



2010
Preliminary Budget

Matthew R. Larson, CML, Mayor
Robert J. Larson, City Administrator



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Dear Citizens and Members of the Snoqualmie City Council:

The slowdown in the local and regional economy creates several challenges in building a 2010 city operating budget and a Capital Facilities Plan (CFP) for 2010-2015. These combined budgets total \$ 17M for 2010. The operating budget and CFP maintain the City's core service levels and provide strategic investments in our infrastructure.

Managing through a Difficult Economy

Council approved the 2009 budget at a time when the economy was slowing dramatically and now, months later, it has deteriorated further. Fiscal constraints faced by the City and difficult economic times felt by our region and the nation will challenge us to provide the level and quality of municipal services that residents and businesses have come to expect. Combine this with personnel costs and a reduction in building permit revenues and reduced revenues through retail sales tax and interest earnings, the city faces a major challenge in balancing anticipated expenditures against projected revenues.

We are fortunate that our years of fiscal restraint, a lean and efficient workforce and targeting only the most pressing needs has positioned the City well to face this challenge. We have management structure in place to take necessary actions to manage through this economic downturn. We will carefully monitor expenditures and revenues and we will take whatever actions are necessary to live within our means. While our practice is to budget for the long-term and manage our resources carefully, we are fully ready to curb spending during these immediate, tough times.

The staff and I have been discussing these challenges since January and have periodically advised Council of same. The budget for 2009 has been rebalanced but there is still much work to be done for 2010 and beyond. The establishment of the 2010 budget is being developed based on these principles:

- All expenditures must be sustainable for the long term
- The budget shall be balanced using current revenues and conservative estimates
- The city will continue to deliver a full range of services that maintain and strengthen the community
- The city needs to be innovative and adaptable

Meeting Resident Expectations

Over the last several years, respondents to our citizen surveys have given us consistently high scores for quality service delivery and value for tax dollar. Citizens see Snoqualmie as an excellent city and their neighborhoods as wonderful places to live. The scores that we receive suggest that residents are not only satisfied with our services but that they are confident about Snoqualmie and proud to live here.

Funding for Reserves

The budget includes a General Fund reserve and targets reserve levels to assure that we will always be in a position to weather economic tides or to respond to natural disasters. The policy sets an annual target of 30% of General Fund revenues as a sustaining reserve level and includes monies for natural disasters, fluctuations in cash-flow and economic downturns. In addition, we are recommending renaming a reserve fund to support our efforts to combat downturns in economic cycles. Entitled Sustainability Reserve Fund, its purpose is to allow continuity and consistency in the delivery of core services. **(This will likely depend on the fate of I-1033)**

Maintaining Snoqualmie's Quality Services

The 2010 budget includes one new $\frac{3}{4}$ time position (excluding Utilities as discussed below) to continue the expanding need for parks maintenance services. All other positions will be retained to meet federal and state mandates, reflect 'best practices' or provide needed administrative support related to existing service levels.

Highlights include:

NORCOM Implementation. The Budget allocates \$45K to the implementation of the new regional communication center that will be operated jointly with several other cities. Over time this regional facility is expected to reduce costs by increasing operational efficiencies for all jurisdictions.

Parks Maintenance. One $\frac{3}{4}$ position is added to meet the growing demand for service and maintenance of the community's parks and trails infrastructure.

Police. An eighth officer position is added to the budget to maintain the two-officer per shift standard set by Council. This position was budgeted for, approved by Council and filled in 2008, however, the officer hired for it did not complete the academy. At that time it was decided in response to several negative economic indicators to wait until 2009 to conduct the recruitment and hiring process; however, that was put on hold earlier this year in response to the further deteriorating economy and its affect and impact on the City's budget. The department continues to expend overtime to maintain a two-officer per shift standard and or periodically operate with only one officer during specific shifts. Administration contends this is not a viable on-going option.

Investing in Utilities

This budget includes the following proposed utility rate increases for 2010:

Water 7.6%

Wastewater 4.7%

Storm and Surface Water 5.1%

The 2010 budget maintains current service levels plus additional resources to provide new services required by contractual arrangements, regulatory mandates or a changing economic environment.

Highlights of the proposed service additions include:

Aging Infrastructure. The budget includes the addition of two positions to meet the demands of aging infrastructure, growth and new regulatory requirements. A State-mandated increase in wastewater treatment staff, inflationary increases in salary and maintenance and operations costs, as well as additional capital needs are the primary drivers of the proposed rate increases.

Investing in the City's Infrastructure and Future

The City is and will be facing several significant challenges regarding infrastructure. Our major challenges are twofold. First, we must continue to address extensively damaged and long neglected infrastructure in the historic downtown. Second, we must begin to address the rapidly growing maintenance needs of the extensive and relatively new infrastructure on Snoqualmie Ridge. The earliest phases of Snoqualmie Ridge are beginning to hit their first upgrade and maintenance cycles and this need will rapidly increase as additional phases age accordingly.

Bringing the downtown infrastructure up to acceptable standards and creating a plan to maintain the Ridge infrastructure at current levels is--and will--be the greatest challenge to the City and to its leadership for the foreseeable future.

The 2010-2015 Capital Facilities Plan (CFP) sustains current capital programs and launches a series of critical infrastructure and system investments. These investments not only target the current streets and roads system issues but also initiate a deliberate longer-term approach focused on Snoqualmie's future.

Initial and eventual full funding of this initiative will need to be supported by implementing new sources of revenue and is likely to include but not be limited to property tax increases (levy lid lifts), establishment of local improvement districts (LID's), a local vehicle license fee, grants, and water, sewer and storm drainage fee increases in 2010 and beyond.

In total, the six-year CFP is \$144 million, of which \$13 million is allocated for the general capital investment program and \$131 million for the utilities capital investment program.

The list below includes highlights of some of the new projects included in the CFP. More detailed information on each project is available in the 2010-2015 CFP.

Parks and Natural Areas.

Transportation Safety and Mobility.

New and Enhanced Investments in the 2010-2015 CFP Plan.

Technology and Internal Infrastructure.

Environmental Stewardship.

Provides funding to increase the rate at which the City is able to restore and improve City-owned trees and forests, including those at parks, natural areas and open space properties. Provides funding for plantings and restoration of high-need areas and highly visible portions of city right-of-way.

During the past five years, the Council and staff have worked diligently and successfully to create a responsible and sustainable operational budget. This work has proved invaluable during the recent housing crisis and economic downturn. While sacrifices have been made, we have been able to protect and sustain—and in some cases enhance--all essential City services. Continued innovation and discipline will allow us to continue doing so throughout the remainder of an economic recovery.

We must now turn our attention to the significant challenges of repairing and maintaining our current infrastructure. Like 2009, 2010 will not be a year of launching new program initiatives. We must protect and maintain our current services and commitments while developing effective plans to address our growing infrastructure needs.

As always, this organization has combined its collective strengths and creativity in developing a comprehensive budget program. I look forward the tasks ahead and wish to acknowledge all of the staff and the City Council for their teamwork, support and vision in making Snoqualmie a quality community.

Sincerely,

A handwritten signature in dark ink, appearing to read "Matthew R. Larson", with a long, sweeping underline.

Matthew R. Larson
Mayor

Accomplishing the 2010 City Council Goals and Objectives

For 2010, the City Council prioritized several goals and objectives which were incorporated in the 2010 budget and are now a permanent component of ongoing funding for 2010. The highest priority goal is continued implementation of the Economic Development Plan. This objective is a long-term program whose costs will escalate as components increase in priority over time. Steps taken in 2010 further refined the needs of the City and clearly established the direction that is to be taken. The cornerstone of the Economic Development effort, the \$3.2 million EDA grant, continues through the design phase with construction anticipated to begin in Spring 2010. The 2010 budget supports this objective through the capital improvement projects program. The revenue for these projects will come from various sources such as developer impact fees, debt issues, grants and highway tax support. The Council's 2010 Goals and Objectives are available online at www.ci.snoqualmie.wa.us.

As part of the downtown revitalization, the City issued the contract for a new City Hall and started construction in 2010. Completion is expected in 2010. The new facility will enhance communications between departments as well as with and within the community through the availability of centrally located meeting spaces and centralized operations. Additionally, the City entered into negotiations with the Northwest Railroad Museum to construct public restrooms at the old railroad station in historic Snoqualmie.

The City continued to reassess the level of services in an effort to maintain a financially sustainable level of service. Vacated positions and new positions continued to be assessed as to their appropriateness and purpose. Nowhere is this more evident than the changes incorporated into the 2010 budget. Positions were evaluated on a programmatic basis and several were eliminated, frozen or replacement hiring delayed until mid-2010.

The City Council passed the new Human Services section of the Financial Policies in 2008 establishing the process, criteria and funding structure for human service support in the community. The policy sets aside 1% of the General Fund for the support of human service needs in the community.

As part of its capital facilities planning, the City has undertaken engineering and funding studies to analyze the need for improved transportation routes and pedestrian safety through improved sidewalks and pavement management. Additionally, steps continue to be taken to fund and evaluate a street tree program that goes beyond simply maintaining what we have.

To make sure that the Community is well informed of the activities that the City of Snoqualmie has undertaken, the staff enhanced the communications effort. Good communication is an important goal of the Council and Administration. The levels of communication were improved through the monthly newsletter included in all utility bills and news releases whenever newsworthy events occurred within the City.

As previously stated, the City Council goals are ongoing, although they are not so communicated in the 2010 budget. City staff continues to work individually and collectively toward achieving these goals and objectives efficiently and with greatest success.

Ending Fund Balances	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
General Fund				
Contingency Reserve				
Operating Reserve				
Sustainability Reserve				
Total General Funds	\$ -	\$ -	\$ -	\$ -
<u>Special Revenue Funds:</u>				
Street Maintenance				
Fire Equipment Replacement				
Hotel/Motel Lodging Tax				
Donations				
Arts Activities				
Parks Recreational Activities				
Operating Grants				
Real Estate Excise Tax				
Solid Waste/Recycling				
Drug Enforcement				
General Government Impact Fees				
Development Services				
Total Special Revenue Funds	\$ -	\$ -	\$ -	\$ -
<u>Debt Service Funds</u>				
Limited Term General Obligation Bonds				
Voted General Obligation Bonds				
Total Debt Service Funds	\$ -	\$ -	\$ -	\$ -
<u>Capital Improvement Funds</u>				
Parks Capital Improvement				
Flood Reduction Capital Improvement				
Transportation Capital Improvement				
Public Safety Capital Improvement				
General Government Capital Improvement				
Total Capital Improvement	\$ -	\$ -	\$ -	\$ -
<u>Enterprise Funds:</u>				
Combined Utilities				
Combined Utilities Capital Improvement				
Combined Utilities Bond Redemption				
Combined Utilities Bond Reserve				
Parks Irrigation Capital Improvement				
Total Enterprise Funds	\$ -	\$ -	\$ -	\$ -
<u>Internal Service Funds:</u>				
Equipment Repair & Replacement				
Information Technology				
Risk Management				
Central Services				
Total Internal Service Funds	\$ -	\$ -	\$ -	\$ -
Total Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A more thorough discussion of revenue and expenditure details occurs in the following sections. The following table displays the appropriation level for each fund and the General Fund by department, including reserves:

2010 Budget by Fund	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
General Funds (by departments):				
Mayor	61,865	63,813	60,569	60,998
Council	110,455	125,000	121,345	121,432
Legal	383,210	445,633	445,337	384,559
Finance & Administration	1,471,381	1,390,972	1,197,329	1,244,652
Clerk	108,676	186,948	145,422	168,359
Communications	142,362	199,989	146,605	156,987
Police	2,605,529	2,950,518	2,864,974	2,858,761
Fire	1,576,001	1,897,736	1,767,870	1,824,427
Emergency Management	169,508	109,293	103,430	106,925
Parks	1,276,025	1,583,704	1,517,600	1,574,322
Non-Departmental	1,319,163	1,089,928	1,070,633	941,628
Ending Fund Balance	1,109,740	453,220	761,893	502,723
Contingency Reserves	601,487	745,455	710,115	592,615
Operating Reserves	823,905	969,405	962,889	974,889
Sustainability Reserves	1,105,905	1,133,405	1,120,532	1,135,532
Total General Funds	\$ 12,865,212	\$ 13,345,019	\$ 12,996,543	\$ 12,648,809
Special Revenue Funds:				
Street Maintenance	664,439	841,748	729,509	939,204
Fire Equipment Replacement	44,042	59,436	60,407	77,157
Hotel/Motel Lodging Tax	188,761	165,185	174,365	61,365
Donations	5,924	13,021	7,541	5,844
Arts Activities	79,467	83,911	89,768	47,649
Parks Recreational Activities	211	10,000	469	769
Operating Grants	448,192	2,003,252	1,502,432	1,495,672
Real Estate Excise Tax	4,643,830	2,941,842	3,869,041	2,096,639
Solid Waste/Recycling	317,554	320,398	372,709	489,432
Drug Enforcement	2,736	3,287	2,771	-
General Government Impact Fees	274,955	292,176	280,755	107,747
Development Services	2,292,859	3,096,582	2,169,461	2,848,067
Total Special Revenue Funds	\$ 8,962,970	\$ 9,830,838	\$ 9,259,228	\$ 8,169,545
Debt Service Funds				
Limited Term General Obligation Bonds	831,048	1,157,943	4,231,043	119,801
Voted General Obligation Bonds	284,367	304,242	279,077	278,712
Total Debt Service Funds	\$ 1,115,415	\$ 1,462,185	\$ 4,510,120	\$ 398,513
Capital Improvement Funds				
Parks Improvement	62,982	64,990	99,479	4,180,636
Flood Reduction Improvement	-	32,727	-	236,928
Transportation Improvement	2,840,863	4,232,357	2,034,203	3,596,543
Public Safety Improvement	503,030	14,935	22,810	8,175
General Government Improvement	1,403,351	6,224,047	6,402,252	238,462
Total Capital Improvement	\$ 4,810,226	\$ 10,569,056	\$ 8,558,744	\$ 8,260,744
Enterprise Funds:				
Combined Utilities Operating	4,685,910	6,292,739	5,284,247	5,908,136
Combined Utilities Capital Improvement	9,930,419	7,967,814	8,025,626	5,204,151
Combined Utilities Bond Redemption	599,017	599,674	603,848	604,968
Combined Utilities Bond Reserve	336,309	383,911	392,847	449,385
Parks Irrigation Capital Improvement	21,342	21,191	21,624	21,624
Total Enterprise Funds	\$ 15,572,997	\$ 15,265,329	\$ 14,328,192	\$ 12,188,264
Internal Service Funds:				
Equipment Repair & Replacement	1,696,932	2,064,550	1,927,760	2,121,447
Information Technology	547,292	621,000	600,844	708,182
Risk Management	275,547	334,806	330,322	329,885
Central Services	156,624	251,109	209,337	606,008
Total Internal Service Funds	\$ 2,676,395	\$ 3,271,465	\$ 3,068,263	\$ 3,765,522
Total Funds	\$ 46,003,215	\$ 53,743,892	\$ 52,721,090	\$ 45,431,397

