

**City of Milton, WA
Final Budget
2020**



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Mayor's Budget Message



October 14, 2019

Dear City Councilmembers,

I am pleased to submit for your consideration the 2020 proposed annual budget for the City of Milton. Proposed 2020 appropriations compared to budgeted 2019 appropriations are as follows:

Fund	2019 Original Budget	2020 Proposed Budget	Increase (Decrease)	% Change
General Fund	4,569,640	4,925,499	355,859	8%
Special Revenue Funds:				
Street Fund	367,136	387,533	20,397	6%
Rainy Day Fund	-	-	-	-
Asset Replacement & Capital Reserve Fund	70,000	166,400	96,400	138%
Drug Seizure Fund	10,000	15,000	5,000	50%
Criminal Justice Fund	2,957,209	2,987,626	30,417	1%
Community Events Fund	23,424	26,545	3,121	13%
Reserve Officer's Fund	-	2,063	2,063	n/a
Real Estate Excise Tax 1 Fund	175,000	129,000	(46,000)	-26%
Real Estate Excise Tax 2 Fund	185,000	20,000	(165,000)	-89%
Traffic Impact Fee Fund	75,000	515,000	440,000	587%
Parks Impact Fee Fund	-	96,000	96,000	n/a
Capital Projects Fund:				
Capital Improvement Fund	1,275,336	1,930,000	654,664	51%
Enterprise Funds:				
Electric Utility Fund	5,482,401	5,809,441	327,040	6%
Electric Capital Improvement Fund	750,000	2,050,000	1,300,000	173%
Electric Utility Asset Replacement Fund	330,000	400,000	70,000	21%
Water Utility Fund	2,516,836	2,391,862	(124,974)	-5%
Water Capital Improvement Fund	1,173,000	1,087,000	(86,000)	-7%
Water Utility Asset Replacement Fund	227,000	150,000	(77,000)	-34%
Stormwater Operations Fund	1,180,091	1,273,923	93,832	8%
Stormwater Capital Improvement Fund	1,465,000	479,000	(986,000)	-67%
Stormwater Asset Replacement Fund	72,000	220,000	148,000	206%
Internal Service Funds:				
Vehicle Repair & Maintenance Fund	261,103	255,523	(5,580)	-2%
Information Technology Fund	224,698	257,449	32,751	15%
Total Expenditures and Other Uses	23,389,874	25,574,863	2,184,989	9%

The total proposed budget is nine percent higher than last year's primarily due to increased capital spending, most notably on the electric substation replacement project. The increase in the General Fund budget includes the addition of a full-time Planning Manager position. Expenditure increases in other operating funds have been kept as low as possible and are largely limited to salary and benefit increases associated with existing staff. The 2020 budget proposes the same full-time equivalent employee count as in 2019; however, the proposed budget reflects addition of a Planning Manager position and removal of the Stormwater Compliance Officer position.

Improving the quality of life for the Citizens of Milton is one of my top priorities. The 2020 budget includes \$100,000 towards playground equipment, \$30,000 for new Welcome/Wayfinding signage and continued funding for Community Programs such as Senior and Youth activities. The Trailhead Improvement project will take place, adding sidewalks for safe walking to and from the Interurban Trail.

Estimated 2020 resources compared to 2019 budgeted resources are as follows:

Fund	2019 Original Budget	2020 Proposed Budget	Increase (Decrease)	% Change
General Fund	4,383,387	4,925,499	542,112	12%
Special Revenue Funds:				
Street Fund	367,000	387,688	20,688	6%
Rainy Day Fund	203,700	4,195	(199,505)	-98%
Asset Replacement & Capital Reserve Fund	127,204	106,061	(21,143)	-17%
Drug Seizure Fund	10,000	-	(10,000)	-100%
Criminal Justice Fund	2,957,850	2,991,050	33,200	1%
Community Events Fund	23,424	26,545	3,121	13%
Reserve Officer's Fund	-	-	-	-
Real Estate Excise Tax 1 Fund	151,650	148,100	(3,550)	-2%
Real Estate Excise Tax 2 Fund	150,740	142,816	(7,924)	-5%
Traffic Impact Fee Fund	60,450	189,725	129,275	214%
Parks Impact Fee Fund	10,450	25,946	15,496	148%
Capital Projects Fund:				
Capital Improvement Fund	1,140,003	1,822,510	682,507	60%
Enterprise Funds:				
Electric Utility Fund	4,722,500	5,399,591	677,091	14%
Electric Capital Improvement Fund	352,650	5,408,836	5,056,186	1434%
Electric Utility Asset Replacement Fund	141,450	165,833	24,383	17%
Water Utility Fund	2,272,350	2,352,303	79,953	4%
Water Capital Improvement Fund	255,000	251,594	(3,406)	-1%
Water Utility Asset Replacement Fund	68,700	71,950	3,250	5%
Stormwater Operations Fund	1,004,700	1,064,005	59,305	6%
Stormwater Capital Improvement Fund	854,900	323,960	(530,940)	-62%
Stormwater Asset Replacement Fund	30,150	197,801	167,651	556%
Internal Service Funds:				
Vehicle Repair & Maintenance Fund	265,000	260,000	(5,000)	-2%
Information Technology Fund	224,698	255,833	31,135	14%
Total Revenues and Other Resources	19,777,956	26,521,841	6,743,885	34%

Operating revenue projections are conservative. Where increases are projected, they have only been increased to amounts equivalent to actual projected revenue for 2019, based on actuals received to date. The exception is a 9% increase in property tax revenues based on known levy calculations, the Hill Creek annexation and new construction values. Significant revenue increases were recognized in sales taxes, permits and plan review revenues in 2019. The 2020 budget assumes increases over the 2019 budget, but no increase over 2019 actuals. Revenue in the Electric Utility Asset Replacement Fund includes a \$5 million loan for replacement of the substation.

Sincerely,

Shanna Styron Sherrell, Mayor

City of Milton, 1000 Laurel Street, Milton, WA 98354 - 253-922-8733 - cityofmilton.net

Mayor Shanna Styron Sherrell

Police Chief/Public Safety Administrator Tony Hernandez
Director of Public Works Nick Afzali

Finance Director Tara Dunford
City Clerk/HR Generalist Trisha Summers

Elected Officials

		<u>Term Expires:</u>
Shanna Styron-Sherrell	Mayor	December 31, 2021
Steve Whitaker	Councilmember – Position 1	December 31, 2021
Susan JF Johnson	Councilmember – Position 2	December 31, 2021
Bryan Ott	Councilmember – Position 3	December 31, 2021
Mary Tompkins	Councilmember – Position 4	December 31, 2019
Todd Morton	Councilmember – Position 5	December 31, 2021
Mark Hutson	Councilmember – Position 6	December 31, 2019
Bob Whalen	Councilmember – Position 7	December 31, 2019

Administrative Staff

Tony Hernandez	Police Chief/Public Safety Administrator
Nick Afzali	Public Works Director
Tara Dunford	Finance Director
Trisha Summers	City Clerk

Organizational Chart



Budget Development Process

The budget includes the financial planning and legal authority to obligate public funds. Additionally, the budget provides policy direction by the City Council to the staff and community.

The budget serves four functions:

It is a Policy Document

The budget functions as a policy document in that the decisions made within the budget will reflect the general principles or plans that guide the actions taken for the future. As a policy document, the budget makes specific attempts to link desired goals and policy direction to the actual day-to-day activities of the City staff.

It is an Operational Guide

The budget of the City reflects its operation. Activities of each City department or program have been planned, formalized and described in the following sections. This process will help to maintain an understanding of the various operations of the City and how they relate to each other and to the attainment of the policy issues and goals of the City Council.

It is a Link with the General Public

The budget provides a unique opportunity to allow and encourage public review of City operations. The budget describes the activities of the City, the purposes of those activities, future implications, and the direct relationship to citizens.

It is a Legally Required Financial Planning Tool

Preparing and adopting a budget is a state law requirement of all cities as stated in Title 35A of the Revised Code of Washington (RCW). The budget must be adopted as a balanced budget and must be in place prior to the beginning of the City's fiscal year. The budget is the legal authority to expend public funds and controls those expenditures by limiting the amount of appropriation at the fund level. The revenues of the City are estimated, along with available cash carry-forward, to determine funds available.

The City of Milton operates on a calendar-year basis. The City utilizes an incremental budgeting approach that assumes, for most functions of government, that the current year's budget is indicative of the base required for the following year. Any increases are incremental and based on need defined by budget policies, emerging issues, Council goals and available resources.

Budget Calendar

September 20 – preliminary estimates due from directors

October 14 – preliminary budget presentation to Council

November 4 – public hearing on revenue sources, first reading on tax levy

November 12 – budget presentation, updated preliminary budget (if needed)

November 18 – second reading on tax levy, first reading/public hearing of final budget

December 2 – second public hearing/adopt final budget

After the budget is adopted, the City enters a budget implementation and monitoring stage. Throughout the year, expenditures are monitored by the Finance Department and department directors to ensure that funds are within the approved budget. As required by RCW 35A.33.140, the Finance Director provides the City Council with quarterly reports to keep them current with the City's financial condition.

The Mayor is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, position titles, salary ranges or other conditions of employment must be approved by the City Council.

When the City Council determines that it is in the best interest of the City to increase or decrease the appropriation for a fund, it may do so by ordinance adopted by Council.

Budget Principles

General Principles

- Department directors have primary responsibility for formulating budget proposals in line with City Council and Mayor directions, and for implementing them once they are approved.
- The Finance Department is responsible for coordinating the overall preparation and administration of the City's budget. This function is fulfilled in compliance with applicable State of Washington statutes governing local government budgeting practices.
- The Finance Department assists department staff in identifying budget problems, formulating solutions and alternatives, and implementing any necessary corrective actions.
- Interfund charges will be based on recovery of costs associated with providing those services.
- Budget adjustments requiring City Council approval will occur through the ordinance process at the fund level prior to the end of the fiscal year.
- The City's budget presentation will be directed at displaying the City's services plan in a Council/Citizen friendly format.

Minimum Fund Balances

- **Enterprise Funds** – the targeted budgeted ending fund balance for utility operations funds shall equal at least 25% of budgeted operating expenditures.
- **General Fund** – the targeted budgeted ending fund balance for the general fund shall equal at least eight percent of budgeted operating expenditures.
- **Rainy Day Fund** – budgeted ending fund balance for the rainy day fund shall equal at least 10% of budgeted operating expenditures of the General Fund. Use of the rainy day fund shall be approved by Council through the budget process for temporary, unanticipated, one-time expenditures. If the balance in the rainy day fund falls below the 10% target the balance should be increased by at least one percent per year until the 10% target is met again.

Capital Asset Replacement and Improvement Funds

- **Enterprise Funds** – seven percent of the monthly charges for electric, water and stormwater shall be transferred into the related capital improvement funds and three percent of the same monthly charges shall be transferred into the related asset replacement funds.

- **General Government** – two percent of general fund operating revenues shall be transferred into the asset replacement fund for funding necessary replacement and/or acquisition of assets for general fund departments and funds supported by the general fund, including streets, parks, police and facilities.

Basis of Accounting

- Annual appropriated budgets are adopted for all funds on the cash basis of accounting.
- Budgets are adopted at the fund level that constitutes legal authority for expenditures. Annual appropriations lapse at the end of the fiscal period.
- **The General Fund** is the primary fund of the City. It accounts for all financial resources except those required or elected to be accounted for in another fund.

- **Special Revenue Funds** account for revenue sources that are legally restricted or designated to finance certain activities. Special revenue funds include the following:

- | | |
|---|--------------------------------|
| *Street Fund | *Rainy Day Fund |
| *Asset Replacement & Capital Reserve Fund | *Drug Seizure Fund |
| *Criminal Justice Fund | *Community Events Fund |
| *Reserve Officer’s Fund | *Real Estate Excise Tax 1 Fund |
| *Real Estate Excise Tax 2 Fund | *Traffic Impact Fee Fund |
| *Parks Impact Fee Fund | |

- **Capital Projects Funds** account for financial resources which are designated for the acquisition or construction of general government capital projects. The city maintains one capital project fund:

- *Capital Improvement Fund

- **Enterprise Funds** account for operations that provide goods or services to the general public and are supported primarily by user charges. Enterprise funds include the following:

- | | |
|--|---------------------------------------|
| *Electric Utility Operations Fund | *Electric Capital Improvement Fund |
| *Electric Utility Asset Replacement Fund | *Water Utility Operations Fund |
| *Water Capital Improvement Fund | *Water Utility Asset Replacement Fund |
| *Stormwater Operations Fund | *Stormwater Capital Fund |
| *Stormwater Asset Replacement Fund | |

- **Internal Service Funds** account for operations that provide goods or services to other departments or funds of the City. The two internal service funds are:

- | | |
|------------------------------------|------------------------------|
| *Vehicle Repair & Maintenance Fund | *Information Technology Fund |
|------------------------------------|------------------------------|

City-wide Budget Summary

Fund	Projected Beginning Fund Balance	Revenues & Other Resources	Expenditures & Other Uses	Net Increase (Decrease) In Fund Balance	Projected Ending Fund Balance
General Fund	1,008,970	4,925,501	4,925,499	-	1,008,970
Special Revenue Funds:					
Street Fund	-	387,688	387,533	155	155
Rainy Day Fund	469,959	4,195	-	4,195	474,154
Asset Replacement & Capital Improvement Fund	561,493	106,061	166,400	(60,339)	501,154
Drug Seizure Fund	18,313	-	15,000	(15,000)	3,313
Criminal Justice Fund	-	2,991,050	2,987,626	3,424	3,424
Community Events Fund	14,791	26,545	26,545	-	14,791
Reserve Officer's Fund	2,063	-	2,063	(2,063)	-
Real Estate Excise Tax 1 Fund	1,499	148,100	129,000	19,100	20,599
Real Estate Excise Tax 2 Fund	165,297	142,816	20,000	122,816	288,113
Traffic Impact Fee Fund	416,492	189,725	515,000	(325,275)	91,217
Parks Impact Fee Fund	84,388	25,946	96,000	(70,054)	14,334
Capital Projects Fund:					
Capital Improvement Fund	121,667	1,822,510	1,930,000	(107,490)	14,177
Enterprise Funds:					
Electric Utility Fund	751,624	5,399,591	5,809,441	(409,850)	341,774
Electric Capital Improvement Fund	2,334,096	5,408,836	2,050,000	3,358,836	5,692,932
Electric Utility Asset Replacement Fund	709,330	165,833	400,000	(234,167)	475,163
Water Utility Fund	1,524,643	2,352,303	2,391,862	(39,559)	1,485,084
Water Capital Improvement Fund	1,067,032	251,594	1,087,000	(835,406)	231,626
Water Utility Asset Replacement Fund	313,236	71,950	150,000	(78,050)	235,186
Stormwater Operations Fund	524,153	1,064,005	1,273,923	(209,918)	314,235
Stormwater Capital Improvement Fund	1,097,076	323,960	479,000	(155,040)	942,036
Stormwater Asset Replacement Fund	85,099	197,801	220,000	(22,199)	62,900
Internal Service Funds:					
Vehicle Repair & Maintenance Fund	-	260,000	255,523	4,477	4,477
Information Technology Fund	77,809	255,833	257,449	(1,616)	76,193
TOTAL	11,349,028	26,521,843	25,574,863	946,978	12,296,008

- The 2020 budget presumes service levels that are consistent with those provided in 2019.
- The full-time equivalent employee count remains unchanged from the 2019 budget.
- Employee salaries and benefits budgets include the following changes:
 - Cost of living (COLA) – pending union contracts.
 - Medical (Regence) 3% increase
 - Medical (Kaiser) 9% increase
 - Medical (Police/LEOFF) 10% increase

Historical Staffing

DEPARTMENT	POSITION	2016	2017	2018	2019	2020
		<i>original</i>	<i>original</i>	<i>amended</i>	<i>amended</i>	<i>proposed</i>
Executive	Municipal Services Administrator	-	-	1.00	-	-
	City Attorney	-	1.00	-	-	-
	City Clerk/HR Generalist	1.00	1.00	1.00	1.00	1.00
	Deputy City Clerk	1.00	1.00	0.50	0.50	0.50
Sub-Total		2.00	3.00	2.50	1.50	1.50
Finance	Finance Director	1.00	1.00	1.00	1.00	1.00
	Finance Tech II	-	-	1.00	1.00	1.00
	Finance Tech I	3.00	3.00	2.00	2.00	2.00
Sub-Total		4.00	4.00	4.00	4.00	4.00
Community Dev	Building Official	1.00	1.00	1.00	1.00	1.00
	Community Development Dir.	1.00	1.00	-	-	-
	Planning Manager	-	-	-	-	1.00
	Permit Technician/Sr Admin	1.00	1.00	1.00	1.00	1.00
Sub-Total		3.00	3.00	2.00	2.00	3.00
Public Works	PW Director	-	1.00	1.00	1.00	1.00
	PW Superintendent	1.00	1.00	1.00	1.00	1.00
	Engineer	1.00	1.00	-	1.00	1.00
	Stormwater Compliance Inspector	1.00	1.00	1.00	1.00	-
	PW Admin Assistant	1.00	1.00	1.00	1.00	1.00
	Electric Supervisor	1.00	1.00	1.00	1.00	1.00
	Electric Lineman, Lead	-	1.00	1.00	1.00	1.00
	Lineman	3.00	2.00	2.00	2.00	2.00
	Elec Equip Operator	1.00	1.00	1.00	1.00	1.00
	Utility Supervisor	1.00	1.00	1.00	1.00	1.00
	Water Quality Specialist	1.00	1.00	1.00	1.00	1.00
	Mechanic 2	1.00	1.00	1.00	1.00	1.00
	Maint Worker 3	1.00	2.00	2.00	2.00	2.00
	Maint Worker 2	3.00	3.00	3.00	3.00	3.00
	Maint Worker 1	3.75	4.00	4.00	4.00	4.00
	Meter Tech	1.00	1.00	-	-	-
	Asset Management Tech 1	-	-	1.00	1.00	1.00
	Asset Management Tech 2	-	-	1.00	1.00	1.00
	PW Admin Assistant	1.00	1.00	1.00	1.00	1.00
Sub-Total		21.75	24.00	24.00	25.00	24.00
Police	Police Chief	1.00	1.00	1.00	1.00	1.00
	Sergeant	3.00	3.00	3.00	3.00	3.00
	Code Enforcement	1.00	1.00	1.00	1.00	1.00
	Officer	8.00	8.00	8.00	7.00	7.00
	Detective	1.00	1.00	1.00	2.00	2.00
	Police Clerk	1.00	-	-	-	-
Sub-Total		15.00	14.00	14.00	14.00	14.00
IT Dept	IT Director	1.00	1.00	-	-	-
	IT Systems Administrator	1.00	-	-	-	-
	IT System Support Specialist	1.00	-	-	-	-
Sub-Total		3.00	1.00	-	-	-
TOTAL		48.75	49.00	46.50	46.50	46.50

Wage Scale

2020 Wage Scale Pending Union Contracts

Full Time Employees	2019	IBEW Grade	STEP A	STEP B	STEP C	STEP D	STEP E
Maintenance Worker I	4.00	13	\$ 3,850	\$ 4,049	\$ 4,250	\$ 4,460	\$ 4,683
PW Field Administrative Assistant	1.00	14					
Deputy City Clerk	0.50						
Finance Tech 1	2.00						
PW Administrative Assistant	1.00						
Permit Tech	1.00						
Maintenance Worker II	3.00	16	\$ 4,460	\$ 4,683	\$ 4,920	\$ 5,164	\$ 5,418
Finance Technician II	1.00	17					
Mechanic	1.00						
Asset Management Tech I	1.00						
Line Equipment Operator	1.00	18	\$ 4,920	\$ 5,164	\$ 5,417	\$ 5,691	\$ 5,976
Maintenance III - Lead	2.00	19					
Water Quality Specialist	1.00						
Asset Management Tech II	1.00						
Journey Electric Lineman	2.00	23					
Utility Supervisor	1.00						
Building Official	1.00						
Journey Electric Lineman, Lead	1.00	24	-----	-----	-----	-----	\$ 8,009
Electric Utility Supervisor	1.00	26	\$ 7,265	\$ 7,629	\$ 8,012	\$ 8,408	\$ 8,829
Uniformed Personnel			Academy	STEP A	STEP B	STEP C	STEP D
Police Officer	7.00		\$ 5,441	\$ 5,697	\$ 5,969	\$ 6,251	\$ 6,551
Code Enforcement Officer	1.00		\$ 5,441	\$ 5,697	\$ 5,969	\$ 6,251	\$ 6,551
Police Sergeant	3.00		-	\$ 7,180	\$ 7,525	\$ 7,886	\$ 8,267
Detective	2.00		\$ 5,441	\$ 5,697	\$ 5,969	\$ 6,251	\$ 6,551
Exempt Positions - Directors			2019 Salary Range				
Police Chief	1.00		\$ 95,449	-----	-----	-----	\$ 132,224
Finance Director	1.00		\$ 95,449	-----	-----	-----	\$ 132,224
City Clerk/Human Resources Generalist	1.00		\$ 70,239	-----	-----	-----	\$ 85,375
Public Works Director	1.00		\$ 95,449	-----	-----	-----	\$ 132,224
City Engineer	1.00		\$ 70,239	-----	-----	-----	\$ 97,619
Planning Manager	1.00		\$ 75,000	-----	-----	-----	\$ 110,000
P W Superintendent & Project Manager	1.00		\$ 71,717	-----	-----	-----	\$ 96,881
Part-Time Employees			Hourly Range				
Civil Service Secretary	150 hrs		\$ 16.17	-----	-----	-----	-----
Fiscal Technician 1 Pool	400 hrs		\$ 24.13	-----	-----	-----	-----
Seasonal Public Works Crew (1500 hours)	0.70		\$ 17.86	-----	-----	-----	\$ 21.87
FTE Summary			Elected Officials (Non FTE)				
Total Regular FTE's	46.50		Mayor	1	1,500	CPI-U	3.30%
Total Part-Time FTE's	0.70		Council	7	400		

Staff Allocation By Fund/Department

Budgeted full-time equivalent employee (FTE) counts by fund and department are shown below. Mayor & Executive and Finance department salaries and benefits are allocated to enterprise funds as described in the indirect cost allocation section, immediately following. All other time is charged to the appropriate function based on actual hours worked during the year. Amounts shown below are allocations used for budget purposes and may vary based on actual work assignments and activities.

