during drug investigations and forfeited pursuant to RCW 69.50.505, are deposited. The amount deposited will be net the amount deducted in accordance with state and federal laws.

Description of Services

This fund has been established for the purpose of accumulating funds for drug enforcement needs, drug awareness educational purposes and the purchase, lease and maintenance of equipment and other items necessary for drug enforcement by the Lynnwood Police Department. The monies deposited in the Drug Enforcement fund shall be expended only for such purposes and for no other purpose than appropriated by the City Council. (Ord. 1674)

Source of Funds

Money, as well as, cash proceeds from the sale of property seized during drug investigations. There are three sources of these funds, Lynnwood patrol seizures, funds from working cases with the Federal Drug Enforcement Agency (Equitable Share) and funds from Narcotics Task Force seizures (Lynnwood's portion is 50%).

Current Financial Condition

The fund was budgeted to receive \$140,000 in Fines and Forfeits in 2013-14, and is scheduled to receive \$65,000 in 2015-16.

Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|-------------------------------------|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 104 - DRUG ENFORCEMENT | | | | | |
| 30-Fund Balance | \$ 357,009 | \$ - | \$ 280,800 | \$ - | \$ 360,370 |
| 33-Intergovernmental Revenue | - | 15,349 | - | - | - |
| 35-Fines and Forfeits | 190,000 | 152,292 | 140,000 | 67,611 | 65,000 |
| 36-Miscellaneous Revenues | - | 1,384 | - | 656 | - |
| 39-Other Financing Sources | - | - | - | 225 | - |
| 104 - DRUG ENFORCEMENT Total | \$ 547,009 | \$ 169,025 | \$ 420,800 | \$ 68,491 | \$ 425,370 |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|-------------------------------------|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 104 - DRUG ENFORCEMENT | | | | | |
| 0-Reclassification | \$ 452,984 | \$ 55,633 | \$ 120,000 | \$ 13,908 | \$ 120,000 |
| 1-Salaries & Wages | - | 21,671 | - | - | - |
| 2-Personnel Benefits | - | 4,775 | - | - | - |
| 3-Supplies | 37,000 | 40,977 | 28,000 | 48,159 | 68,000 |
| 4-Services | 47,025 | 29,816 | 42,800 | 21,535 | 46,100 |
| 6-Capital Outlay | 10,000 | 57,566 | 230,000 | 6,993 | 191,270 |
| 104 - DRUG ENFORCEMENT Total | \$ 547,009 | \$ 210,437 | \$ 420,800 | \$ 90,595 | \$ 425,370 |

Criminal Justice Reserve Fund 105

State funding of the criminal justice system of cities and counties was addressed by the Washington State Legislature in 1990, 2nd extraordinary session with the passage of Chapter 1, Laws of 1990, 2nd Extraordinary Session. This legislation allows for assistance for cities and counties in funding their criminal justice systems within certain parameters. The monies made available to local governments through this legislation are limited to funding of criminal justice purposes. Criminal justice purposes indicate a broad definition which would encompass all costs incurred in connection with the administration and enforcement of criminal laws, including those systems for dealing with persons suspected of, accused of, charged with, or convicted of crimes.

Description of Services

The Police Department uses these funds for approved equipment, capital projects and for payment of the debt service. Also, small grant expenditures and costs for hosting training classes.

Source of Funds

Revenues deposited into this account include criminal justice tax money, state shared (former CETD funds), criminal justice population revenue, revenue from the sale of seized property from non-drug felony cases and small grant monies.

Current Financial Condition

The fund received \$1,237,224 in 2013-14, and is scheduled to receive \$1,196,415 in 2015-16.

Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|---|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 105 - CRIMINAL JUSTICE RESERVE | | | | | |
| 30-Fund Balance | \$ 673,434 | \$ 673,434 | \$ - | \$ 673,434 | \$ - |
| 31-Taxes | 908,152 | 908,152 | 900,000 | 908,152 | 1,025,415 |
| 33-Intergovernmental Revenue | 274,000 | 274,000 | 151,600 | 274,000 | 101,000 |
| 34-Charges for Services | - | - | - | - | 60,000 |
| 35-Fines and Forfeits | 13,400 | 13,400 | 13,400 | 13,400 | |
| 36-Miscellaneous Revenues | 41,672 | 41,672 | 20,000 | 41,672 | 10,000 |
| 38-Non-Revenue | - | - | - | - | |
| 39-Other Financing Sources | - | - | - | - | |
| 105 - CRIMINAL JUSTICE RESERVE Total | \$ 1,910,658 | \$ 1,910,658 | \$ 1,085,000 | \$ 1,910,658 | \$ 1,196,415 |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|--|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 105 - CRIMINAL JUSTICE RESERVE | | | | | |
| 0-Reclassification | \$ 1,356,203 | \$ 1,356,203 | \$ 1,356,203 | \$ 1,356,203 | \$ 399,168 |
| 1-Salaries & Wages | - | 30,707 | | - | - |
| 2-Personnel Benefits | - | 11,387 | | - | - |
| 3-Supplies | 175,275 | 126,421 | 111,700 | 54,413 | 207,000 |
| 4-Services | 294,180 | 39,133 | 318,900 | 110,159 | 43,400 |
| 6-Capital Outlay | 85,000 | 24,421 | 110,000 | 45,008 | 120,000 |
| 105 - CRIMINAL JUSTICE RESERVE To | \$ 1,910,658 | \$ 1,588,271 | \$ 1,896,803 | \$ 1,565,783 | \$ 769,568 |

Transportation Impact Fee Fund 110

The Public Works Department will efficiently develop, manage and operate the physical infrastructure that is the foundation of the City's health, safety, and welfare while enhancing the quality of life in our community.

The Transportation Impact Fee Fund mission is to provide a partial funding source for growth-related transportation funding projects, collecting fees from development projects that impact the city's transportation system.

No positions are funded from this Fund.

Monies from the Transportation Impact Fee Fund may be used only for projects that have been identified in the July 2010 Transportation Impact Fee Rate Study.

2013-2014 Biennial Accomplishments

- Processed 10 transportation impact fee assessments which generated a total of \$618,000 in 2013
- Issued the 2012 transportation impact fee report

2015-2016 Biennial Goals

- To collect Transportation Impact Fees and apply them to appropriate project(s).



Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|--|--------------------------|-------------------|---------------------------|--------------------------|-------------------|
| 110 - TRANSPORTATION IMPACT FEE | | | | | |
| 34-Charges for Services | \$ - | \$ 197,927 | \$ 158,000 | \$ 610,077 | \$ 872,000 |
| 36-Miscellaneous Revenues | - | 5,948 | 5,000 | 9,674 | 12,500 |
| 110 - TRANSPORTATION IMPACT FEE Total | \$ - | \$ 203,875 | \$ 163,000 | \$ 619,751 | \$ 884,500 |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|--|--------------------------|-------------------|---------------------------|-----------------------------|-------------------|
| 110 - TRANSPORTATION IMPACT FEE | | | | | |
| 0-Reclassification | \$ - | \$ - | \$ 100,000 | \$ 163,222 | \$ 100,000 |
| 110 - TRANSPORTATION IMPACT FEE | \$ - | \$ - | \$ 100,000 | \$ 163,222 | \$ 100,000 |

Transportation Fund 111

The Public Works Department will efficiently develop, manage and operate the physical infrastructure that is the foundation of the City's health, safety, and welfare while enhancing the quality of life in our community. To maintain city roadways and pedestrian travel infrastructure in a safe condition for the traveling public by the most efficient and economical means possible.

| AUTHORIZED PERSONNEL | FY 11/12 | FY 13/14 | FY 15/16 |
|--------------------------|-----------|-----------|-----------|
| Supervisor | 1 | 1 | 1 |
| Foreman | 1 | 1 | 1 |
| Lead Maint. Worker | 1 | 1 | 1 |
| Maintenance Workers | 4 | 3 | 3 |
| Traffic Engineer | 1 | 1 | 1 |
| Asst. Traffic Engineer | 0 | 1 | 1 |
| Lead Traffic Signal Tech | 1 | 1 | 1 |
| Traffic Signal Tech | 2 | 1 | 1 |
| Total | 11 | 10 | 10 |

Fund 111, Streets, provides funds to maintain a large inventory of roadway, sidewalk, roadside, traffic signal, and signal communication assets. Many activities require primarily labor and equipment, such as street sweeping, roadside mowing, snow and ice control, and signal preventative maintenance. Other activities require the addition of a considerable amount of new materials, such as roadway patching, paint line and button replacement, sign replacement, and signal component replacement.

Revenues for transportation funding have not kept pace over the past two decades with inflation. The amount of gas tax received by the city has not increased in over 20 years and now only funds approximately 30% of the Street Fund. The rest must come from General Funds or from new funding such as a Transportation Benefit District (TBD). There are no longer adequate revenues to keep up with the

deterioration of the City's roadways and traffic signals. If infrastructure is allowed to deteriorate past a certain point, the cost to restore it goes up exponentially. This is what we face and Public Works is doing its best to slow this deterioration and find new funding sources.

In August 2014, the Transportation Benefit District Board voted to put on the general ballot a measure to increase the sales tax in Lynnwood two-tenths of one percent for funding towards transportation. Budget decisions for this Fund will be affected by the failure or success of this measure in November, 2014.

Added to the workload, a new federal requirement has been adopted that requires cities to test nighttime reflectivity of traffic signs and initiate a program to replace those below standard. Similar standards changes related to street luminaires will increase workload. This new work will be absorbed as much as possible within the existing budget.

As traffic and transportation rate very high on our citizen's priorities as reflected in surveys and the City's vision, Public Works has tried to minimize cuts in this fund and take a larger portion of cuts in other areas, however, we are still a couple of critical positions light in the fund. In fact our staffing levels now match levels from the 1980's. The critical position of Assistant Traffic Engineer (Project Manager) was filled by shifting an open Traffic Signal Technician Position to Assistant Traffic Engineer in 2014.