Major Budget Enhancements

In order to accomplish the City Council's goals and objectives, the following enhancements have been proposed and included in the 2010 final budget:

Maintenance/Operating and Capital Changes

- **General Fund:**
 - **Non-Departmental**
Replace 5 fire hydrants
 - **Parks:**
Acquire a Tow-Behind Buffalo Blower
Place 4 additional trash cans and 4 recycling containers along trails
 - **Police:**
Acquire Patrol Laptop computer for unmarked patrol vehicle
 - **Fire and Emergency Management:**
Replace 2 existing obsolete Computer Works Stations in EOC
- **Building Services**
 - Purchase up-to-date Building Code Manuals
- **Public Works**
 - Replace inoperative Valves in water distribution system
 - Replace 175 Water Meters
 - Acquire 75 tons of Granular Road De-Icer
 - Establish a Street Asphalt Crack Sealer program
 - Establish a Seal Coat program for Alleys and Parking Lots
 - Painting and Staining at Fire and Police Stations
 - Floor Covering Resurfacing/Stripping Shampooing
 - Biosolids Dryer Operating Costs
 - Centrifuge Coagulant
 - Acquire up-to-date Computer Diagnostic System for Fleet Maintenance
 - Street Overlay Program
 - Establish a Sidewalk Replacement Program
 - UV Disinfection System
 - Replace 6 800 MHz Radios in Street Department Vehicles
 - Acquire 3 VHF Radios in Fleet Maintenance Vehicles
 - Replace Laboratory Sterilizer Unit
 - Fleet equipment replacement

Staffing Changes:

- **General Fund**
 - Eliminate full-time Parks Maintenance
 - Establish $\frac{3}{4}$ FTE Parks Maintenance

- **Public Works**
 - Establish a Project Engineer in Water Fund
 - Eliminate Utility Inspector in Water Fund
 - Establish a Senior Industrial Maintenance Technician in Sewer Fund
 - Establish a Laboratory Analyst Chemist position in Sewer Fund
 - Establish a ¾ FTE Facilities Technician II in Central Services Fund

These enhancements are all driven by the need to maintain and enhance existing Council approved programs and to initiate the new Council adopted goals and objectives. Additionally, the Council goals and objectives are presented herein in detail:

ECONOMIC ENVIRONMENT GOAL

- **Develop the local economy consistent with established plans and policies in order to provide a diversity of jobs for residents, and a diverse and sustainable tax base to support City services.**
- **OBJECTIVES**
 - Prioritize and implement recommendations of the Economic Development Plan (Destination Development) per the established matrix.
 - Continue to investigate Mill site options consistent with Economic Development Plan – including transportation issues. Keep in planning, not reactive mode.
 - Continue to pursue re-designation of floodway boundary or area-wide floodway analysis.

MUNICIPAL SERVICES GOAL

- **Provide efficient, effective and high quality services to the residents and businesses of Snoqualmie.**
- **OBJECTIVES**
 - Reassess the level of services for appropriateness and sustainability. Assess 2009 level of service as related to 2010.
 - Evaluate arts and recreational programs.

PLANNING/ENVIRONMENT GOAL

- **Enhance the quality of life in Snoqualmie through planned conservation and development activities that serve to improve, protect and preserve important built and natural environments of the community.**
- **OBJECTIVES**
 - Continue to assist the Meadowbrook Farm Board in achieving self-sufficiency of the Farm while recognizing the city's fiscal obligations as co-owner.
 - Implement bio-stabilization at Sandy Cove Park and the Meadowbrook bank.
 - Develop and implement Public Art Plan to include art selection process; education of stakeholders including Council and public.

HUMAN SERVICES GOAL

- **Play a supportive role for human service providers in the Upper Snoqualmie Valley.**
- **OBJECTIVES**
 - Pursue enhanced inner-city shuttle service through partnerships with Mt. Si Community Shuttle, Metro, Snoqualmie Tribe and the Salish Lodge. Establish a fixed route schedule.
 - Pursue enhanced regional transportation through Metro. Add Microsoft Connector service to discussion.
 - Partnership with YMCA for human services, include the amending of the tribe contract for human services.

CITY INFRASTRUCTURE GOAL

- **Implement cost-effective maintenance and replacement of city infrastructure consistent with adopted plans and policies.**
- **OBJECTIVES**
 - Create and implement a Street Tree Program.
 - Investigate replacement opportunities for a new State Route 202 Snoqualmie River Bridge.
 - Investigate opportunities and possible partnerships for a pedestrian bridge over Snoqualmie River.

GOVERNANCE

- **Foster effective communications/operations within and between the Mayor, City Council, staff, public, media and other agencies through improved policies and more involvement in public relations.**
- **OBJECTIVES**
 - Continue implementation of the strategic communications plan, improve use of current communications tools and implement new communications tools, all with the purpose of providing timelier City news and information.
 - Identify ways to work with the school district to improve services to the community by both agencies and encourage other governmental agencies to do the same.
 - Expand the reach of communications to the largest possible audience, increase awareness about government affairs and City offerings, and encourage public involvement in government affairs.

FISCAL MANAGEMENT GOAL

- **Develop and maintain proper financial capacity for present and future municipal needs.**

- **OBJECTIVES**
 - Use long range fiscal planning/modeling to achieve a sustainable budget without using one-time revenues by build-out of the Snoqualmie Ridge II development.

MUNICIPAL FACILITIES GOAL

- **Develop and implement a plan to meet and fund long and short term capital facility needs.**
- **OBJECTIVES**
 - Continue to develop Community Center plan.
 - Develop plan and move to surplus and sell downtown City owned properties.

GREEN INITIATIVE

- **In response to growing national, regional and local concern about the environment and energy costs, increase Snoqualmie's efforts in the areas of conservation and environmental sustainability. In partnership with over 850 U.S. cities to date, strive to achieve the commitments and goals of the U.S. Mayor's Climate Protection Agreement.**
<http://usmayors.org/climateprotection/agreement.htm>
- **OBJECTIVES**
 - Conduct a carbon footprint for the City to include energy use, travel (staff/council attending meetings and conferences outside city limits), employee commuting, and paper use. Draft and implement a written policy to reduce carbon footprint by *X% by the end of 2010.
 - *The percentage above depends on how bad the current carbon footprint is. A measurable tool for our overall carbon footprint is needed as it will give us a starting point; it will give us an ability to see what type of progress we've made and how much we need to do.*



General Fund

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GENERAL FUND OVERVIEW – 2010 Preliminary Budget

The General Fund is the City of Snoqualmie's primary operating fund. Basic services provided by the General Fund are City Administration, Legislative, Legal, Finance, Police, Fire and Parks. All other services are provided through special revenue, enterprise or internal service funds. 2010 General Fund revenues and expenditures are estimated to increase by approximately \$439 thousand from 2009 budgeted levels. This is primarily due to anticipated increased revenue from the property and utility taxes. We continue to fund the contingency reserve to the maximum allowable by law and the reserves each at approximately 10% of 2010 General Fund revenues. The General Fund forecasted revenues are contingent upon Initiative 1033 not passing in the November 2009 election.

SUMMARY OF GENERAL FUND REVENUES

The chart below shows the major 2008, 2009 and 2010 anticipated revenues by category, and the percentage distribution of these revenues:

Revenue by Category	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Beginning Fund Balance	865,352	1,236,504	1,102,380	761,893
Property Taxes	3,947,111	4,102,000	4,100,000	4,143,020
Sales Tax	1,819,332	1,590,500	1,635,000	1,700,000
Utility Tax	1,341,077	1,712,500	1,374,000	1,465,000
Business & Occupation Tax	695,578	550,000	550,000	600,000
Investment Interest	27,433	30,000	25,000	30,000
Intergovernmental Revenues	203,976	230,200	216,498	214,200
Charges for Services	492,126	299,400	374,050	374,050
Interfund Revenues	492,500	495,950	495,950	495,950
Other Revenues	196,713	249,900	307,210	161,660
Transfers In	245,445	-	22,920	-
Total Anticipated Revenues	\$ 10,326,643	\$ 10,496,954	\$ 10,203,008	\$ 9,945,773
Distribution of Revenues by Major Category	2008 Budget	2009 Budget	2010 Budget	
Beginning Fund Balance	8%	12%	8%	
Property Taxes	38%	39%	42%	
Sales Tax	18%	15%	17%	
Utility Tax	13%	16%	15%	
Business & Occupation Tax	7%	5%	6%	
Intergovernment Revenues	2%	2%	2%	
Charges for Services	5%	3%	4%	
Interfund Revenues	5%	5%	5%	
Other Revenues	2%	3%	2%	
Transfers In	2%	0%	0%	
Total	100%	100%	100%	

The following sections provide an overview of the City's major revenue categories along with a discussion of significant revenue assumptions.

BEGINNING CASH

The City is expected to begin the 2010 fiscal year with a beginning cash balance of approximately \$761 thousand, which represents the difference between revenue and expenditure estimates for the 2009 fiscal period. This represents a decrease of approximately \$340 thousand over the expected 2009 beginning fund balance.

PROPERTY TAXES REVENUES

	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Property Taxes	\$ 3,947,111	\$ 4,102,000	\$ 4,100,000	\$ 4,143,020
Deposit/Transfer to Street Maintenance	(250,000)	(200,000)	(200,000)	(200,000)
Net Property Taxes - General Fund	\$ 3,697,111	\$ 3,902,000	\$ 3,900,000	\$ 3,943,020

Property Taxes are the City's largest single revenue source, accounting for approximately \$4.1 million or 42% of the total General Fund revenues for 2010. Property taxes are anticipated to increase by approximately \$41 thousand. The 1% annual increase allowed for by state law and anticipated by this budget accounts for \$41 thousand of the increase.

SALES TAX REVENUE

Sales Tax revenue is the City's second-largest revenue source, accounting for approximately \$1.7 million or 17% of General Fund revenues for 2010. This represents an approximate increase of \$100 thousand over the 2009 budget. While actual sales tax collections in 2009 have been higher than estimated, it is anticipated that 2010 sales tax revenues will increase modestly over 2009 anticipated collections due to a modest rebound in the economic recession.

The Sales Tax revenue has historically been separated into two categories – ongoing and one-time. In the past, the majority of the sales tax revenue has been one-time. Our forecast indicates that 50% of the sales tax collected will come from ongoing sales. The one-time sales tax revenue results from the sales of materials and household appliances that are generated as a result of the development of Snoqualmie Ridge. The one-time sales tax component has the potential of decreasing significantly for 2010 and 2011 if development on the Ridge does not return to anticipated levels. This component of the sales tax revenue will be reduced significantly when development activity is nearly eliminated as a result of the build-out of Snoqualmie Ridge.

An additional factor that influences sales tax revenue for 2010 forward is the additional revenue that will be collected due to the implementation of the Streamlined Sales Tax. This law changes the apportionment rules for delivery of goods and services from the point of sale to the point of delivery. Additionally, the law also implements the national internet sales tax rules. Out of state internet sales will now be taxed if delivered into Washington. The City of Snoqualmie will receive additional sales tax revenue as a result of this initiative. The fiscal impact has been nominal for 2009 at just over \$6 thousand, and can be anticipated to be slightly higher for 2010. This additional revenue was factored into the anticipated sales tax activity.

UTILITY TAX REVENUE

Utility Tax revenue is the City's third-largest revenue source, accounting for approximately \$1.46 million or 15% of General Fund revenue in 2010. The City levies a tax on utilities operating within City limits. Electric, natural gas, telephone (including cellular), water, sewer, and garbage utilities are assessed a 6% tax on their gross billing income. This revenue source is anticipated to increase over 2010 estimates by \$91 thousand due to increases in utility usage and existing rates.

BUSINESS & OCCUPATION TAX REVENUE

Business & Occupation Tax revenue is received from all commercial entities doing business in the City of Snoqualmie. This revenue source is the fourth-largest, accounting for approximately \$600 thousand or 6% of General Fund revenues in 2010. This tax is also anticipated to increase by approximately \$50 thousand over 2009 estimates. Like the sales tax revenue, the ongoing component is anticipated to increase temporarily in anticipation of collections due to increased enforcement of the City's licensing ordinances and B&O tax collection efforts. On the flip side, the City has been experiencing a recent decline in permanent commercial development because of the impact of regional and economic conditions. The one-time revenue component derived from the development of Snoqualmie Ridge and School District improvements will fluctuate depending on the amount of business activity and our ability to collect all the taxes due to the City. The one-time component is also anticipated to decline due to the slowdown of residential construction into 2010. Again, much of the growth in this revenue stream will be dependent on increased enforcement and collection efforts anticipated to be continued during 2010.

INTERGOVERNMENTAL REVENUES

Intergovernmental revenues consist mostly of grants and intergovernmental contributions as a result of voter approved initiatives such as the Medic-One Levy. It is anticipated to increase modestly as intergovernmental revenues are increased by the State of Washington and King County, as well as the growth in City population.

INTERFUND REVENUES

Interfund revenues consist of charges for general government services to the Enterprise Funds. These funds consume general government services such as Administration, Legal, Human Resources, Finance, Police and Fire. This cost is being increased from 2009 levels to reflect the increased costs in the General Fund.

OTHER MISCELLANEOUS REVENUES

Other miscellaneous revenues consist of miscellaneous taxes, license fees, charges for services, facility use fees, investment interest and miscellaneous revenues not large enough to warrant detailed analysis or discussion. Investment interest merits special mention as it is anticipated to remain low as a result of lower interest rates and capital facilities spending. While interest earnings have risen in prior years, 2009 experienced a deflationary period due to the economic recession, resulting in reduced interest rate earnings on City investment balances. It is anticipated that this trend will level off in 2010. Charges for services is anticipated to remain consistent with the trend.