Position	FTE	General Fund											
		Mayor & Executive	Finance	Central Services	Building	Planning	Park Facilities	Street Fund	Criminal Justice	Electric Utility	Water Utility	Stormwater Utility Fund	Vehicle Repair
City Clerk/HR Generalist	1.00	1.00											
Deputy City Clerk	0.50	0.50											
Finance Director	1.00		1.00										
Finance Tech II	1.00		1.00										
Finance Tech I	2.00		2.00										
Building Official	1.00				1.00								
Planning Manager	1.00					1.00							
Permit Technician	1.00				1.00								
PW Director	1.00					0.10	0.01	0.06		0.28	0.28	0.27	
PW Superintendent	1.00			0.04			0.04	0.04		0.34	0.29	0.25	
City Engineer	1.00					0.10	0.01	0.09		0.25	0.25	0.30	
PW Admin Assistant	1.00			0.01	0.09	0.03	0.05	0.06		0.24	0.26	0.26	
Electric Supervisor	1.00									1.00			
Electric Lineman, Lead	1.00									1.00			
Lineman	2.00									2.00			
Elec Equip Operator	1.00									1.00			
Utility Supervisor	1.00							0.11		-	0.50	0.39	
Water Quality Specialist	1.00									1.00			
Mechanic 2	1.00												1.00
Maint Worker 3	2.00			0.12				0.13		0.01	0.72	1.02	
Maint Worker 2	3.00			0.07			0.07	0.16		0.18	1.29	1.23	
Maint Worker 1	4.00			0.80			0.61	0.13		0.04	1.31	1.11	
Asset Management Tech 1	1.00			0.10			0.02	0.01		0.32	0.31	0.24	
Asset Management Tech 2	1.00									0.44	0.56		
PW Ops Admin Assistant	1.00			0.01			0.02	0.04		0.25	0.25	0.21	0.22
Police Chief	1.00	0.27							0.73				
Sergeant	3.00								3.00				
Code Enforcement	1.00								1.00				
Police Officer	7.00								7.00				
Detective	2.00								2.00				
Totals	46.50	1.77	4.00	1.15	2.09	1.23	0.83	0.83	13.73	7.35	7.02	5.28	1.22

Indirect Cost Allocation

Indirect cost allocation is a method to determine and assign the cost of central services to the internal users of those services. Cost allocation enables the City to more accurately account for the complete cost of the services it provides.

Indirect costs include central services costs related to information technology, accounting, human resources, facilities operating and maintenance costs, and other general and administrative expenses.

Cost allocation plans share indirect costs across programs, activities, funds and departments. The term “allocation” implies that there is no precise method for charging indirect costs, however cost allocations should be designed to provide a consistent, reasonable and equitable means to allocate costs.

An indirect cost allocation plan is intended to charge restricted funds for a fair and equitable portion of central services costs. The City has two fund types that are eligible for indirect cost allocation – special revenue funds and business-type funds.

Special revenue funds must be at least partially funded by an externally restricted or internally assigned revenue source; however, the special revenue funds can be, and are, subsidized by the general fund. Therefore, there is no benefit to be had by including the special revenue funds in the indirect cost allocation plan (increasing expenditures in those funds would simply increase the amount of general fund subsidy required).

In contrast, the City’s business-type funds must be self-supporting and cannot receive general fund support in the form of subsidization or services provided at no charge. An indirect cost allocation plan is the appropriate way to charge business-type funds for services provided by the general fund. The City’s current business type funds subject to allocation are Water Operations, Electrical Operations, Stormwater Operations, Information Technology and Vehicle Repair & Maintenance. Utility capital improvement and asset replacement funds are excluded from allocation.

The indirect cost allocation plan is developed based on the principle that costs will be split between general government activities (those pertaining to the general fund and special revenue funds) and business-type activities. Business-type activities will be further allocated by fund, based on the criteria described below. General government activities will remain in the general fund.

Costs to Be Allocated

The following central services costs are subject to allocation:

- ❖ Salaries, benefits, supplies, training, equipment, etc. associated with:
 - Public Safety Administrator/Police Chief*
 - City Clerk, Deputy City Clerk
 - Finance Department
- ❖ Building and maintenance costs:
 - City Hall
 - Finance Department

- ❖ Audit costs
- ❖ Insurance
- ❖ City-wide technology
- ❖ Mayor and Council costs

*The Public Safety Administrator/Police Chief position provides services that are both administrative and public safety related. Only the administrative time, as determined through a formal time study, is subject to allocation.

Activities & Measurement Criteria

The activities on which to base allocations and the measurement criteria for those activities are identified in the following table.

ACTIVITIES <i>(tracked during 2018 time study)</i>	MEASUREMENT CRITERIA
Payroll	Full-time equivalent employees – 2018 budget
Human Resources	Full-time equivalent employees – 2018 budget
Accounts Payable	Non-salary expenses – 2018 budget
Council, Incl. Meetings/Prep/Communication	# of agenda items – 2017 actual
Payment processing	# of payments – 2017 actual
Utility billing	# of invoices – 2017 actual
Audit	Total expenses – 2018 budget
Insurance	Distribution of assets – 2018 actual
City-wide technology	Time study results + 2018 employees
Public Records	Total expenses – 2018 budget
Vehicle Maintenance & Repairs	Time study results
Budget monitoring – City Wide	Total expenses – 2018 budget
Meetings & Admin Time – City Wide	Total expenses – 2018 budget
Meetings & Admin Time - Utilities	Total expenses – 2018 budget
Meetings & Admin Time – Public Safety*	Excluded from allocation
Wellness Program	Full-time equivalent employees - 2018

Budget & Accounting Procedures

Costs allocated from the General Fund will show up on separate line items as negative expenditures. Costs allocated to business-type funds will be shown as separate expenditure line items.

The Finance Director will monitor budget to actual amounts for the costs included in the cost allocation plan. If there is a variance of greater than 15% between budgeted and annual costs, then a one-time adjustment will be made as close to the end of the year as is practical.

Salary & Benefit Allocations

Salary and benefit allocations are based on the results of formal time studies performed in 2018. Time studies are valid for three years. The existing allocations will remain valid for budget years 2019, 2020 and 2021. Time studies should be re-performed in 2021 for use in the 2022 budget.

Allocation Percentages

Position	General	Criminal						Vehicle
		Justice	Electric	Water	Storm	IT		
Council	72.03%	-	9.67%	10.19%	7.08%	1.04%	-	
Mayor	72.03%	-	9.67%	10.19%	7.08%	1.04%	-	
Public Safety Administrator	7.93%	72.50%	9.75%	5.40%	3.70%	-	-	
City Clerk	46.11%	-	22.58%	16.97%	12.29%	0.91%	1.13%	
Deputy City Clerk	46.11%	-	22.58%	16.97%	12.29%	0.91%	1.13%	
Finance Director	34.17%	-	30.91%	19.26%	13.56%	1.11%	0.99%	
Finance Tech 2	22.69%	-	35.63%	22.20%	15.95%	2.52%	1.00%	
Finance Tech 1	20.25%	-	33.64%	25.50%	19.27%	-	0.88%	
Finance Tech 1 - UB	1.42%	-	41.07%	32.48%	24.96%	-	-	
Fiscal Tech Pool	6.90%	-	39.87%	29.98%	22.76%	-	-	

Position	2020 Salaries	General	Criminal						Shop	Total Re-Allocated
			Justice	Electric	Water	Storm	IT			
Council	33,600	24,192	-	3,360	3,360	2,352	336	-	9,408	
Mayor	18,000	12,960	-	1,800	1,800	1,260	180	-	5,040	
Public Safety Administrator	129,690	10,375	94,674	12,969	6,484	5,188	-	-	24,641	
City Clerk	86,480	39,781	-	19,890	14,702	10,378	865	865	46,699	
Deputy City Clerk	29,906	26,915	-	1,495	897	598	-	-	2,991	
Total Mayor & Executive	264,076	90,031	94,674	36,155	23,883	17,423	1,045	865	79,371	
Finance Director	127,198	43,247	-	39,431	24,168	17,808	1,272	1,272	83,950	
Finance Tech 2	70,587	15,529	-	25,411	15,529	11,294	2,118	706	55,058	
Finance Tech 1	63,683	12,737	-	22,289	15,921	12,100	-	637	50,946	
Finance Tech 1 - UB	64,288	643	-	26,358	21,215	16,072	-	-	63,645	
Fiscal Tech Pool	9,893	692	-	3,957	2,968	2,275	-	-	9,200	
Total Finance	335,649	72,848	-	117,447	79,800	59,549	3,390	2,615	262,800	
Total To Be Allocated	633,324	187,072	94,674	156,962	107,044	79,324	4,770	3,479	351,579	

Position	2020 Benefits	General	Criminal						Shop	Total Re-Allocated
			Justice	Electric	Water	Storm	IT			
Council	3,452	2,485	-	345	345	242	35	-	966	
Mayor	1,629	1,173	-	163	163	114	16	-	456	
Public Safety Administrator	41,917	3,353	30,599	4,192	2,096	1,677	-	-	7,964	
City Clerk	45,622	20,986	-	10,493	7,756	5,475	456	456	24,636	
Deputy City Clerk	20,349	18,314	-	1,017	610	407	-	-	2,035	
Total Mayor & Executive	109,516	43,826	30,599	15,865	10,625	7,672	473	456	35,091	
Finance Director	53,333	18,133	-	16,533	10,133	7,467	533	533	35,200	
Finance Tech 2	41,597	9,151	-	14,975	9,151	6,655	1,248	416	32,445	
Finance Tech 1	22,998	4,600	-	8,049	5,750	4,370	-	230	18,399	
Finance Tech 1 - UB	37,549	375	-	15,395	12,391	9,387	-	-	37,174	
Fiscal Tech Pool	862	60	-	345	259	198	-	-	801	
Total Finance	156,339	32,320	-	55,297	37,684	28,077	1,781	1,179	124,019	
Total To Be Allocated	269,306	78,631	30,599	71,507	48,654	35,991	2,288	1,635	160,076	

Other Operating Expenditures Cost Allocations

Non-salary costs are allocated based on blended results of time studies and on budgeted operating expenditures.

Function	Allocation Percentages				
	General	Electric	Water	Storm	Vehicle
City Council	73.07%	9.67%	10.19%	7.08%	0.00%
Mayor & Executive	70.00%	12.67%	10.00%	7.00%	0.33%
Admin & Finance	17.60%	36.60%	25.80%	19.40%	0.60%
Legal	30.15%	35.44%	19.64%	13.45%	1.32%
Other Admin/Personnel	46.20%	14.58%	20.42%	16.63%	2.18%
Central Services	43.80%	24.63%	17.90%	13.20%	0.47%

Function	Operating Budget	Allocation - 2020 Budget					Total Re-Allocated
		General	Electric	Water	Storm	Vehicle	
City Council	29,650	21,665	2,867	3,021	2,099	-	7,988
Mayor & Executive	33,238	23,267	4,211	3,324	2,327	110	9,971
Admin & Finance	120,007	21,121	43,923	30,962	23,281	720	98,886
Legal	100,000	30,150	35,440	19,640	13,450	1,320	69,850
Other Admin/Personnel	23,900	11,042	3,485	4,880	3,975	521	12,861
Central Services	248,173	108,700	61,125	44,423	32,759	1,166	139,473
Total to Be Allocated	554,968	215,945	151,051	106,250	77,891	3,837	339,029

Interfund Activity

Information Technology

Interfund charges for services in the Information Technology Fund are based on full-time equivalent employee counts. The allocation is as follows:

Function	Allocation
Mayor & Executive	9,738
Finance	22,007
Central Services	6,327
Building	11,499
Planning	6,767
Park Facilities	4,566
Street Fund	4,566
Criminal Justice Fund	75,540
Electric Operations Fund	40,438
Water Operations Fund	38,623
Stormwater Operations Fund	29,049
Vehicle Repair and Maintenance	6,712
	<u>255,833</u>

Vehicle Repair & Maintenance

Interfund charges for Vehicle Repair and Maintenance are based on actual costs incurred during the year and are not subject to estimates.

Interfund Rentals

Interfund rental revenue is recorded in the Electric Operations Fund to reflect the use of space by Water Utility Operations and Stormwater Utility Operations.

Interfund Transfers

Budgeted interfund transfers are as follows:

- ❖ \$98,285 from the General Fund to the Asset Replacement and Capital Reserve Fund. This amount represents two percent of budgeted General Fund revenues.
- ❖ \$210,000 from the General Fund to the Street Fund to subsidize Street Fund operations.
- ❖ \$2,695,000 from the General Fund to the Criminal Justice Fund to subsidize Police Department operations.

- ❖ \$7,400 from the General Fund to the Community Events Fund to cover staffing costs associated with Milton Days.
- ❖ \$129,000 from the REET 1 Fund to the Capital Improvements Fund.
- ❖ \$20,000 from the REET 2 Fund to the Capital Improvement Fund.
- ❖ \$515,000 from the Traffic Impact Fees Fund to the Capital Improvements Fund.
- ❖ \$96,000 from the Parks Impact Fees Fund to the Capital Improvements Fund.
- ❖ \$522,000 from the Electric Operations Fund to the Electric Capital Improvement Fund (\$365,400) and the Electric Asset Replacement Fund (\$156,600).
- ❖ \$221,450 from the Water Operations Fund the Water Capital Improvement Fund (\$155,015) and the Water Asset Replacement Fund (\$66,435).
- ❖ \$102,800 from the Stormwater Operations Fund to the Stormwater Capital Improvement Fund (\$71,960) and the Stormwater Asset Replacement Fund (\$30,840).

General Fund – 001 Summary

	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>	<u>Change - 2019 Budget to 2020</u>	
					<u>Dollars</u>	<u>Percentage</u>
Beginning Fund Balance	189,857	622,325	525,432	1,008,970		
Revenues & Other Sources						
Property Tax	1,318,053	1,340,000	1,340,000	1,454,400	114,400	9%
Sales Tax	1,147,262	1,115,000	1,350,646	1,350,646	235,646	21%
Utility Tax	1,053,016	1,104,088	1,068,599	1,114,212	10,124	1%
Other Taxes	30,380	32,299	27,104	27,757	(4,542)	-14%
Licenses & Permits	294,434	247,900	499,863	330,506	82,606	33%
State Generated Revenues	82,530	56,000	14,637	-	(56,000)	-100%
Charges for Services	184,160	152,200	325,331	240,452	88,252	58%
Fines & Forfeitures	98,231	102,700	142,823	147,107	44,407	43%
Miscellaneous Revenues	113,028	74,500	92,753	86,720	12,220	16%
Other & Non-Revenues	149,194	158,700	182,924	173,699	14,999	9%
Total Revenues & Other Sources	4,470,288	4,383,387	5,044,678	4,925,499	542,112	12%
Expenditures & Other Uses						
City Council	15,893	46,427	46,427	80,340	33,913	73%
Mayor & Executive	71,905	160,456	160,456	157,124	(3,332)	-2%
Judicial/Municipal Court	279,082	297,000	297,000	393,000	96,000	32%
Legal Services	54,066	30,150	30,150	30,150	-	0%
Finance	109,140	95,343	95,343	126,290	30,948	32%
Other Admin & Personnel	10,827	10,185	10,185	11,039	854	8%
Central Services	154,585	79,963	79,963	108,700	28,736	36%
Building	264,329	351,907	351,907	347,881	(4,026)	-1%
Planning	124,577	70,799	70,799	227,710	156,911	222%
Culture & Recreational	14,321	31,900	23,400	23,300	(8,600)	-27%
Park Facilities	170,120	159,863	159,863	228,480	68,617	43%
Other & Non-Expenditures	130,827	155,300	155,300	180,800	25,500	16%
Transfers	2,735,041	3,080,347	3,080,347	3,010,685	(69,662)	-2%
Total Expenditures & Other Uses	4,134,713	4,569,640	4,561,140	4,925,499	355,859	8%
Net Change in Fund Balance	335,575	(186,253)	483,538	-		
Ending Fund Balance	525,432	436,072	1,008,970	1,008,969		
Fund Balance as % of Expenditures	13%	10%	22%	20%		

- The increase in property taxes is due to additional revenue from the Hill Creek Annexation. Sales tax revenue is significantly higher than the 2019 budget but anticipates no increase over 2019 actuals. Similarly, charges for services and fines & forfeitures assume no increase over 2019 actuals.
- Overall, expenditures are seven percent higher in 2020 than 2019. This is primarily due to the addition of a full-time Planning Manager.
- Detailed expenditures by department are shown in the following sections.