What The Fund Does

Fund 111 supports the Streets and Traffic programs. Streets is responsible for providing the services necessary to maintain safe vehicle

and pedestrian use of the city's right-of-ways and easements. Specific activities include sweeping and cleaning; repair of streets and sidewalks; maintenance of all informational signs, traffic control devices and pavement markings; roadside shoulder and vegetation management; snow and ice control; and support efforts for special events and construction projects. These functions are a basic component of public safety and it is critical that minimal levels of service be maintained. With current staffing, it is not possible to maintain these minimal levels.

Traffic operates and maintains the city Intelligent Transportation System (ITS) including traffic signals, fiber optic communication, Ethernet communication network, and the central signal control computer system. This state-of-the-art system allows for central and instant management of our 57 traffic signals. Other activities include:

- Works with the Public Utility District (PUD) to install and maintain streetlights (luminaries). In 2012 the responsibility for this was shifted by the PUD to the City. We are still working out the specifics of this and analyzing impacts to our workload.
- Reviews the need for and design of pedestrian crosswalks and bicycle lanes and coordinates with the local school district on school crossings and school walk routes.
- Works with engineering staff to review development proposals and determine traffic mitigation, apply for transportation grants, and work on the update to the transportation element of the City Comprehensive Plan.
- Works with Construction Administration staff to review and approve construction project traffic control plans.
- Works with the Police Department to analyze traffic accidents and hazards in order to determine improvements needed to the overall transportation system.
- Works with the Police Department on photo enforcement of red lights and school zones.

2013-2014 Biennium Accomplishments

Streets

- ADA Ramp at NW Corner of 168th and Hwy 99
- Walk Path/Bike Lane on 52nd Ave, North of 176th St. SW.
- New turn pocket w/curbing on 36th Ave @ 192nd St.

- New turn pocket w/curbing Northbound Hwy 99 @ 17700 Blk.
- 204th Striping from Hwy 99 to Cedar Valley Rd.
- Completed all citywide paint striping, including fog lines, bike lanes, gore stripes, curbing and pedestrian islands. 500 gallons of white highway paint and 350 gallons of yellow highway paint.
- Refurbished 48 Stop Bars and 57 Crosswalks citywide
- 380 tons of hot mix to make 84 hot asphalt patch repairs along with 40 cold mix repairs (potholes) citywide (as of Nov 18)
- Street sweeping is an ongoing program
- Maintain an inventory that includes roughly 4800 traffic signs

Traffic

- Implemented VLAN technology for Traffic/SCADA Domain.
- Network communications implementation for new citywide water distribution/collection/treatment SCADA system (extensive involvement with SCADA). SCADA is supervisory control and data acquisition.
- Installed new Global Positioning System/Infrared Phase Selectors for Emergency Vehicle Preemption at every signal.
- Installed and commissioned new central server and client application for Emergency Vehicle Preemption.
- Installed and terminated new fiber optic cable from City Hall to the Lynnwood Police Station.
- Replaced old outdated in-pavement crosswalk lights on Scriber Lake Rd. with new 12' solar powered LED lights
- Installed new fiber optic cable across the I-5 Pedestrian Bridge on 196th St.
- Replaced Uninterruptable Power Supply batteries at all traffic signals (over 1,300 batteries); recycled all old batteries (over 1,300 batteries)
- Installed and terminated new fiber optic cable from the Lynnwood Senior Center to the new Facilities Management building
- Finished removing all junction boxes that were in the pavement on Alderwood Mall Parkway from 184th to Maple Rd.
- Installed new conduit from Pressure Relief Valve #1 (Spruce at 172nd) to 44th Ave W at 176th St SW.

- Installed and terminated new fiber optic cable from PRV#1 to 176th and 44th.
 - Designed new Traffic Signal Cabinet for signals that will be constructed beginning in 2014.
 - Hired/Trained new traffic signal technician.
 - Recovered from losing traffic signal technician to City of Seattle.
 - Hosted computer and networking training classes for one hour each week.
 - Validated efficacy of infrared detection cameras to see vehicles through thick fog.
 - Took ownership of 1,200 street light poles, luminaire heads, conductors, and junction boxes.
 - Maintain traveled way markings and signs at frequencies that promote safe travel for motorists and pedestrians alike, to enhance motorist safety and to maximize safe pedestrian and bicycle travel.
 - Assist in maintaining the City's transportation planning model and simulation model to minimize congestion within the city while allowing for a reasonable amount of development.
 - Provide adequate street lighting for both arterial and residential streets for the safety of the pedestrian, bicyclist, and other users.
 - Maintain sidewalk trip hazards to facilitate safe pedestrian public travel, to enhance pedestrian safety and reduce City risk for liability.
 - Maintain the Traffic Management Center (TMC), communication hardware, and traffic signal components to provide reliable and predictable traffic signal operation, promoting safety and ease of travel.
- 2013-2014 Biennial Goals**
- Maintain vehicle traveled way surfaces in a clean and passable condition at all times; keeping them free from dirt and debris and maintaining adequate driving conditions for inclement weather for the traveling public and for safety response personnel.

Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|--------------------------------|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 111 - STREET FUND | | | | | |
| 30-Fund Balance | \$ 969,443 | \$ - | \$ 99,818 | \$ - | \$ - |
| 31-Taxes | 1,950,440 | 1,896,523 | 1,140,000 | 790,375 | 1,140,000 |
| 32-Licenses and Permits | 278,048 | 223,334 | 200,000 | 171,863 | 244,000 |
| 33-Intergovernmental Revenue | 1,350,540 | 1,311,041 | 1,483,876 | 920,198 | 1,459,560 |
| 34-Charges for Services | - | 9,065 | - | 1,127 | |
| 36-Miscellaneous Revenues | 10,352 | 3,076 | - | 2,886 | |
| 38-Non-Revenue | - | 182,912 | - | - | |
| 39-Other Financing Sources | - | 1,125 | 765,000 | 204,582 | |
| 111 - STREET FUND Total | \$ 4,558,823 | \$ 3,627,075 | \$ 3,688,694 | \$ 2,091,030 | \$ 2,843,560 |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|--------------------------------|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 111 - STREET FUND | | | | | |
| 0-Reclassification | \$ 120,000 | \$ 129,142 | \$ 80,000 | \$ 13,333 | \$ 44,000 |
| 1-Salaries & Wages | 1,786,878 | 1,553,337 | 1,512,649 | 911,543 | 1,582,196 |
| 2-Personnel Benefits | 610,382 | 652,643 | 604,603 | 395,318 | 594,693 |
| 3-Supplies | 331,087 | 409,581 | 567,100 | 317,945 | 638,500 |
| 4-Services | 786,860 | 657,359 | 871,820 | 469,116 | 1,299,891 |
| 6-Capital Outlay | - | 39,123 | 50,000 | 18,689 | 50,000 |
| 9-Interfund Payment for Svcs | 689,984 | 459,893 | - | 312,076 | - |
| 111 - STREET FUND Total | \$ 4,325,191 | \$ 3,901,077 | \$ 3,686,172 | \$ 2,438,020 | \$ 4,209,280 |

Arterial Street Fund 112

The Public Works Department will efficiently develop, manage and operate the physical infrastructure that is the foundation of the City's health, safety and welfare while enhancing the quality of life in our community.

The money in this fund is accumulated and can be transferred to the Street Fund, Capital Projects funds and/or other funds for approved arterial street improvements. Historically the money has been used to fund overlays, street rebuilding, street signals, sidewalks and pedestrian improvements. Prior to 2011, the funds were split with 32% of gas tax revenues going to capital projects and 68% to the Street Fund 111. In 2013-14, all new gas tax revenues will go the Street Fund 111. Therefore, the only dollars budgeted in this fund in 2013-14 will be for carry-over projects that were started in prior years and still have expenditures remaining.

No positions are funded from the Arterial Street Fund.

Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|------------------------------------|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 112 - ARTERIAL STREET | | | | | |
| 30-Fund Balance | \$ 1,045,131 | \$ - | \$ 44,086 | \$ - | |
| 33-Intergovernmental Revenue | 200,000 | 240,912 | - | - | |
| 36-Miscellaneous Revenues | 7,590 | 2,280 | - | - | |
| 112 - ARTERIAL STREET Total | \$ 1,252,721 | \$ 243,192 | \$ 44,086 | \$ - | \$ - |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|------------------------------------|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 112 - ARTERIAL STREET | | | | | |
| 0-Reclassification | \$ 1,048,402 | \$ 989,348 | \$ 44,086 | \$ - | \$ - |
| 112 - ARTERIAL STREET Total | \$ 1,048,402 | \$ 989,348 | \$ 44,086 | \$ - | \$ - |



Source of Funds

Since the 2013-14 budget there will be no new gas tax revenues going into Fund 112.

Current Financial Condition

The fund is not budgeted to receive or expend any funds.

Cumulative Park Reserve & Development Fund 114

Created in 1986 (Ordinance 1554, LMC 3.12.010), this fund's full name is "Park Properties/Facilities and Recreation Services Reserve Fund." Its purpose is to provide the opportunity for persons or organizations wishing to participate by donating funds for the acquisition and development of park and recreational facilities and recreation programs.

This fund was established for the purpose of accumulating funds for Recreation Benefit Fund, which provides for payment of recreation class registration fees for children from low income families and those who are permanently disabled, and for Senior Benefit Fund, for payment of class registration fees for senior adults on fixed incomes, so that they can participate in activities to improve their health

and fitness, have social connections and learn new things. The source of monies is from private donations, interest payments on the reserve, in addition to those sums appropriated and transferred from other City funds.

The fund is budgeted to receive \$20,000 per year in donations, gifts and sponsorships, although this amount can vary widely from year to year.

Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|--|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 114 - CUMULATIVE PK RES & DEV | | | | | |
| 30-Fund Balance | \$ 30,710 | \$ - | \$ 3,000 | \$ - | \$ 3,000 |
| 36-Miscellaneous Revenues | 8,290 | 36,019 | 40,000 | 9,996 | 40,000 |
| 114 - CUMULATIVE PK RES & DEV Total | \$ 39,000 | \$ 36,019 | \$ 43,000 | \$ 9,996 | \$ 43,000 |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|--|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 114 - CUMULATIVE PK RES & DEV | | | | | |
| 0-Reclassification | \$ - | \$ - | \$ - | \$ 17,247 | \$ - |
| 4-Services | - | 23 | - | - | - |
| 9-Interfund Payment for Svcs | 39,000 | 36 | 43,000 | - | 43,000 |
| 114 - CUMULATIVE PK RES & DEV Total | \$ 39,000 | \$ 59 | \$ 43,000 | \$ 17,247 | \$ 43,000 |

Cumulative Art Reserve Fund 116

Created in 1990 (Ordinance 2759, LMC 3.14), this fund's full name is "Cumulative Reserve Art Fund." Its purpose is to provide for the acquisition and maintenance of the city's public art collection. Over 20 site-specific, outdoor art projects on the city campus, and in various parks, and over 100 portable art pieces are in the City's collection. In addition, the fund is used to maintain the art collection. One percent of the budget of municipal construction projects contributes to this fund. Public art creates a welcoming and beautiful environment for our citizens and visitors. Art has a proven positive effect on economic development. The fund also provides for the important functions of maintaining these valuable public assets in good shape.

contract award. Revenue for this fund may also come from any gift or contribution from persons or organizations wishing to further the acquisitions of objects of art.

Authorization and/or appropriations for municipal construction projects shall include an amount equal to one percent (1%) of the total project cost, which exclude revenue bonds and grants, shall be deposited in the Art Fund at the time of

Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|---|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 116 - CUMULATIVE ART RESERVE | | | | | |
| 30-Fund Balance | \$ 128,500 | \$ - | \$ - | \$ - | \$ - |
| 36-Miscellaneous Revenues | - | 163 | - | 37 | - |
| 39-Other Financing Sources | - | - | 8,000 | - | 8,000 |
| 116 - CUMULATIVE ART RESERVE Total | \$ 128,500 | \$ 163 | \$ 8,000 | \$ 37 | \$ 8,000 |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|---|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 116 - CUMULATIVE ART RESERVE | | | | | |
| 4-Services | \$ 8,000 | \$ - | \$ 8,000 | \$ - | \$ 8,000 |
| 6-Capital Outlay | 120,500 | 97,431 | - | - | - |
| 116 - CUMULATIVE ART RESERVE Total | \$ 128,500 | \$ 97,431 | \$ 8,000 | \$ - | \$ 8,000 |

Emergency Medical Services Property Tax Reserve Fund 120

Created in 1997 (Ord. 2150, LMC 3.85), as a special revenue fund for the receipt of funds from the Emergency Medical Service Property Tax Levy and providing for accumulation and use of the funds.

Description of Services

The money in said fund may be allowed to accumulate from year to year until the City Council determines to expend the money in said fund and then only for those uses provided by RCW 84.52.069, as amended, namely, only for the provision of emergency medical care or emergency medical services, including related personnel costs, training for such personnel, and related equipment, supplies, vehicles and structures needed for the provision of emergency medical care or emergency medical services.

Source of Funds

Money received from the levy of the Emergency Medical Services Property Tax, and any recovery of medical expenses pursuant to RCW 38.52.430, as amended for example, medical expenses of a response to an incident involving a person found guilty of vehicular homicide.

Current Financial Condition

The purpose of the fund is to receipt the money from the Emergency Medical Service Levy and transfer to the operating budget for Emergency Medical Services. The estimated amount of Emergency Medical Services Property Tax is \$4,404,126 for the 2015-2016 biennium.

Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|---|--------------------------|---------------------|---------------------------|--------------------------|---------------------|
| 120 - EMS PROPERTY TAX RESERVE | | | | | |
| 30-Fund Balance | \$ - | \$ - | \$ 90,000 | \$ - | \$ - |
| 31-Taxes | 4,791,375 | 4,442,200 | 4,048,598 | 3,275,918 | 4,404,126 |
| 36-Miscellaneous Revenues | - | 1,029 | - | 303 | |
| 38-Non-Revenue | - | 9,413 | - | - | |
| 120 - EMS PROPERTY TAX RESERVE Total | \$ 4,791,375 | \$ 4,452,643 | \$ 4,138,598 | \$ 3,276,220 | \$ 4,404,126 |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|---|--------------------------|---------------------|---------------------------|-----------------------------|---------------------|
| 120 - EMS PROPERTY TAX RESERVE | | | | | |
| 0-Reclassification | \$ 4,791,375 | \$ 4,444,899 | \$ 4,123,598 | \$ 2,975,711 | \$ 4,404,126 |
| 6-Capital Outlay | - | - | 15,000 | - | - |
| 120 - EMS PROPERTY TAX RESERVE Total | \$ 4,791,375 | \$ 4,444,899 | \$ 4,138,598 | \$ 2,975,711 | \$ 4,404,126 |

Tree Fund 121

The Public Works Department will efficiently develop, manage and operate the physical infrastructure that is the foundation of the City's health, safety, and welfare while enhancing the quality of life in our community.

The Tree Fund mission is to provide adequate funding of the community forestry program, including projects that promote tree preservation and protection, planting, care and maintenance of existing trees, and education on urban tree issues.

No positions are funded from the Tree Fund.

Monies from the Tree Fund may be used for all services necessary to designate a Heritage Tree; to fund the Tree Voucher Program; to pay for arborist services; to acquire wooded areas within the City; and to purchase materials for the City's observance of Arbor Day.

The City has partnered with the Washington State Nursery and Landscape Association (WSNLA) for the Tree Voucher Program. The Tree Vouchers are valid at all WSNLA nurseries.

2013-2014 Biennial Accomplishments

- \$25,500 in tree vouchers for 2013 – 2014 (same as before – citizens, schools, etc...). 281 vouchers issued.

\$1,100 to Parks Department for tree planting.

\$9,000 in urban forestry grants to schools.

2015-2016 Biennial Goals

To encourage citizen involvement in creating and supporting a sustainable urban forest.



Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|--------------------------------------|--------------------------|------------------|---------------------------|--------------------------|------------------|
| 121 - TREE FUND RESERVE | | | | | |
| 30-Fund Balance | \$ - | \$ - | \$ 36,600 | \$ - | \$ 15,000 |
| 32-Licenses and Permits | 44,000 | 10,714 | 7,400 | 47,667 | 30,000 |
| 35-Fines and Forfeits | - | - | - | - | |
| 36-Miscellaneous Revenues | - | - | - | - | |
| 121 - TREE FUND RESERVE Total | \$ 44,000 | \$ 10,714 | \$ 44,000 | \$ 47,667 | \$ 45,000 |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|--------------------------------------|--------------------------|-------------------|---------------------------|-----------------------------|------------------|
| 121 - TREE FUND RESERVE | | | | | |
| 3-Supplies | \$ 44,000 | \$ 19,523 | \$ 44,000 | \$ 14,812 | \$ 44,000 |
| 121 - TREE FUND RESERVE Total | \$ 44,000 | \$ 19,523 | \$ 44,000 | \$ 14,812 | \$ 44,000 |

Paths/Trails Reserve Fund 128

The Public Works Department will efficiently develop, manage and operate the physical infrastructure that is the foundation of the City's health, safety, and welfare while enhancing the quality of life in our community.

Under Chapter 47.30 RCW, cities whose annual income from motor vehicle fuel tax exceeds \$100,000 must establish and maintain paths and trails for pedestrians, equestrians or bicyclists as a part of streets, roads and highways. The Paths and Trails Reserve Fund helps to serve this purpose.

Source of Funds

The amount the City expends annually must be at least one-half percent (1/2%) of the total

amount of funds received from the motor vehicle fund according to the provisions of RCW 45.68.100. In lieu of expending the funds each year; however, a city or county may set aside such funds into a financial reserve account or a special reserve fund to be held for this specific purpose provided it is expended within ten years.

Current Financial Condition

This fund was eliminated in 2001, but to better track the reserve in accordance with RCW 45.68.100 this fund has been reinstated.

Expenditures

There are no expenditures budgeted for the 2015-2016 biennium.

Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|-------------------------------------|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 128 - PATHS AND TRAILS | | | | | |
| 30-Fund Balance | \$ - | \$ - | \$ - | \$ - | \$ - |
| 39-Other Financing Sources | - | 8,984 | - | - | - |
| 128 - PATHS AND TRAILS Total | \$ - | \$ 8,984 | \$ - | \$ - | \$ - |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|------------------------------------|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 128 -PATHS AND TRAILS | | | | | |
| 3-Supplies | \$ - | \$ - | \$ - | \$ - | \$ - |
| 128 -PATHS AND TRAILS Total | \$ - | \$ - | \$ - | \$ - | \$ - |

Solid Waste Management Fund 144

The Public Works Department will efficiently develop, manage and operate the physical infrastructure that is the foundation of the City's health, safety, and welfare while enhancing the quality of life in our community.

The Solid Waste Management Mission is to provide public education and awareness on waste reduction, recycling, composting, household hazardous waste and related issues, through outreach to schools, businesses and households.

Solid Waste Management Fund 144

The Solid Waste Division provides coordination between citizens and businesses and the solid waste providers in the area. The City of Lynnwood participates in the interlocal agreement with the City of Edmonds to fund a shared staff person who works with and provides educational opportunities to citizens in all areas of proper solid waste disposal, including recycling, hazardous waste disposal, composting and waste prevention.

Recycling is an on-going task with efforts currently being made with multi-family properties and commercial businesses to encourage the use of recycle services as an integral part of their solid waste management. Work also includes a program with the area restaurants and other food service establishments on commercial organics collection for their food wastes.

The solid waste coordinator is responsible for the yearly city wide cleanup event (if funded). In the past both curbside removal as well as a day-long drop-off event for various wastes including garbage, yard waste, scrap metal, and major appliances was offered. In 2014 a new type of Clean Up event was offered that provided 1000 vouchers for citizens to be used at the Solid Waste Transfer Station in Mountlake Terrace. This style of event may be used in the future, pending analysis of its success.

For 2015-16 there are no significant increases proposed for the budget. A State of Washington grant covers a large portion of the interlocal agreement dollars.

What The Fund Does

Administers public education programs and events and is the liaison to the city's waste collectors and county solid waste staff. For example, during the 2012 haulers strike, this position gave daily updates to the department and city about status of the strike. This information proved to be very valuable in responding to citizens and media.