Other Revenues	2008	2009	2009	2010
	Actual	Budget	Estimated	Budget
Admissions Tax	\$ 41	\$ 3,500	\$ 60	\$ 60
Leasehold Tax	-	100	-	-
Gambling Tax	2,783	3,500	2,255	3,100
Business Licenses	11,670 [1]	35,000	55,000	55,000
Other Fees and Licenses	551	800	500	500
Penalties on Taxes	8,203	9,500	7,565	7,500
Traffic Infraction Revenue	101,522	125,000	60,000	60,000
Space Rental Income	38,095	40,000	40,000	10,000
Miscellaneous Revenues	33,848	32,500	141,830	-
Total Other Revenues	\$ 196,713	\$ 249,900	\$ 307,210	\$ 136,160

[1] - 2008 experienced lower collections than in previous years, a result of the economic recession

SUMMARY OF GENERAL FUND EXPENDITURES

General Fund expenditures are anticipated to decrease by approximately \$250 thousand over 2009 estimates. This is primarily due to Mayor-approved expenditure reductions followed by modest inflation for staff salaries and benefits, and operating costs. The chart below shows the 2008, 2009 and 2010 budgeted and actual/projected expenditures by category:

GF Expenditures by Category	2008	2009	2009	2010
	Actual	Budget	Estimated	Budget
Salaries & Benefits	\$ 5,406,960	\$ 6,023,102	\$ 5,677,067	\$ 5,815,830
Supplies	269,222	397,963	292,552	332,050
Services	733,085	1,030,441	934,189	841,611
Intergovt/Interfund/Capital Transactions	2,814,909	2,592,028	2,537,307	2,453,559
Ending Fund Balance	1,109,740	453,220	761,893	502,723
Total Anticipated Expenditures	\$ 10,333,916	\$ 10,496,754	\$ 10,203,008	\$ 9,945,773

SALARIES AND WAGES

Salary and wage expenditures are expected to increase as a result of the combination of the following events: Police and Fire Union contract negotiations and cost of living increases. Salary and benefit budgets continue to be budgeted as if each employee was at the top of their range. New positions are also budgeted at the top step and costliest benefit options. This establishes a margin allowing for changes in compensation and benefits. The unanticipated changes in salaries and benefits then do not require adjustments to existing spending authorizations.

EMPLOYEE BENEFITS

Employee benefits are expected to increase above 2009 budget estimates because of increases in medical insurance costs and LEOFF/PERS employer contributions in prior years. Long range, the City needs to anticipate increases due to continued increases in insurance and LEOFF/PERS costs that started in 2006. The City has been notified that insurance costs will increase by approximately 10% in 2010. Efforts by our insurance provider to provide lower cost and higher deductible plans are under way. They have announced that the premium medical insurance

plans will be phased out by 2011 and replaced by alternate plans which offer more cost sharing options. Additionally, the City's share of LEOFF/PERS pensions has decreased.

SUPPLIES

Supplies consist of expenditures for commodities that are consumed internally by the City. Included in this category are such commodities as office, agricultural, repair & maintenance supplies, clothing, minor equipment, minor computer software and equipment, gasoline and diesel. This category is anticipated to increase modestly in 2010 due to re-allocation of expenditures and requested enhancements within the General Fund.

SERVICES

The Services category consists of expenditures for services contracted for or obtained by the City, other than those related to personal services. Included in this category are professional services, communications services, travel and training, advertising, operating rentals and leases, and utility services. Service costs are anticipated to decrease modestly due to dedicated effort to reduce spending - in the use of outside consultants and reduction of facilities rent due to consolidation of operations in the newly-constructed City Hall.

INTERGOVERNMENTAL SERVICES

The Intergovernmental Services category tracks expenditures for goods and services obtained from other governments – state, county and local. The primary expenditure is for intergovernmental professional services but can include expenditures for external taxes and operating assessments. Primary intergovernmental services provided by other governments to the City's General Fund are dispatch, jail, election, State Auditor's Office audits, and radio maintenance services. This category is anticipated to increase modestly in 2010 primarily for NORCOM dispatch services and the need for a Federal Single Audit of the City's finances.

CAPITAL OUTLAYS

Capital outlays are defined as those expenditures incurred for the acquisition or construction of fixed assets that have a useful life of more than two years. This category is anticipated to decrease in 2010 due to lower capital requests from the departments due to budget constraints.

INTERFUND TRANSACTIONS FOR SERVICES AND TRANSFERS

The Interfund payments and transfers category consists of four primary expenditure purposes – payments for services to the four internal service funds, transfers to debt service funds to pay principal and interest on interfund loans and Councilmanic bonds, transfers to the Street Maintenance fund and to Development Services funds to support activities generally paid for from general government resources, and transfers of resources to the Reserve funds. Payments by the General Fund for Risk Management, Debt Service, Information Technology, and ER&R services are anticipated to increase in 2010 due to enhancing the information technology replacement program and fleet rental costs. Transfers made to fund the three reserve funds are approximately \$100 thousand. This will fund the Contingency Reserve to the legal limit of \$0.375 per thousand of assessed valuation. Both the Operating and Sustainability Reserve Funds have each reached their targeted 10% of General Fund revenues. The Street Maintenance Fund will receive an allocation of \$200,000 from property tax revenues and the Developmental Services Fund will receive \$210,000 in support of its long-range planning efforts.

ENDING FUND BALANCE

The ending fund balance is the anticipated carry-forward to the next year for operating purposes. In the past, ending fund balances were anticipated because adequate reserves were not available nor established. It is prudent for a City that is heavily dependent on property taxes like the City of Snoqualmie to plan for an ending fund balance equal to the anticipated resources need to cover expenditures from January through April of each year. With the establishment of the three Reserve Funds, adequate resources have been set aside to provide funds to cover unforeseen (ie one-time) expenditures. An ending fund balance of approximately \$502 thousand is projected to meet current unanticipated contingencies and opportunities in the General Fund.

The SUMMARY on the next page is for the General Fund as a whole. The same type of table is provided in each department's budget section in order to provide a summarized view of the changes made to each Department's budget. What is not provided in this section is an explanation of the program enhancements/reductions. That discussion is left for each Department's individual section.

GENERAL FUND DEPARTMENTS - 2010 Budget

This section provides information about the City's General Fund department budgets. Below is a summary of the 2008, 2009, and 2010 expenditures by General Fund department.

GF Expenditures by Department	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Mayor	61,865	63,813	60,569	60,998
Council	110,455	125,000	121,345	121,432
Legal	383,210	445,633	445,338	384,559
Finance & Administration	1,471,381	1,390,972	1,197,330	1,244,652
Clerk	108,676	186,948	145,423	168,359
Communications	142,362	199,989	146,605	156,987
Police	2,605,529	2,950,518	2,864,973	2,858,761
Fire	1,576,002	1,897,736	1,767,869	1,824,427
Emergency Management	169,508	109,293	103,430	106,925
Parks	1,276,025	1,583,704	1,517,600	1,574,322
Non-Departmental	1,319,163	1,089,928	1,070,633	941,628
Ending Fund Balance	1,109,740	453,220	761,893	502,723
Total Anticipated Expenditures	\$ 10,333,916	\$ 10,496,754	\$ 10,203,008	\$ 9,945,773

Each General Fund department's budget is discussed in the following pages. The following information is provided to assist in understanding the changes to the department's budget:

- Department Expenditures by Category table
 - o This table presents the expenditure budget by major category for the Department
- Department Program Overview
 - o This overview describes the purpose and operations of the Department.
- Division Program Overview (if applicable)
 - o If a Department contains Divisions, the purpose and operation of the Division is described in this section.
- Description of Department Program Increases (Reductions)
 - o Narrative is provided in this section to explain the purpose and effect of the approved program enhancements/reductions. Indicated in the explanation are those Council Objectives met by the approved enhancement/reduction.

Additionally, the Development Services Fund includes both and Planning and Building departments and is now represented in this section.

MAYOR

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BUDGET OVERVIEW – 2010 Expenditures by Category

Expenditures by Category - Mayor	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Salaries and Benefits	\$ 32,538	\$ 32,541	\$ 32,549	\$ 32,541
Supplies	232	2,180	1,400	615
Services	11,913	11,400	8,928	10,150
Interfund transfers	17,182	17,692	17,692	17,692
Total Anticipated Expenditures	\$ 61,865	\$ 63,813	\$ 60,569	\$ 60,998
Staffing	1.00	1.00	1.00	1.00

PROGRAM OVERVIEW

The Mayor is the Chief Executive Officer of the City of Snoqualmie. The mission of the Office of the Mayor is to assess community needs, propose policies and develop strategies that address those needs, and to coordinate and support implementation by the City's departments. The Mayor also chairs City Council meetings and is responsible for the activities of City staff.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

The Community Outreach program has been reduced from \$3000 to \$1000 for 2010.

COUNCIL

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BUDGET OVERVIEW – 2010 Expenditures by Category

Expenditures by Category - Council	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Salaries and Benefits	\$ 46,720	\$ 47,204	\$ 46,826	\$ 46,704
Services	18,143	29,788	26,391	26,720
Interfund Transactions	45,592	48,008	48,128	48,008
Total Anticipated Expenditures	\$ 110,455	\$ 125,000	\$ 121,345	\$ 121,432
Staffing	7.00	7.00	7.00	7.00

PROGRAM OVERVIEW

The City Council is the City's Legislative body. The Council sets policy, legislates and, most importantly, deliberates and approves the annual budget. The Council also must approve all revisions to the budget that require increases or decreases to the approved expenditure limits. This budget includes costs for the City Council such as salaries for the seven Council members and basic operating costs including City Council meetings and other Council-specific activities.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

There are no program increases or reductions for 2010.

LEGAL

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BUDGET OVERVIEW – 2010 Expenditures by Category

Expenditures by Category - Legal	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Salaries and Benefits	\$ 167,981	\$ 203,751	\$ 193,709	\$ 202,677
Supplies	5,058	13,500	5,300	5,300
Services	133,658	52,650	100,356	25,850
Intergovtl/ Interfund transfers	76,513	175,732	145,972	150,732
Total Anticipated Expenditures	\$ 383,210	\$ 445,633	\$ 445,337	\$ 384,559
Staffing	1.38	1.38	1.38	1.38

PROGRAM OVERVIEW

The Legal Department is responsible for providing high quality legal advice to the Mayor, City Council, Boards and Commissions, and City staff; to represent the City in civil and criminal proceedings; and to assist in the negotiation of labor contracts. Additionally, the legal department provides contract review and negotiation, resolution and ordinance drafting and review services, and legal research and opinions related to all civil legal matters affecting the City.

The City contracts with outside legal counsel for specialized matters, including Stanislaw Ashbaugh for construction law, Gordon Thomas Honeywell and Summit Law Group for labor law, and GordonDerr for land use law. These services are included in the annual budget.

DIVISIONS PROGRAM OVERVIEW

The Legal Department is comprised of the following divisions:

Civil and Legislative Support: The Civil and Legislative Support Division is comprised of the City Attorney's Office and is responsible for providing legal advice to the Mayor, City Council and City staff. The office is concerned with all civil matters involving the City of Snoqualmie.

Criminal Prosecution: The Criminal Prosecution Division files and prosecutes gross misdemeanor, misdemeanor, and traffic infraction cases involving adult offenders in the Issaquah District Court. Included in this division is the Office of Public Defender. The Public Defender provides legal counsel to offenders charged by the City for misdemeanor, gross misdemeanor, and traffic infractions. Staff for this division is provided through contract services which are renewed periodically.

Special Legal Support: The Special Legal Support Division provides legal support through contract services for labor relations, ethics hearings, and other specialized legal support as necessary to the City of Snoqualmie.

Municipal Court Activities: City Council established the Snoqualmie Municipal Court. Through an interlocal agreement, the City contracts with the City of Issaquah to administer and operate the

municipal court activities. The costs of the Municipal Court operations are accounted for in a separate sub-department of the Legal Department.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

There are no program increases or reductions for 2010.

FINANCE & ADMINISTRATION

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BUDGET OVERVIEW – 2010 Expenditures by Category

Expenditures by Category - F&A	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Salaries and Benefits	\$ 1,223,170	\$ 1,147,175	\$ 956,231	\$ 1,005,990
Supplies	11,946	22,260	11,131	12,100
Services	80,598	83,350	82,894	86,250
Intergovtl/ Leases/ Interfund transfers	155,667	138,187	147,073	140,312
Total Anticipated Expenditures	\$ 1,471,381	\$ 1,390,972	\$ 1,197,329	\$ 1,244,652
Staffing	11.00	11.50	9.50	9.50

*staffing levels adjusted for Clerk and Communications - separate tables

PROGRAM OVERVIEW

The Finance and Administration Services Department provides all administrative and finance services for the City. The Administrative Services group is led by the City Administrator and Director of Administrative Services. This group is responsible for overall supervision and direction of the City's staff under the policy guidance of the City Council and direction of the Mayor. The Finance group is responsible for the overall financial operations of the City.

DIVISION PROGRAM OVERVIEW

The Finance and Administrative Services Department consists of the following divisions:

Financial Services: The Financial Services division is responsible for budgeting and financial planning, accounting services, treasury services, business licensing and taxes. This division also assures that City financial operations are in compliance with State of Washington laws and administrative regulations. Additionally, the division prepares financial statements and causes these statements to be audited by the State Auditor's Office for compliance with generally accepted governmental accounting standards.

Administrative Services: The Administrative Services division consists of the Office of City Administrator and Director of Administrative Services. This division is responsible for providing direction to City staff on municipal operations, human resources, and general administrative services. This division also proposes implements and administers City policy and ensures that City operations are conducted in a legally authorized, professional and economical manner.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

There are no program increases or reductions for 2010.