General Fund Revenue Detail

DETAIL

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
308 80 00 001	Beginning Fund Balance	189,857	622,325	525,432	1,008,970
Revenues					
<i>Taxes</i>					
311 10 00 001	Property Tax - Pierce	1,157,040	1,175,000	1,175,000	1,186,750
311 10 01 001	Property Tax - King	161,013	165,000	165,000	267,650
311 10 02 001	Parks Levy - King	2,155	1,800	2,546	2,571
313 11 00 001	Local Sales Tax	1,076,850	1,045,000	1,278,257	1,278,257
313 17 10 001	Zoo/Park Sales Tax	70,412	70,000	72,389	72,389
313 31 00 000	Hotel/Motel Tax	4,686	5,000	3,627	3,627
316 41 00 000	Electric Utility Tax	254,961	275,000	271,107	292,796
316 42 00 000	Water Utility Tax	204,705	200,000	186,359	191,949
316 43 00 000	Gas Utility Tax	76,447	90,324	91,064	93,795
316 44 00 000	Sewer Utility Tax	101,955	112,915	122,598	126,276
316 46 00 000	Cable TV Tax	120,192	125,885	135,569	139,636
316 47 00 000	Telephone Utility Tax	133,635	142,082	118,394	121,945
316 48 00 000	Surface Wtr Utility Tax	86,684	89,000	79,217	81,593
316 49 00 000	Solid Waste Utility Tax	74,437	68,881	64,293	66,222
316 81 00 000	Gambling Excise Tax	23,474	25,399	20,841	21,466
318 12 00 000	Parking Tax	65	100	90	93
<i>Total Taxes</i>		3,548,711	3,591,387	3,786,348	3,947,015
<i>Licenses & Permits</i>					
321 99 00 000	Master Business License	65,810	59,000	67,412	68,000
322 10 00 000	Building Permits	191,521	150,000	305,717	220,000
322 10 02 000	Sign Permits	3,222	4,000	1,416	1,416
322 10 04 000	Plumbing & Mech Permits	28,098	29,000	30,222	30,222
322 10 05 000	Fire Alarm Permits	2,906	3,000	4,772	4,772
322 10 05 001	Fire Sprinkler	-	-	948	948
322 10 05 002	Fire Plan Review/Services	2,752	2,700	89,229	5,000
322 90 20 000	Misc. Permits, Other Events	125	200	149	149
<i>Total Licenses & Permits</i>		294,434	247,900	499,863	330,506
<i>State Generated Revenues</i>					
334 01 20 000	State Direct/Indirect Grant From Other Judicia	2,501	-	-	-
336 00 98 000	City-County Assistance	7,947	11,000	-	-
336 00 99 000	Streamlined Mitigation -State	72,082	45,000	14,637	-
<i>Total State Generated Revenues</i>		82,530	56,000	14,637	-

DETAIL

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>Charges for Services</i>					
341 33 02 000	Warrant Costs	7,848	6,800	5,480	5,644
341 33 03 000	Def. Pros. Admin.	147	-	-	-
341 33 06 000	IT Time Pay Fee	1,292	1,500	2,072	2,134
341 62 00 000	Copies-Muni/Dist Court	3	-	-	-
341 70 00 001	Central Stores Office Supplies	1,798	-	-	-
341 81 00 000	Photocopies	336	400	146	150
342 33 00 000	Adult Probation Svcs	240	400	375	386
342 33 00 001	Record Check Fee	9,423	10,000	5,319	5,479
342 33 00 002	Sentence Compliance Monitoring	23,928	23,000	23,877	24,593
342 33 00 003	Conviction Fee	459	500	315	324
342 37 00 000	Booking Fees	381	500	689	709
345 81 01 000	Subdivision Fees	5,494	4,400	2,100	2,163
345 81 02 000	Variances, Conditional Use	4,179	3,700	7,392	7,614
345 81 04 000	Commercial/Indust. Development	6,045	4,800	7,254	7,472
345 81 05 000	Boundary Adjustment	1,374	1,200	687	708
345 81 06 000	Pre-App Meetings	11,067	7,700	1,371	1,412
345 83 10 000	Plan Review	96,236	75,000	237,514	150,000
345 83 20 000	Plan Check-Land Use	678	900	11,343	11,683
345 89 00 000	Other Plng & Development Fees	13,232	11,400	19,400	19,981
<i>Total Charges for Services</i>		184,160	152,200	325,331	240,452
<i>Fines & Forfeitures</i>					
352 30 00 000	Mandatory Ins. Admin Cost	574	600	1,139	1,173
353 10 00 000	Traffic Infraction Penalties	62,175	65,000	109,679	112,969
353 70 00 000	LOCAL/JIS ACCNT	529	200	44	45
354 00 00 000	Disabled Parking Penalty	294	400	813	837
355 20 00 000	DUI Penalties	13,653	14,000	3,564	3,671
355 80 00 000	Criminal Traffic Penalties	14,706	16,000	20,192	20,797
356 50 00 000	Investigative Fund Assessments	3,634	3,800	3,645	3,754
356 90 00 000	Other Non-Traffic Penalties	864	800	725	746
357 33 00 000	Public Defender Fees	827	1,000	482	496
359 10 00 000	Penalties	975	900	2,543	2,619
<i>Total Fines & Forfeitures</i>		98,231	102,700	142,823	147,107

DETAIL

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>Miscellaneous Revenues</i>					
361 10 00 001	Investment Interest	4,212	2,700	16,038	10,005
361 40 01 001	Interest Local Sales	7,814	7,500	10,071	10,071
361 40 03 001	Interest-Court	6,230	6,000	7,500	7,500
362 00 00 000	Interfund Rental	52,133	-	-	-
362 00 01 000	Facility Rental	18,083	20,000	16,122	16,122
362 00 02 000	Fire Dept Lease	15,701	31,400	31,400	31,400
367 00 00 001	WCIA Grants	1,386	100	2,093	2,093
367 00 00 002	Donations - Community Programs	-	-	432	432
367 00 40 000	Donations - General	184	300	525	525
367 17 00 000	Donations - Wellness	317	500	-	-
367 76 00 000	Donations - Parks	400	500	-	-
369 10 00 001	Sale Of Scrap And Junk/ Surplus Equip	-	2,500	1,433	1,433
369 40 00 000	Judgements & Settlements	2,005	-	-	-
369 80 00 000	Cash Over/Short	(201)	-	-	-
369 91 00 000	Miscellaneous Revenue	4,764	3,000	7,140	7,140
<i>Total Miscellaneous Revenues</i>		113,028	74,500	92,753	86,720
<i>Non Revenues & Other</i>					
386 12 00 000	Warrant Costs Crime Victims	1,902	2,000	2,385	2,000
386 83 00 000	Legis. Assmnt	7,328	7,500	14,990	7,500
386 88 00 000	State General Fund 54 (PSEA)	1,201	1,200	1,125	1,200
386 89 00 000	Hwy Safety Acct	4,294	4,500	3,744	4,500
386 91 00 000	State General Fund 40 (PSEA)	53,971	60,000	72,933	70,000
386 92 00 000	State General Fund 50 (PSEA)	26,439	30,000	39,975	40,000
386 97 00 000	Local JIS	16,022	20,000	27,479	25,000
386 99 00 000	School Safety Speeding	464	500	2,201	500
389 10 00 000	Facility Rental Deposits	16,750	20,000	15,225	20,000
389 30 00 001	State Sales Tax Collected	1,219	800	1,017	800
389 30 01 000	Building Code Fees	531	500	981	1,000
389 90 00 000	Misc. Non-Revenue	2,233	2,200	870	1,200
395 10 00 000	Proceeds - Street Vacation	13,650	9,000	-	-
398 20 00 000	Insurance Recovery	3,190	500	-	-
<i>Total Non Revenues & Other</i>		149,194	158,700	182,924	173,700
Total Revenues		4,470,288	4,383,387	5,044,678	4,925,500

- Property tax is projected to increase based on the 101% limit plus Hill Creek annexation area and new construction.
- Sales tax is projected to increase significantly from the 2019 budgeted amount, however the amount budgeted in 2020 assumes no increase over 2019 actuals.
- Permit and plan review revenues have been conservatively budgeted. Budgeted amounts are higher than 2019 budgets but lower than 2019 projections.

General Fund - City Council

The City Council, or Legislative Department of the City, accounts for the cost of providing effective elective representation to the citizens of the City. The seven-member Council makes policy decisions for the City and is accountable to Milton citizens by determining how resources are allocated, the appropriate levels of services, and establishing goals and policies for the City.

The City Council budget for 2020 is higher than in 2019 due to planned replacement of microphones in the Council Chambers.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>City Council</i>					
511 30 41 000	Offc'l Pub/Code Publishing	2,072	20,000	20,000	20,000
511 60 10 000	Salaries and Wages	8,400	33,600	33,600	33,600
	<i>Allocated salaries</i>	-	(9,399)	(9,399)	(9,408)
511 60 20 000	Personnel Benefits	695	3,452	3,452	3,452
	<i>Allocated benefits</i>	-	(965)	(965)	(966)
511 60 31 000	Operating Supplies	248	220	220	450
511 60 41 000	Professional Services	-	-	-	700
511 60 41 001	Professional Services-IT	2,461	-	-	-
511 60 41 002	Advertising	1,000	1,650	1,650	1,400
511 60 43 000	Travel	479	3,253	3,253	4,050
511 60 49 002	Misc/Trng,Registrations	400	1,655	1,655	2,850
511 60 49 003	Misc/Outside Printing	138	240	240	200
	Capital Outlay - Council Chambers	-	-	-	32,000
	<i>Allocated operating expenditures</i>	-	(7,279)	(7,279)	(7,988)
<i>Total City Council</i>		15,893	46,427	46,427	80,340

Salaries, benefits and operating expenditures have been allocated to other funds as follows:

	<u>Electric</u>	<u>Water</u>	<u>Storm</u>	<u>Vehicle</u>	<u>Info Tech</u>	<u>Total</u>
Salaries & Wages	3,360	3,360	2,352	-	336	9,408
Benefits	345	345	241	-	35	966
Operating Expenditures	2,867	3,021	2,099	-	-	7,988
Total Allocated	6,572	6,726	4,692	-	371	18,362

General Fund - Mayor & Executive Office

This department, which includes the Mayor, is accountable to the City Council for the operational results of the organization, effective support of elected officials in achieving their goals, fulfillment of the statutory requirements of the City, implementation of City Council policies, and providing for a communication linkage between citizens, the City Council, City departments, and other government agencies.

The Mayor & Executive 2020 budget is slightly lower than 2019 due to repurposing of the Municipal Services Administrator position.

Positions included in this department are: Mayor, general governmental portion of Police Chief/Public Safety Administrator, City Clerk and Deputy City Clerk.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>Mayor & Executive</i>					
513 10 10 000	Salaries and Wages	39,353	259,392	259,392	169,402
	<i>Allocated salaries</i>	-	(163,212)	(163,212)	(79,371)
513 10 20 000	Personnel Benefits	13,120	122,204	122,204	78,917
	<i>Allocated benefits</i>	-	(77,496)	(77,496)	(35,091)
513 10 31 000	Office and Operating Supplies	1,971	2,000	2,000	2,000
513 10 35 000	Small Tools & Equipment	370	600	600	2,000
513 10 36 000	Small Assets/IT	-	-	-	-
513 10 41 000	Other Services and Charges	1,590	2,000	2,000	2,000
513 10 41 001	Professional Services - IT	5,180	16,620	16,620	9,738
513 10 41 002	Advertising	591	230	230	200
513 10 42 000	Communication	2,033	2,400	2,400	3,300
513 10 43 000	Travel	1,678	4,790	4,790	3,000
513 10 45 000	Operating Rentals and Leases	1,666	800	800	3,000
513 10 48 000	Repairs and Maintenance	559	1,000	1,000	1,000
513 10 48 001	Vehicle Repairs and Maintenance	109	110	110	-
513 10 49 000	Miscellaneous	-	-	-	300
513 10 49 001	Misc/Dues & Memberships	1,617	2,600	2,600	4,000
513 10 49 002	Misc/Trng, Registrations	1,997	2,910	2,910	2,200
513 10 49 003	Misc/Outside Printing	71	1,000	1,000	500
	<i>Allocated operating expenditures</i>	-	(17,492)	(17,492)	(9,971)
<i>Total Mayor & Executive</i>		71,905	160,456	160,456	157,124

Salaries, benefits and operating expenditures have been allocated to other funds as follows:

Mayor & Executive

	<u>Electric</u>	<u>Water</u>	<u>Storm</u>	<u>Vehicle</u>	<u>Info Tech</u>	<u>Total</u>
Salaries & Wages	36,155	23,883	17,423	865	1,045	79,371
Benefits	15,865	10,625	7,672	456	473	35,091
Operating Expenditures	4,211	3,324	2,327	110	-	9,971
Total Allocated	56,231	37,832	27,422	1,431	1,518	124,433

General Fund - Judicial/Municipal Court

The Judicial department is used to account for expenditures of the Milton Municipal Court. The Milton Municipal Court is a court of limited jurisdiction, hearing cases involving alleged violations of City ordinances and State misdemeanor statutes, traffic and parking infractions.

The 2020 Judicial budget is 32% higher than the 2019 budget due to rising costs of services provided by the City of Puyallup.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>Judicial/Municipal Court</i>					
512 50 41 000	Professional Services	51,947	97,000	97,000	97,000
512 50 43 000	Judge's Travel	-	300	300	300
512 50 49 001	Misc/Dues & Memberships	79	400	400	400
512 50 49 002	Misc/Trng, Registrations	-	300	300	300
512 50 51 000	Intergov't Services	227,056	199,000	199,000	295,000
<i>Total Judicial</i>		279,082	297,000	297,000	393,000

General Fund - Legal Services

The City currently contracts for all legal services, including general legal counsel and related services. Services include advising the Council, Mayor and Directors; representing the City in litigation and preparing legislation for consideration by the Council.

The 2020 budget is the same as the 2019 budget.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>Legal Services</i>					
515 30 10 000	Salaries & Wages	5,690	-	-	-
515 30 20 000	Benefits	1,090	-	-	-
515 30 41 000	City Attorney	43,289	80,000	80,000	90,000
515 30 41 001	Professional Services-IT	2,223	-	-	-
515 30 41 002	Labor Attorney	780	20,000	20,000	10,000
515 30 41 003	Land Use Attorney	150	-	-	-
515 30 48 000	Repairs And Maintenance	365	-	-	-
515 30 49 001	Misc/Dues & Memberships	479	-	-	-
	<i>Allocated operating expenditures</i>	-	(69,850)	(69,850)	(69,850)
<i>Total Legal Services</i>		54,066	30,150	30,150	30,150

Operating expenditures have been allocated to other funds as follows:

	<u>Electric</u>	<u>Water</u>	<u>Storm</u>	<u>Vehicle</u>	<u>Info Tech</u>	<u>Total</u>
Operating Expenditures	35,440	19,640	13,450	1,320	-	69,850
Total Allocated	35,440	19,640	13,450	1,320	-	69,850

General Fund - Finance

The Finance Department is responsible for ensuring sound financial management of all City operations, the safekeeping of City assets, budget development, financial statement preparation, debt administration and investing. Major functions include: payroll, accounts payable, utility billing and business licensing.

The increase in the Finance Department budget from 2019 to 2020 is due to planning for a full-time Finance Director in 2020.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>Finance</i>					
514 20 10 000	Salaries and Wages	21,923	283,303	283,303	335,649
	<i>Allocated salaries</i>	-	(228,940)	(228,940)	(262,800)
514 20 10 002	Overtime	202	-	-	-
514 20 20 000	Personnel Benefits	10,782	118,530	118,530	156,339
	<i>Allocated benefits</i>	-	(96,364)	(96,364)	(124,019)
514 20 31 000	Office and Operating Supplies	960	2,000	2,000	2,000
514 20 35 000	Small Tools and Equipment	111	500	500	500
514 20 41 000	Professional Services	16,104	21,000	21,000	30,000
514 20 41 001	Professional Services - IT	10,233	18,994	18,994	22,007
514 20 41 002	Advertising	972	500	500	500
514 20 42 000	Communication	1,527	6,000	6,000	4,000
514 20 43 000	Travel	688	1,200	1,200	1,600
514 20 45 000	Operating Rentals and Leases	363	1,200	1,200	1,000
514 20 48 000	Repairs and Maintenance	826	600	600	500
514 20 49 000	Miscellaneous	1,855	1,000	1,000	1,000
514 20 49 001	Misc/Dues & Memberships	77	200	200	200
514 20 49 002	Misc/Trng, Registrations	2,845	2,500	2,500	3,200
514 20 49 003	Misc/Outside Printing	317	-	-	500
514 20 51 000	Prof Services-State Auditor	16,654	24,000	24,000	28,000
514 40 51 000	Election And Voter Costs	22,701	25,000	25,000	25,000
	<i>Allocated operating expenditures</i>		(85,880)	(85,880)	(98,886)
<i>Total Finance</i>		109,140	95,343	95,343	126,290

Salaries, benefits and operating expenditures have been allocated to other funds as follows:

	<u>Electric</u>	<u>Water</u>	<u>Storm</u>	<u>Vehicle</u>	<u>Info Tech</u>	<u>Total</u>
Salaries & Wages	117,446	79,800	59,549	2,615	3,390	262,800
Benefits	55,298	37,684	28,077	1,179	1,781	124,019
Operating Expenditures	43,923	30,962	23,281	720	-	98,886
Total Allocated	216,667	148,446	110,907	4,514	5,171	485,705

General Fund - Other Admin & Personnel

This department accounts for the employee wellness program and other minor personnel related items. The 2020 budget is only slightly higher than the 2019 budget.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>Other Admin & Personnel</i>					
517 30 49 000	FSA Plan Fees	550	1,000	1,000	1,000
517 60 49 001	Misc Exp - Dues & Memberships	3,972	7,000	7,000	8,000
517 78 20 004	Unemployment Benefits	3,080	12,000	12,000	12,000
517 90 31 000	Supplies - Employee Wellness	560	1,150	1,150	600
517 90 31 001	Employee Recognition	581	300	300	1,700
517 90 31 002	Office & Operating Supplies	117	-	-	-
517 90 41 000	Professional Services	48	-	-	-
517 90 41 001	Professional Services-IT	1,112	-	-	-
517 90 41 002	Employment Advertising	320	-	-	-
517 90 43 000	Travel - Employee Wellness	487	600	600	600
	<i>Allocated operating expenditures</i>	-	(11,865)	(11,865)	(12,861)
<i>Total Other Admin & Personnel</i>		10,827	10,185	10,185	11,039

Operating expenditures have been allocated to other funds as follows:

	<u>Electric</u>	<u>Water</u>	<u>Storm</u>	<u>Vehicle</u>	<u>Info Tech</u>	<u>Total</u>
Operating Expenditures	3,485	4,880	3,975	521	-	12,861
Total Allocated	3,485	4,880	3,975	521	-	12,861

General Fund - Central Services

This department accounts for support activities that benefit the entire organization, primarily facilities maintenance costs for City Hall and Finance/Administration buildings and City-wide insurance premiums. Costs are allocated to other funds based on the indirect cost plan. Facilities maintenance includes maintaining, repairing, cleaning and protecting all general property. Responsibilities include custodial, general maintenance, pest control, small repairs and coordination of significant repair projects.