Staff advises community development about proper placement of waste container storage on developing properties, which is detailed in a policy handout of Public Works minimum standard requirements, entitled "Garbage & Recycle Collection Enclosure & Access Policy"

2013 – 2014 Biennial Accomplishments

- Completed outreach to 16 businesses who have commercial compost collection;
- Worked with 8 other businesses with solid waste issues;
- Established a working relationship with Edmonds Community College's Green Team;
- Reviewed 12 commercial and multi-family plans for trash enclosure requirements;
- Received further 2-year funding from the Department of Ecology.

2015 – 2016 Biennial Goals

- To provide public education and awareness on waste reduction, recycling, composting, household hazardous waste and related issues, through outreach to schools, businesses, and households.

Solid Waste Management Fund 144

Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|---|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 144 - SOLID WASTE MANAGEMENT | | | | | |
| 30-Fund Balance | \$ - | \$ - | \$ - | \$ - | \$ 52,000 |
| 31-Taxes | 91,122 | 82,311 | - | - | |
| 33-Intergovernmental Revenue | 32,500 | 38,570 | 39,200 | 30,278 | 39,200 |
| 34-Charges for Services | - | 1,085 | - | - | |
| 38-Non-Revenue | - | 8,811 | - | - | |
| 39-Other Financing Sources | - | - | - | - | |
| 144 - SOLID WASTE MANAGEMENT Total | \$ 123,622 | \$ 130,777 | \$ 39,200 | \$ 30,278 | \$ 91,200 |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|---|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 144 - SOLID WASTE MANAGEMENT | | | | | |
| 3-Supplies | \$ 580 | \$ 369 | \$ 580 | \$ 408 | \$ 800 |
| 4-Services | 31,932 | 5,537 | 32,400 | 1,869 | 23,200 |
| 5-Intergovernmental Svcs | 58,000 | 51,290 | 58,000 | 40,371 | 66,000 |
| 144 - SOLID WASTE MANAGEMENT Total | \$ 90,512 | \$ 57,195 | \$ 90,980 | \$ 42,648 | \$ 90,000 |

Revenue Stabilization Fund 198

Consistent with the City Council's financial policies, this fund (created by Ord. 2224 in 1998) provides for financial stability for the city.

Description of Services

Revenue stabilization is determined to include, funds for the payment of approved expenditures due to a cash flow shortage in the General Fund; reserves to provide a cushion for an unexpected shortage in tax revenue receipts; reserves for expenditures deemed necessary by the City Council; and temporary short-term interfund loans. Expenditures can only be authorized by the City Council in the face of significant short-term budget shortfalls.

Source of Funds

Monies shall be appropriated or budgeted from time to time from the General fund to replenish and maintain the fund with a balance of at least \$2,000,000.

Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|--|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 198 - REVENUE STABILIZATION | | | | | |
| 30-Fund Balance | \$ - | \$ - | \$ - | \$ - | \$ - |
| 39-Other Financing Sources | - | 1,000,000 | - | 1,000,000 | - |
| 198 - REVENUE STABILIZATION Total | \$ - | \$ 1,000,000 | \$ - | \$ 1,000,000 | \$ - |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|--|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 198 - REVENUE STABILIZATION | | | | | |
| 0-Reclassification | - | - | | - | |
| 9-Interfund Payment for Svcs | - | - | | - | |
| 198 - REVENUE STABILIZATION Total | \$ - | \$ - | | \$ - | |

Current Financial Condition

The fund currently is not budgeted to receive any additional funding for the 2015-2016 biennium.

Revenue by Class

There is no Revenue budgeted for 2015-2016.

Expenditures by Class

There are no expenditures budgeted.

Program Development Fund 199

This fund was created by Ord. 2093 in 1996 to accumulate reserve funds until the City Council authorizes the use to initiate new City programs, or stabilize general fund revenue.

Description of Services

Funds may be used for buying any specified supplies, material or equipment, personnel compensation and benefits in all forms, the purchase of personal and professional services, and revenue stabilization for future operations including, but not limited to, program development, enhancement and expansion. This fund also provides a source for matching funds for federal and state grants and interlocal agreements, and for inter-fund loans.

Source of Funds

This fund receives monies appropriated or budgeted from the General Fund. The City's

financial policies provide for a method of transferring year-end surpluses from the General Fund to the Program Development Fund as approved by the City Council.

Current Financial Condition

This fund has been used for many one-time items in the past. The fund also includes funding for economic development related plans and projects. While no monies are budgeted to be transferred in during the 2015-2016 biennium, the city council is considering developing a plan that will manage city financial resources beyond this biennium in a manner that will restore reserves in this fund in order to support program development projects in the future.

Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|--|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 199 - PROGRAM DEVELOPMENT | | | | | |
| 30-Fund Balance | \$ 334,784 | \$ - | \$ 136,798 | \$ - | \$ - |
| 36-Miscellaneous Revenues | - | 1,154 | - | 151 | |
| 39-Other Financing Sources | - | - | 2,164,238 | - | |
| 199 - PROGRAM DEVELOPMENT Total | \$ 334,784 | \$ 1,154 | \$ 2,301,036 | \$ 151 | \$ - |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|--|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 199 - PROGRAM DEVELOPMENT | | | | | |
| 0-Reclassification | \$ - | \$ - | \$ 2,164,238 | \$ 31,594 | \$ - |
| 1-Salaries & Wages | 146,069 | 173,245 | - | - | - |
| 2-Personnel Benefits | 25,715 | 56,407 | - | - | - |
| 3-Supplies | - | 30,380 | - | - | - |
| 4-Services | 163,000 | 5,874 | - | 39,271 | - |
| 6-Capital Outlay | - | 20,729 | - | - | - |
| 199 - PROGRAM DEVELOPMENT Total | \$ 334,784 | \$ 286,635 | \$ 2,164,238 | \$ 70,865 | \$ - |

2009 Limited Tax GO Refunding Bond Fund 202

The Limited Tax General Obligation Bonds, Series 2009A \$660,000, and Refunding Bonds, Series 2009B \$3,980,000, were issued in April 2009. 2009A was issued for the purchase of software, equipment for police vehicles, and golf course equipment. 2009B was issued to refund the City's outstanding Limited Tax General Obligation Refunding Bonds, 1996, Limited Tax General Obligation Bonds, 1998, and costs of issuance of the bonds. Annual principal payments range from \$290,000 to \$995,000 with interest varying from 3% to 4% payable semi-annually.

The Bonds were issued pursuant to Ordinance 2780. The final maturity date is December 2013 for 2009A and December 2017 for 2009B.

Description of Services:

This fund pays principal and interest on the City's long-term general obligation debt.

Source of Funds:

The 2009 LTGO Refunding Bond fund receives revenue from the General, REET 1, and Golf Course funds.

Current Financial Condition:

The fund is budgeted to receive \$687,450 in the 2015-2016 biennium and has expenditures budgeted for \$687,450 in the biennium to cover annual debt service

Revenue by Class:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|---|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 202 - 2009 LIMITED TAX G O REF BDS | | | | | |
| 30-Fund Balance | \$ 35,512 | \$ - | \$ - | \$ - | |
| 36-Miscellaneous Revenues | - | - | - | - | |
| 39-Other Financing Sources | 1,336,138 | 1,317,641 | 811,050 | 616,270 | 687,450 |
| 202 - 2009 LIMITED TAX G O REF BDS Total | \$ 1,371,650 | \$ 1,317,641 | \$ 811,050 | \$ 616,270 | \$ 687,450 |

Expenditures by Class:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|---|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 202 - 2009 LIMITED TAX G O REF BDS | | | | | |
| 0-Reclassification | \$ - | \$ - | \$ - | \$ 379,326 | \$ - |
| 7-Debt Service-Principal | 1,205,000 | 1,189,243 | 689,243 | 399,243 | 625,000 |
| 8-Debt Service-Interest | 166,650 | 165,705 | 105,577 | 58,540 | 62,450 |
| 202 - 2009 LIMITED TAX G O REF BDS | \$ 1,371,650 | \$ 1,354,948 | \$ 794,820 | \$ 837,109 | \$ 687,450 |

800 MHz Debt Service Fund 215

This fund was established to pay the principal and interest due on the long-term debt for the City's portion of the Snohomish County Emergency Radio System Interlocal Agreement.

Description of Services:

The Emergency Radio System will provide effective and coordinated public safety communications on a day-to-day basis and provide an increased level of interoperability and coordination among the four dispatch centers in Snohomish County.

Source of Funds:

Monies shall be transferred from the General Fund to pay for the annual principal and interest payments due on the Interlocal Agreement with the County.

Current Financial Condition:

The fund currently is budgeted to receive \$281,786 in the 2015-2016 biennium. Expenditures are budgeted for \$281,786 in the 2015-2016 biennium to cover annual debt service.

Revenue by Class:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|---|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 215 - 800 MZH Debt Service | | | | | |
| 30-Fund Balance | \$ 57 | \$ - | \$ - | \$ - | |
| 39-Other Financing Sources | 283,233 | 283,233 | 282,846 | 212,080 | 281,786 |
| 215 - 800 MZH Debt Service Total | \$ 283,290 | \$ 283,233 | \$ 282,846 | \$ 212,080 | \$ 281,786 |

Expenditures by Class:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|---|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 215 - 800 MZH Debt Service | | | | | |
| 7-Debt Service-Principal | \$ 191,260 | \$ 191,260 | \$ 210,385 | \$ 102,460 | \$ 230,877 |
| 8-Debt Service-Interest | 92,030 | 92,030 | 72,461 | 55,626 | 50,909 |
| 215 - 800 MZH Debt Service Total | \$ 283,290 | \$ 283,289 | \$ 282,846 | \$ 158,086 | \$ 281,786 |

Rec Center 2012 LTGO Bonds Fund 223

The \$24,955,000 2012 LTGO Bond Fund was authorized by Ordinance 2934 to redeem the 2008 Long-term General Obligation Bond Anticipation Note (Ordinance 2745) that provided funds for the renovation, improvement, and expansion of the City of Lynnwood Recreation Center.