CLERK

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BUDGET OVERVIEW – 2010 Expenditures by Category

Expenditures by Category - Clerk	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Salaries and Benefits	\$ 82,904	\$ 87,946	\$ 85,349	\$ 88,022
Supplies	2,569	7,900	3,152	5,940
Services	8,414	42,855	8,675	26,150
Intergovtl/ Equip/ Interfund transfers	14,789	48,247	48,247	48,247
Total Anticipated Expenditures	\$ 108,676	\$ 186,948	\$ 145,423	\$ 168,359
Staffing	0.75	0.75	0.75	0.75

PROGRAM OVERVIEW

The City Clerk is responsible for providing support to the Elected Officials, King County Elections, serves as Clerk of the Council, is custodian and manager of all official records and legal documents of the City, ensures compliance with the legal requirements and disclosure regulations, ensures public disclosure of requested records and coordinates with the City Attorney's Office with regard to Public Disclosure laws. The Clerk oversees the preparation, publication, codification, and filing of legal notices such as public hearings, special Council meetings, advertisements for bids, etc. in accordance with established procedures and legal requirements. The City Clerk position also serves as the city's parliamentarian and risk manager. The City Clerk is budgeted 3/4 FTE in the General Fund and 1/4 FTE in the Risk Management Fund.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

There are no program increases or reductions for 2010.

COMMUNICATIONS

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BUDGET OVERVIEW – 2010 Expenditures by Category

Expend by Category -Communications	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Salaries and Benefits	\$ 89,894	\$ 93,942	\$ 93,546	\$ 94,155
Supplies	1,245	350	470	150
Services	51,223	102,450	49,342	59,435
Interfund transfers	-	3,247	3,247	3,247
Total Anticipated Expenditures	\$ 142,362	\$ 199,989	\$ 146,605	\$ 156,987
Staffing	1.00	1.00	1.00	1.00

PROGRAM OVERVIEW

Communications Services: The Communications division manages external, public-facing communications to inform and educate citizens, business owners, and visitors of our city. The division consists of one staff member who performs the roles of communications coordinator and public information officer (PIO); interfaces with the public and media; leads brand development and marketing efforts; manages web content; supports emergency communications; and supports the Economic Development Commission, the Community and Economic Affairs Council Committee, the Arts Commission, and the Lodging Tax Advisory Committee.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

There are no program increases or reductions for 2010.

POLICE

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BUDGET OVERVIEW – 2010 Expenditures by Category

Expenditures by Category - Police	2008	2009	2009	2010
	Actual	Budget	Estimated	Budget
Salaries and Benefits	\$ 1,801,001	\$ 2,059,126	\$ 1,955,568	\$ 1,962,885
Supplies	48,777	65,468	66,592	64,090
Services	81,685	108,198	119,524	98,336
Intergovernmental/ Leases	405,932	359,436	365,000	375,160
Interfund transfers	268,134	358,290	358,290	358,290
Total Anticipated Expenditures	\$ 2,605,529	\$ 2,950,518	\$ 2,864,974	\$ 2,858,761
Staffing	18.00	17.00	15.50	16.50

PROGRAM OVERVIEW

The Police Department maintains a strong commitment to community-oriented policing and promoting safety in neighborhoods, schools and the business community. The department builds and maintains strong and safe neighborhoods through public safety, traffic safety, crime prevention, community education and public information by providing 24-hour protection 7 days a week.

Services currently provided include patrol, traffic enforcement, criminal investigation, river rescue, Special Operations Response, arson investigation, bicycle and motorcycle patrol, court response, jail transports, crime prevention, DUI emphasis, party patrol, domestic violence intervention, answering animal complaints, public education, gun permits, fingerprinting, and other public services as deemed necessary by the community.

DIVISION PROGRAM OVERVIEW

The Police Department is divided into the following Divisions in order to provide all requested services in an efficient and cost effective manner:

Administrative Services: The Administrative Services division consists of the Chief of Police, Police Captain, Records Technician, Police Support Officer and Administrative Coordinator. The Administrative Services division directs and oversees administrative and operational functions. The division recommends policies, coordinates operations with other departments, prosecutor, court, and outside agencies. It is also responsible for developing long and short term goals, and operational strategies. It develops statistical analysis of criminal trends and impacts; oversees joint operations and critical incidents; and develops and tracks budgets and expenditures.

The division also maintains work schedules and reviews and oversees patrol and investigative activities. It handles community complaints and requests while developing and providing community programs as needed. Divisional staff maintains training records and standards required by Washington State Criminal Justice Training Commission (WSCJTC). They assist in creating security plans and provide security services as requested for community and public events. Staff also acts as liaison with Municipal Court Operations group, Jail ad hoc committee, Coalition of Small Police Agencies (CSPA), Washington Association of Sheriffs and Police Chiefs,

Eastside Chiefs, Snoqualmie Valley Chamber of Commerce, Snoqualmie Valley Hospital District #4, Snoqualmie Valley School District #410, etc.

Traffic and Patrol Services: The Traffic and Patrol Services division provides patrol and traffic enforcement to the community. The twelve (12) members of the division consists of four (4) sergeants and eight (8) officers and are responsible for arresting those committing crimes and for crime prevention. Staff provides criminal investigation services, documenting all information about incidents, filing appropriate reports with the prosecutor's office, as well as providing appropriate court testimony. Staff is also responsible for responding to any and all complaints, assisting in resolving family and neighborhood disputes, and maintaining the safety and welfare of the citizens of the City of Snoqualmie.

Investigation Services: The Investigation Services division provides support for extended investigations as a result of major crimes and critical incidents. The division does not have any permanent staff assigned and is only used to track costs incurred during major crimes and critical incidents.

Special Services: The Special Services division is responsible for tracking the costs of utilizing tactical staff who are special services qualified in assisting Traffic and Patrol Services staff preceding and during major felony arrests, high risk search warrants, drug arrests, and other dangerous and critical incidents.

Community Oriented Policing Services (COPS): The Community Oriented Policing Services division provides working contact with the Snoqualmie Valley community network by disseminating crime prevention information to the community, providing training and materials to block watch and citizen emergency response groups, and partnering with the various educational platforms.

Records Management Services: The Records Management Services division is responsible for proper recording and filing of reports and providing information to prosecutors, courts, and complying with all police records requests. The division's staff processes citations and arrest data, entering all data into the electronic database. Staff also answers phones and responds to walk-in complaints. Additionally, the records technician tracks sexual predator activity, issues gun permits, provides statistical data for analysis, issues press releases, and monitors holding cells.

Support Services: The staff of the Support Services division processes and tracks evidence, transports evidence to the crime lab and relieves officers from work not requiring police certification. The support officer sends evidence out for testing, and maintains, tracks, and disposes of evidence in accordance with state law. He is also the administrator for the Spillman records system, as well as assisting in purchasing and the Records Management Services division when needed.

Jail and Court Services: The Jail and Court Services division provides for the transportation of prisoners to and from jail and court. Staff coordinates court arraignments and trial logistics, and does physical case filing with the King County Prosecutor, and the Seattle and Issaquah District Courts. Also acts as a representative on the Jail Oversight Committee, and sets up and monitors home detention programs.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

Purchase of a Panasonic Toughbooks Laptop for Patrol Vehicle: Ensures officers are equipped with a critical information and communication tool while on patrol.

¹ two (2) LEOFF 1 retirees receive medical benefits through the City of Snoqualmie

FIRE

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BUDGET OVERVIEW – 2010 Expenditures by Category

Expenditures by Category - Fire	2008 Budget	2009 Budget	2009 Estimated	2010 Budget
Salaries and Benefits	\$ 1,168,770	\$ 1,305,625	\$ 1,257,887	\$ 1,286,566
Supplies	60,040	84,800	57,862	71,400
Services	51,936	69,650	56,472	64,800
Intergovernmental Services	37,783	97,000	54,988	61,000
Interfund Transactions	257,472	340,661	340,661	340,661
Total Anticipated Expenditures	\$ 1,576,001	\$ 1,897,736	\$ 1,767,870	\$ 1,824,427
Staffing	15.50	18.00	18.00	18.00

PROGRAM OVERVIEW

The Snoqualmie Fire Department provides fire protection, rescue and emergency medical aid response to the community on a year-round basis. Fire protection is accomplished through education, prevention and rapid response to fire incidents. Personnel have been trained to respond to high-target hazards that pose a threat to our citizens and visitors. These include swift water and high angle rope rescue, motor vehicle accidents and hazard material incidents. Emergency medical aid is provided through a “tiered” response as outlined in the King County Emergency Management Services (KCEMS) system. Additional fire, rescue and emergency medical support is provided through mutual aid inter-local agreements.

Staffing is provided by a combination of career and community volunteer personnel. There are two (2) types of volunteers, suppression and EMS Only. Suppression volunteers attend a four-month academy to receive suppression-operation training that is equivalent to the career staff’s training. EMS Only volunteers receive training as Emergency Medical Technicians (EMT) and respond only to medical incidents, which are the majority of department responses. EMS Only volunteers also provide support to suppression operation by administering rehabilitation services to crews working at fire suppression and rescue incidents.

2010 staffing levels total 37 personnel and are identified as follows:

- One (1) Fire Chief
- One (1) Battalion Chief / Training Officer
- Three (3) Lieutenants
- Nine (9) Career Fire Fighters
- 18 Volunteer Fire Fighters
- Four (4) EMS Only Volunteers
- One (1) Admin Assistant

DIVISION PROGRAM OVERVIEW

The Fire Department is divided into six (6) divisions, which are: Administrative Services; Suppression / Rescue; Emergency Medical Services; Fire Prevention; Public Education; and Training.

Administrative Services Division: The Administrative Services Division provides for the management of the Fire Department. Staff works closely with the city's administrative and support departments to develop and manage personnel, payroll, grants, budget, mutual aid agreements, contracts, inter-local agreements, facilities and apparatus.

Suppression / Rescue Division: The Suppression / Rescue Division provide fire suppression and rescue responses to the city's residents. By maintaining readiness, this division responds to fire suppression incidents; wild land and brush fires; fire alarm activations; hazardous material incidents; burn complaints; utility problems; motor vehicle accidents; water and high angle rope rescues; and other miscellaneous service incidents. The division also provides mutual aid response to neighboring jurisdictions and coordinates fire investigation services with the King County Fire Marshal's Office. Through other inter-local agreements, the division coordinates responses to hazardous material, high angle rescue, swift water, and other technical rescue type incidents.

Emergency Medical Services (EMS) Division: Personnel are trained to the highest level possible for response to medical emergencies for our citizens and visitors. This division is guided by the protocols established by King County Emergency Services Department (KCEMS). The highest level of care provided is Basic Life Support (BLS). All career personnel are certified as Emergency Medical Technicians and volunteer personnel are encouraged to receive the training as well. Advanced Life Support (ALS) services are provided through the City of Bellevue Fire Department with funding from the Emergency Medical Services levy. The ALS unit for our community is based in North Bend.

Fire Prevention Division: The Fire Prevention Division provides fire prevention services such as hydrant inspections and maintenance programs; home safety inspections; plan review; and pre-fire planning activities. The city's GIS analyst aids the division in developing city maps, and verifying addresses and street names throughout the city and the surrounding area.

Public Education Division: The Public Education Division is dedicated to fire prevention and safety training to our citizens and visitors. Through this division, career and volunteer staff interact with citizens at a personal level, thus fostering goodwill within the community. Public Cardio Pulmonary Resuscitation (CPR) classes and CPR training for students at Mount Si High School and Snoqualmie Middle School are provided. In addition, this division offers fire extinguisher training for schools and businesses; fire prevention and fire / accident safety talks to students in grades K-3rd; and public heart defibrillator training. Personnel equipped with educational material and information is present at most city-sponsored public events. Department staff coordinates and develops a biennial DUI awareness drill at Mount Si High School; offers bike helmets at cost to citizens; supplies fire prevention information; and administers station and equipment tours to the community.

Training Division: The Training Division provides the required education and training to career and volunteer personnel to ensure compliance with federal, state and local laws. Using the most up-to-date educational tools and materials, division personnel ensure that staff has the necessary skills and knowledge to act in an efficient and safe manner during all emergency incidents.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

Increase in repairs, services and supplies are due to:

- A local vendor used for protective clothing repair went out of business and items are now sent to Portland.
- Warranty repairs of the SCBA air packs have expired and any electronic components that fail must now be expended from the department's budget.
- Council Chambers is vacating the fire station and the cost of contracting for cleaning of publicly used areas will be expended from the department's budget.
- Volunteer staffing increased by ten (10) in 2009, and anticipating five (5) additional in 2010.
- Following a Labor and Industries workplace audit, station uniform types needed to be altered and corrective measures implemented.
- Call volume increased by 35% in 2009.

Reduction of interfund transfer amount will reflect the elimination of one (1) vehicle in the department's fleet total.

EMERGENCY MANAGEMENT

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BUDGET OVERVIEW – 2010 Expenditures by Category

Expenditures by Category - Emerg Mgmt	2008	2009	2009	2010
	Actual	Budget	Estimated	Budget
Salaries and Benefits	\$ 52,551	\$ 55,208	\$ 54,285	\$ 55,320
Supplies	6,489	16,905	7,850	14,305
Services	52,030	17,000	21,195	15,570
Intergovtl/Equip	39,179	500	420	2,050
Interfund transfers	19,259	19,680	19,680	19,680
Total Anticipated Expenditures	\$ 169,508	\$ 109,293	\$ 103,430	\$ 106,925
Staffing	0.50	0.50	0.50	0.50

PROGRAM OVERVIEW

The Emergency Management Department, under the direction of the Fire Department, provides organization, coordination and incident command structure to direct emergency preparedness, response and recovery during times of disasters. Besides being required by law, this system provides for the most effective and efficient management of city resources.

The Emergency Operations Center (EOC) is activated on an “as needed” basis. During activation, all city departments, as well as the policymakers, are represented to set incident priorities, efficiently manage resources, and make timely decisions that effectively mitigate the disaster. The EOC has been activated on an average of two (2) to three (3) times a year.

The department is also supported by a group of community volunteers known as the Snoqualmie Emergency Communication and Support Team (SECAST). This team is comprised of amateur radio operators that offer communications, logistic support and other functional needs of the EOC and the community during activation.

DIVISION PROGRAM OVERVIEW

The Emergency Management Department consists of three (3) divisions, which are: Administrative Services; Emergency Operations; and Training.

Administrative Services Division: The Administrative Services Division supports the Emergency Management Department by interacting with the city’s administrative and support departments. Personnel represent the city at local, county and state emergency management meetings. The division establishes relationships with neighboring communities and private companies. All emergency management activities are monitored in compliance with the Comprehensive Emergency Management Plan (CEMP), which follows federal, state and local regulations and requirements. The administrative services division also reviews local schools’ and businesses’ emergency plans to ensure continuity and coherence with the city’s operations.

Emergency Operations Division: The Operations Division supports the response activities directly related to the activation of the EOC. In addition to operating the EOC during disasters, the division maintains and ensures the proper working of equipment and facilities necessary to respond to any disaster that may occur within the City of Snoqualmie.