The 2020 budget is higher than in 2019 due to anticipated repair and maintenance costs.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>Central Services</i>					
518 30 10 000	Salaries and Wages - Facilities	45,436	63,863	63,863	80,742
518 30 10 002	Overtime	409	4,197	4,197	3,997
518 30 20 000	Personnel Benefits	13,067	27,296	27,296	33,770
518 30 20 002	Uniforms	604	575	575	700
518 30 31 000	Operating Supplies	7,984	7,000	7,000	8,000
518 30 32 000	Operating Supplies/Fuel	76	130	130	150
518 30 35 000	Small Tools and Equipment	2,451	2,500	2,500	4,000
518 30 35 001	Machinery and Equipment	7,231	-	-	5,000
518 30 41 000	Professional Services	6,288	10,000	10,000	10,000
518 30 41 001	Professional Services - IT	4,893	6,268	6,268	6,327
518 30 42 000	Communication	801	1,000	1,000	1,000
518 30 43 000	Travel	18	100	100	100
518 30 45 000	Operating Rentals and Leases	141	250	250	250
518 30 47 000	Public Utility Service	3,347	3,500	3,500	3,700
518 30 48 000	Repairs & Maintenance	1,997	2,000	2,000	2,200
518 30 48 001	Vehicle R&M	810	1,000	1,000	1,000
518 30 48 002	Building Repair & Maint	10,239	10,000	10,000	30,000
518 30 49 002	Misc/Training, Registration	110	50	50	100
518 50 31 000	Office Supplies - Central Stores	60	-	-	-
518 50 35 000	Small Tools and Equipment	-	500	500	-
518 50 45 000	Operating Leases	2,388	2,400	2,400	2,500
518 50 49 001	Misc/Dues & Memberships	6,772	10,000	10,000	10,000
518 80 41 000	Prof Svcs -	32	-	-	-
518 80 42 000	Communications - Citywide	427	250	250	250
519 00 46 000	Insurance - Risk Management	39,004	40,503	40,503	44,387
	<i>Allocated operating expenditures</i>	-	(113,419)	(113,419)	(139,473)
<i>Total Central Services</i>		154,585	79,963	79,963	108,700

Operating expenditures have been allocated to other funds as follows:

	<u>Electric</u>	<u>Water</u>	<u>Storm</u>	<u>Vehicle</u>	<u>Info Tech</u>	<u>Total</u>
Operating Expenditures	61,125	44,423	32,759	1,166	-	139,473
Total Allocated	61,125	44,423	32,759	1,166	-	139,473

General Fund - Building

This department represents the cost of providing building services for the city, including building plan reviews, permits and building/construction inspections. The Building department is responsible for the City's land use and construction code compliance services. Building staff reviews building permit applications and issues building permits pursuant to the International Building Code (IBC). This department is also responsible for providing information and direction to the public, builders, architects and engineers related to buildings including mechanical, plumbing, electrical, and general construction, and related to the site including environmental and fire safety. Staff is also responsible for reviewing and inspecting developments to ensure they conform with all applicable codes.

The 2020 budget for this department is relatively unchanged from 2019.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>Building</i>					
558 50 10 000	Salaries and Wages	129,915	172,170	172,170	179,258
558 50 10 002	Overtime	16,109	5,000	5,000	5,000
558 50 20 000	Personnel Benefits	55,083	95,037	95,037	73,324
558 50 20 002	Uniforms	165	200	200	200
558 50 31 000	Office and Operating Supplies	1,533	600	600	700
558 50 32 000	Fuel	627	1,000	1,000	600
558 50 35 000	Small Tools and Equipment	-	500	500	500
558 50 41 000	Professional Services	38,601	60,000	60,000	70,000
558 50 41 001	Professional Services - IT	15,647	7,075	7,075	11,499
558 50 42 000	Communications	1,334	1,500	1,500	1,000
558 50 43 000	Travel	1,438	1,200	1,200	1,400
558 50 45 000	Operating Rentals and Leases	183	175	175	150
558 50 47 000	Public Utility Services	960	1,000	1,000	800
558 50 48 000	Repairs and Maintenance	136	200	200	200
558 50 48 001	Vehicle Repairs & Maintenance	1,115	1,000	1,000	1,000
558 50 49 000	Miscellaneous	198	-	-	-
558 50 49 001	Misc/Dues & Memberships	190	250	250	250
558 50 49 002	Misc/Trng, Registrations	1,095	5,000	5,000	2,000
<i>Total Building</i>		264,329	351,907	351,907	347,881

General Fund - Planning

This department is responsible for the City’s land use and construction code compliance services. This department is also responsible for the development and administration of long-range plans to achieve the growth and development of the City as well as the State Growth Management Act. This Division works in conjunction with the Planning Commission, the City Council and Administration, and is dedicated primarily to drafting public land use policy, compliance, and inter-jurisdictional planning efforts

The planning group is also responsible for preparing and publishing all legal notices required for land use related permits. These notices are typically provided via newspaper and household mailings to fulfill various notification requirements.

The increase in total budget from 2019 to 2020 is due to the addition of a full time Planning Manager position.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>Planning</i>					
558 60 10 000	Salaries And Wages	26,833	12,423	12,423	123,308
558 60 20 000	Personnel Benefits	8,673	5,631	5,631	50,835
558 60 31 000	Operating Supplies	847	500	500	500
558 60 32 000	Fuel	4	100	100	100
558 60 35 000	Small Tools and Equipment	264	500	500	500
558 60 36 000	Small Assets/IT	26	-	-	100
558 60 41 000	Professional Services	64,628	40,000	40,000	35,000
558 60 41 001	Professional Services - IT	14,059	1,045	1,045	6,767
558 60 41 002	Advertising	4,456	5,000	5,000	5,000
558 60 42 000	Communication	724	750	750	750
558 60 43 000	Travel	169	300	300	350
558 60 45 000	Operating Rentals and Leases	183	150	150	200
558 60 47 000	Public Utilities	776	750	750	800
558 60 48 000	Repairs and Maintenance	172	150	150	200
558 60 49 000	Miscellaneous	-	-	-	100
558 60 49 001	Misc/Dues & Memberships	2,435	500	500	600
558 60 49 002	Misc/Trng, Registrations	130	3,000	3,000	2,500
558 60 49 003	Misc/Outside Printing	198	-	-	100
<i>Total Planning</i>		124,577	70,799	70,799	227,710

General Fund - Culture & Recreational Facilities

This department is used to account for expenditures related to the maintenance and operation of the Milton Activity Center and Community Building.

The 2020 budget is slightly lower than the 2019 budget due to salaries & benefits being included in the Parks budget.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>Culture & Recreational Facilities</i>					
575 50 10 000	Salaries & Wages	462	6,000	-	-
575 50 20 000	Personnel Benefits -	710	2,500	-	-
575 50 31 000	Supplies -	121	3,800	3,800	6,000
575 50 41 000	Professional Services	-	-	-	600
575 50 42 000	Communication -	5	1,000	1,000	1,000
575 50 44 002	Taxes On Bldg Rentals	310	-	-	200
575 50 47 000	Public Utilities Services - CB	3,038	4,000	4,000	4,000
575 50 47 002	Public Utilities Services - AC	9,054	8,000	8,000	7,000
575 50 48 000	Repair & Maint - CB	27	1,000	1,000	1,000
575 50 48 002	Repair & Maint - AC	-	5,000	5,000	2,000
575 50 49 000	Misc/Other Exp - CB	24	-	-	500
575 50 49 002	Misc/Other Exp - AC	570	600	600	1,000
<i>Total Culture & Recreational Facilities</i>		14,321	31,900	23,400	23,300

General Fund - Park Facilities

The Park Facilities Department accounts for costs to maintain the city's parks, trails, and open spaces. Work includes specific maintenance and repair of the 2.5 miles of the Interurban Trail, in addition to all other public spaces within the City. Maintaining parks is labor intensive and requires funding for appropriate equipment maintenance and repair. In 2018 the mowing of the parks was outsourced to a private company. This has freed up Parks staff to focus on maintenance and other high-priority issues. This outsourcing has also reduced the level of maintenance needed for our mowers and other equipment.

The Parks Division provides information and support to the Parks Board, an advisory commission to the City Council. The City does not have any staff dedicated full-time to parks. Staff is shared with the stormwater and facilities groups. All work performed by this group is prioritized to address safety and high community use areas.

This group also assists with the coordination of annual special events such as Milton Days, the Fall Craft Bazaar and the Holiday Tree Lighting.

The 2020 budget is higher than the 2019 budget due to correction of professional services line item, which was under-budgeted in 2019.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>Park Facilities</i>					
576 80 10 000	Salaries and Wages	49,413	43,881	43,881	57,026
576 80 11 000	Overtime and Other Wages	175	2,493	2,493	2,515
576 80 10 003	Temp/Seasonal	-	5,000	5,000	5,000
576 80 20 000	Personnel Benefits	20,566	20,491	20,491	24,073
576 80 20 002	Uniforms	597	700	700	700
576 80 31 000	Operating Supplies	4,840	6,000	6,000	4,000
576 80 32 000	Fuel	1,171	1,200	1,200	1,000
576 80 35 000	Small Tools and Equipment	264	1,000	1,000	1,000
576 80 35 001	Machinery & Equipment	-	2,000	2,000	2,500
576 80 41 000	Professional Services	230	45,250	45,250	85,000
576 80 41 001	Professional Services - IT	5,657	4,748	4,748	4,566
576 80 42 000	Communication	840	1,000	1,000	800
576 80 43 000	Travel	727	1,000	1,000	500
576 80 45 000	Operating Rentals and Leases	2,186	2,000	2,000	2,000
576 80 47 000	Public Utility Service	19,427	18,000	18,000	12,000
576 80 48 000	Repair & Maintenance	50,057	-	-	20,000
576 80 48 001	Equipment Repair & Maintenance	13,859	4,000	4,000	5,000
576 80 49 000	Misc/Other Expense	13	100	100	100
576 80 49 002	Misc/Trng, Registrations	98	1,000	1,000	700
<i>Total Park Facilities</i>		170,120	159,863	159,863	228,480

General Fund - Miscellaneous & Non-Operating Expenditures

These accounts are for miscellaneous items that are not related to the City's primary functions, including environmental efforts related to the assessment and remediation of nuisances and disbursement of pass-thru funds which are offset by other non-operating revenues.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>Protective Inspections, Conservation and Nuisance Control</i>					
524 60 00 000	Enforcement Of Codes & Regs	687	1,000	1,000	1,000
553 60 51 000	Noxious Weed Assessment	140	200	200	200
554 90 51 000	Storm Water Assessment	563	500	500	1,000
554 90 52 000	Conserv Dist Assessment	382	500	500	500
<i>Total Protective Inspections, Conservation and Nuisance Control</i>		1,772	2,200	2,200	2,700
 <i>Non Expenditures</i>					
586 12 00 000	Crime Victims Comp Fund	1,902	2,000	2,000	2,000
586 83 00 000	Trauma/Auto Theft/Brain Injury	7,328	7,500	7,500	7,500
586 88 00 000	State General Fund 54 (PSEA)	1,202	1,200	1,200	1,200
586 89 00 000	Death Investigation Account	4,294	4,500	4,500	4,500
586 91 00 000	State General Fund 40 (PSEA)	53,971	60,000	60,000	70,000
586 92 00 000	State General Fund 50 (PSEA)	26,439	30,000	30,000	40,000
586 97 00 000	JIS	16,022	20,000	20,000	25,000
586 99 00 000	School Zone Safety	464	500	500	500
588 10 00 000	Prior Year Correction	(943)	-	-	-
589 10 00 000	Refund Facility Deposit	17,100	20,000	20,000	20,000
589 30 00 000	Sales Tax Paid To State Gen	1,207	800	800	800
589 30 01 000	Building Code Fee	452	500	500	500
589 90 00 000	Misc Non-Expenditure	2,437	2,600	2,600	2,600
589 90 00 999	Payroll Clearing	(2,820)	3,500	3,500	3,500
<i>Total Non Expenditures</i>		129,055	153,100	153,100	178,100

General Fund - Transfers

Transfers are used to show General Fund support of other funds. The most significant operating subsidies are provided to the Criminal Justice fund (107) for Police Department operations and to the Street fund (101) for street maintenance. Transfers to the Events fund are budgeted in order to cover the costs of salaries/benefits associated with staff time spent on Milton Days and transfers to the asset replacement fund are equivalent to 2% of General Fund revenue.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<i>Transfers</i>					
597 01 07 001	Transfer to Fund 107	2,520,420	2,595,000	2,595,000	2,695,000
	Transfer to Events	7,621	7,679	7,679	7,400
	Transfer to Rainy Day	-	200,000	200,000	-
	Transfer to Asset Replacement	-	87,668	87,668	98,285
597 10 10 001	Transfer to Fund 101	207,000	190,000	190,000	210,000
<i>Total Transfers</i>		2,735,041	3,080,347	3,080,347	3,010,685

Street Fund (101)

The purpose of the Street Operations and Maintenance fund is to develop, build, and maintain public infrastructure by effectively administering and managing the design, engineering, construction, environmental compliance, and maintenance of City-owned streets, transportation systems, roadway shoulders, landscape strips, sidewalks, traffic signals, and other assets.

There are five primary programs in the Street Division: Pavement Management, Street Lights, Safety, Sidewalk/Right of Way Maintenance, and Winter Sanding/Plowing. The City's street crew performs routine maintenance limited to filling potholes and minor repairs. A limited amount of asphalt patching is contracted out each year, primarily focused on patching small areas of pavement that are approaching failure and experiencing extensive cracking and settling. Current funding levels for this division are not adequate to provide for preventive pavement maintenance; only routine maintenance at the most basic level is done throughout the year. The Safety Program includes cleaning and repair of street signs, guardrails, and all other traffic control devices within the City. Street striping is performed on an annual basis and is currently contracted out to King County. Street sweeping is only performed a couple times a year, on an as-needed basis, and is contracted to outside entities. Cleaning of sidewalks, maintaining landscaping, and mowing roadway shoulders is covered under the Sidewalk/Right of Way Maintenance Program. Sanding and plowing as needed is performed by the City's street crew during inclement weather. The winter sanding and plowing program is not inclusive of all City streets, and only focuses on pre-determined primary and secondary routes through town.

Maintenance and repairs to traffic signals is currently handled by Pierce County or, on state routes, by the Washington State Department of Transportation.

Budgeting for some street-related projects are included in the Capital Improvement portion of the budget.

Financing the programs and activities of the Street Division has been very challenging over the past several years. The Street Fund receives shared monies from Washington State's Gas Tax, however, because this distribution is based on population, the City receives a minimal amount each year. Unfortunately, this distribution is not enough to cover the annual expenses that this fund experiences. To make up for the shortfall between current program revenues and current operational expenditures, the City transfers General Fund monies in to the Street Fund annually to help cover the costs.

SUMMARY

	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>	<u>Change - 2019 Budget to 2020</u>	
					<u>Dollars</u>	<u>Percentage</u>
Beginning Fund Balance	42,685	4,697	8,000	-		
Revenues & Other Sources						
Licenses & Permits	2,216	2,000	2,566	2,000	-	0%
State Generated Revenues	184,068	175,000	165,964	175,000	-	0%
Charges for Services	-	-	400	-	-	-
Miscellaneous Revenues	665	-	494	688	688	-
Transfers In	207,000	190,000	190,000	210,000	20,000	11%
Other & Non-Revenues	2,902	-	-	-	-	-
Total Revenues & Other Sources	396,851	367,000	359,424	387,688	20,688	6%
Expenditures & Other Uses						
Salaries	144,119	94,498	94,498	106,598	12,100	13%
Benefits	55,832	38,599	38,599	39,656	1,057	3%
Operating Supplies & Services	103,311	117,250	117,250	150,238	32,988	28%
Miscellaneous Expenditures	(549)	-	-	-	-	-
Debt Service	92,537	91,789	91,789	91,041	(748)	-1%
Transfers Out	-	25,000	25,000	-	(25,000)	-
Total Expenditures & Other Uses	395,250	367,136	367,136	387,533	20,397	6%
Net Change in Fund Balance	1,601	(136)	(7,712)	155		
Ending Fund Balance	44,286	4,561	288	155		

DETAIL

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
308 80 00 101	Beginning Fund Balance	42,685	4,697	8,000	-
Revenues					
322 40 10 000	Street Permits	2,216	2,000	2,566	2,000
336 00 71 000	Multimodal Transportation	11,117	10,000	10,938	10,000
336 00 87 000	MVFT - City Streets	172,951	165,000	155,026	165,000
345 83 10 101	Plan Review	-	-	400	-
369 10 00 101	Sale Of Scrap And Junk	202	-	-	-
369 91 00 101	Misc Revenues	463	-	494	688
397 00 01 101	Contrib. From General Fund	207,000	190,000	190,000	210,000
397 01 31 101	Transfer In From REET	-	-	-	-
398 20 00 101	Insurance Recovery	2,902	-	-	-
Total Revenues		396,851	367,000	359,424	387,688
Expenditures					
542 30 10 000	Salaries and Wages	137,381	71,519	71,519	76,152
542 30 10 002	Overtime	4,822	2,979	2,979	10,446
542 30 10 003	Seasonal/Temp	-	18,000	18,000	18,000
542 30 10 005	On Call Pay	1,916	2,000	2,000	2,000
542 30 20 000	Personnel Benefits	54,012	36,599	36,599	38,656
542 30 20 002	Uniforms	1,820	2,000	2,000	1,000
542 30 31 000	Office and Operating Supplies	10,946	15,000	15,000	18,000
542 30 32 000	Operating Supplies/Fuel	3,615	4,000	4,000	5,000
542 30 35 000	Small Tools and Equipment	1,940	3,000	3,000	3,000
542 30 41 000	Professional Services	727	5,000	5,000	18,000
542 30 41 001	Professional Services - IT	12,567	7,313	7,313	4,566
542 30 42 000	Communication	1,719	2,000	2,000	1,500
542 30 43 000	Travel	476	1,500	1,500	1,000
542 30 45 000	Operating Rentals and Leases	8,171	8,000	8,000	6,000
542 30 47 000	Utilities	12,636	23,000	23,000	15,000
542 30 48 000	Repairs and Maintenance	29,471	10,000	10,000	7,500
542 30 48 001	Equipment Repair & Maint	7,561	10,000	10,000	12,000
542 30 48 004	Street Sign Retrofit Program	-	10,000	10,000	15,000
542 30 49 000	Misc/Other Exp	78	800	800	500
542 30 49 002	Misc Training/Registrations	854	3,000	3,000	2,500
542 90 41 000	Professional Services	982	2,000	2,000	2,000
542 90 41 002	Advertising	95	100	100	100
542 90 46 000	Insurance	11,399	11,837	11,837	12,972
542 90 49 001	Misc/Dues & Memb	34	300	300	200
542 90 49 002	Misc/Trng, Registrations	40	200	200	200
542 90 49 003	Misc/Outside Printing	-	200	200	200
588 10 00 101	Prior Period Adjustments	(549)	-	-	-
591 95 78 000	Debt Service Principal	88,121	88,121	88,121	88,121
592 95 83 001	Debt Service Interest	4,416	3,668	3,668	2,920
594 30 64 000	Capital Expenditures	-	-	-	25,000
597 50 05 101	Transfers Out - To Capital Improvement	-	25,000	25,000	-
Total Expenditures		395,250	367,136	367,136	387,533
508 80 00 101	Ending Fund Balance	44,286	4,561	288	155

Rainy Day Fund (103)

The Rainy Day Fund is used to set-aside funds for future use in case of emergency or economic downturn. The target is for the ending balance to equal at least 10% of budgeted operating expenditures of the General Fund. Use of the Rainy Day fund shall be approved by Council through the budget process for temporary, unanticipated, one-time expenditures. If the balance in the Rainy Day fund falls below the 10% target, the balance should be increased by at least one percent per year until the 10% target is met again. The 2020 ending balance will stay at the 10% target without any additional transfers.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
308 80 00 103	Beginning Fund Balance	-	266,259	266,259	469,959
Revenues & Other Sources					
361 10 00 103	Investment Interest	-	3,700	3,700	4,195
	Transfer In - General Fund	-	200,000	200,000	-
Total Revenues & Other Sources		<u>-</u>	<u>203,700</u>	<u>203,700</u>	<u>4,195</u>
Net Change in Fund Balance		-	203,700	203,700	4,195
508 80 00 103	Ending Fund Balance	<u>-</u>	<u>469,959</u>	<u>469,959</u>	<u>474,154</u>
Fund Balance as % of General Fund Expenditures		0%	10%	10%	10%

Asset Replacement & Capital Reserve Fund (004)