Description of Services:

This fund pays the principal and interest on the Recreation Center's long-term General Obligation Debt which matures in December 2037.

Source of Funds:

Revenue comes from the City of Lynnwood's General Fund.

Current Financial Condition:

The fund is budgeted to receive \$2,627,478 in the 2015-2016 biennium and has expenditures budgeted for \$2,627,478 in the biennium to cover annual debt service.

Revenue by Class:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|--|--------------------------------|----------------------|---------------------------------|--------------------------------|---------------------|
| 223 - REC CTR 2012 LTGO BONDS | | | | | |
| 39-Other Financing Sources | \$ 26,510,641 | \$ 26,510,641 | \$ 2,502,926 | \$ 1,855,743 | \$ 2,627,478 |
| 223 - REC CTR 2012 LTGO BONDS Total | \$ 26,510,641 | \$ 26,510,641 | \$ 2,502,926 | \$ 1,855,743 | \$ 2,627,478 |

Expenditures by Class:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|--|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 223 - REC CTR 2012 LTGO BONDS | | | | | |
| 0-Reclassification | \$ 25,353,095 | \$ 25,353,095 | \$ - | \$ - | \$ - |
| 4-Services | 161,044 | 161,044 | - | - | |
| 7-Debt Service-Principal | - | - | 710,000 | 285,000 | 870,000 |
| 8-Debt Service-Interest | 996,502 | 901,934 | 1,792,926 | 899,313 | 1,757,478 |
| 223 - REC CTR 2012 LTGO BONDS Tot | \$ 26,510,641 | \$ 26,416,073 | \$ 2,502,926 | \$ 1,184,313 | \$ 2,627,478 |

Real Estate Excise Tax Fund (2nd ¼%) 330

This fund was established in 2006 by Ordinance 2612 to levy the additional one-quarter of one percent excise tax on the sale of real property within the City of Lynnwood.

investment interest earned on the accumulated balance.

Description of Services:

Money may be accumulated to cover capital improvements including those listed in RCW 82.46 at the discretion of the City Council.

Current Financial Condition:

The fund currently is budgeted to receive \$900,000 in the 2015-2016 biennium for the second ¼ of 1% of real estate excise taxes. All expenditures from this fund are defined on the Strategic Investment Plan. A financial plan will be brought to the City Council to appropriate funds for specific projects.

Source of Funds:

The amount of the second ¼ of 1% of the selling price of the real property within the City, and

Revenue by Class:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|---|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 330 - REAL ESTATE EXCISE TAX 2 | | | | | |
| 30-Fund Balance | \$ 899,805 | \$ - | \$ 50,000 | \$ - | \$ - |
| 31-Taxes | 370,886 | 589,672 | 550,000 | 921,797 | 900,000 |
| 36-Miscellaneous Revenues | 9,510 | 2,286 | - | 966 | |
| 38-Non-Revenue | - | 12,263 | - | - | |
| 39-Other Financing Sources | - | - | - | - | |
| 330 - REAL ESTATE EXCISE TAX 2 Total | \$ 1,280,201 | \$ 604,220 | \$ 600,000 | \$ 922,763 | \$ 900,000 |

Expenditures by Class:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|---|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 330 - REAL ESTATE EXCISE TAX 2 | | | | | |
| 0-Reclassification | \$ 899,805 | \$ 527,000 | \$ 600,000 | \$ 146,060 | \$ 729,750 |
| 330 - REAL ESTATE EXCISE TAX 2 Tot | \$ 899,805 | \$ 527,000 | \$ 600,000 | \$ 146,060 | \$ 729,750 |

Real Estate Excise Tax Fund 331

This fund was established in 1982 by Ordinance 1271 to accumulate an excise tax on the sale of real property within the City of Lynnwood.

Description of Services:

Money may be accumulated to cover capital improvements including those listed in RCW 35.43.040 at the discretion of the City Council. Currently the fund helps pay debt service on two General Obligation bonds for Parks and Recreation facilities (Fund 211).

Revenue by Category:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|---|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 331 - REAL ESTATE EXCISE TAX | | | | | |
| 30-Fund Balance | \$ 630,200 | \$ - | \$ 22,805 | \$ - | \$ - |
| 31-Taxes | 370,886 | 589,672 | 550,000 | 921,797 | 900,000 |
| 36-Miscellaneous Revenues | 1,386 | 1,616 | - | 1,245 | |
| 38-Non-Revenue | - | 12,263 | - | - | |
| 39-Other Financing Sources | - | - | - | 139,488 | |
| 331 - REAL ESTATE EXCISE TAX Total | \$ 1,002,472 | \$ 603,550 | \$ 572,805 | \$ 1,062,530 | \$ 900,000 |

Source of Funds:

The amount of ¼ of 1% of the selling price of the real property within the City, and investment interest earned on the accumulated balance.

Current Financial Condition:

The fund currently is budgeted to receive \$900,000 in the 2015-2016 biennium for the first ¼ of 1% of real estate excise taxes and in investment earnings.

Department Costs:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|---|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 331 - REAL ESTATE EXCISE TAX | | | | | |
| 0-Reclassification | \$ 852,950 | \$ 228,223 | \$ 572,805 | \$ 107,964 | \$ 865,782 |
| 4-Services | - | - | - | - | - |
| 9-Interfund Payment for Svcs | - | - | - | - | - |
| 331 - REAL ESTATE EXCISE TAX Total | \$ 852,950 | \$ 228,223 | \$ 572,805 | \$ 107,964 | \$ 865,782 |

Capital Development Fund 333

This fund was established in 1996 by Ord. 2093 to receive monies appropriated or budgeted from time to time, and monies from the General Fund not required for current year operation, to create a reserve fund for capital improvements.

Description of Services:

Money may be accumulated to cover items such as construction, alteration, or repair of any public building, or the making of any public improvement, including acquisition of real property services, construction costs, as well as providing a source for matching funds for federal and state grants and interlocal agreements. Such expenditures are

appropriated in the City's Strategic Investment Plan.

Source of Funds:

General Fund monies are transferred to the Capital Development Fund in accordance with the city's financial policies.

Current Financial Condition:

All expenditures from this fund are defined on the Strategic Investment Plan. A financial plan will be brought to the City Council to appropriate funds for specific projects.

Department Revenue:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|---|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 333 - CAPITAL DEVELOPMENT PLAN | | | | | |
| 30-Fund Balance | \$ 559,752 | \$ - | \$ 420,220 | \$ - | \$ - |
| 36-Miscellaneous Revenues | - | 3,320 | - | 1,224 | |
| 38-Non-Revenue | - | - | - | - | |
| 39-Other Financing Sources | - | - | - | - | 300,000 |
| 333 - CAPITAL DEVELOPMENT PLAN Total | \$ 559,752 | \$ 3,320 | \$ 420,220 | \$ 1,224 | \$ 300,000 |

Department Costs:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|---|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 333 - CAPITAL DEVELOPMENT PLAN | | | | | |
| 0-Reclassification | \$ 559,752 | \$ (12,739) | \$ 420,220 | \$ 64,532 | \$ 150,220 |
| 9-Interfund Payment for Svcs | - | - | | - | |
| 333 - CAPITAL DEVELOPMENT PLAN T | \$ 559,752 | \$ (12,739) | \$ 420,220 | \$ 64,532 | \$ 150,220 |

Sewer/Water/Surface Water Utility

Fund 411

The Public Works Department will efficiently develop, manage and operate the physical infrastructure that is the foundation of the City's health, safety, and welfare while enhancing the quality of life in our community.

Sewer/Water/Surface Water Utility Mission

The Water/Sewer Utility's mission is to provide, operate and maintain quality water supply, sewer, and wastewater treatment systems effectively and economically within the Council's rate structure.

The Surface Water Utility's mission is to provide the efficient operation and management of the city's surface water system to decrease flooding, decrease damage to property and to increase water quality for the benefit of the community and the natural environment.

| AUTHORIZED PERSONNEL | FY 11/12 | FY 13/14 | FY 15/16 |
|---|---------------------|---------------------|---------------------|
| Wastewater Collection & Conveyance | 7 | 7 | 7 |
| Water | 9 | 9 | 9 |
| Wastewater Treatment | 12 | 12 | 12 |
| Maintenance/Operations Storm Drain System | 10 | 10 | 10 |
| Total | 35 | 38 | 38 |

Utility Fund 411

The Utility Division provides daily maintenance, repair and replacement for the existing infrastructure that makes up the existing surface water, drinking water, and sewer systems including operation of the city Wastewater Treatment Plant.

The drinking water system is comprised of a master meter, which monitors the supply from Alderwood Water and Sewer District, two 3-million gallon storage reservoirs and one pressure booster station. Other components are the pipes, air vacuum valves, gate valves and fire hydrants.

The sewer system is a collection of pipes, manholes, clean outs and air vacuum valves transmitting the flows to the six sewage lift stations and ultimately the wastewater treatment plant.

The surface water unit includes a large inventory of catch basins, manholes, ditches, pipes, and ponds.

A major emphasis has been made to replace a significant number of mechanical apparatus that date back to the 1990 upgrades to the lift stations and the wastewater treatment plant. This work continues.

The critical change in surface water management is the adoption by the State Department of Ecology of the National Pollutant Discharge Elimination System Phase 2 permit (NPDES). The NPDES is a federally mandated program that requires local agencies to begin to monitor and improve the quality of the surface water that is discharged to the natural system of streams and lakes. Staffing of this group was increased in 2011-12 by 4 FTEs in the surface water section.

What The Fund Does

The Utilities fund supports the Utilities division in providing drinking water to its customers through a conveyor of large mains and service piping. Utilities collect and convey wastewater, through an infrastructure of pipes, to a number of pumping facilities and then to our state regulated wastewater treatment plant (WWTP) for processing and discharge into Puget Sound. New regulations are constantly appearing requiring the treatment plant to assess and sometimes make process changes. A robust capital program has been adopted by the Council as a part of the 2013 Rate Analysis that provides for over \$50 million in improvements throughout the utility. A new position at the Wastewater Treatment Plant is proposed in 2015-16 to increase efficiency at the plant and will be funded mostly by decreases in overtime.