Training Division: This division provides training opportunities to interested businesses and community volunteers to assist and support response and recovery efforts during a city disaster. The types of training offered are: the federal Community Emergency Response Team (CERT) program; American Red Cross shelter operations and management program; and Ham radio certification and operations.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

A previously approved enhancement of funds for disaster response activities was reduced by \$2,000.

EOC Computer Replacements: Replace the computers in the EOC communications room. These computers, which were purchased in 2004 and previously used, are currently in need of replacement. This need became evident during the January 2009 flood. The estimated cost is \$1,600. Initial costs associated with new workstations or computers are funded by the department budget. Subsequently, all maintenance and future replacement costs will be allocated in the Information Technology Fund.

PARKS & RECREATION

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BUDGET OVERVIEW – 2010 Expenditures by Category

Expenditures by Category - Parks	2008	2009	2009	2010
	Actual	Budget	Estimated	Budget
Salaries and Benefits	\$ 741,430	\$ 990,584	\$ 1,001,118	\$ 1,040,970
Supplies	132,416	184,550	138,162	158,000
Services	126,372	157,900	155,550	121,450
Intergovtl/ Equip	128,363	35,000	7,100	54,500
Interfund transfers	147,444	215,670	215,670	199,402
Total Anticipated Expenditures	\$ 1,276,025	\$ 1,583,704	\$ 1,517,600	\$ 1,574,322
Staffing	11.64	9.64	8.74	11.89

PROGRAM OVERVIEW

The Parks & Recreation Department maintains, operates and schedules use of parks, open spaces and athletic fields. The Department also provides recreational programs and special events for local and regional athletic groups and businesses. The City owns and operates 35 formal parks, maintains the downtown corridor with formal plantings and displays, all open spaces, and city trails.

DIVISION PROGRAM OVERVIEW

The Parks & Recreation Department is organized into four divisions:

Administrative Services: The Administrative Services division provides personnel support for the Parks & Recreation Department, schedules all athletic fields, updates calendars, takes program registrations, takes minutes at Parks Board meetings and codes invoices for accounts payable.

Operations: The Operations division not only provides regular maintenance of the City's parks, open spaces, trails, athletic fields, Urban Forestry, and formal plantings, but is also responsible for the organization of recreational activities such as an Easter Egg Hunt, Tree Lighting, Playground Program, Outdoor Concert Series, Summer Sports Camps, Tai Chi classes and an Adult Softball League.

Maintenance: The Maintenance division is responsible for continued and necessary maintenance of the department's equipment and facilities, including playground equipment, ball fields, park restrooms (10), and picnic shelters.

Commissions and Boards: The Parks Board is responsible for determining fees, and recommending policies and procedures of the Parks & Recreation Department. The Board also supports and plans future park sites, as well as recreational activities for the citizens of Snoqualmie.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

Trash and Recycling Receptacles: The request includes \$8000 to add 4 trash and 4 recycling receptacles in City parks/trails.

Blower: The request includes \$8,500 for the purchase of a tow-behind blower to keep all hard-surface trails free of dirt and debris. It is becoming more and more difficult to keep up with maintenance of all of Snoqualmie's hard surface trails. The blower will also be very helpful in removing needles and sticks from athletic field turf, allowing for better aeration and drainage.

Regular, ¾ Time Parks Maintenance Worker: The request includes a 3/4FTE Parks Maintenance Worker. The Parks Department has been operating with one less full-time position since the irrigation responsibilities were transferred to Wastewater/Distribution. At the time, it was determined that the position would not be replaced. After further review, the Parks Department believes the loss of that position has significantly impaired the department's ability to continue to provide the level of service expected by the elected leadership and citizens of Snoqualmie.

NON-DEPARTMENTAL

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BUDGET OVERVIEW – 2010 Expenditures by Category

Expenditures by Category - Non-Deptl	2008	2009	2009	2010
	Actual	Budget	Estimated	Budget
Supplies	134	50	493	-
Services	123,240	278,200	239,762	237,050
Intergovernmental	2,000	26,000	44,700	45,300
Fire Hydrant Replacements	-	-	-	30,000
Interfund Transactions	1,193,789	785,678	785,678	629,278
Total Anticipated Expenditures	\$ 1,319,163	\$ 1,089,928	\$ 1,070,633	\$ 941,628
Staffing	-	-	-	-

PROGRAM OVERVIEW

The Non-Departmental section is intended to cover General Fund expenditures that are government-wide and do not pertain to any single department. Included are such expenditures as association dues for organizations that are City-wide like Association of Washington Cities, and support for non-profit organizations. Also included herein are intergovernmental services and fees such as payments to the Puget Sound Air Pollution Agency, etc., annual state audit, debt service principal and interest payment transfers for councilmanic debt, interfund loans, installment contracts and leases. The most important items are the interfund transfers to fund the General Fund contingency, operating and revolving reserves.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

Interfund Transfer – Long Range Planning Support: The transfer of long range planning activities to the Development Services Fund requires that General Fund resources be provided since long-range planning activities cannot legally be funded from developer supported revenues. Total General Fund support for 2010 is \$210,000.

Fire Hydrant Replacement Program: Replacement of 5 fire hydrants per year will allow for the Collections/ Distribution division to properly maintain the infrastructure of the Water system. Fire hydrant failures include; repair parts no longer available, leaking fire hydrants and difficult to operate. This enhancement is critical with 619 hydrants in the City's inventory. This will allow for a regular schedule of replacements to be implemented. For the 2010 budget, we anticipate covering the cost of replacements from General Fund resources. This is in accordance with the Lane v. Seattle Supreme Court ruling that fire hydrant replacement costs must be borne by general government taxes.

COMMUNITY AND HUMAN SERVICE SUPPORT

The table on the next page delineates the proposed community events and human services support expenditures for 2010, along with history for 2008 through 2009. A major change was initiated by the Mayor and City Council in 2008. In the past, the City has provided support to human services organizations on an application basis and allocated funding on the basis of what it could support given budget constraints. The allocated amount did not significantly change over the years as the City's financial situation improved. With the significant change in the City's

financial condition and the increased need for human services in the Snoqualmie Valley, the Mayor and Council changed the philosophy of funding for human services beginning in 2008. One percent (1%) of the General Fund (not including beginning fund balance) is allocated for human services. This 1% allocation is inclusive of the Criminal Justice State Entitlement funding received by the City for child abuse prevention programs. The 2010 allocation is \$7,500 for Criminal Justice State Funding supported child abuse prevention and \$91,800 for Community Outreach funding, an increase of \$1,800.

Additionally, community event funding is being included in the table to inform the Council of the prior and current funding allocations that support community events. This funding is allocated to support Council supported programs/events and contractual obligations with the Meadowbrook Farms.

Community and Human Services	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Criminal Justice Special Funding	\$ 7,500	\$ 7,500	\$ 7,700	\$ 7,500 [1]
Encompass (Children Svcs of Sno Valley)	-	-	4,700	-
Eastside Domestic Violence	-	-	3,000	-
Community Outreach:	\$ 80,000	\$ 90,000	\$ 87,800	\$ 91,800
Mt Si Food Bank	-	-	19,167	-
Eastside Baby Corner	-	-	3,000	-
Encompass (Children Svcs of Sno Valley)	-	-	18,967	-
Hopelink	-	-	10,000	-
Sno-Valley Youth Hub	-	-	-	-
Sno-Valley Friends of Youth	-	-	10,000	-
Mt Si/Sno Valley Sr Center	-	-	19,166	-
St. Vincent de Paul	-	-	7,500	-
Community Events Support	\$ 21,776	\$ 48,500	\$ 43,000	\$ 39,000
Chamber of Commerce Visitor's Center	-	-	-	-
Farmer's Market	7,776	5,500	-	-
Meadowbrook Farms	10,000	10,000	10,000	10,000
Outside Seattle	-	10,000	10,000	10,000
Railroad Events	-	15,000	15,000	15,000
Sno Valley Historical Museum	4,000	4,000	4,000	4,000
Tanner Jeans Memorial	-	4,000	4,000	-
	<u>\$ 109,276</u>	<u>\$ 146,000</u>	<u>\$ 138,500</u>	<u>\$ 138,300</u> [2]

[1] Supported by State of Washington Criminal Justice Sales Tax Distribution. Must be used to support Child Abuse programs.

[2] Overtime not included as budgeted. Charged to Police and Fire overtime budgets.



Reserve Funds

[Contingency Reserve](#)
[Operating Reserve](#)
[Sustainability Reserve](#)

SUMMARY OF RESERVE FUNDS

The City has established three reserve funds for the purpose of setting resources aside to meet unforeseen contingencies that may arise during the ensuing fiscal year. Each reserve fund is established for a specific purpose and is treated differently in the budget. The financial policies targets the Contingency Reserve Fund be fully funded at \$0.375 per thousand of assessed value, targets the Operating Reserve at 5%, and targets the Sustainability Reserve (Revolving Reserve) at 10% of General Fund revenues. For 2010, all three reserve funds total \$2.7M. The Administration's goal is to maintain reserves, including ending fund balance, at 30% of General Fund Revenues.

On the next page is a description of each fund, its purpose and the maximum limits that are in effect for each fund. Each fund's maximum level is either determined by law or Council policy. During and at the end of 2010, each of the funds will have adequate resources to be able to fund one-time needs that were not anticipated in the budget. The revenue sources used to fund the reserves have been one-time revenues generated by the General Fund without impacting program delivery to the citizens of the City of Snoqualmie.

CONTINGENCY FUND

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Contingency Reserve Fund	2008 Budget	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 509,834	\$ 597,055	\$ 601,487	\$ 482,615
Investment Interest	14,626	17,500	8,222	10,000
Transfers In - General Fund	77,027	130,900	100,406	100,000
Total Anticipated Revenues	\$ 601,487	\$ 745,455	\$ 710,115	\$ 592,615
Expenditures:				
Transfers Out	-	-	227,500	-
Ending Fund Balance	601,487	745,455	482,615	592,615
Total Anticipated Expenditures	\$ 601,487	\$ 745,455	\$ 710,115	\$ 592,615

RCW 35A.33.145 allows code cities to create and maintain a contingency fund. The City of Snoqualmie Contingency Fund was established by Ordinance 775 to reserve resources for unforeseen emergencies.

The Contingency Fund is supported by a budgetary appropriation from any revenue source not restricted to any use by law, and may also be supported by transfer from any unexpended or decreased fund made available by Ordinance; provided that the total amount accumulated in such fund at any time shall not exceed the equivalent of \$.375 per \$1,000 of assessed valuation of property within the City at the time. Any funds in the Contingency Fund at the end of the fiscal year shall not lapse except upon the re-appropriation by the City Council to another fund in the adoption of a subsequent City budget. The 2010 budget provides for the transfer of an amount to comply with the maximum limitation established by law.

No funds shall be expended from the Contingency Fund except by transfer to an appropriate operating fund authorized by ordinance passed by the City Council, clearly stating the facts constituting the reason for the withdrawal or the emergency as the case may be and specifying the fund to which the withdrawn money shall be transferred. While the City Council approved a 2009 transfer of contingency funds to those operating funds that supported costs on behalf of the January 2009 Flood, an appropriation is provided for in both 2009 and 2010 as it is anticipated that FEMA shall reimburse the City funds used to pay for the flood-related emergency.

OPERATING RESERVE FUND

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Operating Reserve Fund	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 515,521	\$ 823,905	\$ 1,960,645	\$ 962,889
Investment Interest	23,909	20,000	11,152	12,000
Interfund Transfer - In	284,475	125,500	100,406	-
Total Anticipated Revenues	\$ 823,905	\$ 969,405	\$ 2,072,203	\$ 974,889
Expenditures:				
Ending Fund Balance	823,905	969,405	962,889	974,889
Total Anticipated Expenditures	\$ 823,905	\$ 969,405	\$ 962,889	\$ 974,889

The Operating Reserve Fund is established for the purpose of reserving resources to provide for unforeseen expenditures that are not provided for in the budget and unanticipated resources are not available to provide for.

The Operating Reserve Fund is supported by a budgetary appropriation from any revenue source not restricted to any use by law, and may also be supported by transfer from any unexpended or decreased fund made available by Ordinance. The target reserve in the Operating Reserve Fund was established by the City Council in the Financial Management Policies. The target that is to be maintained is 5% of General Fund revenues. For 2010, the fund balance will be at 10% of General Fund revenues and will be maintained at that level during the course of the year. Any funds in the Operating Reserve Fund at the end of the fiscal year shall not lapse except upon the re-appropriation by the City Council to another fund in the adoption of a subsequent City budget.

No funds shall be expended from the Operating Reserve Fund except by transfer to an appropriate operating fund authorized by ordinance passed by the City Council.

SUSTAINABILITY RESERVE FUND

Sustainability Reserve Fund	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 808,262	\$ 1,105,905	\$ 1,105,905	\$ 1,120,532
Investment Interest	337,668	27,500	14,627	15,000
Interfund Transfer - In	263,875	-	-	-
Total Anticipated Revenues	\$ 1,409,805	\$ 1,133,405	\$ 1,120,532	\$ 1,135,532
Expenditures:				
Ending Fund Balance	1,105,905	1,133,405	1,120,532	1,135,532
Total Anticipated Expenditures	\$ 1,105,905	\$ 1,133,405	\$ 1,120,532	\$ 1,135,532

The Revolving Reserve Fund is being renamed Sustainability Reserve Fund and is established for the purpose of providing resources to meet cash flow needs of the General Fund and any other fund whose cash balance proves to be inadequate to cover anticipated expenditures.

The Sustainability Reserve Fund is supported by a budgetary appropriation from any revenue source not restricted to any use by law, and may also be supported by transfer from any unexpended or decreased fund made available by Ordinance. The maximum reserve allowable in the Sustainability Reserve Fund (Revolving Reserve) is determined by the City Council in the Financial Management Policies. The Financial Management Policies require that a balance equal to 10% of General Fund revenues be maintained. For 2010, the fund balance will be 12% of General Fund revenues; consequently no funding is required. Any funds in the Sustainability Reserve Fund at the end of the fiscal year shall not lapse except upon the re-appropriation by the City Council to another fund in the adoption of a subsequent City budget.

No funds shall be expended from the Sustainability Reserve Fund except by transfer to an appropriate operating fund authorized by ordinance passed by the City Council.