This fund represents amounts dedicated to the purchase of general government assets and capital projects. Funding includes a transfer from the General Fund equivalent to two percent of budgeted general fund revenues.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
308 80 00 004	Beginning Fund Balance	457,861	499,818	500,189	561,493
Revenues & Other Sources					
361 10 00 004	Investment Interest	6,742	3,700	7,800	7,776
361 40 00 107	Other Interest CJ Interfund Loan	252	-	-	-
	Transfer from general fund	-	87,668	87,668	98,285
381 20 00 107	Interfund Loan Repayment CJ	35,333	35,836	35,836	-
Total Revenues & Other Sources		42,327	127,204	131,304	106,061
Expenditures & Other Uses					
581 10 00 001	Interfund Loan Disbursements Parks	-	-	-	-
581 10 00 107	Interfund Loan Disbursements CJ	-	70,000	70,000	-
	Police Vehicles	-	-	-	150,000
	Vehicle #40 - Water/Street Crew Cab	-	-	-	10,400
	Vehicle #2 - Streets/Storm Cub Cadet	-	-	-	6,000
Total Expenditures & Other Uses		-	70,000	70,000	166,400
Net Change in Fund Balance		42,327	57,204	61,304	(60,339)
508 80 00 004	Ending Fund Balance	500,188	557,022	561,493	501,154

Asset Replacement Fund - 5 Year Plan

	2019	2020	2021	2022	2023	2024
Beginning Balance	500,189	561,493	501,694	493,009	426,247	430,630
Revenues:						
Interest Revenue	7,800	7,776	7,525	7,395	6,394	6,459
Interfund Loan Repayment	35,836	-	-	-	-	-
Transfer In	87,668	98,825	101,790	104,843	107,989	111,228
Total Revenue	131,304	106,601	109,315	112,239	114,382	117,688
Expenditures:						
Police Vehicles	70,000	150,000	100,000	104,000	110,000	116,000
Vehicle #40 Replacement - Water/Street Crew Cab		10,400				
Vehicle #2 Replacement - Streets/Storm Cub Cadet		6,000				
Vehicle #45 Replacement - Street Wacker Roller			18,000			
Vehicle #47 Replacement - Parks/Storm Side Mower				75,000		
Total Expenditures	70,000	166,400	118,000	179,000	110,000	116,000
Ending Balance	561,493	501,694	493,009	426,247	430,630	432,318

Drug Seizure Fund (105)

To ensure that criminals do not benefit financially from their illegal acts, federal law provides that profits from drug-related crimes, as well as property used to facilitate certain crimes, are subject to forfeiture to the City. These forfeitures are accounted for in the Drug Seizure Fund and are used to offset training and equipment costs of the police department.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
308 80 00 105	Beginning Fund Balance	8,357	41,260	40,313	18,313
Revenues & Other Sources					
369 30 00 000	Confiscated and Forfeited Property	32,903	10,000	10,000	-
Total Revenues & Other Sources		32,903	10,000	10,000	-
Expenditures & Other Uses					
594 80 64 000	Machinery & Equipment	-	10,000	32,000	-
521 80 49 000	Misc/Other Expenses	947	-	-	15,000
Total Expenditures & Other Uses		947	10,000	32,000	15,000
Net Change in Fund Balance		31,956	-	(22,000)	(15,000)
508 80 00 105	Ending Fund Balance	40,313	41,260	18,313	3,313

Criminal Justice Fund (107)

The Criminal Justice Fund accounts for expenditures of the Police Department.

The Milton Police Department is dedicated to excellence as a world class public safety agency. We are committed to establishing an environment in which members of the department and community thrive. We seek to be a catalyst for positive change through persistent, personalized and cost-effective use of public safety resources. By embracing the values of pride, professionalism and integrity we remain committed to maintaining the public trust.

Administration Division: The Administration Division is staffed by both sworn officers and civilian employees. Currently the Division is comprised of 1 full time Police Administrator (Police Chief). The Assistant Chief and Police Clerk Position are currently vacant due to a lack of funding.

The Patrol Division is the backbone of the Milton Police Department, as they are available twenty-four hours a day, seven days a week. The Patrol Division has the responsibility of being the first responders to all calls for police service in the city. The Patrol Division is comprised of 3 Patrol Sergeants, 8 Patrol Officers and 1 Code Enforcement Officer.

The Detective Division investigates an array of serious offenses such as; aggravated assault, aggravated battery, stalking, kidnapping, attempted murder, homicide, arsons with injury/death, firearm offenses, traffic fatalities and missing/vulnerable persons. These cases require more time than a patrol officer can commit and may go over days or even months. Detectives are sent to specialized training that a patrol officer generalist does not have. The Detectives Division is made up of 1 full-time detective and a working Patrol Officer.

Volunteer Division: Last year volunteers provided countless hours of value added service at no cost to the Milton Police Department. This program successfully maximizes resources at the department level to enhance community relations through community participation and partnership. This Division is comprised of 6 limited commissioned Reserve Officers, 2 non-commissioned Citizen Volunteers, 1 Police Chaplain and 3 Block watch Captains.

In a bid to share resources and capabilities with nearby law enforcement agencies to protect life and property, the cities of Bonney Lake, Buckley, Dupont, Fife, Fircrest, Gig Harbor, Lakewood, Milton, Orting, Puyallup, Sumner, and the Town of Steilacoom entered into a Inter local agreement for joint cooperation. This agreement has been in place since 2005. This agreement provides a multi-agency team of investigators and support resources designed to provide quality investigative assistance to the City of Milton, such as:

- A Crime Response Unit Specialty team comprised of individual officers organized to provide quality investigative assistance for major incidents.
- Major Law Enforcement Operations Response team, which will assist in the event of an actual or suspected emergency which requires extraordinary and/or specialty expertise, or a major crime incident which demands specialty expertise, or where additional resources are needed for

effective resolution.

- Tactical Response Team comprised of individual officers to respond to situations which require additional or extraordinary tactical equipment or expertise.
- Civil Disturbance Team Specialty team comprised of individual officers of the Signatory Agencies organized to respond to incidents involving riots or civil unrest.
- Metro Collision Response Team Specialty team comprised of individual officers of the Signatory Agencies organized to respond to and investigate serious injury, fatality, or officer involved collisions occurring within our jurisdiction.

The Milton Police Department also has one member on the U.S. Marshals Violent Crime Task Force.

In 2018, the police department logged 18,266 calls for service. Growth in calls for service, and the need for additional personnel to comply with best business practices, and an increase in the city's day and night population have all placed significant demands on the City's resources. In addition, existing personnel salaries and benefits continue to increase through contract periods. The Milton Police Department will continue to do its best to provide the highest level of services to the citizens of Milton with the resources available.

A summary of the Criminal Justice Fund budget is provided below. The total budget for 2020 is only slightly higher than in 2019. This is due to vehicle replacements being funded out of the Asset Replacement Fund in 2020 and due to the final payment on interfund debt being made in 2019. These savings are offset by moderate increases expected in salaries and benefits.

SUMMARY

	2018 Actual	2019 Budget	2019 Projected	2020 Budget	Change - 2019 Budget to 2020	
					Dollars	Percentage
Beginning Fund Balance	16,253	5,862	-	-		
Revenues & Other Sources						
Taxes	162,664	160,000	160,000	162,000	2,000	1%
Licenses & Permits	3,062	3,500	3,500	3,600	100	3%
State Generated Revenues	121,355	118,000	118,000	118,600	600	1%
Charges for Services	6,795	6,650	6,650	7,150	500	8%
Miscellaneous	3,251	4,700	4,700	4,700	-	0%
Other & Non-Revenues	34,278	-	-	-	-	0%
Transfers In	2,520,420	2,665,000	2,665,000	2,695,000	30,000	1%
Total Revenues & Other Sources	2,851,825	2,957,850	2,957,850	2,991,050	33,200	1%
Expenditures & Other Uses						
Salaries	1,421,129	1,379,612	1,379,612	1,467,338	87,726	6%
Benefits	561,372	599,032	599,032	618,995	19,963	3%
Operating Supplies & Services	858,168	942,729	942,729	899,293	(43,436)	-5%
Transfers - Debt Service & Other	35,203	35,836	35,836	2,000	(33,836)	-94%
Total Expenditures & Other Uses	2,875,872	2,957,209	2,957,209	2,987,626	30,417	1%
Net Change in Fund Balance	(24,047)	641	641	3,424		
Ending Fund Balance	(7,794)	6,503	641	3,424		

DETAIL

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
308 80 00 107	Beginning Fund Balance	16,253	5,862	-	-
Revenues					
<i>Taxes</i>					
313 71 00 000	Local Criminal Justice	162,664	160,000	160,000	162,000
<i>Licenses & Permits</i>					
322 30 00 000	Animal Permits	2,537	3,000	3,000	3,100
322 90 10 000	Alarm Permits	525	500	500	500
<i>State Generated Revenues</i>					
331 16 60 000	DOJ Bulletproof Vest	470	-	-	-
334 03 50 000	Traffic Safety Commission	456	600	600	600
336 06 21 000	CJ-Violent Crimes/Population	2,291	2,500	2,500	2,500
336 06 26 000	CJ-Special Programs	8,280	5,200	5,200	6,000
336 06 51 000	CJ-DUI/Cities	1,168	1,200	1,200	1,000
336 06 94 000	Liquor Excise Tax	39,937	82,000	82,000	82,000
336 06 95 000	Liquor Board Profits	65,459	22,000	22,000	22,000
337 21 00 001	Other Grants - WSPC/WATPA	3,294	4,500	4,500	4,500
<i>Charges for Services</i>					
341 95 00 000	Legal Services	143	200	200	200
342 10 01 000	False Alarm Fees	-	-	-	500
342 36 00 000	Hsng/Mntr Prsnr	398	450	450	450
342 50 00 000	DUI Emerg Resp	4,044	6,000	6,000	6,000
347 90 00 107	Other Fees & Charges	2,210	-	-	-
<i>Miscellaneous Revenues</i>					
367 10 00 000	Donations - Police Department	208	300	300	300
369 10 00 107	Sale Of Scrap, Junk & Surplus Equip	1,800	2,400	2,400	2,400
369 30 00 107	Confiscated And Forfeited Property	1,243	2,000	2,000	2,000
<i>Other Revenues</i>					
398 20 00 107	Insurance Recovery	34,278	-	-	-
	Transfer in from Asset Replacement Fund	-	70,000	70,000	-
397 00 10 107	Transfer IN from 001	2,520,420	2,595,000	2,595,000	2,695,000
Total Revenues		2,851,825	2,957,850	2,957,850	2,991,050

DETAIL

Account	Title	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Expenditures					
<i>Law Enforcement</i>					
521 20 10 000	Salaries and Wages	1,272,198	1,259,612	1,259,612	1,347,338
521 20 10 002	Overtime	148,931	120,000	120,000	120,000
521 20 20 000	Personnel Benefits	537,720	583,632	583,632	603,595
521 20 20 002	Uniforms	23,652	15,400	15,400	15,400
521 20 31 000	Office and Operating Supplies	15,876	12,500	12,500	12,500
521 20 31 002	Public Safety Supplies	-	6,000	6,000	6,000
521 20 31 004	Emergency Response Supplies	-	5,000	5,000	5,000
521 20 31 005	Property & Evidence Supplies	-	1,000	1,000	1,000
521 20 32 000	Fuel	41,481	40,000	40,000	40,000
521 20 35 000	Small Tools and Equipment	10,204	11,500	11,500	11,500
521 20 35 005	Volunteer Program	-	2,000	2,000	2,000
521 20 35 006	Metro Services Program	-	20,000	20,000	10,000
521 20 35 001	Firearms	5,567	8,000	8,000	8,000
521 20 35 002	Equip Purchase - WASPC	3,677	-	-	-
594 20 64 004	Vehicle Purchase	79,126	70,000	70,000	-
521 20 36 000	Small Assets/IT	2,735	10,000	10,000	10,000
521 20 41 000	Professional Services	13,144	10,000	10,000	13,000
521 20 41 001	Professional Services - IT	74,460	66,479	66,479	75,540
521 20 41 002	Advertising	-	2,500	2,500	-
521 20 42 000	Communication	18,423	20,000	20,000	20,000
521 20 43 000	Travel	3,976	5,000	5,000	5,000
521 20 45 000	Operating Rentals and Leases	6,887	5,000	5,000	5,000
521 20 46 000	Insurance	66,830	69,400	69,400	76,053
521 20 47 000	Utilities	9,143	9,500	9,500	9,500
521 20 48 000	Repairs and Maintenance	3,705	4,500	4,500	4,500
521 20 48 001	Vehicle Repairs and Maintenance	71,145	65,000	65,000	65,000
521 20 48 002	Facility Repairs and Maintenance	902	4,000	4,000	4,000
521 20 48 004	Installation, Repair & Maintenance - Radios	1,811	20,000	20,000	20,000
521 20 49 001	Misc/Dues & Memberships	3,098	3,000	3,000	3,000
521 20 49 003	Misc/Outside Printing	198	-	-	-
521 30 31 000	Crime Prevention Supplies	1,875	8,000	8,000	8,000
521 40 49 002	Misc/Trng, Registrations	6,040	18,000	18,000	18,000
521 50 49 003	Misc/Outside Printing	62	2,500	2,500	2,500
	New Hire Expenses	-	6,000	6,000	6,000
	Critical Incidents Response	-	2,000	2,000	2,000
	Police Reserve	-	4,000	4,000	4,000
<i>Jail Costs</i>					
523 20 31 000	Court Work Crew Supplies	-	200	200	200
523 60 41 000	Electronic Home Monitoring	-	2,000	2,000	2,000
523 60 51 000	Intergov. Jail Services	174,702	180,000	180,000	180,000
<i>Emergency Services</i>					
525 60 51 107	PC Emerg Mgmt Contract	5,699	6,500	6,500	7,000
<i>Comm/Alarms/Dispatch</i>					
528 00 51 000	Intergov't Svcs-Dispatch	203,690	200,150	200,150	220,000
<i>Nuisance Control</i>					
554 30 51 107	Animal Control	33,712	43,000	43,000	43,000
<i>Non Expenditures</i>					
581 20 00 107	Interfund Loan Principal	35,333	35,586	35,586	-
588 10 00 107	Prior Period Adjustments	(2,392)	-	-	-
589 30 00 107	Liquor Board Tax Remit	2,010	-	-	2,000
<i>Debt Service</i>					
592 21 82 107	Interfund Loan Interest	252	250	250	-
Total Expenditures		2,875,872	2,957,209	2,957,209	2,987,626
508 80 00 107	Ending Fund Balance	(7,794)	6,503	641	3,424

Community Events Fund (116)

The community events fund is used to account for revenues and expenditures associated with annual Milton Days, Fall Bazaar and Tree Lighting events. Salaries and benefits costs will be subsidized by transfers from the General Fund as needed and as approved during the budget process.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
308 80 00 116	Beginning Fund Balance	12,391	6,731	14,791	14,791
Revenues & Other Sources					
347 90 10 000	Milton Days-Vendor Fee	4,820	5,000	5,000	6,645
347 90 20 000	Fall Bazaar-Vendor Fee	1,680	1,600	1,600	1,800
367 00 10 000	Donations - Milton Days	8,725	8,545	8,545	10,100
367 00 20 000	Donations - Fall Bazaar	647	500	500	500
367 00 30 000	Donations - Tree Lighting	-	100	100	100
397 00 01 116	Transfer In - General Fund	7,620	7,679	7,679	7,400
Total Revenues & Other Sources		23,492	23,424	23,424	26,545
Expenditures & Other Uses					
573 91 10 000	Milton Days Salaries & Wages	7,620	5,095	5,095	5,000
573 91 10 002	Milton Days - Benefits	-	2,584	2,584	2,400
573 91 31 000	Milton Days - Supplies	1,406	2,000	2,000	2,400
573 91 32 000	Milton Days - Fuel	49	100	100	100
573 91 41 000	Milton Days - Prof Svcs	4,526	6,645	6,645	5,500
573 91 41 002	Milton Days - Advertising	-	500	500	1,000
573 91 45 000	Milton Days - Rentals	5,446	2,500	2,500	6,000
573 91 49 000	Milton Days - Misc Exp	82	600	600	595
573 92 31 000	Fall Bazaar - Supplies	199	300	300	300
573 92 41 000	Fall Bazaar - Prof Svcs	-	500	500	300
573 92 41 002	Fall Bazaar - Advertising	-	300	300	300
573 92 45 000	Fall Bazaar - Rentals	787	300	300	600
573 92 49 000	Fall Bazaar - Misc Exp	-	50	50	50
573 93 31 000	Tree Lighting - Supplies	276	1,300	1,300	1,300
573 93 41 000	Tree Lighting - Prof Svcs	300	600	600	600
573 93 49 000	Tree Lighting - Misc Exp	401	50	50	100
Total Expenditures & Other Uses		21,092	23,424	23,424	26,545
Net Change in Fund Balance		2,400	-	-	-
508 80 00 116	Ending Fund Balance	14,791	6,731	14,791	14,791

Reserve Officer's Fund (118)

This fund was established for accepting gifts and donations on behalf of the Milton Reserve Police Officers. This fund receives donations, memorials, bequests, and other contributions made to the City by citizens and other organizations. Currently, the City of Milton funds duty weapons and ballistic vests for reserve officers. The reserve officers are responsible for all other costs associated with reserve service, including uniforms, duty belts, duty equipment and training. This fund is used to defray some of the cost incurred by the reserve officers.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
308 80 00 118	Beginning Fund Balance	3,063	2,063	2,063	2,063
521 23 49 000	Miscellaneous Expenditures	814	-	-	2,063
508 80 00 118	Ending Fund Balance	<u>2,249</u>	<u>2,063</u>	<u>2,063</u>	<u>-</u>

REET 1 Fund (130)

The Real Estate Excise Tax (REET1) is a tax on the sale of real estate, usually paid by the seller. Cities, towns, and counties use the tax to fund capital projects.

The state levies this tax at a rate of 1.28%. REET is collected by the County and distributed to the state and the appropriate local government. In 1982, cities and counties were authorized to impose an additional 0.25% to finance capital improvements (RCW 82.46.010(2)). This is commonly referred to as REET1.

REET 1 funding can be utilized to fund capital projects that are listed in the capital facilities plan element of the City's comprehensive plan. Capital projects are defined as those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative facilities, judicial facilities and river flood control projects.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
308 80 00 130	Beginning Fund Balance	260,921	25,231	178,899	1,499
Revenues & Other Sources					
318 34 01 000	REET1 - Pierce	249,056	135,000	135,000	135,000
318 34 02 000	REET1 - King	49,813	13,000	9,600	9,600
361 10 00 130	Investment Interest	2,109	3,650	3,000	3,500
Total Revenues & Other Sources		300,978	151,650	147,600	148,100
Expenditures & Other Uses					
597 03 10 130	Contrib to Capital Projects	233,000	100,000	250,000	129,000
597 04 07 130	Contrib To Stormwater Cap	150,000	75,000	75,000	-
Total Expenditures & Other Uses		383,000	175,000	325,000	129,000
Net Change in Fund Balance		(82,022)	(23,350)	(177,400)	19,100
508 80 00 130	Ending Fund Balance	<u>178,899</u>	<u>1,881</u>	<u>1,499</u>	<u>20,599</u>

REET 2 Fund (131)

The Real Estate Excise Tax (REET2) is a tax on the sale of real estate, usually paid by the seller. Cities, towns, and counties use the tax to fund capital projects.

In 1990, the Legislature authorized cities to impose an additional 0.25% to finance capital projects specified in the capital facilities element of a comprehensive plan. This is commonly referred to as REET2.