The Surface Water Utility fund supports the

services necessary to maintain the city-owned portions of the surface water system. Activities include the cleaning of pipes, catch basins, manholes, ditches and ponds. The Surface Water Utility fund supports the planning, design and construction of repairs and improvements to the system and conducting public education programs. The recently adopted National Pollutant Discharge Elimination System (NPDES) Phase 2 Permit requires the City to increase surface water testing and to begin programs to reduce contamination.

Department Financing

All of the Utilities are considered one legal entity. This includes operations and capital expenditures for Water, Sewer, and Storm Drainage. A new schedule of rates for 2014-19 was adopted by the Council in October 2013 and will fully fund all related programs and projects for that time period. Updated rate analyses are done every 3 years.



2013 – 2014 Biennial Accomplishments

Sewer / Water Utility

- Flushed and inspected all 1702 public and private fire hydrants
- Replaced 3 fire hydrants
- Cleaned and checked all 31 air relief / check valves twice
- Exercised all 2369 water isolation valves
- Repaired 40 water lateral leaks and upgraded 37 water laterals
- Repaired 6 water mains
- Installed 24 new water meters, replaced 27 damaged water meter heads and repaired 12 damaged wire connections
- Performed meter box maintenance on 25% of the city's meters

- Tested at 40 stations for water quality and did 20 purity samples on new construction
- Performed 1600 locates of water, sewer and storm pipes
- Most staff attend one class per year to meet CEU quotas
- 66 high grease sewer lines cleaned monthly and 55 subject to root infiltration cleaned and camera inspected yearly, only 2 sewer main backups this year
- Repaired 3 sewer laterals this year
- Inspected 35% of the sewer system
- Impact six pump station sites 3 times a week

Treatment Plant

- Replaced primary and secondary heat exchangers (incl. 5 weeks of sludge hauling).
- Replaced Scum Troughs.
- Completed new Operations and Maintenance Manual.
- Replaced VFD's and Pumps for Plant Drain Lift Station.
- Installed new Turbo Blower.
- Replaced Grit Classifier.
- Installed new Continuous Emissions Monitoring System.
- Received NACWA Peak Performance Award for 2012.
- Renewed NPDES permit

Surface Water Utility

- New Storm Line @ 173rd Pl & 62nd Ave W
- Conduit project on 172nd from Spruce to 44th
- Cleaned 1113 catch basins with the Vector truck (as of Nov 18, 2013)
- Maintain over 30 surface water holding ponds citywide that require mowing, vegetation removal and occasional siltation removal
- Maintain 35 Trash Racks citywide throughout the year
- Mow, re-trench and maintain all open ditches citywide
- Monitor and maintain several streams in town for blockages, windfall, Beaver activity, etc.
- Surface Water Education Grants:
 - Worked with 4 schools to develop education curriculum which encourages understanding and stewardship of urban drainage.
- Construction Site Stormwater Inspections:
 - 90 inspections

- 39 enforcement actions.
- Received \$170,000 grant from WDOE:
 - \$50k for NPDES compliance efforts,
 - \$120k for the 53rd Ave Improvement project.
- Completed the Scriber Lake Water Quality Study:
 - Will begin implementation of improvement recommendations in 2014.
- Provide wastewater and air quality treatment at the WWTP that meet standards set by Public Works and the State of Washington to achieve compliance with regulatory agencies in both air and water quality, Continue to explore new air quality standards and make appropriate plans to meet them.
- Successfully operate and maintain the facility and maintain neighborhood confidence with respect to odor control
- To conduct education programs and incorporate current science in surface water standards, that promote water quality in the City's surface water system. This will also promote an increase of public awareness of good surface water management practices, encourage development and redevelopment that constructs water quality and quantity facilities incorporating the best available science, to protect the environment, so that the existing habitat is enhanced as a result of cleaner water and less erosive storm flows.

2015 – 2016 Biennial Goals

- Successfully operate the Water and Sewer Utilities as planned in the newly adopted 2012 Water and Sewer Comprehensive Plans. Perform an updated rate analysis to ensure long-term adequacy of funding for all operational, maintenance, and capital needs.
- Provide an adequate supply of safe drinking water to Lynnwood customers in an efficient manner with minimal pipeline failures while meeting regulatory standards
- Maintain wastewater collection and conveyance systems to standards required by regulatory agencies, so that customers can rely on safe dependable service with no environmental health hazards

Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|--------------------------------|--------------------------------|----------------------|---------------------------------|--------------------------------|----------------------|
| 411 - S/W UTILITY | | | | | |
| 30-Fund Balance | \$ 14,953,758 | \$ - | \$ 866,383 | \$ - | \$ 633,334 |
| 31-Taxes | - | - | - | - | |
| 33-Intergovernmental Revenue | 666,688 | 1,455,984 | 1,000,000 | 763,322 | |
| 34-Charges for Services | 27,955,444 | 27,538,805 | 30,623,000 | 22,556,603 | 33,272,000 |
| 36-Miscellaneous Revenues | 357,682 | 99,092 | 67,000 | 260,472 | 26,500 |
| 37-Other Income | 994,160 | 300,993 | - | 192,842 | - |
| 39-Other Financing Sources | - | (853,482) | - | 224,936 | |
| 411 - S/W UTILITY Total | \$ 44,927,732 | \$ 28,541,393 | \$ 32,556,383 | \$ 23,998,175 | \$ 33,931,834 |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|--------------------------------|--------------------------------|----------------------|---------------------------------|-----------------------------------|----------------------|
| 411 - S/W UTILITY | | | | | |
| 0-Reclassification | \$ 4,259,177 | \$ 8,674,086 | \$ 3,685,926 | \$ 6,427,123 | \$ 4,277,557 |
| 1-Salaries & Wages | 5,549,644 | 5,280,015 | 5,924,214 | 4,141,318 | 6,405,573 |
| 2-Personnel Benefits | 1,748,739 | 2,009,939 | 2,134,098 | 1,672,863 | 2,397,390 |
| 3-Supplies | 6,424,462 | 4,927,283 | 6,434,300 | 3,468,761 | 6,544,800 |
| 4-Services | 4,009,515 | 3,441,497 | 3,774,900 | 5,259,666 | 8,556,582 |
| 5-Intergovernmental Svcs | 876,000 | 784,233 | 304,000 | 579,880 | 318,000 |
| 6-Capital Outlay | 12,763,949 | 1,094,347 | 5,261,932 | 278,189 | 5,431,932 |
| 8-Debt Service-Interest | - | - | - | 1,810 | - |
| 9-Interfund Payment for Svcs | 4,256,582 | 3,880,801 | 5,037,013 | 2,886,861 | - |
| 411 - S/W UTILITY Total | \$ 39,888,068 | \$ 30,092,200 | \$ 32,556,383 | \$ 24,716,472 | \$ 33,931,834 |

2008 Utility Revenue Bond Fund 417

The 2008 Utility System Improvement and Refunding Bonds were authorized by Ordinance 2718. The proceeds were used to advance refund the City's outstanding 2008 – Water and Sewer Revenue and Refunding Bonds, part of the cost of carrying out a portion of the plan for utility additions, as well as, to pay for administrative and issuance costs.

Description of Services:

This fund pays principal and interest on the City's long-term revenue debt.

Sources of Funds:

Revenue is provided by the City's Waterworks Utility Fund by adjusting rates for water and sewer services.

Revenue by Class:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|---|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 417 - 2008 UTILITY REVENUE BONDS | | | | | |
| 30-Fund Balance | \$ 2,201,204 | \$ - | \$ - | \$ - | \$ - |
| 36-Miscellaneous Revenues | - | - | - | - | - |
| 38-Non-Revenue | 2,859,450 | 2,959,961 | 1,858,700 | 1,516,954 | 895,900 |
| 39-Other Financing Sources | - | - | - | - | - |
| 417 - 2008 UTILITY REVENUE BONDS Total | \$ 5,060,654 | \$ 2,959,961 | \$ 1,858,700 | \$ 1,516,954 | \$ 895,900 |

Revenue by Class:

The fund is scheduled to receive \$895,900 from Fund 411-W/S Utilities.

Expenditures by Class:

Expenditures in this fund are for Principal and Interest and for expenditures for capital projects. The capital projects will be identified in ordinances and financial plans. These projects can either be a direct bill from this fund or the payments can be transferred to a capital project fund.

Expenditures by Class:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|---|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 417 - 2008 UTILITY REVENUE BONDS | | | | | |
| 0-Reclassification | \$ 2,199,554 | \$ 1,037,810 | \$ - | \$ 209,263 | \$ - |
| 7-Debt Service-Principal | 2,245,000 | - | 1,425,000 | - | 540,000 |
| 8-Debt Service-Interest | 616,100 | 576,936 | 433,700 | 309,533 | 355,900 |
| 417 - 2008 UTILITY REVENUE BONDS Total | \$ 5,060,654 | \$ 1,614,746 | \$ 1,858,700 | \$ 518,796 | \$ 895,900 |

2010 Utility Revenue Bond Fund 419

The 2010 Utility System Revenue Bonds were authorized by Ordinance 2856. The proceeds are to be used for carrying out additions to and betterments and extensions of the utility system, as well as to pay for administrative and issuance costs.

Description of Services:

This fund pays principal and interest on the City's long-term revenue debt.

Sources of Funds:

Revenue is provided by the City's Waterworks Utility Fund by adjusting rates for water and sewer services.

Revenue by Class:

The fund is scheduled to receive \$1,133,025 from Fund 411-W/S Utilities.

Expenditures by Class:

Expenditures in this fund are for Principal and Interest and for expenditures for capital projects. The capital projects will be identified in ordinances and financial plans. These projects can either be a direct bill from this fund or the payments can be transferred to a capital project fund.