Special Revenue Funds

[Street Maintenance](#)
[Fire Equipment Replacement](#)
[Hotel / Motel Tax](#)
[Donations](#)
[Arts Activities](#)
Parks Recreational Activities
[Operating Grants](#)
[Real Estate Excise Tax](#)
[Solid Waste / Recycling](#)
[Drug Enforcement](#)
[General Government Impact Fees](#)
[Development Services](#)

Summary of Special Revenue Funds

The City has established special revenue funds to fund and track expenditures for limited, specific general governmental activities. Some of these special revenue funds are required by state law, while others have been established to assure that the desired restricted purpose of the revenue source is carried out and that a clear, documented accounting trail exists.

Special revenue funds generally derive their revenue resources from specific state or local taxes, contributions from private citizens, Federal, state and local grants, general governmental resources allocated by the City Council to fund specific activities, and from franchisors that perform City services on a contractual basis and compensate the City for the privilege of carrying out those City services.

Special revenue expenditures are generally restricted to the specific, allowable expenditures by state laws, and grant, donor, and contractual restrictions. Special revenue expenditures must be limited to those expenditures that accomplish the purpose of the revenue source.

The following tables summarize the special revenue funds used by the City and the revenue/expenditure budget history for 2008 and 2009, and the 2010 budget information:

Special Revenue Funds	2008	2009	2009	2010
	Actual	Budget	Estimated	Budget
Street Maintenance	\$ 664,439	\$ 841,748	\$ 729,509	\$ 939,204
Fire Equipment Replacement	44,042	59,436	60,407	77,157
Hotel/Motel Lodging Tax	188,761	165,185	174,365	61,365
Donations	5,924	13,021	7,541	5,844
Arts Activity	79,467	83,911	89,768	47,649
Parks Recreational Activities Fund	211	10,000	469	769
Operating Grants	448,192	2,003,252	1,502,432	1,495,672
Real Estate Excise Tax	4,643,830	2,941,842	3,869,041	2,096,639
Solid Waste / Recycling	317,554	320,398	372,709	489,432
Drug Enforcement	2,736	3,287	2,771	-
General Government Impact Fees	274,955	292,176	280,755	107,747
Development Services	2,292,859	3,096,582	2,169,461	2,848,067 [1]
Total Special Revenue Funds	\$ 8,962,970	\$ 9,830,838	\$ 9,259,228	\$ 8,169,545
Staffing	13.50	13.50	13.50	8.50

[1] The former Planning & Building Services Fund has been re-classified and is now part of the Special Revenue Funds group, designated the Development Services Fund.

In 2010, the Planning and Building Services Fund has been renamed to Development Services Fund and moved to the Special Revenue section. Fees generated for both planning and building services are generated from construction activity, and thus, are expended for a special purpose. The remainder of this section will describe in detail the revenue /expenditure history as well as the 2010 budget. The information is provided in a format somewhat similar to the General Fund in that summarized revenue and expenditure information is provided by category. A description of the fund and its purpose, along with any legal or policy restrictions that affect the fund is included to provide an understanding of the budgetary limitations and requirements.

Street Maintenance Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditure by Category

Street Maintenance	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 175,171	\$ 254,248	\$ 178,460	\$ 292,204
Street & Curb Permits	2,000	-	1,300	1,500
Motor Vehicle Fuel Tax	196,907	225,000	195,000	200,000
Investment Interest	8,024	5,000	1,750	2,500
Miscellaneous	6,772	7,500	3,000	3,000
Interfund transfers	289,674	350,000	350,000	440,000
Total Anticipated Revenues	\$ 678,548	\$ 841,748	\$ 729,510	\$ 939,204
Expenditures:				
Salaries and Benefits	\$ 140,981	\$ 166,131	\$ 150,028	\$ 173,476
Supplies	31,709	147,500	34,022	295,850
Services	110,799	140,700	116,251	209,620
Intergovtl/ Equip/ Leases	129,753	130,000	27,222	91,150
Interfund Transactions	72,737	109,782	109,783	109,782
Ending Fund Balance	178,460	147,635	292,204	59,326
Total Anticipated Expenditures	\$ 664,439	\$ 841,748	\$ 729,510	\$ 939,204
Staffing	1.00	1.50	1.50	1.50

PROGRAM OVERVIEW

The Street Maintenance fund was created to assure that Motor Fuel Tax revenues are properly expended for street maintenance purposes. In past years, the City has supplemented the motor fuel tax with a property tax allocation and an interfund transfer from the Solid Waste/Recycling Fund. Subsequently, the property tax allocation was converted to an interfund transfer from the General Fund in order to provide greater discretionary control over the allocation by the City Council. The latter reflects current practice for this fund.

The Street Maintenance fund is responsible for maintaining all travel surfaces free of known hazards, are properly signed and marked, has facilities that function as intended, and is kept clean, neat and aesthetically pleasing. The staff assigned to the fund maintains all travel surfaces, including roads, streets and lighting, alleys, sidewalks and walking paths throughout the City. They also maintain street landscaping and are responsible for all snow and ice control activities.

The fund consists of three Divisions:

Engineering Division: The Engineering division is established to account for costs related to design and planning that may be necessary for a major maintenance project. The division would be used to segregate professional service costs related to engineering and project management costs. At the present time, there is no maintenance work contemplated that would necessitate incurring costs related to design and engineering.

Resurfacing Division: The Resurfacing division is utilized to track the cost of street resurfacing projects and costs. This division will track minor to moderate resurfacing projects. Major resurfacing projects requiring the expenditure of significant sums of money will be tracked and funded in the Transportation Improvement Fund.

Maintenance Division: The Maintenance division tracks the cost of street maintenance. Costs tracked in this division consist of pot-hole filling, street sweeping, street lighting costs, tree replanting in medians, etc.

A significant change in the revenue stream of this fund occurred in 2008. The annual transfer of funds from the Solid Waste/Recycling Fund of \$50,000 to cover street sweeping was cut in half to \$25,000 due to insufficient revenues from solid waste collections. For 2010, funding is restored to \$50,000 due to the solid waste rate adjustments approved by Council in 2008.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

Granular Deicer: The use of a granular deicing material for winter road maintenance greatly improves the ability to keep the Parkway and intersections safe during snow events and has reduced the amount of sand applied to the roadways. The reduction in sand use saves time and money spent sweeping after snow events and reduces maintenance of the storm water infrastructure.

Sidewalk Replacement Program: The City identified a need to establish a Sidewalk Replacement program in order to obtain maximum life cycle from City sidewalks and reduce potential liabilities for tripping hazards.

Asphalt Crack Seal Program: The City identified a need to establish an asphalt crack seal program in order to obtain maximum life cycle from City streets, alleys and parking lots.

Seal Coat Program: The City identified a need to establish a Seal Coat program in order to obtain maximum life cycle from City alleys & parking lots.

Fire Equipment Replacement Reserve Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditure by Category

Fire Equipment Replacemt Reserve	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 27,040	\$ 43,686	\$ 44,042	\$ 60,407
Investment Interest	\$ 1,252	\$ -	\$ 615	\$ 1,000
Interfund Transfer - In	15,750	15,750	15,750	15,750
Total Anticipated Revenues	\$ 44,042	\$ 59,436	\$ 60,407	\$ 77,157
Expenditures:				
Supplies	-	20,000	-	-
Ending Fund Balance	44,042	39,436	60,407	77,157
Total Anticipated Expenditures	\$ 44,042	\$ 59,436	\$ 60,407	\$ 77,157
Staffing	-	-	-	-

PROGRAM OVERVIEW

The Fire Equipment Replacement Reserve Fund provides for a source of funds for the replacement of small, essential equipment not included in the Equipment Replacement and Repair fund. This fund is supported by an appropriated operating transfer from the General Fund.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

No program increases or reductions for 2010.

Hotel/Motel Lodging Tax Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditure by Category

Hotel/Motel Tax	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 124,941	\$ 127,685	\$ 132,565	\$ 14,365
Hotel/Motel Lodging Tax	58,728	35,000	40,000	45,000
Investment Interest	5092	2,500	1,800	2,000
Total Anticipated Revenues	\$ 188,761	\$ 165,185	\$ 174,365	\$ 61,365
Expenditures:				
Services	56,196	100,000	160,000	-
Ending Fund Balance	132,565	65,185	14,365	61,365
Total Anticipated Expenditures	\$ 188,761	\$ 165,185	\$ 174,365	\$ 61,365
Staffing	-	-	-	-

PROGRAM OVERVIEW

The Hotel/Motel Tax fund was established to comply with state law related to the collection and expenditure of the Hotel/Motel Lodging Tax that the City has been authorized to collect from all lodging establishments doing business within the City of Snoqualmie. The tax applies to sales of temporary lodging by a hotel, rooming house, tourist court, motel or trailer camp, and the granting of any similar use of real property. The occupancy of real property for a continuous period of one month or more is presumed to be a rental or lease of real property and therefore not subject to the tax. The City's largest provider of this revenue resource anticipates completion of facility upgrades and remodeling late 2009. It is expected that the revenue for this fund will remain the same in 2010.

Tourism promotion is the primary purpose of the tax; therefore, expenditures made from the Hotel/Motel Tax fund can only be used for tourism promotion and events to assist in providing tourist enhancements within the City. Appropriate expenditures are determined by the Lodging Tax Advisory Committee and approved by the City Council. All available resources are budgeted as "services" and do not require further appropriation once the City Council has approved the list of projects or programs recommended by the Lodging Tax Advisory Committee for funding.

The fund is divided into three programs:

Tourism: The Tourism program is used to track the cost of direct and indirect expenditures that promote tourism. Indirect expenditures are defined as allocations of funds to an organization who has applied for a grant of funds to support a program that promotes tourism.

Economic Development: The Economic Development program is used to track the costs of tourism-related economic development programs and studies.

Community Events: The Community Events program is used to track the expenditure of Hotel/Motel Tax resources to support community events that promote tourism.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

There are no program increases or reductions for 2010.

Donations Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditure by Category

Donations Fund	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 4,338	\$ 12,021	\$ 5,924	\$ 4,744
Investment Interest	86	-	67	100
Private Donations/Contributions	1,500	1,000	1,550	1,000
Total Anticipated Revenues	\$ 5,924	\$ 13,021	\$ 7,541	\$ 5,844
Expenditures:				
Transfers Out - Parks Improvement	-	-	2,797	-
Ending Fund Balance	5,924	13,021	4,744	5,844
Total Anticipated Expenditures	\$ 5,924	\$ 13,021	\$ 7,541	\$ 5,844
Staffing	-	-	-	-

PROGRAM OVERVIEW

The Donations fund was established to record and track monetary donations made by private individuals to the City of Snoqualmie. Non-monetary donations are not recorded in the fund or tracked, except those provided to enterprise funds. In many cases, the donations are made for a specific purpose and the use of this fund allows for the documentation of proper use.

Expenditures are appropriated as operating transfers to facilitate the reimbursement of appropriate expenditures by the department for whom the donation was intended. Acceptance of the donation by the City Council no longer requires additional appropriations to reimburse the department. An appropriation to initially expend the funds will be necessary if the donation is significant and was not anticipated.

The fund is divided into several programs:

Public Safety: The Public Safety program allows for the tracking and accumulation of donations intended for expenditures for public safety purposes. Within this program, provisions have been made to track donations to the level of each public safety department.

Parks: The Parks program allows for the accounting of donations made to support City Parks operations and equipment needs.

Non-Departmental: The non-departmental program allows for the collection of donations related to activities such as environmental and human services, recycling, arts activities, and economic and tourism development.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

There are no new enhancements or reductions for 2010.

Arts Activity Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditure by Category

Arts Activity	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 21,706	\$ 76,411	\$ 78,492	\$ 29,149
Investment Interest	1,761	1,000	982	1,000
Miscellaneous	-	1,500	-	2,500
Transfers In	56,000	5,000	10,294	15,000
Total Anticipated Revenues	\$ 79,467	\$ 83,911	\$ 89,768	\$ 47,649
Expenditures:				
Supplies	40	-	2,519	4,000
Services	935	2,519	-	4,000
Art Objects	-	58,100	58,100	-
Ending Fund Balance	78,492	23,292	29,149	39,649
Total Anticipated Expenditures	\$ 79,467	\$ 83,911	\$ 89,768	\$ 47,649
Staffing	-	-	-	-

PROGRAM OVERVIEW

The Arts Activity Fund is established to support the Arts Commission in its efforts to comply with the 1% for the Arts program initiated by the City Council. Capital Improvement funds set aside to fund the 1% for the Arts program will be deposited in the Arts Activity fund and segregated for use in acquiring works of art.

The Arts Activity Fund will also provide arts programs under the direction of the Arts Commission such as the Starlight Theater and art classes.

The fund is divided into three programs:

Administrative Services: The administrative services program is established to track the costs related to administering the Arts Activity Fund. Included in this program is the cost associated with the Starlight Theater.

Arts Acquisition: The arts acquisition program is responsible for tracking the costs of acquiring art objects under the 1% for the Arts program. The majority of the expenditures incurred by this fund will be expended by this program.

Arts Programs: The arts program tracks the cost of specific arts programs such as classes, events and activities related to the arts. Theater activities will be accounted for in the administrative services program.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

There are no program increases or reductions for 2010.

Parks Recreational Activities Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditure by Category

Parks Recreational Activities	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ -	\$ -	\$ 211	\$ 469
State Shared Revenues	-	10,000	-	-
Investment Interest	211	-	258	300
Total Anticipated Revenues	\$ 211	\$ 10,000	\$ 469	\$ 769
Expenditures:				
Ending Fund Balance	211	10,000	469	769
Total Anticipated Expenditures	\$ 211	\$ 10,000	\$ 469	\$ 769
Staffing	-	-	-	-

PROGRAM OVERVIEW

The Parks Recreational Activities Fund was activated for 2009 to account for the King County Trails revenue sharing program. This revenue stream is designed to provide monies to maintain, improve, and develop a comprehensive trail system within Cities and King County. The monies are restricted for trail purposes only, and a division for this purpose has been established to track the revenue and expenditures and to maintain compliance. For 2010, it is anticipated that there will be no expenditures in the fund and that the proceeds will be held in reserve for future use.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

There are no program increases or reductions for 2010.