For this 0.25% of the real estate excise tax, "capital project" is defined as public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks. Acquisition of land for is a permitted use of REET 2 receipts for street, water, and sewer projects.

Under limited circumstances, REET 2 funds may be used for those capital projects that qualify as REET 1 projects, including acquisition of land for parks, recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative facilities, judicial facilities, and river flood control projects. There are limits placed on the amount that is allowed to be expended for these purposes.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
308 80 00 130	Beginning Fund Balance	195,942	53,280	206,897	165,297
Revenues & Other Sources					
318 34 01 000	REET2 - Pierce	249,200	135,000	130,500	130,000
318 34 02 000	REET2 - King	49,813	13,000	9,600	9,600
361 10 00 130	Investment Interest	2,142	2,740	3,300	3,216
Total Revenues & Other Sources		301,155	150,740	143,400	142,816
Expenditures & Other Uses					
597 03 10 131	Transfer Out - Capital Projects	140,200	100,000	100,000	20,000
597 04 07 131	Transfers-Out - Stormwater Cap	150,000	85,000	85,000	-
Total Expenditures & Other Uses		290,200	185,000	185,000	20,000
Net Change in Fund Balance		10,955	(34,260)	(41,600)	122,816
508 80 00 130	Ending Fund Balance	<u>206,897</u>	<u>19,020</u>	<u>165,297</u>	<u>288,113</u>

Traffic Impact Fees Fund (140)

State law requires that under the Growth Management Act cities plan for projected growth and have the infrastructure in place to support that growth. Transportation impact fees are paid by developers and expanding businesses to help cover the cost of road improvements that increase traffic capacity. Money from the fees is tied directly to the size and type of the development and the anticipated increase in traffic associated with the project.

This fund was created for the purpose of identifying transportation system impact mitigation revenue sources and expenditures.

Transportation impact fees are charged only for new construction or changes in land use that create a need for transportation capacity improvements.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
308 80 00 140	Beginning Fund Balance	33,521	159,084	303,974	416,492
Revenues & Other Sources					
345 85 00 000	Transportation Impact Fees	268,686	60,000	182,558	185,000
361 10 00 140	Investment Interest	1,767	450	4,960	4,725
Total Revenues & Other Sources		270,453	60,450	187,518	189,725
Expenditures & Other Uses					
597 03 10 140	Transfers-Out - Capital Projects	-	75,000	75,000	515,000
Total Expenditures & Other Uses		-	75,000	75,000	515,000
Net Change in Fund Balance		270,453	(14,550)	112,518	(325,275)
508 80 00 140	Ending Fund Balance	303,974	144,534	416,492	91,217

Parks Impact Fees Fund (150)

The Growth Management Act requires cities to plan and provide parks and recreation facilities that are adequate to accommodate growth. Cities are authorized to impose an impact fee on development activity as part of the financing for such facilities. By charging impact fees, cities can collect a revenue stream to help ensure park facilities are adequate to meet the demands of future growth.

The City adopted an Ordinance in 2016 that created the City of Milton’s Park Impact Fee program. This program was anticipated in the City’s Parks, Recreation, and Open Space Element of the Comprehensive Plan.

A park impact fee is a one-time payment by new residential development to pay for capital costs of facilities needed to support the new development. Park impact fees are charged during the building permitting process and used to fund projects to maintain levels of service of our park system. The intent is to share the financial responsibility of providing for recreation facilities, such as new parks, open space and recreation facilities that support future growth with the development that grows our population and economy.

The fee is proportionate to the size of the development, or change in use. More potential residents, customers, or visitors result in higher fees. Park impact fees can only be used for “system improvements” included in an adopted six-year Capital Improvement Plan (CIP), and that are improvements reasonably related to and benefit the new development. Impact fee rates must be adjusted to account for other revenues that the development pays.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
308 80 00 150	Beginning Fund Balance	32,550	53,872	60,824	84,388
Revenues & Other Sources					
345 85 00 150	Park Impact Fees	27,900	10,000	22,500	25,000
361 10 00 150	Investment Interest	374	450	1,064	946
Total Revenues & Other Sources		28,274	10,450	23,564	25,946
Expenditures & Other Uses					
	Transfers-Out - Capital Projects	-	-	-	96,000
Total Expenditures & Other Uses		-	-	-	96,000
Net Change in Fund Balance		28,274	10,450	23,564	(70,054)
508 80 00 140	Ending Fund Balance	<u>60,824</u>	<u>64,322</u>	<u>84,388</u>	<u>14,334</u>

Capital Improvement Fund (310)

This fund supports the City of Milton's transportation projects and other projects linked with various State and Federal funding programs. Excise taxes from real estate sales are transferred into this fund for the funding of street capital improvements as permitted by state law. Many of the projects are dependent upon the acquisition of outside grants, potential formation of local improvement districts (LIDs), and transportation system mitigation revenue.

2020 projects are as follows:

City Hall Retrofit \$80,000 (REET 1)

This budget item is for the continued improvements to the City Hall complex. In 2018 the City took back control of a portion of the Fire Station. In 2019 it is planned to complete work on the upgrades to the fire station and City Hall complex to modernize and improve the appearance and performance of the facilities, including a new roof for the fire station. In 2020 the budget is for improvements to the Milton Activity Center (MAC), Community Building and Public Works Department.

Trailhead Improvements \$385,000 (Grant)

This budget item is for Interurban Sidewalk and Parking lot access project along Kent Street adjacent to the Interurban Trail. The City was successful in receiving 90 percent of the funding from the State 2016 Connecting Washington Budget.

Playground Equipment \$100,000 (Park Impact Fees/REET 1)

This budget item is for the continued repair and replacement of playground equipment at the City of Milton's parks to ensure safety compliance and usability.

Milton Way Pedestrian Improvements \$40,000 (Traffic Impact Fees)

This item is for new sidewalks along various sections of Milton Way.

Miscellaneous Sidewalks \$150,000 (Traffic Impact Fees)

This budget item is for replacement and repair of failing sidewalk sections at various locations throughout the City.

Miscellaneous Street Overlays \$10,000 (REET 2)

This budget item is for repair and overlay of asphalt road sections at various locations throughout the City.

Miscellaneous Striping and Markings \$10,000 (REET 2)

This budget item is for the City's line striping and raised pavement markings. This is part of an annual program to keep our pavement marking up to current standards at various locations throughout the City.

City-wide Pavement Restoration \$150,000 (Traffic Impact Fees)

This budget item is to improve pavement condition by asphalt patching, crack sealing and spat removal and replacement.

City Gateways/Wayfinding \$30,000 (REET 1)

This budget item is to create a series of gateway signs/monuments (up to three) at the boundaries of the city.

City-wide Traffic Calming Program \$100,000 (Traffic Impact Fees)

This is to install physical design and other measures (speed humps, traffic circle, speed readers, etc.) in residential neighborhoods to improve safety of motorists and pedestrians.

Porter Way @ SR-99 \$750,000 (90% Grant, 10% Traffic Impact Fees)

The City plans to enlarge the intersection by adding additional lanes, sidewalks and a new traffic signal.

City-wide Parks Improvements \$75,000 (REET 1/Parks Impact Fees)

Park improvements which may include irrigation, lighting, benches and parking.

City-wide Transportation Beautifications \$20,000 (REET 1)

To improve the appearance of the City's transportation system by installing decorative banners on poles, taking measures for litter prevention, installing flower beds and stamped concrete for crosswalks.

West Milton Ballfield Improvements \$30,000 (REET 1)

The West Milton Ballfields have continued to sink due to poor soil conditions. This budget item is to investigate and implement a long-term solution to the Ballfield/Public Works Operations facilities to ensure a mutual benefit to all parties involved.

<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
308 80 00 310	Beginning Fund Balance	200,002	399,602	161,500	121,667
Revenues & Other Sources					
334 00 10 104	Interurban Trail - Legislative Grant	-	405,000	20,000	385,000
334 03 80 141	TIB Yuma Street Overlay	-	432,203	432,203	-
	Grant - Porter @ SR-99	-	-	-	675,000
361 10 00 310	Investment Earnings	2,162	2,800	2,800	2,510
397 01 30 310	Transfer in REET Improvements	233,000	100,000	100,000	129,000
397 01 31 310	Transfer in REET Projects	140,200	100,000	100,000	20,000
397 01 20 310	Transfer in Street	-	25,000	25,000	-
	Transfer In Parks Impact Fees	-	-	-	96,000
397 01 40 310	Transfer In Traffic Impact Fees	-	75,000	75,000	515,000
Total Revenues & Other Sources		375,362	1,140,003	755,003	1,822,510
Expenditures & Other Uses					
594 18 61 143	City Hall Retrofit	99,805	80,000	230,000	80,000
594 76 62 104	Trailhead Improvements	-	405,000	20,000	385,000
594 76 65 118	Playground Equipment	-	50,000	-	100,000
595 30 63 082	Milton Way Ped Improv	53,534	-	-	40,000
595 42 63 107	Street Sign Retrofit	24,809	-	1,500	-
595 42 63 121	Misc Sidewalks	36,993	75,000	10,000	150,000
595 42 63 122	Misc Street Overlay	131,674	120,000	20,000	10,000
595 42 63 136	Misc Striping & Markings	21,383	15,000	3,000	10,000
	City-wide Pavement Restoration	-	-	-	150,000
	City Gateways/Wayfinding	-	-	-	30,000
	City-wide Traffic Calming Program	-	-	-	100,000
	Porter @ SR-99	-	-	-	750,000
	City-wide Parks Improvements	-	-	-	75,000
	City-wide Transportation Beautifications	-	-	-	20,000
595 42 63 141	TIB Yuma Street Overlay	45,666	480,336	480,336	-
595 42 63 146	West Milton Ballfield Improvements	-	50,000	30,000	30,000
Total Expenditures & Other Uses		413,864	1,275,336	794,836	1,930,000
Net Change in Fund Balance		(38,502)	(135,333)	(39,833)	(107,490)
508 80 00 310	Ending Fund Balance	161,500	264,269	121,667	14,177

Electric Utility Fund (401)

The Electric Utility is a division of the Public Works Department and has been established to provide a safe and reliable electric system to the citizens of Milton including a capital improvement and a maintenance program serving city customers. The Electric Utility is an enterprise fund that operates like a business.

Electricity is provided to the City by the Bonneville Power Administration and is delivered to the City at the Substation located along Fife Way. Revenue to this fund is primarily through the sale of electricity to our customers.

Expenditures from this fund are for administrative and maintenance/operations of the utility. Funds are transferred out of this fund into the Electric Capital Project Fund and the Electric Asset Replacement Fund. The Administrative portion of the fund includes monthly customer billing, planning, coordination with BPA and participation in other electric related organizations. The Operations and Maintenance portion of the fund includes regular maintenance and repair of poles, transformers, vaults, and distribution lines as well as tree trimming and removal.

This fund should have an ending fund balance of 25% of expenditures, however prior budgets have significantly reduced fund balance. A rate study was completed in 2019 and rate increases were adopted for the next five years. Rate increases are anticipated to bring the fund balance back up to the 25% target by 2023.

SUMMARY

	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>	<u>Change - 2019 Budget to 2020 Budget</u>	
					<u>Dollars</u>	<u>Percentage</u>
Beginning Fund Balance	1,146,018	866,568	842,107	751,624		
Revenues & Other Sources						
Licenses & Permits	2,040	1,500	1,836	1,500	-	0%
Charges for Services	4,204,730	4,530,000	4,897,026	5,255,000	725,000	16%
Fines & Forfeitures	38,592	40,000	29,321	30,000	(10,000)	-25%
Miscellaneous Revenues	146,910	151,000	93,113	113,091	(37,909)	-25%
Other & Non-Revenues	13,566	-	-	-	-	-
Total Revenues & Other Sources	4,405,838	4,722,500	5,021,295	5,399,591	677,091	14%
Expenditures & Other Uses						
Salaries	597,967	830,377	629,918	874,107	43,730	5%
Benefits	252,605	361,655	279,653	402,257	40,602	11%
Supplies & Services	3,436,103	3,836,369	3,716,208	4,011,077	174,708	5%
Miscellaneous	(1,272)	-	-	-	-	-
Transfers	424,346	454,000	486,000	522,000	68,000	15%
Total Expenditures & Other Uses	4,709,749	5,482,401	5,111,778	5,809,441	327,040	6%
Net Change in Fund Balance	(303,911)	(759,901)	(90,483)	(409,850)		
Ending Fund Balance	842,107	106,667	751,624	341,774		
Fund Balance as % of Expenditures	18%	2%	15%	6%		

DETAIL

<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
401	308 80 00 401	Beginning Fund Balance	1,146,018	866,568	842,107	751,624
Revenues						
401	322 12 00 000	Electrical Permits	2,040	1,500	1,836	1,500
401	343 30 00 000	Electric Sales	4,157,834	4,500,000	4,860,000	5,220,000
401	343 30 30 000	LABOR	14,008	-	10,823	5,000
401	343 30 35 000	Pole Rental Agreements	14,120	25,000	-	10,000
401	343 30 40 000	Sale Of Parts	11,671	-	22,728	15,000
401	343 39 00 000	Connection Charges	7,097	5,000	3,476	5,000
401	359 31 00 000	Penalties	38,592	40,000	29,321	30,000
401	361 10 00 401	Investment Earnings	19,956	16,000	16,533	13,091
401	362 00 00 401	Interfund Rentals	30,000	30,000	30,000	30,000
401	367 01 00 000	BPA Incentive	61,366	80,000	32,774	45,000
401	369 10 00 401	Sale Of Scrap	275	-	-	-
401	369 91 00 401	Misc Revenue	35,313	25,000	13,806	25,000
401	389 20 00 401	Insurance Recovery	13,566	-	-	-
Total Revenues			4,405,838	4,722,500	5,021,295	5,399,591

DETAIL**Expenditures***Administration*

401 533 10 10 000	Salaries and Wages	165,479	94,288	26,561	180,997
401 533 10 10 002	Overtime	539	-	-	-
	<i>Allocated Salaries</i>	-	170,100	170,100	156,962
401 533 10 20 000	Personnel Benefits	57,746	41,447	10,718	81,997
	<i>Allocated Benefits</i>	-	73,908	73,908	71,507
401 533 10 31 000	Office and Operating Supplies	2,496	2,500	534	1,000
401 533 10 32 000	Fuel	82	150	-	150
401 533 10 35 000	Small Tools and Equipment	74	1,000	23	1,000
401 533 10 36 000	Small Assets/IT	-	1,000	-	1,000
401 533 10 41 000	Professional Services	61,802	65,000	96,894	65,000
401 533 10 41 001	Professional Services - IT	28,056	31,625	35,747	40,438
401 533 10 41 002	Advertising	328	750	987	800
401 533 10 42 000	Communications	8,915	9,000	8,387	9,000
401 533 10 43 000	Travel	926	2,500	15	2,500
401 533 10 44 001	Utility Tax	248,350	275,000	263,475	285,000
401 533 10 44 002	Elect Excise Tax	159,509	180,000	178,505	190,000
401 533 10 45 000	Operating Rentals and Leases	2,380	2,000	3,470	3,000
401 533 10 46 000	Insurance	36,896	38,300	59,582	41,988
401 533 10 48 000	Repairs and Maintenance	1,709	4,000	-	3,000
401 533 10 49 000	Misc/Other Exp	-	1,000	9	1,000
401 533 10 49 001	Misc/Dues & Memberships	8,644	6,000	3,576	5,000
401 533 10 49 002	Misc/Trng, Registrations	1,051	2,500	-	1,500
401 533 10 49 003	Misc/Outside Printing	20,159	18,000	15,405	15,000
401 533 10 49 999	<i>Allocated overhead expenses</i>	-	136,644	136,644	151,051

DETAIL**Expenditures***Operations*

401 533 50 10 000	Salaries and Wages	376,981	508,761	387,491	478,507
401 533 50 10 002	Overtime	28,449	32,228	17,849	32,641
401 533 50 10 005	On Call Pay	26,519	25,000	27,918	25,000
401 533 50 20 000	Personnel Benefits	185,909	237,300	186,372	240,753
401 533 50 20 002	Uniforms	8,950	9,000	8,655	8,000
401 533 50 31 000	Operating Supplies	74,592	60,000	50,321	45,000
401 533 50 32 000	Fuel	7,886	8,000	8,708	8,500
401 533 50 33 000	BPA-Electricity for Resale	2,543,909	2,800,000	2,708,276	2,980,000
401 533 50 33 006	BPA Reimbursement/Incentives	55,520	80,000	15,815	45,000
401 533 50 34 000	Supplies for Resale,etc	-	-	11,286	2,500
401 533 50 35 000	Small Tools and Equipment	16,032	10,000	8,283	6,500
401 533 50 35 001	Machinery and Equipment	(163)	2,500	10,788	10,000
401 533 50 36 000	Small Assets/IT	79	4,000	1,236	2,000
401 533 50 41 000	Professional Services	9,868	12,000	18,249	15,000
401 533 50 41 001	Professional Services - IT	22,695	-	-	-
401 533 50 41 002	Advertising	-	250	348	200
401 533 50 42 000	Communication	5,312	5,000	4,820	5,000
401 533 50 43 000	Travel	3,964	4,000	2,603	4,000
401 533 50 45 000	Operating Rentals And Leases	17,913	-	4,575	5,000
401 533 50 47 000	Public Utility Services	36,736	30,000	16,335	20,000
401 533 50 48 000	Repairs and Maintenance	2,065	2,500	1,338	1,500
401 533 50 48 001	Vehicle R&M	40,145	20,000	37,419	25,000
401 533 50 48 002	Building R & M	218	5,000	1,751	5,000
401 533 50 49 000	Misc/Other Exp	-	1,000	129	250
401 533 50 49 001	Misc/Dues & Memberships	42	5,000	20	3,200
401 533 50 49 002	Misc/Trng, Registrations	10,618	10,000	10,662	10,000
401 533 50 49 003	Misc/Outside Printing	102	150	-	-
401 588 10 00 401	Prior Period Adjustments	(1,272)	-	-	-
401 594 50 64 000	Capital	7,193	-	-	-
401 597 40 20 401	Transfers-Out - Capital Improvements	297,042	319,000	340,200	365,400
401 597 40 90 401	Transfers-Out - Asset Replacement	127,304	135,000	145,800	156,600
Total Expenditures		4,709,749	5,482,401	5,111,778	5,809,441
401 508 80 00 401 Ending Fund Balance		842,107	106,667	751,624	341,774

Electric Capital Improvement Fund (402)

This fund was created to separate capital improvements from regular administration, maintenance and operations activities. The intent is to have the resources available when needs arise. Seven percent of the revenue from monthly electric charges is contributed to this fund to provide for capital improvements.

2020 projects include the following:

Substation – Design \$650,000

Electrical substation design; surveying; geotechnical investigations, studies and services; permitting; as well as the creation of plans, specifications and estimates; construction management, and construction engineering services.

Substation – Property Acquisition \$920,000

Preliminary siting, alternative evaluation and purchasing a new site for the construction of the City's new sub-station.

Miscellaneous Cable Replacement \$150,000

This budget item is for the purchase of electrical cable as needed to replace aging and failing segments of electrical cable at various locations throughout the City.

Pole Replacement Project \$185,000

This budget item is for the purchase and installation of electrical poles as needed to replace aging and failing poles at various locations throughout the City.

Tree Trimming \$100,000

This budget item is to provide funding for the trimming of trees to reduce outages caused by wind storms. This is part of the Electric Utility's effort to continue to provide a reliable electric system.

Meter Replacement Project \$25,000

This budget item is for the equipment and staff time for the Electric Department's continued effort to implement a totally automated meter reader and control system.

27th Avenue Cable Rebuild \$10,000

Currently 27th Avenue contains one continuous electrical circuit. This limits the City's ability to provide localized power outages without de-energizing the entire street. This project will install equipment that will provide the City with the ability to limit outages to a smaller area.