Revenue by Class:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|---|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 419 - 2010 UTILITY REVENUE BONDS | | | | | |
| 30-Fund Balance | \$ 5,702,246 | \$ - | \$ - | \$ - | \$ - |
| 36-Miscellaneous Revenues | - | - | - | - | - |
| 38-Non-Revenue | 606,046 | 641,982 | 850,226 | 400,368 | 1,133,026 |
| 39-Other Financing Sources | - | - | - | - | - |
| 419 - 2010 UTILITY REVENUE BONDS Total | \$ 6,308,292 | \$ 641,982 | \$ 850,226 | \$ 400,368 | \$ 1,133,026 |

Expenditures by Class:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|---|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 419 - 2010 UTILITY REVENUE BONDS | | | | | |
| 0-Reclassification | \$ 5,702,246 | \$ 2,834,767 | \$ - | \$ 3,720,269 | \$ - |
| 7-Debt Service-Principal | - | - | 285,000 | - | 585,000 |
| 8-Debt Service-Interest | 582,496 | 589,790 | 565,226 | 402,319 | 548,025 |
| 419 - 2010 UTILITY REVENUE BONDS Total | \$ 6,284,742 | \$ 3,424,557 | \$ 850,226 | \$ 4,122,588 | \$ 1,133,025 |

Golf Course Fund 460

The Lynnwood Municipal Golf Course is a 75-acre, 18-hole course which is operated for year-round play. The course is maintained at a high level to ensure safe playing conditions at all times and encourage a high volume of users. The Pro Shop provides clothing and equipment sales, lessons and clinics, and tournament play. The Lynnwood Municipal Golf Course is an Enterprise Fund within the Parks, Recreation and Cultural Arts Department. The Golf Course budget includes the operation and maintenance of the Golf Course and the Pro Shop.

Fiscal Condition

Lynnwood Golf Course was constructed starting in 1989, using construction bonds of \$5.2 million. The Golf Course retired the 20-year bonds in December 2011, with a payback of \$9 million including interest.

In August 2014, City Council authorized a five-year Interfund loan from the General Fund to the Golf Fund to address \$1.3 million in accumulated debt. The Golf Course will now operate with a net profit each year to repay the loan and build a cash reserve for the future.

In January 2014, Premier Golf Centers, LLC assumed management of Golf Course operations, including Pro Shop and Food/Beverage Service. In May 2014, Premier assumed management of grounds maintenance. The move to private management of the course was determined to be the best strategy to make the Golf Course financially viable now and into the future. Premier manages a total of 11 municipal golf courses in the Puget Sound area and has a long-standing reputation of operational excellence in the golf business.

Projected Revenues and Profits from the Business

Biennium-end revenues from all operations are estimated at \$2,622,006. This is based on an estimated 46,000 rounds in 2015 and 49,000 rounds in 2016. The estimated profits are \$120,693 for 2015 and \$264,464 for 2016. These numbers are the net income after the debt payments are made.

Expenses

The Golf Course submits expenses of \$1,011,660 for 2015 and \$1,146,822 for 2016. These expenses include building rental fees, management fees paid to Premier and City administrative costs.

Capital Investments

The Golf Course is limited in its growth potential by the existing parking arrangements and capacities. The course completed an analysis of parking capacities using some existing land adjacent to the Pro Shop. Capital monies have been included in the 2015 budget to construct a minimum of 40 extra spaces. These spaces will allow the course operator to implement a more aggressive marketing strategy to increase rounds and revenues.

In the future, the operator and City will investigate other important capital investments, including a refurbishment of the Pro Shop and food and beverage improvements.

Finally, the City intends to continue to work with the College on its long standing relationship including a likely re-drafting of the existing 30-year lease agreement. Premier Golf Centers, LLC is uniquely qualified to improve marketing and build the customer base at the Lynnwood Golf Course. The company has initiated many customer service improvements in 2014 including smart phone tee time reservations and improvements to the food and beverage operations.

2013-2014 Biennium Accomplishments

The following are in addition to providing excellent service every day to our golfing community:

- Studied operations of the Golf Course and developed strategies for making Golf Course financially viable.
- Issued RFP and RFI for private management of the Golf Course.
- Negotiated and executed a 5-year contract with Premier Golf Centers, LLC for management of the Golf Course.
- Continued repair and replacement of cart paths.
- Added a tee box to the #2 hole at the Lynnwood Municipal Golf Course.
- Worked with Edmonds Community College to identify additional parking spaces for Golf Course patrons.

Goals for 2015-2016 Biennium

- Expand and improve parking.
- Develop a new business model for food and beverage operations.

SOURCES:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|--------------------------------|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 460 - GOLF COURSE | | | | | |
| 30-Fund Balance | \$ - | \$ - | \$ 111,711 | \$ - | \$ - |
| 34-Charges for Services | 2,317,396 | 1,870,059 | 2,058,438 | 1,447,773 | 2,376,000 |
| 36-Miscellaneous Revenues | 203,688 | 231,502 | 208,848 | 162,023 | 240,000 |
| 38-Non-Revenue | 238,082 | 0 | 214,162 | 49,586 | |
| 39-Other Financing Sources | - | (33) | - | 175,437 | |
| 460 - GOLF COURSE Total | \$ 2,759,166 | \$ 2,101,528 | \$ 2,593,159 | \$ 1,834,819 | \$ 2,616,000 |

USES:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|--------------------------------|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 460 - GOLF COURSE | | | | | |
| 0-Reclassification | \$ 431,305 | \$ 265,806 | \$ - | \$ (19,942) | \$ - |
| 1-Salaries & Wages | 878,368 | 884,659 | 830,899 | 509,570 | - |
| 2-Personnel Benefits | 315,912 | 293,089 | 366,406 | 159,311 | - |
| 3-Supplies | 236,500 | 224,312 | 244,008 | 106,279 | - |
| 4-Services | 262,320 | 298,366 | 392,504 | 440,105 | 2,255,371 |
| 5-Intergovernmental Svcs | 256,000 | 204,306 | 222,162 | 128,848 | 222,162 |
| 6-Capital Outlay | - | - | - | - | - |
| 8-Debt Service-Interest | - | 5,064 | 4,000 | 2,413 | 254,000 |
| 9-Interfund Payment for Svcs | 282,050 | 285,043 | 276,180 | 222,553 | - |
| 460 - GOLF COURSE Total | \$ 2,662,455 | \$ 2,460,645 | \$ 2,336,159 | \$ 1,549,138 | \$ 2,731,533 |

Vehicle Services, Fund 510

To manage equipment replacement reserves to supply and maintain safe reliable equipment and vehicles.

maintain equipment inventory and establish vehicle life. Functions also include making recommendations for equipment purchases and the management of reserves.

Description of Services:

This fund has been established for the purpose of accumulating funds for equipment replacement reserve personnel specify and purchase equipment and vehicles for all City departments. Personnel set rental rates,

Source of Funds:

The source of revenue for this fund is the replacement portion of the equipment rental rates.

Department Revenue:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|---|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 510 - EQUIP RENTAL RESERVE | | | | | |
| 30-Fund Balance | \$ 48,500 | \$ - | \$ 142,410 | \$ - | \$ - |
| 33-Intergovernmental Revenue | - | - | - | - | |
| 34-Charges for Services | - | - | - | 1,190,428 | 2,283,721 |
| 36-Miscellaneous Revenues | 1,891,792 | 1,379,470 | 1,378,000 | 260,893 | |
| 37-Other Income | - | - | - | - | |
| 38-Non-Revenue | - | - | - | - | |
| 39-Other Financing Sources | - | (84,456) | - | 75,645 | |
| 510 - EQUIP RENTAL RESERVE Total | \$ 1,940,292 | \$ 1,295,014 | \$ 1,520,410 | \$ 1,526,965 | \$ 2,283,721 |

Department Cost:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|---|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 510 - EQUIP RENTAL RESERVE | | | | | |
| 0-Reclassification | \$ - | \$ 385,794 | \$ - | \$ 330,921 | \$ - |
| 3-Supplies | 115,474 | 173,554 | 89,020 | 76,819 | 89,020 |
| 4-Services | 216,100 | 80,400 | 35,640 | 27,400 | 35,640 |
| 6-Capital Outlay | 1,004,500 | 865,318 | 1,395,750 | 713,812 | 1,395,750 |
| 510 - EQUIP RENTAL RESERVE Total | \$ 1,336,074 | \$ 1,505,066 | \$ 1,520,410 | \$ 1,148,952 | \$ 1,520,410 |

Vehicle Services Fund 511

The Public Works Department will efficiently develop, manage and operate the physical infrastructure that is the foundation of the City's health, safety, and welfare while enhancing the quality of life in our community.

Vehicle Services Mission

To keep all City vehicles and equipment in a safe and reliable condition to provide transportation to City employees necessary for the work they perform.

| AUTHORIZED PERSONNEL | FY 11/12 | FY 13/14 | FY 15/16 |
|----------------------|----------|----------|----------|
| Equipment Rental | 3 | 4 | 4 |
| Total | 3 | 4 | 4 |

Vehicle Services Fund 511

Fleet Maintenance provides the maintenance and repair for the City of Lynnwood's fleet and equipment. The fleet includes Public Works and Parks maintenance trucks, Police vehicles, Fire vehicles, Recreation department's buses, vans, cars and trucks and citywide pool cars. Small items of power equipment are also maintained as needed. The three mechanics and one change-out technician currently are responsible for over 200 pieces of equipment.

The budget for 2015-16 is essentially the same as 2013-14.



What The Fund Does

Functions include making recommendations for equipment purchases, providing proactive maintenance that includes planned, scheduled and preventative work, as well as, reactive maintenance and emergency repairs.

2013 – 2014 Accomplishments

- Refilled the vacant Mechanics position
- Replaced 15 new vehicles –
- 4 new Police motorcycles
- 1 12 yard dump and plow with a sander
- 1 new snow plow and sander for a 5 yard dump
- 1 new roller and trailer
- 2 new forklifts
- 1 new utilities on call van
- 2 patrol cars
- 1 new patrol command Tahoe
- outfitted the MRAP “the beast”
- New mechanic achieved 4 EVT certifications
- Pump tested the 3 Fire Engines in house
- Performed 215 preventative maintenances’
- Installed 17 WIFI’s for SnoCo Fire Dist 1

2015 – 2016 Biennial Goals

- Assist managing fleet equipment by user department need, equipment age, frequency of use, economic analysis and rate setting, and other operational parameters, so that user departments receive the equipment they need to conduct city business.
- Maintain city vehicles cost effectively, to provide safe, operable vehicles to satisfy internal customers with reliable transportation, so that City users can concentrate on the work they perform.