Operating Grant Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditure by Category

Operating Grants Fund	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 178,707	\$ 63,077	\$ 30,066	\$ 30,369
Federal Grants	165,909	330,000	1,054,408	1,425,000
State Grants	20,033	1,560,175	399,655	20,000
Other Grants	82,554	45,000	18,000	20,000
Investment Interest	988	5,000	303	303
Total Anticipated Revenues	\$ 448,191	\$ 2,003,252	\$ 1,502,432	\$ 1,495,672
Expenditures:				
Transfers Out	418,125	1,900,227	1,472,063	1,465,000
Ending Fund Balance	30,066	103,025	30,369	30,672
Total Anticipated Expenditures	\$ 448,191	\$ 2,003,252	\$ 1,502,432	\$ 1,495,672
Staffing	-	-	-	-

PROGRAM OVERVIEW

The Operating Grants Fund was established to comply with a recommendation from the State Auditor's Office for the City of Snoqualmie to exercise greater control over Federal and State grants. This fund will allow for the proper tracking of expenditures and resources related to grants that have been obtained by the City of Snoqualmie.

The fund accounts for all resources related to federal, state and local grants. All proceeds will be receipted into the fund and disbursed as needed to the appropriate operating or capital improvement funds by interfund transfer. No grant related expenditures will be made directly from the Operating Grant Fund. It is intended that when a grant has been awarded and presented to the City Council for acceptance that the necessary appropriations authorizing the expenditures will also be made.

The largest impact on the Operating Grant Fund's operations for 2010 will be the monitoring and accounting for the Economic Development Administration grant in the amount of \$3.2 million that was awarded in 2007. The Federal Government's portion of the grant is \$1.4 million and the City's matching contribution is \$1.8 million. The grant is designed to replace and improve infrastructure in the core historic downtown area. Replacement and upgrade of water, sewer, and stormwater infrastructure is a significant part of the grant. Also included are improvements to the streets, sidewalks and curbs of the area surrounded by Falls/Railroad Avenues and King/River Streets. Construction is expected to begin in Spring 2010.

Real Estate Excise Tax Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditure by Category

Real Estate Excise Tax	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 1,040,694	\$ 1,023,043	\$ 1,940,242	\$ 5,202
Beginning Fund Balance - Restricted	741,883	511,799	511,799	474,437
Beginning Fund Balance - Comm Ctr Rsv	800,000	800,000	800,000	800,000
Real Estate Excise Tax - 1st & 2nd Qtr %	1,221,864	600,000	600,000	800,000
Investment Interest	104,156	7,000	17,000	17,000
Interfund Loan Repmts & Interest	735,233	-	-	-
Total Anticipated Revenues	\$ 4,643,830	\$ 2,941,842	\$ 3,869,041	\$ 2,096,639
Expenditures:				
Services	-	15,000	-	-
Debt Service Payments	(131,961)	300,980	300,979	300,979
Transfers Out	1,523,750	1,351,425	2,288,423	20,000
Ending Fund Balance - Comm Ctr Rsv	800,000	800,000	800,000	800,000
Ending Fund Balance - Restricted	741,883	474,437	474,437	474,437
Ending Fund Balance	1,710,158	-	5,202	501,223
Total Anticipated Expenditures	\$ 4,643,830	\$ 2,941,842	\$ 3,869,041	\$ 2,096,639
Staffing	-	-	-	-

PROGRAM OVERVIEW

The Real Estate Excise Tax Fund receives monies from the collection of the Real Estate Excise Tax (REET) by King County and distributed to the City of Snoqualmie. The City receives both the first one-quarter percent and the second one-quarter percent of the tax levied on all real estate transactions in the City. State law restricts the use of these two resources for capital purposes as outlined in the enabling state legislation. Additionally, all projects funded by the tax must have been identified in the Capital Facilities part of the City's Comprehensive Plan.

This resource has been significantly reduced in 2009 due to the current economic recession and slowdown in development on Snoqualmie Ridge. The City has dedicated a significant balance of these funds for the city hall project. Future market sales and re-sales of commercial and residential properties produce revenue that will be dedicated towards debt service repayment. This revenue source will not be able to fund capital improvements for the foreseeable future. That said, the City has held in restricted reserves \$800,000 for use in the design and construction of a future Community Center.

The fund is segregated into two major programs:

REET 1: The REET 1 program tracks the revenues and expenditures associated with the 1st one-quarter percent real estate excise tax. Within this program, a further segregation occurs, breaking down the expenditure tracking into Public Safety, Parks, Transportation, and Debt Service sub-programs.

REET 2: The REET 2 program is established identically to the REET 1 program. The only difference is that this program tracks the revenues and expenditures related to the 2nd one-quarter percent real estate excise tax.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

There are no program increases or reductions for 2010.

Solid Waste / Recycling Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditure by Category

Solid Waste/ Recycling	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 109,642	\$ 172,648	\$ 146,546	\$ 248,932
Grants & Entitlements	16,988	-	4,176	-
Garbage/Solid Waste Svc Charge	107,557	100,000	181,607	200,000
Investment Interest	4,382	250	2,611	3,000
Miscellaneous	7,122	10,000	270	-
Transfers In - Operating Grants	71,863	37,500	37,500	37,500
Total Anticipated Revenues	\$ 317,554	\$ 320,398	\$ 372,710	\$ 489,432
Expenditures:				
Salaries and Benefits	\$ 44,779	\$ 6,000	\$ 8,069	\$ -
Supplies	8,361	10,000	350	-
Services	16,264	20,000	14,382	-
Intergovtl/ Interfund transfers	101,604	117,139	121,909	116,889
Ending Fund Balance	146,546	167,259	228,000	372,543
Total Anticipated Expenditures	\$ 317,554	\$ 320,398	\$ 372,710	\$ 489,432
Staffing	0.50	0.50	-	-

PROGRAM OVERVIEW

The Solid Waste / Recycling Fund was established to provide garbage collection services to the City of Snoqualmie. The collection service was contracted to Rabanco for a period of 10 years. The current contract is set to expire in 2011. The contractor handles the collection and disposition of solid waste generated by the citizens of the City of Snoqualmie, including all billing and cash collection activities. Rabanco then remits to the City the difference between the City rates and the wholesale cost of performing the services. The last increase in the customer solid waste collection rates was in 2008. The revenue growth in this fund was stabilized by the rate increases enacted in 2008 so that the recycling/ environmental education programs will not have to be reduced.

The City uses this revenue, along with grants and other minor revenues to provide resources to educate citizens in the need and benefits of solid waste recycling. The Solid Waste Fund assures that Rabanco, as contractor, commercially handles the waste stream created by the citizens of the City of Snoqualmie. This fund also provides the operation of all street sweeping activities.

The fund is segregated into two programs:

Recycling: This program tracks the costs associated with recycling events and education efforts and activities.

Solid Waste: This program tracks the costs associated with the activities related to managing and tracking the costs associated with the solid waste collection contract.

Drug Enforcement Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditure by Category

Drug Enforcement	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 2,630	\$ 3,187	\$ 2,736	\$ -
Investment Interest	106	100	35	-
Confiscated/Forfeited Property Proceeds	-	-	-	-
Total Anticipated Revenues	\$ 2,736	\$ 3,287	\$ 2,771	\$ -
Expenditures:				
Services	\$ -	\$ -	\$ 2,771	\$ -
Ending Fund Balance	2,736	3,287	-	-
Total Anticipated Expenditures	\$ 2,736	\$ 3,287	\$ 2,771	\$ -
Staffing	-	-	-	-

PROGRAM OVERVIEW

The Drug Enforcement Fund was established to collect the proceeds from the sale of confiscated and/or forfeited property seized as a result of criminal drug activity. A portion of the proceeds are required to be forwarded to the State of Washington to support the operation of the State Patrol Crime Lab.

The proceeds that are retained by the City must be used to support drug enforcement activities, including acquisition of specialized police equipment. For 2010, it is anticipated that there will be no expenditures and that the remaining proceeds will be held in reserve to support future police expenditures.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

There are no program increases or reductions for 2010.

General Government Impact Fees Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditure by Category

Gen Government Impact Fees	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 257,770	\$ 276,426	\$ 274,435	\$ 16,997
Impact Fees	7,108	15,000	5,300	90,000
Capital Facilities Impact Fees	-	-	-	-
Investment Interest	9,439	750	1,020	750
Unclaimed Property	638	-	-	-
Total Anticipated Revenues	\$ 274,955	\$ 292,176	\$ 280,755	\$ 107,747
Expenditures:				
Transportation Mitigation Fees	\$ 520	\$ -	\$ -	\$ -
Transfers Out	-	263,758	263,758	90,000
Ending Fund Balance	274,435	28,418	16,997	17,747
Total Anticipated Expenditures	\$ 274,955	\$ 292,176	\$ 280,755	\$ 107,747
Staffing	-	-	-	-

PROGRAM OVERVIEW

The General Government Impact Fees Fund was established to track the collection of impact fees that are for the use of the City as outlined in various developer agreements. In the past, impact fees were recorded and comingled in the Treasurer's Trust Fund. Efforts to identify and reconcile prior transactions recorded in the trust led to the creation of this fund. Impact fees collected for City related infrastructure and facilities are recorded here.

The proceeds that are retained by the City must be used to construct infrastructure and facilities that accommodate the growth of City staff and needs as a result of the residential and commercial development that is occurring. In 2009, it is necessary to transfer funds on behalf of the costs of constructing the new City Hall.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

There are no program increases or reductions for 2010.

Development Services Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditure by Category

Development Services	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 290,190	\$ 231,294	\$ -	\$ -
Beginning Fund Balance - Restricted	-	762,688	42,161	503,567
Building Permit Fees	349,605	500,000	350,000	500,000
Plan Checking Fees	175,340	225,000	230,000	260,000
Plan Review/Planning Services Fees	18,250	25,000	90,000	90,000
Impact Fees	44,830	70,000	30,000	50,000
Engineering Service Charges	1,176,020	1,039,500	1,200,000	1,200,000
Investment Interest	6,622	750	2,100	2,500
Miscellaneous	17,893	32,350	15,200	32,000
Interfund Transfers	214,109	210,000	210,000	210,000
Total Anticipated Revenues	\$ 2,292,859	\$ 3,096,582	\$ 2,169,461	\$ 2,848,067
Expenditures:				
Planning				
Salaries and Benefits	\$ 292,187	\$ 535,924	\$ 375,605	\$ 336,937
Supplies	4,873	7,630	4,650	5,490
Services	59,350	97,210	148,240	203,500
Intergovtl/ Leases/ Interfund transfers	57,233	52,108	55,108	54,208
Total Planning	413,643	692,872	583,603	600,135
Building				
Salaries and Benefits	495,405	615,588	386,771	462,509
Supplies	3,960	28,250	12,050	18,150
Services	27,729	48,500	40,266	40,950
Interfund & Transfers Out	122,340	133,798	133,798	133,798
Total Building	649,434	826,136	572,885	655,407
Planning Support				
Supplies	123	-	64	100
Services	1,187,783	1,039,500	509,342	1,199,900
Intergovernmental Services	(285)	1,000	-	-
Total Planning Support	1,187,621	1,040,500	509,406	1,200,000
Ending Fund Balance	-	-	-	-
Ending Fund Balance - Restricted	42,161	537,074	503,567	392,525
Total Anticipated Expenditures	\$ 2,292,859	\$ 3,096,582	\$ 2,169,461	\$ 2,848,067
Staffing	12.00	10.00	9.00	7.00

PROGRAM OVERVIEW

The Planning and Building Services Fund was established for the purpose of consolidating all development and long range planning services into one enterprise fund, since the overwhelming majority of their revenues are derived from charges for the delivery of services. The only

portion of the operations of the fund that is not derivable from charges for services – long range planning – is supported by a transfer from the General Fund. The fund derives its revenues from charges to developers and others for plan review, permits, and inspections. The fund is divided into three major divisions which, like the Combined Utilities, also have programs which allow for the further tracking of costs at a more refined program level.

Planning Services

The first major division for the fund is the Planning Services division. The Planning Services division promotes community and environmental quality through development and implementation of land use plans and development regulations, and through informing and assisting citizens in the land use and development process. The division supports four programs:

Administration. The Administration program manages the departmental budget and office procedures, provides office support for planners and planning activities, conducts billing and accounting for development review, and provides for staff coordination between departments and elected/appointed officials. It also provides for management and representation of other agency programs, including but not limited to FEMA Community Rating System and state and federal census reporting, while also responding to general citizen inquiries regarding planning and zoning.

Long Range Planning The Long Range Planning program shapes how the community will grow and change by engaging citizens and the business community to articulate a long term community vision through a set of goals, policies and strategies set forth in the Comprehensive Plan, specific sub-area plans and the Shoreline Master Program. It also carries out the community's vision through development of strategic plans for specific purposes, such as the Downtown Vision Plan, SR202 Corridor Improvement Plan, Economic Development Plan, Downtown Master Plan, Hazard Mitigation Plan, Floodplain Management Plan and Snoqualmie Watershed Conservation Plan. The vision and policy direction developed in these planning documents is implemented through the review, amendment and creation of zoning, environmental and other development regulations and programs, along with specific area plans, historic preservation, grant writing and administration, and participation in intergovernmental planning efforts.

A major component of the Long Range Planning program, particularly in recent years, involves activities associated with compliance with federal and state floodplain regulations and response to flood events, including management of application and administration of federal Pre-Disaster Mitigation Grant and Hazard Mitigation Grant projects. Approximately .5 – 1 FTE equivalent of staff time is required to carry out activities associated with floodplain management.

Development Review The Development Review program coordinates citywide review of land use applications to assure conformance with adopted City goals, policies, regulations, standards and project-specific agreements and conditions.

Boards and Commissions The Boards and Commissions program provides staff time to manage and support the activities of the Planning Commission, Design Review Board, and Shoreline Hearings Board. This support includes preparation of agendas, staff reports, minutes, and staff

presence at meetings. This also includes staffing and support for the City Council and the Council's Planning and Parks and Community and Economic Affairs committees. The program also provides staff representation for the Snoqualmie Watershed Forum, WRIA 7 Forum, and the Meadowbrook Farm Preservation Association.

Building Services

The second major division for the fund is the Building Services division. The Building Services division provides review of construction plans for code compliance, provides inspections services for structural and fire-and-life safety compliance and code enforcement. The division supports four programs:

Administration: The Administration program is responsible for the planning, organizing, training, and supervising, of all personnel, preparation and implementation of the budget, administering and enforcing duly adopted laws and ordinances regulating the construction and use of buildings and structures.