Switchgear Rebuild \$10,000

This project involves the installation of new electrical control modules on 27th Avenue. The existing control boards are old, have reached the end of their service life and are in need of replacement to ensure continued reliability of our electrical system.

<u>Fund Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
402 308 80 00 402	Beginning Fund Balance	2,046,091	2,309,938	2,150,830	2,334,096
Revenues & Other Sources					
402 361 10 00 402	Investment Interest	28,777	28,650	38,000	33,436
402 367 00 00 402	System Development	11,762	5,000	10,000	10,000
	Proceeds from long term debt	-	-	-	5,000,000
402 397 40 10 402	Transfer In - Operations	297,042	319,000	335,266	365,400
Total Revenues & Other Sources		337,581	352,650	383,266	5,408,836
Expenditures & Other Uses					
402 594 33 60 124	Substation - Design	-	-	-	650,000
402 594 33 61 124	Substation - Prop Acq	-	-	-	920,000
402 594 33 60 125	Comp Plan Update/Rate Study	25,408	50,000	10,000	-
402 594 33 62 126	Misc - Cable Replacement	24,708	350,000	50,000	150,000
402 594 33 62 138	Pole Replacement Project	9,860	100,000	20,000	185,000
402 594 33 62 139	HVAC/Lighting BPA	86,233	-	20,000	-
402 594 33 62 142	Tree Trimming	65,256	100,000	100,000	100,000
402 594 33 63 095	Curtailement Project	1,952	-	-	-
402 594 33 64 123	Meter Replacement Project	19,180	55,000	-	25,000
402 594 33 65 120	Asset Management System	245	-	-	-
402 594 33 64 147	27th Ave Cable Rebuild	-	10,000	-	10,000
402 594 33 64 148	Switchgear Rebuild	-	10,000	-	10,000
402 594 33 64 149	Heather Hills Primary Metering	-	75,000	-	-
Total Expenditures & Other Uses		232,842	750,000	200,000	2,050,000
Net Change in Fund Balance		104,739	(397,350)	183,266	3,358,836
402 508 80 00 402	Ending Fund Balance	2,150,830	1,912,588	2,334,096	5,692,932

Electric Utility Asset Replacement Fund (409)

This fund was established to fund replacement of assets such as rolling stock, major equipment and technology upgrades. The intent is to have the resources available when needs arise. Each year three percent of service revenue will be contributed to this fund to keep funds available as needed.

<u>Fund Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
409 308 80 00 409	Beginning Fund Balance	461,189	599,743	593,930	709,330
Revenues & Other Sources					
409 361 10 00 409	Investment Interest	5,437	6,450	11,400	9,233
409 397 40 10 409	Transfer In - From Operations	127,304	135,000	144,000	156,600
Total Revenues & Other Sources		132,741	141,450	155,400	165,833
Expenditures & Other Uses					
409 594 33 64 409	Asset Replacement	-	330,000	40,000	400,000
Total Expenditures & Other Uses		-	330,000	40,000	400,000
Net Change in Fund Balance		132,741	(188,550)	115,400	(234,167)
409 508 80 00 409	Ending Fund Balance	<u>593,930</u>	<u>411,193</u>	<u>709,330</u>	<u>475,163</u>

Water Utility Fund (403)

The Water Utility is a division of the Public Works Department and has been established to provide a city-wide water service, capital improvement and maintenance program serving city customers and customers outside of the City. The Water Division's primary function is to provide, operate, and maintain a quality water supply that effectively and economically meets or exceeds all federal and state drinking water regulations for the customers, while constructing water projects for infrastructure improvements consistent with the planning and implementation of the Water System Comprehensive Plan. The Water Utility is an enterprise fund that operates like a business.

The primary source of revenue for this fund is through the sale of water to our customers. The City also receives revenue through the rental of space on our water towers to private communication companies for antennas. Expenditures from this fund are for administrative and maintenance/operations of the utility. Funds are transferred out of this fund into the Water Capital Projects Fund and the Water Asset Replacement Fund.

The Administrative portion of the fund includes monthly customer billing, planning, coordination with the Department of Health, working with hydrogeologists and legal counsel to protect the City's water sources and participation in other water related organizations.

The Operations and Maintenance portion of the fund includes regular maintenance and repair of wells, pump stations, valves, water mains, distribution lines and hydrants.

SUMMARY

	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>	<u>Change - 2019 Budget to 2020 Budget</u>	
					<u>Dollars</u>	<u>Percentage</u>
Beginning Fund Balance	1,298,013	1,202,400	1,399,298	1,524,643		
Revenues & Other Sources						
Licenses & Permits	3,882	5,000	4,041	3,500	(1,500)	-30%
Charges for Services	2,357,138	2,219,350	2,408,042	2,302,750	83,400	4%
Fines & Forfeitures	21,086	20,000	16,188	17,000	(3,000)	-15%
Miscellaneous Revenues	31,417	25,500	35,054	28,253	2,753	11%
Other & Non-Revenues	6,941	2,500	687	800	(1,700)	-
Total Revenues & Other Sources	2,420,464	2,272,350	2,464,011	2,352,303	79,953	4%
Expenditures & Other Uses						
Salaries	659,039	749,157	640,700	707,671	(41,486)	-6%
Benefits	303,291	353,300	281,918	325,277	(28,023)	-8%
Supplies & Services	925,061	1,007,029	887,403	941,574	(65,455)	-6%
Miscellaneous	(3,576)	-	2,034	1,500	1,500	-
Debt Service	197,310	193,350	290,025	194,390	1,040	1%
Transfers	238,054	214,000	236,588	221,450	7,450	3%
Total Expenditures & Other Uses	2,319,179	2,516,836	2,338,667	2,391,862	(124,974)	-5%
Net Change in Fund Balance	101,285	(244,486)	125,345	(39,559)		
Ending Fund Balance	1,399,298	957,914	1,524,643	1,485,084		
Fund Balance as % of Expenditures	60%	38%	65%	62%		

DETAIL

<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
403	308 80 00 403	Beginning Fund Balance	1,298,013	1,202,400	1,399,298	1,524,643
Revenues						
403	322 13 00 000	Water Permit	3,882	5,000	4,041	3,500
403	343 40 10 000	Water Sales	2,271,809	2,150,000	2,276,808	2,214,500
403	343 40 10 001	Meter Rental	204	150	266	150
403	343 40 14 000	Cert. Wtr Avail In Town	5,304	2,000	26,078	30,000
403	343 40 15 000	Cert. Wtr Avail Out Town	3,646	4,000	2,295	3,000
403	343 40 35 000	Reservoir Antenna Rentals	43,484	43,200	36,705	35,000
403	343 49 00 000	Connection Charges	32,691	20,000	64,991	20,000
403	343 83 10 403	Plan Review	-	-	900	100
403	359 90 00 000	Penalties	21,086	20,000	16,188	17,000
403	361 10 00 403	Investment Earnings	17,198	18,000	27,273	21,753
403	369 10 00 403	Sale Of Scrap	4,950	2,500	2,496	2,500
403	369 91 00 403	Miscellaneous Water Revenue	9,269	5,000	5,285	4,000
403	389 20 00 403	Water Permit Deposit	2,915	2,500	687	800
403	398 20 00 403	Insurance Recovery	4,026	-	-	-
Total Revenues			2,420,464	2,272,350	2,464,011	2,352,303

DETAIL**Expenditures***Administration*

403	534 10 10 000	Salaries and Wages	166,428	88,696	32,831	186,282
		<i>Allocated Salaries</i>	-	117,396	117,396	107,044
403	534 10 20 000	Personnel Benefits	62,873	39,107	17,150	85,200
		<i>Allocated Benefits</i>	-	50,748	50,748	48,653
403	534 10 31 000	Office and Operating Supplies	2,759	2,500	570	1,000
403	534 10 32 000	Fuel	67	100	-	500
403	534 10 35 000	Small Tools and Equipment	101	250	23	300
403	534 10 36 000	Small Assets/IT	78	-	-	200
403	534 10 41 000	Professional Services	39,701	40,000	26,042	20,000
403	534 10 41 001	Professional Services - IT	29,535	36,611	46,331	38,623
403	534 10 42 000	Communication	9,515	10,000	8,709	10,000
403	534 10 43 000	Travel	742	2,000	15	1,000
403	534 10 44 001	Utility Tax	204,705	200,000	186,359	200,000
403	534 10 44 002	Water Excise Tax	113,438	110,000	109,721	115,000
403	534 10 45 000	Operating Rentals and Leases	2,308	1,800	3,374	2,500
403	534 10 46 000	Insurance	42,443	44,100	45,693	48,301
403	534 10 48 000	Repairs and Maintenance	2,150	3,000	-	1,500
403	534 10 49 001	Misc/Dues & Memberships	2,741	5,000	293	3,000
403	534 10 49 002	Misc/Trng, Registrations	1,143	2,000	-	2,000
403	534 10 49 003	Misc/Outside Printing	20,255	20,000	15,414	15,000
		<i>Allocated overhead</i>	-	95,718	95,718	106,250

DETAIL

Fund	Account	Title	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Expenditures						
<i>Operations</i>						
403	534 50 10 000	Salaries and Wages	465,642	484,275	458,255	359,593
403	534 50 10 002	Overtime	9,181	22,790	12,686	18,752
403	534 50 10 003	Temp/Seasonal	-	18,000	-	18,000
403	534 50 10 005	On Call Pay	17,788	18,000	19,533	18,000
403	534 50 20 000	Personnel Benefits	232,753	256,445	203,847	184,424
403	534 50 20 002	Uniforms	7,665	7,000	10,173	7,000
403	534 50 31 000	Office and Operating Supplies	46,069	55,000	34,814	35,000
403	534 50 32 000	Fuel	12,604	15,000	11,664	12,000
403	534 50 33 000	Water For Resale	-	-	-	-
403	534 50 35 000	Small Tools and Equipment	10,162	12,000	6,486	4,500
403	534 50 35 001	Machinery & Equipment	10,975	20,000	-	5,000
403	534 50 36 000	Small Assets/IT	-	-	1,215	2,000
403	534 50 41 000	Professional Services	3,723	10,000	20,586	25,000
403	534 50 41 001	Professional Services - IT	19,354	-	-	-
403	534 50 41 002	Advertising	-	500	428	500
403	534 50 41 114	Water Comp Plan Professional Services	22,323	10,000	10,511	5,000
403	534 50 42 000	Communication	3,594	7,500	5,244	5,000
403	534 50 43 000	Travel	2,199	6,000	2,799	6,500
403	534 50 45 000	Operating Rentals and Leases	39,715	35,000	27,158	25,000
403	534 50 47 000	Public Utility Services	5,006	9,000	2,606	6,000
403	534 50 48 000	Repairs and Maintenance	17,888	25,000	4,701	10,000
403	534 50 48 001	Equipment Repair & Maintenance	45,709	30,000	16,871	25,000
403	534 50 48 116	15th Ave Reservoir Exterior Painting	1,752	-	-	-
403	534 50 49 000	Misc/Other Exp	-	2,000	1,157	2,000
403	534 50 49 001	Misc/Dues & Memberships	7,071	10,000	13,407	15,000
403	534 50 49 002	Misc/Trng, Registrations	9,497	10,000	19,059	20,000
403	534 50 49 003	Misc/Outside Printing	3	100	-	150
<i>Water Quality</i>						
403	534 51 31 000	Operating Supplies	69,226	50,000	68,451	44,000
403	534 51 32 000	Fuel	659	2,500	2,688	3,500
403	534 51 35 000	Small Tools and Equipment	1,722	2,500	357	2,500
403	534 51 35 001	Machinery & Equipment	-	2,000	-	2,000
403	534 51 41 000	Professional Services	14,637	12,000	8,261	15,000
403	534 51 42 000	Communication	207	250	41	200
403	534 51 43 000	Travel	51	200	-	500
403	534 51 47 001	Public Utility Services	87,112	80,000	77,877	80,000
403	534 51 48 000	Water Utilities - Repairs & Maintenance	18,424	20,000	8,714	20,000
403	534 51 48 001	Repairs And Maintenance - Vehicle	2,291	5,000	59	3,500
403	534 51 49 001	Misc Dues & Memberships	52	100	-	200
403	534 51 49 002	Misc Training, Registrations	275	300	2,430	500
403	534 51 49 003	Printing	1,080	2,000	1,566	850
403	588 10 00 403	Prior Period Adjustments	(3,881)	-	-	-
403	589 20 00 403	Deposit Refund	305	-	2,034	1,500
403	591 34 72 000	Revenue Bond-Principal	110,000	110,000	165,000	115,000
403	592 34 83 000	Revenue Bond-Interest	87,310	83,350	125,025	79,390
403	597 40 40 403	Transfers-Out - Capital Improvements	166,638	150,000	165,612	155,015
403	597 40 50 403	Transfers-Out - Asset Replacement	71,416	64,000	70,976	66,435
Total Expenditures			2,319,179	2,516,836	2,338,667	2,391,862
403 508 80 00 403 Ending Fund Balance			1,399,298	957,914	1,524,643	1,485,084

Water Utility Capital Improvement Fund (404)

This fund was created to separate capital improvements from regular administration, maintenance and operations activities. The intent is to have the resources available when needs arise. Seven percent of the revenue from monthly water charges is contributed to this fund to provide for capital improvements.

2020 projects are as follows:

Miscellaneous Security Upgrades \$60,000

Security of water systems is a very important aspect of operating a reliable and dependable water system. This budget item will purchase and install equipment necessary to monitor and issue alarms when a security concern arises regarding our water system.

Miscellaneous Watermain Replacement \$55,000

Repair and replacement of old and failing water pipes at various locations throughout the City.

Alder Street/26th Ave Watermain \$12,000

This budget item is for replacement of an old failing water main along 27th Avenue and Alder Street to upgrade the flow to ensure a reliable source of water for the residents that live along these streets.

Water Tank Demolition \$10,000

in 2018 the City of Milton demolished a water tank on a city-owned parcel within the city limits of Edgewood. This property is no longer useful to the City of Milton and has been declared surplus. This budget item is to complete the sale of the property.

2 MG Tank Drive Replacement \$35,000

The City of Milton's starter for the pumps Variable Speed Drives and controls the output speed of the pumps based on the demand. The drives have reached the end of their service life and need to be replaced.

Well #5 Replacement \$850,000

The existing Well #5 located at the 1-million-gallon reservoir site needs to be re-drilled in order to provide the City with a water source capable of meeting our future water demands.

Well #2 Rehabilitation \$15,000

In 2018 the Corridor Well #1 was experiencing a drop in the production rate. After removing the screen it was determined that corrosion has plugged the screen. This budget item is to investigate and, if necessary, rehabilitate the adjacent Well #2.

<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
404	308 80 00 404	Beginning Fund Balance	2,146,011	1,681,830	1,388,084	1,067,032
Revenues & Other Sources						
404	361 10 00 404	Investment Interest	36,936	30,000	21,454	21,579
404	367 00 00 404	System Development Charges	149,702	75,000	137,972	75,000
404	397 40 30 404	Transfer In From 403	166,638	150,000	156,522	155,015
Total Revenues & Other Sources			353,276	255,000	315,948	251,594
Expenditures & Other Uses						
404	594 34 60 129	SCADA System Upgrade	10,000	30,000	6,000	-
404	594 34 61 132	Water Main Flushing	1,370	-	-	-
404	594 34 62 100	Well #10 Construction	592,220	350,000	180,000	-
404	594 34 63 100	Well #10 Design Project	72,025	-	6,000	-
404	594 34 63 130	Misc Security Upgrades	17,508	100,000	40,000	60,000
404	594 34 63 131	Misc Water Main Replacements	4,636	50,000	45,000	55,000
404	594 34 63 137	Alder Street/26th Ave Watermain	6,862	238,000	225,000	12,000
404	594 34 63 144	Well #1 Rehabilitation Project	34,227	-	-	-
404	594 34 64 123	Meter Replacement	253,863	-	75,000	50,000
404	594 34 65 120	Asset Management System	458	-	-	-
404	594 34 66 127	Water Tank Demolition	118,034	5,000	-	10,000
404	594 34 60 150	2 MG Tank Drive Replacement	-	35,000	-	35,000
404	594 34 60 135	Well #5 Replacement	-	275,000	25,000	850,000
404	594 34 60 151	Well #2 Rehabilitation	-	40,000	35,000	15,000
404	594 34 60 152	Cable Replacement	-	50,000	-	-
Total Expenditures & Other Uses			1,111,203	1,173,000	637,000	1,087,000
Net Change in Fund Balance			(757,927)	(918,000)	(321,052)	(835,406)
404 508 80 00 404 Ending Fund Balance			1,388,084	763,830	1,067,032	231,626

Water Utility Asset Replacement Fund (405)

This fund was established to fund replacement of assets such as major equipment and technology upgrades. The intent is to have the resources available when needs arise. Each year three percent of service revenue will be contributed to this fund to keep funds available as needed.

<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
405	308 80 00 405	Beginning Fund Balance	335,812	360,511	354,758	313,236
Revenues & Other Sources						
405	361 10 00 405	Investment Interest	4,289	4,700	6,398	5,515
405	397 40 30 405	Transfer In From 403	71,416	64,000	67,080	66,435
Total Revenues & Other Sources			75,705	68,700	73,478	71,950
Expenditures & Other Uses						
405	594 33 64 405	Asset Replacement	56,759	227,000	115,000	150,000
Total Expenditures & Other Uses			56,759	227,000	115,000	150,000
Net Change in Fund Balance			18,946	(158,300)	(41,522)	(78,050)
405	508 80 00 405	Ending Fund Balance	354,758	202,211	313,236	235,186

Stormwater Operations Fund (406)

The Stormwater Utility is a division of the Public Works Department and has been established to provide a citywide storm drainage capital improvement and maintenance program serving the citizens of Milton. The Stormwater Utility provides, operates and maintains the stormwater system with a focus on minimizing damage from severe storms by improving flood protection and improving the quality of Stormwater runoff to meet the requirements of the Department of Ecology's National Pollutant Discharge Elimination System Phase II (NPDES) permit. The Stormwater Utility is an Enterprise Fund that operates like a business.

Revenue to this fund is primarily through the payment of monthly stormwater fees. Other revenue sources include clearing and grading permit fees and stormwater plan review fees. Expenditures from this fund are for administrative and maintenance/operations of the utility. Funds are transferred out of this fund into the Stormwater Capital Project Fund and the Stormwater Asset Replacement Fund. The Administrative portion of the fund includes monthly customer billing, planning, coordination with the Department of Ecology for our NPDES permit; and participation in other stormwater related organizations. The Operations and Maintenance portion of the fund includes cleaning catch basins, manholes and storm pipes; monitoring and cleaning of ditches, culverts, bioswales and underground detention vaults; installation of storm pipe and catch basins; and maintenance of detention ponds.

The increase in revenues from 2019 to 2020 is due to additional properties within the Hill Creek Annexation area. Stormwater fees have not been updated since the program's inception which is why fund balance continues to decline. A rate study should be performed in 2020 or 2021.