Vehicle Services Fund 511

Sources:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|-------------------------------------|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 511 - EQUIPMENT RENTAL | | | | | |
| 30-Fund Balance | \$ - | \$ - | \$ 388,253 | \$ - | \$ - |
| 33-Intergovernmental Revenue | - | - | - | - | - |
| 34-Charges for Services | - | - | - | 1,346,701 | 2,427,670 |
| 36-Miscellaneous Revenues | 2,309,890 | 2,206,367 | 2,200,000 | 280,368 | |
| 38-Non-Revenue | - | - | - | - | |
| 39-Other Financing Sources | 64,532 | (7,532) | - | 65,881 | |
| 511 - EQUIPMENT RENTAL Total | \$ 2,374,422 | \$ 2,198,835 | \$ 2,588,253 | \$ 1,692,950 | \$ 2,427,670 |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|--|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 511 - EQUIPMENT RENTAL | | | | | |
| 0-Reclassification | \$ 51,000 | \$ 88,396 | \$ 39,680 | \$ 74,241 | \$ 416,253 |
| 1-Salaries & Wages | 403,077 | 425,341 | 458,906 | 405,096 | 768,555 |
| 2-Personnel Benefits | 153,033 | 192,015 | 184,069 | 187,590 | 315,011 |
| 3-Supplies | 1,399,280 | 1,117,945 | 1,182,700 | 761,377 | 1,182,900 |
| 4-Services | 170,700 | 374,612 | 293,793 | 214,672 | 336,752 |
| 6-Capital Outlay | 64,532 | 64,532 | - | 5,821 | - |
| 9-Interfund Payment for Svcs | 217,747 | 25,852 | 429,105 | 18,312 | - |
| 511-EQUIPMENT RENTAL M & O FUNI | \$ 2,459,369 | \$ 2,288,692 | \$ 2,588,253 | \$ 1,667,108 | \$ 3,019,471 |

Maintenance Shop Fund 513

The Public Works Department will efficiently develop, manage and operate the physical infrastructure that is the foundation of the City's health, safety, and welfare while enhancing the quality of life in our community.

Public Works Maintenance Shops Mission

To provide adequate maintenance facilities for the efficient operation of the Transportation, Storm Water Utility, Water and Sewer Utilities and Vehicle & Equipment Services crews.

What the Fund Does

The Public Works Maintenance fund supports the operation and maintenance of Lynnwood's Utility Maintenance Center (UMC) now called the Lynnwood Operations Maintenance Center (LOMC). The fund used to also fund the operation of the Joint Shop with the City of Mountlake Terrace. Lynnwood's interest in the joint facility, which houses the Transportation crews and the Storm Water Utility maintenance employees was sold to Mountlake Terrace in 2010. The LOMC, underwent minor modifications and now houses all Public Works

Sources:

crews. The LOMC now lacks sufficient dry storage areas for vehicles and equipment and in the future budget requests will be made to rectify this. We are making due now and using this site and others that we have control of to the best of our ability.

The Fund oversees the basic building functions such as heat, water, utilities, building maintenance and capital improvements to the site.

The LOMC building is relatively new and therefore only requires basic maintenance activities. The budget anticipates only minor repairs, replacement or new equipment.

Personnel cost in this budget for the fleet specialist position within the Finance department has been moved to Fleet Fund 511 for 2015/2016. This resulted in a decrease in this Fund 513.

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|--------------------------------------|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 513 - LYNNWOOD OPER'S & MAINT CENTER | | | | | |
| 30-Fund Balance | \$ - | \$ - | \$ - | \$ - | |
| 34-Charges for Services | - | - | - | 188,687 | 274,000 |
| 36-Miscellaneous Revenues | - | 7,640 | - | - | |
| 39-Other Financing Sources | 461,000 | 461,000 | 411,680 | 69,570 | |
| 513 - LYNNWOOD OPER'S & MAINT CENTER | \$ 461,000 | \$ 468,640 | \$ 411,680 | \$ 258,257 | \$ 274,000 |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|--------------------------------------|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 513 - LYNNWOOD OPER'S & MAINT CENTER | | | | | |
| 0-Reclassification | \$ - | \$ (20,243) | \$ - | \$ 3,167 | \$ - |
| 1-Salaries & Wages | 126,332 | 95,820 | 141,061 | 113,111 | - |
| 2-Personnel Benefits | 61,470 | 32,706 | 56,710 | 41,122 | - |
| 3-Supplies | 20,000 | 75,628 | 31,000 | 10,501 | 28,000 |
| 4-Services | 127,144 | 176,605 | 176,800 | 130,929 | 260,848 |
| 5-Intergovernmental Svcs | 100,000 | 18,377 | | - | - |
| 6-Capital Outlay | 20,000 | 22,353 | 4,429 | (297) | 10,000 |
| 9-Interfund Payment for Svcs | 7,744 | 16,361 | - | 7,032 | - |
| 513-LYNNWOOD OPERATIONS/MAINT | \$ 462,690 | \$ 417,607 | \$ 410,000 | \$ 305,565 | \$ 298,848 |

Self-Insurance Fund 515

The Cumulative Reserve Fund for Self-Insurance was created in 1981 (Ord. 1177, LMC 3.80.010) in accordance with RCW 35.21.070. This fund will accumulate and maintains money sufficient to pay expenses and estimated losses related to claims against the City.

Description of Services:

Beginning in FY2001, this fund has accounted for collecting all insurance costs from within city department's budgets, paying for: professional services, insurance premiums, claims, defense costs, investigation costs and judgments. The fund is not assessed any overhead and pays no administrative type expenses.

The program includes insurance for claims and judgments (including costs) above the \$25,000 deductible. A third party claims administrator assisted by staff reports investigates all claims. The claims adjuster recommends a disposition on the claim. This program is managed by the Finance Director, who is the City's Risk Manager. Program and claim activity is reviewed approximately quarterly. This review includes department personnel, the Mayor's office and City Council members.

Source of Funds:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|-----------------------------------|--------------------------|-------------------|---------------------------|--------------------------|---------------------|
| 515 - SELF-INSURANCE | | | | | |
| 30-Fund Balance | \$ 700,294 | \$ - | \$ - | \$ - | \$ 25,000 |
| 34-Charges for Services | - | - | - | - | - |
| 36-Miscellaneous Revenues | 1,325,956 | 1,298,963 | 1,530,000 | 909,772 | 1,507,342 |
| 38-Non-Revenue | - | (1,146,710) | - | - | - |
| 39-Other Financing Sources | 2,100,000 | 251,437 | - | - | - |
| 515 - SELF-INSURANCE Total | \$ 4,126,250 | \$ 403,690 | \$ 1,530,000 | \$ 909,772 | \$ 1,532,342 |

Uses:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|-----------------------------------|--------------------------|---------------------|---------------------------|-----------------------------|---------------------|
| 515 - SELF-INSURANCE | | | | | |
| 0-Reclassification | \$ - | \$ (889,623) | | \$ - | |
| 2-Personnel Benefits | 250 | 160 | - | 75 | |
| 3-Supplies | - | 573,445 | - | - | |
| 4-Services | 2,026,000 | 2,159,403 | 1,530,000 | 1,354,672 | 1,530,000 |
| 6-Capital Outlay | 2,100,000 | 1,194,072 | - | - | |
| 8-Debt Service-Interest | - | 29 | - | 47 | |
| 515 - SELF-INSURANCE Total | \$ 4,126,250 | \$ 3,037,485 | \$ 1,530,000 | \$ 1,354,794 | \$ 1,530,000 |

The primary sources of revenue for the 2013/2014 budget are from internal services charges, investment income, and other sources such as insurance subrogation recovery.

Current Financial Condition:

The risk of loss to the city was reduced from a "self-insured retention" of \$250,000 per occurrence to a "deductible" of \$75,000 per occurrence. Limits were increased; more thorough coverage was obtained while reducing insurance costs.

The fund balance has declined over the past several years due to an outdated cost allocation methodology. The department is developing a new cost allocation method which fully allocates all costs of the fund.

Major Issues:

Costs of the city's risk management program have stabilized over the past few years. We expect future costs to also be stable. Insurance rates have increased over the prior biennium by approximately \$204,000 per year.

Reserve Retirement Contribution Fund 519

This fund was established to pay the portion of a PERS 1 employee's retirement benefit which results from "excess compensation" or lump sum payouts of unused leave.

Description of Services:

Money may be accumulated to cover the vacation and sick leave of PERS 1 employees.

Source of Funds:

The primary source of revenue is from sales and use taxes.

Current Financial Condition:

The fund currently is not budgeted to receive any funds from the General Fund.

Revenue by Class:

| Fund / Category | 2011-2012 Amended Budget | 2011-2012 ACTUAL | 2013-2014 Original Budget | 2013-2014 thru June 2014 | 2015-2016 Budget |
|---|--------------------------------|---------------------|---------------------------------|--------------------------------|---------------------|
| 519 - RESERVE RETIREMENT CNTRB | | | | | |
| 30-Fund Balance | \$ 130,000 | \$ - | \$ 68,400 | \$ - | \$ 49,025 |
| 36-Miscellaneous Revenues | - | 554 | - | 132 | |
| 39-Other Financing Sources | - | - | - | - | |
| 519 - RESERVE RETIREMENT CNTRB Total | \$ 130,000 | \$ 554 | \$ 68,400 | \$ 132 | \$ 49,025 |

Expenditures by Class:

| Object Category | 2011-2012 Amended Budget | 2011-2012 Actuals | 2013-2014 Original Budget | 2013 Thru June 2014 Actuals | 2015-2016 Budget |
|---------------------------------------|--------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------|
| 519 - RESERVE RETIREMENT CNTRB | | | | | |
| 4-Services | \$ 130,000 | \$ 105,350 | \$ 68,400 | \$ 65,554 | \$ 49,025 |
| 519 - RESERVE RETIREMENT CNTRB | \$ 130,000 | \$ 105,350 | \$ 68,400 | \$ 65,554 | \$ 49,025 |