SUMMARY

	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>	<u>Change - 2019 Budget to 2020 Budget</u>	
					<u>Dollars</u>	<u>Percentage</u>
Beginning Fund Balance	625,814	496,596	514,930	524,153		
Revenues & Other Sources						
Licenses & Permits	100	1,000	1,796	2,000	1,000	100%
Charges for Services	959,239	980,000	980,255	1,028,300	48,300	5%
Fines & Forfeitures	8,903	5,000	6,309	6,700	1,700	-
Miscellaneous Revenues	22,943	18,700	26,486	27,005	8,305	44%
Total Revenues & Other Sources	991,185	1,004,700	1,014,845	1,064,005	59,305	6%
Expenditures & Other Uses						
Salaries	424,318	494,142	389,852	526,246	32,104	6%
Benefits	161,484	213,871	171,968	243,165	29,294	14%
Supplies & Services	342,439	374,978	349,278	401,712	26,734	7%
Miscellaneous	(5,224)	-	-	-	-	-
Transfers	179,052	97,100	94,526	102,800	5,700	6%
Total Expenditures & Other Uses	1,102,069	1,180,091	1,005,623	1,273,923	93,832	8%
Net Change in Fund Balance	(110,884)	(175,391)	9,223	(209,918)		
Ending Fund Balance	514,930	321,205	524,153	314,235		
Fund Balance as % of Expenditures	47%	27%	52%	25%		

DETAIL

<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
406	308 80 00 406	Beginning Fund Balance	625,814	496,596	514,930	524,153
Revenues						
406	322 10 03 000	Clear/Grade Permit	100	1,000	1,796	2,000
406	343 10 00 000	Storm Drainage Fees	959,239	980,000	980,000	1,028,000
406	343 10 30 000	LABOR	-	-	105	100
406	345 83 10 406	Plan Review	-	-	150	200
406	359 90 00 406	Penalties	8,903	5,000	6,309	6,700
406	361 10 00 406	Investment Earnings	10,152	8,700	8,858	8,005
406	362 00 00 406	Equipment And Vehicles Rentals (Short-term)	5,394	5,000	13,518	14,000
406	369 91 00 406	Misc Stormwater Revenue	7,397	5,000	4,110	5,000
Total Revenues			991,185	1,004,700	1,014,845	1,064,005

DETAIL

Fund	Account	Title	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Expenditures						
<i>Administration</i>						
406	531 10 10 000	Salaries and Wages	120,551	80,488	17,471	134,990
406	531 10 10 002	Overtime	453	-	-	-
		<i>Allocated Salaries</i>	-	85,191	85,191	79,324
406	531 10 20 000	Personnel Benefits	50,968	35,353	7,259	54,897
		<i>Allocated Benefits</i>	-	36,907	36,908	35,990
406	531 10 31 000	Office and Operating Supplies	2,482	2,500	887	2,500
406	531 10 32 000	Fuel	314	350	207	350
406	531 10 35 000	Small Tools and Minor Equip	294	500	24	500
406	531 10 36 000	Small Assets/IT	65	-	-	200
406	531 10 41 000	Professional Services	26,487	30,000	24,879	25,000
406	531 10 41 001	Professional Services - IT	19,013	23,173	32,892	29,049
406	531 10 41 002	Advertising	208	500	23	200
406	531 10 42 000	Communication	3,583	3,500	3,110	3,500
406	531 10 43 000	Travel	566	1,500	165	1,500
406	531 10 44 001	Utility Taxes	86,684	89,000	79,217	90,000
406	531 10 44 002	Excise Tax	14,447	15,000	14,205	15,500
406	531 10 45 000	Operating Rentals and Leases	1,191	1,000	1,886	1,500
406	531 10 46 000	Insurance	15,264	15,850	16,434	17,372
406	531 10 48 000	Repairs and Maintenance	552	1,000	-	500
406	531 10 49 000	Misc/Other Exp	-	-	-	200
406	531 10 49 001	Misc/Dues & Memberships	13,852	5,000	5,835	450
406	531 10 49 002	Misc/Trng, Registrations	1,294	2,000	-	1,500
406	531 10 49 003	Misc/Outside Printing	10,138	9,000	7,905	2,500
		<i>Allocated overhead</i>	-	69,605	69,605	77,891
<i>Operations</i>						
406	531 30 10 000	Salaries & Wages	301,101	297,841	287,190	276,782
406	531 30 10 002	Overtime	2,213	12,622	-	17,150
406	531 30 10 003	Temp/Seasonal	-	18,000	-	18,000
406	531 30 20 000	Personnel Benefits	106,244	137,611	123,270	148,278
406	531 30 20 002	Uniforms	4,272	4,000	4,532	4,000
406	531 30 31 000	Operating Supplies	12,096	10,000	20,276	13,000
406	531 30 32 000	Fuel	8,731	2,500	8,438	8,000
406	531 30 35 000	Small Tools and Equipment	4,812	5,000	2,958	4,000
406	531 30 35 001	Machinery and Equipment	5,671	15,000	-	7,500
406	531 30 36 000	Small Assets/IT	-	-	392	600
406	531 30 41 000	Professional Services	6,802	5,000	13,341	30,000
406	531 30 41 001	Professional Services - IT	19,313	-	-	-
406	531 30 41 002	Advertising	-	500	21	100
406	531 30 42 000	Communication	3,185	3,000	3,002	4,500
406	531 30 43 000	Travel	1,013	2,000	1,602	2,500
406	531 30 45 000	Operating Rentals and Leases	22,875	8,000	6,429	10,000
406	531 30 47 000	Public Utility Services	15,393	13,000	4,578	9,000
406	531 30 48 000	Repairs and Maintenance	6,648	2,500	375	3,500
406	531 30 48 001	Vehicle Repair & Maint	35,579	30,000	23,787	28,000
406	531 30 49 000	Misc/Other Exp	-	-	-	-
406	531 30 49 001	Misc Dues & Memberships	172	-	93	300
406	531 30 49 002	Misc/Trng, Registrations	3,715	1,000	6,717	4,000
406	531 30 49 003	Misc Outside Printing	-	-	-	-
406	554 90 00 406	Environmental Services - Stormwater Permit	-	8,000	-	6,500
406	588 10 00 406	Prior Period Adjustments	(5,224)	-	-	-
406	597 04 07 406	Transfer to FUND 407/Capital	150,005	68,600	66,168	71,960
406	597 40 80 406	Transfers-Out -To Asset Replacement	29,047	28,500	28,358	30,840
Total Expenditures			1,102,069	1,180,091	1,005,623	1,273,923
406 508 80 00 406 Ending Fund Balance			514,930	321,205	524,153	314,235

Stormwater Capital Improvement Fund (407)

This fund was created to separate capital improvements from regular administration, maintenance and operations activities. Currently, the operating fund contributes \$2.50 per unit to this fund, however the 2019 budget is based seven percent of the revenue from monthly stormwater charges, pending Council approval.

2020 projects are as follows:

Decant Facility \$20,000

The City was successful in receiving a grant from the Washington State Department of Ecology for the construction of a decant facility. The Decant facility will save the City money by allowing a temporary storage facility for waste material picked up by our vacator truck avoided the cost of transportation and disposal at out-of-city locations.

Taylor Street Storm Drainage Improvements (Design and Construction) \$49,000

This budget item is for pipe installation to improve storm drainage along Taylor Street between Porter Way and 15th Avenue. This is part of the City's efforts to improve the storm drainage system and minimizing local flooding.

City-wide Ditch/Culvert Projects \$80,000

This budget item is for repair and construction of ditches and culverts at various locations throughout the City.

Surprise Lake Outfall \$50,000

The water level in Surprise Lake is currently controlled by an outdated system that is not under the control of the City of Milton. This outfall needs reconstructing to better control the flow out of the lake and the associated water level in the lake.

Campus Green Retrofit \$100,000

The City has partnered with the Department of Ecology to fund Low Impact Development retrofit projects at City Hall. These improvements will include pervious concrete walkways and bio-retention cells among other design features.

2019 – 2021 Department of Ecology Capacity Grant \$50,000

Every two years the City receives grant money for our National Pollutant Discharge Elimination System (NPDES) compliance activities. Compliance activities could include maintenance, equipment purchase or public education and outreach programs.

Surface Water Plan Update/Rate Study \$120,000

Since the last update of the Surface Water Master Plan many requirements and thresholds for stormwater management have evolved. This project is to update the master plan to identify future capital needs as well as updating the rate structure.

<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
407	308 80 00 407	Beginning Fund Balance	453,624	881,431	546,350	1,097,076
Revenues & Other Sources						
407	334 03 10 097	Department Of Ecology - Decant Facility	21,235	610,000	986,990	20,000
407	334 03 10 083	Dept of Ecology - SEASMP	-	-	27,000	70,000
407	334 03 10 098	Department Of Ecology - Emerald Street	13,200	-	-	-
		Department of Ecology - Campus Green	-	-	-	100,000
407	334 03 10 140	17-19 ECU Capacity Grant	27,363	10,000	83,748	50,000
407	361 10 00 407	Investment Earnings	8,649	6,300	12,442	12,000
407	397 01 30 407	TRF Fr REET 1	150,000	75,000	75,000	-
407	397 01 31 407	Transfer In - REET 2	150,000	85,000	85,000	-
407	397 04 06 407	TRF fr Storm Water Fund	150,005	68,600	66,546	71,960
Total Revenues & Other Sources			520,452	854,900	1,336,726	323,960
Expenditures & Other Uses						
407	594 31 63 097	Decant Facility	269,734	1,000,000	520,000	20,000
407	594 31 63 099	Pervious Concrete Parking Lots	14,996	-	15,000	-
407	594 31 63 112	Taylor St Pipe Installation (Design)	2,813	5,000	5,000	-
		Taylor Street Pipe Installation(Construction)	-	300,000	220,000	49,000
407	594 31 63 133	Citywide Ditch/Culvert Project	100,357	75,000	10,000	80,000
407	594 31 63 140	17-19 ECU Capacity Grant	26,842	10,000	10,000	-
407	594 31 65 120	Asset Management System	96	-	-	-
407	594 31 63 145	SEASMP 17-19	12,910	-	1,000	10,000
407	594 31 63 153	Surprise Lake Outfall	-	75,000	5,000	50,000
		Campus Green Retrofit	-	-	-	100,000
		19-21 ECU Capacity Grant	-	-	-	50,000
		Surface Water Plan Update/Rate Study	-	-	-	120,000
Total Expenditures & Other Uses			427,748	1,465,000	786,000	479,000
Net Change in Fund Balance			92,704	(610,100)	550,726	(155,040)
407	508 80 00 407	Ending Fund Balance	<u>546,328</u>	<u>271,331</u>	<u>1,097,076</u>	<u>942,036</u>

Stormwater Asset Replacement Fund (408)

This fund was established to fund replacement of assets such as major equipment and technology upgrades. The intent is to have the resources available when needs arise. Each year three percent of service revenue will be contributed to this fund to keep funds available as needed.

<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
408	308 80 00 408	Beginning Fund Balance	117,228	146,889	126,141	85,099
Revenues & Other Sources						
408	361 10 00 408	Investment Interest	1,521	1,650	2,438	1,961
		DOE Grant - Capital Asset	-	-	-	165,000
408	397 40 60 408	Transfer In - From Operations	29,047	28,500	28,520	30,840
Total Revenues & Other Sources			30,568	30,150	30,958	197,801
Expenditures & Other Uses						
408	594 31 64 408	Asset Replacement	21,654	72,000	72,000	220,000
Total Expenditures & Other Uses			21,654	72,000	72,000	220,000
Net Change in Fund Balance			8,914	(41,850)	(41,042)	(22,199)
408	508 80 00 408	Ending Fund Balance	<u>126,142</u>	<u>105,039</u>	<u>85,099</u>	<u>62,900</u>

Vehicle Repair and Maintenance Fund (501)

The Vehicle Repair and Maintenance Fund is an Internal Service Fund that was established to account for repair and maintenance of the City's fleet of vehicles, excluding the Police Department.

Revenue to this fund is collected by billing the other funds for the labor and equipment used to service the vehicles from the different departments. Expenditures are tracked by vehicle and department. Expenditures are primarily for in-house salaries, wages and benefits for the City's mechanic and parts for repairs of the fleet. Other expenditures include the services of outside mechanics for repairs for which the City does not have the equipment or specialized expertise.

<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
501 308 80 00 501		Beginning Fund Balance	-	535	-	-
Revenues & Other Sources						
501 344 30 00 000		Labor	111,805	130,000	130,000	260,000
501 344 40 00 000		Parts	1,971	135,000	135,000	-
Total Revenues & Other Sources			113,776	265,000	265,000	260,000
Expenditures & Other Uses						
501 548 30 10 000		Salaries & Wages	27,429	76,063	76,063	86,446
		<i>Allocated Salaries</i>	-	4,152	4,152	3,480
501 548 30 10 002		Overtime	1,470	1,000	1,000	1,000
501 548 30 20 000		Personnel Benefits	42,138	44,046	44,046	48,899
		<i>Allocated Benefits</i>	-	1,976	1,976	1,635
501 548 30 20 002		Uniforms	1,345	1,500	1,500	1,500
501 548 30 31 000		Office & Operating Supplies	19,412	18,000	18,000	20,000
501 548 30 32 000		Fuel	849	1,500	1,500	1,000
501 548 30 34 000		Parts	2,261	40,000	40,000	10,000
501 548 30 35 000		Small Tools & Equipment	9,138	5,000	5,000	6,000
501 548 30 35 001		Machinery & Equipment	651	2,000	2,000	2,000
501 548 30 41 000		Professional Services	170	1,000	1,000	1,000
501 548 30 41 001		Professional Services - IT	4,834	4,748	4,748	6,712
501 548 30 42 000		Communications	1,167	1,100	1,100	1,500
501 548 30 43 000		Travel	40	500	500	500
501 548 30 45 000		Operating Rentals & Leases	182	200	200	200
501 548 30 46 000		Insurance	4,230	4,400	4,400	4,814
501 548 30 48 000		Repairs & Maintenance	2,087	50,000	50,000	5,000
501 548 30 49 000		Miscellaneous	164	100	100	50,000
501 588 10 00 501		Prior Period Adjustments	(9)	-	-	-
		<i>Allocated overhead</i>	-	3,818	3,818	3,837
Total Expenditures & Other Uses			117,558	261,103	261,103	255,523
Net Change in Fund Balance			(3,782)	3,897	3,897	4,477
501 508 80 00 501		Ending Fund Balance	(3,782)	4,432	3,897	4,477

Information Technology Fund (503)

The Information Technology Fund is an Internal Service Fund that was established to account for City-wide technology needs.

Revenue to this fund is collected by billing the other funds for the operating expenditures related to technology that serves the entire City. Expenditures are primarily for contracted information technology support services, software licenses and subscriptions and other professional services.

<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
503	308 80 00 503	Beginning Fund Balance	61,946	67,616	65,657	77,809
Revenues & Other Sources						
503	341 81 00 503	IT Services (External)	44,604	-	12,150	-
503	341 81 01 503	IT Services (Internal)	222,238	224,698	224,700	255,833
Total Revenues & Other Sources			266,842	224,698	236,850	255,833
Expenditures & Other Uses						
503	518 80 10 000	<i>Allocated Salaries</i>	16,794	24,711	24,711	4,770
503	518 80 20 000	<i>Allocated Benefits</i>	5,882	11,287	11,287	2,290
503	518 80 31 000	Office & Operating Supplies	5,423	5,000	5,000	-
503	518 80 35 000	Small Tools And Minor Equipment	722	12,000	12,000	4,200
503	518 80 36 001	Small Tools - IT	26	200	200	-
503	518 80 36 002	Equipment - IT	23,052	10,000	10,000	61,875
503	518 80 41 001	Professional Services - IT	126,603	80,000	80,000	80,000
503	518 80 41 503	Professional Services	9,342	20,000	20,000	25,700
503	518 80 42 503	Communications	669	-	-	-
503	518 80 43 000	Travel	52	-	-	-
503	518 80 45 000	Operating Rentals & Leases	13	-	-	-
503	518 80 46 000	Insurance	1,418	1,500	1,500	1,614
503	518 80 49 002	Misc/Training Registrations	116	-	-	-
503	518 80 49 004	Software Licenses/Subscriptions/etc	73,919	60,000	60,000	77,000
503	588 10 00 503	Prior Period Adjustments	(900)	-	-	-
Total Expenditures & Other Uses			263,131	224,698	224,698	257,449
Net Change in Fund Balance			3,711	-	12,152	(1,616)
503	508 80 00 503	Ending Fund Balance	65,657	67,616	77,809	76,193

Glossary

Appropriation – A legal authorization granted by the City Council to make expenditures and to incur obligations for a specific purpose.

Assessed Valuation – The valuation set upon real estate and certain personal property by the County Assessor as a basis for levying property taxes.

Authorized Positions – Employee positions, which are authorized in the adopted budget, to be filled during the year.

BARS – The Budgeting, Accounting and Reporting System for accounting prescribed by the Washington State Auditor’s Office.

Bond – A long-term promise to repay a specified amount (the face amount of the bond) on a particular date (the maturity date). The most common types of bonds are general obligation revenue bonds. Bonds are primarily used to finance capital projects.

Budget – A plan of financial activity for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period.

Capital Improvement – Expenditures related to acquisition, expansion or rehabilitation of an element of the government’s physical plant; sometimes referred to as infrastructure.

Capital Outlay – Fixed assets that have general value of \$5,000 or more and have a useful economic lifetime of more than one year.

Capital Project – Major construction, acquisition, or renovation activities which add value to government’s physical assets or significantly increase their useful life, also called capital improvements.

Capital Projects Fund – A fund created to account for all resources and expenditures used for the acquisition of capital assets except those financed by enterprise funds.

Contractual Services – Services rendered to a government by private firms, individuals, or other governmental agencies.

Debt Service – Payment of interest and principal on borrowed money according to a predetermined payment schedule.

Department – The basic unit of service responsibility, encompassing a broad mandate of related service responsibilities.

Encumbrance – The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

Enterprise Fund – A type of proprietary fund in which the direct beneficiaries pay for all costs of the fund through fees.

Expense – Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Face Value – The amount of principal that must be paid at maturity for a bond issue.

Fiscal Year – A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization.

Full-time Equivalent Position (FTE) – A full-time or part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time person working 20 hours per week would be equivalent of 0.5 of a full-time position.

Fund – A fiscal entity with revenues and expenses that are segregated for the purpose of carrying out a specific purpose or activity.

GAAP – Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

GASB – The Governmental Accounting Standards Board, established in 1985, is the current standard-setting board for governmental GAAP.

General Fund – The principal operating fund of the City used for general governmental operations. Taxes and fees that generally have no restriction on their use support it.

General Obligation (G.O.) Bonds – This type of bond is backed by the full faith, credit and taxing power of the government issuing it.

Indirect Cost – A cost necessary for the functioning of the organization as a whole, but which cannot be identified with a specific product, function or activity.

Infrastructure – The physical assets of a government (e.g. streets, water, sewer, public buildings, and parks).

Interfund Transfers – The movement of monies between funds of the same governmental entity.

Internal Service Funds – A type of proprietary fund that accounts for the goods and services provided to other units of the city. Payment by the benefiting fund is intended to fund the costs of providing services.

LEOFF – The “Law Enforcement Officers and Fire Fighters” retirement system of the state that provides coverage for city public safety employees.

Levy – To impose taxes for the support of the governmental activities.

Levy Rate – The property tax percentage rate used in computing the property tax amount to be paid.

Long-term Debt – Debt with a maturity of more than one year after the date of issuance.

Operating Budget – The portion of the budget that pertains to daily operations that provide basic governmental services.

Ordinance – A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, such as a statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

PERS – “Public Employee Retirement System.” The state system for public employment retirement applicable for employees other than police officers.

Proprietary Funds – A group of funds that account for the activities of the city that are of a proprietary or business character. Also see “Enterprise Fund.”

Resolution – A special or temporary order of a legislative body—an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources – Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Revenue – Sources of income financing the operations of government.

Revenue Bonds – Bonds sold by the city that are secured only by the revenues of a particular system.

Special Revenue Funds – General government funds for which the source of monies is dedicated to a specific purpose.

Taxes – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those who pay, for example, sewer service charges.

Unreserved Fund Balance – The portion of a fund’s balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges – The payment of a fee for direct receipt of a public service by the party who benefits from the service.