Code Enforcement/Inspections: The Code Enforcement/Inspections program provides for field inspections to assure compliance with approval permit documents and adopted codes. The program also provides inspections to assure compliance with municipal code. The program staff consults with applicants, designers, and contractors on code interpretations and requirements.

Plan Review: The Plan Review program provides for review of plans, calculations and specifications for commercial and residential structures for code compliance. The program prepares and maintains records of plan checking procedures and assists in supervision and training of inspectors and counter personnel.

Fire-and-Life Safety Inspections: The Fire-and-Life Safety Inspections program provides for fire-and-life safety inspections of all assembly buildings, schools, commercial, and retail businesses. The program also provides for inspections to insure compliance with the municipal code and adopted building and fire codes. These inspections are performed annually as a prerequisite of each business license application or renewal. They are performed at no cost to the applicant.

Planning Services Support: The third major division is Planning Services Support. This division was formerly known as the SR Expense or the SR Pass-Through fund. The purpose of the Planning Services Support division is to track the revenues and costs of outside consultants contracted with to provide planning and building review services which, due to lack of in-house expertise, are contracted out. The division has two programs:

Planning Services: The Planning Services program accounts for consultant services that are requested by the Planning Services division to support its activities. Costs incurred for outside consultant services by this program are billed to and recouped from the developer.

Building Services: The Building Services program accounts for consultant services that are requested by the Building Services division to supports its activities. Costs incurred for outside consultant services by this program are billed to and recouped from the developer. The Building Services division also provides contract Building Official services to the City of Carnation.



Debt Service Funds

[Limited Tax General Obligation Bonds](#)
[Voted General Obligation Bonds](#)

SUMMARY OF GENERAL OBLIGATION BOND DEBT SERVICE FUNDS

By state law, the City of Snoqualmie is authorized to issue several types of General Obligation debt, up to a combined limit of 7.5% of taxable assessed value. The types of General Obligation debt is categorized into three primary types of debt – general purpose, utility revenue, and open space/parks facilities. Authorization to issue each general type is obtained either through voter approval or Council approval. The following table summarizes each general type and provides information on the allowable limits for each type. Also included is the outstanding balance of each type of debt that the City of Snoqualmie has issued as of December 31, 2009:

Legal Available Long Term Debt Information					
2010 Assessed Valuation			\$ 1,827,730,129		
Type	Sub-Type	Legal Limit	Limitation Amount	12/31/2009 Outstanding Balance	Percent of Limit
Total Legal Limit		7.50%	137,079,760	10,751,561	0.59%
General Purpose		2.50%	45,693,253	4,006,561	0.22%
	Bonds and Loans - without a vote	1.50%	27,415,952	1,376,561	0.08%
	Capital Lease - without a vote	1.50%	27,415,952	-	0.00%
	Bonds - voter approved	2.50%	45,693,253	2,630,000	0.14%
Utility Revenue Bonds		2.50%	45,693,253	6,745,000	0.37%
	Revenue Bonds - voter approved	2.50%	45,693,253	-	0.00%
	Revenue Bonds - without a vote [1]	1.50%	27,415,952	6,745,000	0.37%
Open Space and Park Facilities					
	Requires a 3/5 voter approval	2.50%	45,693,253	-	0.00%

[1] Maximum debit limit for Utility Revenue Bonds is 2.50% of assessed valuation combined. Limit for non-voter approved is 1.50% of assessed valuation.

As noted above, there are four types of limitations that must be taken into consideration:

1. The overall debt limit of 7.5% of assessed valuation. This is the overall limit that cannot be exceeded by all of the City's combined debt. This means that the combination of all debt of the City cannot exceed 7.5% of assessed valuation.
2. An overall limit of 2.5% each for general purpose, utility revenue, and open space/park facilities purpose debt. This means that the combination of voter approved and council approved debt for general purposes is limited to 2.5%. The same is true for utility revenue debt purposes and for open space/park facilities purposes.
3. Voter approved debt within each purpose is limited to a total of 2.5% of assessed valuation. This means that no matter how much debt the voters approve, the amount cannot exceed 2.5% of all voter approved debt within a purpose.

4. Council approved debt within each purpose is limited to a maximum of 1.5% of assessed valuation. This means that the Council is limited to approving debt to a limit of 1.5% within each individual purpose, except for open space/parks facilities which requires a 60% vote of the citizens and council approved debt is not available.

Voter approved indebtedness is authorized through a special election that authorizes the collection of a special property tax levy that is used to make the annual debt service payments. This special property tax levy cannot be used for general operating purposes and is limited to the amount of annual debt service. Council approved debt requires that general government resources be allocated for repayment of the debt prior to appropriation for all other general government expenditures. What this means is that we do not receive any special revenues from property taxes to make the annual debt service payments and must reduce operating costs as necessary to cover the debt service.

The City's debt service transactions are recorded in four funds. The two funds which encompass the Debt Service group of funds and are discussed in this section of the budget account for the General Purpose and Open Space/Park Facilities types of bonds. Utility Revenue bonds are accounted for in the Enterprise group of funds as is the Utility Bond Reserve Fund.

The two debt service funds differentiate between voter approved and non-voter approved debt. The following table summarizes the revenues/expenditures for the two funds:

Debt Service Funds	2008	2009	2010
	Actual	Estimated	Budget
Limited Tax General Obligation Bonds	\$ 645,104	\$ 665,770	\$ 350,146
Voter Approved General Obligation Bonds	150,000	155,000	160,000
Total Debt Service Funds	\$ 795,104	\$ 820,770	\$ 510,146

Debt service payments required for the Limited Tax General Obligation bonds, which are non-voter approved, are generally derived from the Real Estate Excise Tax Fund. Both REET 1 and REET 2 resources are used to make the majority of the debt service payments. Debt service payments required for the voted General Obligation bonds are provided from an annual special property tax levy. This levy is required to be collected over the life of the voter approved indebtedness.

All debt service expenditures are made twice annually. Generally the first payment is a semi-annual interest payment, and the second payment is an annual principal payment and semi-annual interest payment. The payments are processed through the Bank of New York Mellon, the official bond holder for the City of Snoqualmie.

The remainder of this section will describe in detail the revenue /expenditure history as well as the 2010 preliminary budget. The information is provided in a format somewhat similar to the General Fund in that summarized revenue and expenditure information is provided by category. A description of the fund and its purpose, along with any legal or policy restrictions that affect the fund, is included to provide an understanding of budgetary limitations and requirements. A summary of changes to the budget is also provided to detail what changes occurred and finally, an explanation of any new programs that require City Council action.

Limited Tax General Obligation Bonds

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

Limited Tax General Obligation Bond	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 3,731	\$ 7,569	\$ 87,678	\$ 1,161
Investment Interest	2,567	500	3,491	3,500
Proceeds of Anticipation Notes	-	-	3,000,000	-
Transfers In	824,750	1,149,874	1,149,874	115,140
Total Anticipated Revenues	\$ 831,048	\$ 1,157,943	\$ 4,241,043	\$ 119,801
Expenditures:				
Debt Service	\$ 743,370	\$ 1,149,874	\$ 1,229,882	\$ 115,140
Transfers Out	-	-	3,000,000	-
Ending Fund Balance	87,678	8,069	1,161	4,661
Total Anticipated Expenditures	\$ 831,048	\$ 1,157,943	\$ 4,231,043	\$ 119,801

PROGRAM OVERVIEW

The Limited Tax General Obligation Bonds Fund was established to receive monies from other funds to retire limited tax general obligation bonds that have been issued without voter approval by the City Council. The primary source of resources to retire the outstanding indebtedness is from the Real Estate Excise Tax Fund. The General Fund, Transportation CIP and Utilities also contribute resources.

For 2010, the City will be making debt service payments on the following **LTGO bonds**:

Bond Issue	12/31/2009 Balance	2010 Principal Pmt	2010 Interest Pmt	12/31.2010 Balance
1999 Police/Fire/PW Building	-	-	-	-
2001 Municipal Campus	-	-	-	-
2003 Police Station Loan	1,116,560	265,145	35,833	851,414
2003 ('92) Fire Engine Refinance	260,000	85,000	10,140	175,000
2009 City Hall BAN	-	-	20,000	-
Total	\$ 1,376,560	\$ 350,145	\$ 65,973	\$ 1,026,414

As of December 2009, two council-approved general obligation bonds reach their maturity. Currently, there is one outstanding bond, which was issued in 2003 to finance purchasing a fire engine. It will have an outstanding balance of \$175 thousand on December 31, 2010. This issue is scheduled to be retired in December 2012. The 2003 issue was a loan financed to pay for construction of the Policy Station. This loan is scheduled to be retired in December 2012.

Voted General Obligation Bonds

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

General Obligation Bond	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 8,357	\$ 28,513	\$ 8,727	\$ 2,587
Property Taxes	274,881	274,729	270,000	275,875
Investment Interest	1,129	1,000	350	250
Total Anticipated Revenues	\$ 284,367	\$ 304,242	\$ 279,077	\$ 278,712
Expenditures:				
Debt Service	\$ 275,640	\$ 275,990	\$ 276,490	\$ 276,375
Transfers Out	-	-	-	-
Ending Fund Balance	8,727	28,252	2,587	2,337
Total Anticipated Expenditures	\$ 284,367	\$ 304,242	\$ 279,077	\$ 278,712

PROGRAM OVERVIEW

The Voted General Obligation Bonds Fund was established to receive monies from a special property tax levy that is assessed annually for the period that the indebtedness is outstanding. This special levy is assessed separately from the regular property tax levy and is in addition to the regular property tax levy. Indebtedness retired from this fund has been voted on and approved by a 60% super majority vote of the people.

Currently, there is only one voter-approved general obligation bond outstanding. It was issued in 2002 to finance construction of the fire station, and will have an outstanding balance of \$2.47 million on December 2010. This issue is scheduled to be retired in December 2022.



Capital Improvement Funds

[Parks Improvement](#)
[Flood Reduction Improvement](#)
[Transportation Improvement](#)
[Public Safety Improvement](#)
[General Government Improvement](#)

Summary of Capital Improvement Funds

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The Capital Improvement Funds account for the acquisition or construction of capital facilities. Capital facilities consist of all infrastructure assets that support the citizens of the City. They include streets, parks, buildings, land, vehicles, machinery and equipment used by the citizens or staff. The Capital Improvement Funds allow the Council to budget for and track the expenditures of authorized capital improvements for the budget period. The funds also allow the Council to plan for and anticipate the funding needs for capital improvements for the next six years. Though the Council only authorizes expenditures for the current budget period, it approves a six year budget as a planning tool, since many capital improvement programs span fiscal periods.

The City operates five General Government Capital Improvement Funds, a Combined Utility Capital Improvement Fund and a Parks Irrigation Capital Improvement Fund. The Utility and Irrigation funds are budgeted in the Enterprise section of the budget and are discussed therein. The following table shows the General Government Capital Improvement Funds and the anticipated expenditures for 2010:

Capital Improvement Funds	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Parks Improvement	\$ 62,982	\$ 64,990	\$ 99,479	\$ 4,180,636
Flood Reduction Improvement	-	32,727	-	236,928
Transportation Improvement	2,840,863	4,232,357	2,034,203	3,596,543
Public Safety Improvement	503,030	14,935	22,810	8,175
General Government Improvement	1,403,351	6,224,047	6,402,252	238,462
Total Capital Improvement Funds	\$4,810,226	\$ 10,569,056	\$ 8,558,744	\$ 8,260,744

Each individual Capital Improvement Fund is discussed in the following sections. The structure is similar to the individual operating fund discussion with the exception that the Summary Budget and Program Changes Section and the Description of Program Increases (Reductions) Section is excluded and is replaced by a list of projects being budgeted for in the 2010 – 2015 timeframe.

Parks Improvement Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

Parks Improvements	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 507	\$ 522	\$ 26,355	\$ 35,036
Property Taxes - Parks Levy	19,454	-	5,609	5,600
Investment Interest	(337)	25	-	-
Transfers In	43,358	64,443	67,515	4,140,000
Total Anticipated Revenues	\$ 62,982	\$ 64,990	\$ 99,479	\$ 4,180,636
Expenditures:				
Construction	36,627	64,443	64,443	4,000,000
Land	-	-	-	140,000
Ending Fund Balance	26,355	547	35,036	40,636
Total Anticipated Expenditures	\$ 62,982	\$ 64,990	\$ 99,479	\$ 4,180,636

PROGRAM OVERVIEW

The Parks Improvement Fund was established to provide budget and accounting visibility and control of all parks related Capital Improvement Projects. In 2009, the Three Forks Meadowbrook Slough Restoration project is expected to be completed. In the 2010 – 2015 Capital Facilities Project Plan, the following Parks Improvement Projects are being anticipated:

- Community Center Design & Construction – Phase I
- Acquisition of Floodplain Properties

Flood Reduction Improvement Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

Flood Reduction Capital Improvemnt	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Flood Control Levy	-	-	-	236,928
Interfund Transfer - In	-	32,727	-	-
Total Anticipated Revenues	\$ -	\$ -	\$ -	\$ 32,727
Expenditures:				
Land	-	-	-	236,928
Ending Fund Balance	-	32,727	-	-
Total Anticipated Expenditures	\$ -	\$ -	\$ -	\$ 32,727

PROGRAM OVERVIEW

The Flood Reduction Improvement Fund was established to provide for budget and accounting visibility and control of all Flood Reduction related Capital Improvement Projects. King County Flood Control District provides for a levy, of which funds have been earmarked for the City of Snoqualmie. In the 2010 – 2015 Capital Facilities Project Plan, the following Flood Reduction Improvement Projects are being anticipated:

- Acquisition of Natural Area Land

Transportation Improvement Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

Transportation Capital Improvemt	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 2,174,403	\$ 1,569,857	\$ 1,988,203	\$ 1,843,193
Interlocal Grants & Entitlements	68,590	75,000	-	-
Investment Interest		7,500	46,000	46,000
Capital Contributions		750,000	-	-
Transfers In	597,870	1,830,000	-	1,707,350
Total Anticipated Revenues	\$ 2,840,863	\$ 4,232,357	\$ 2,034,203	\$ 3,596,543
Expenditures:				
Services	385,722	-	118,380	310,000
Intergovernmental	4,956	-	8,800	-
Construction	461,982	4,070,000	50,000	1,397,350
Transfers Out	-	-	13,830	-
Ending Fund Balance	1,988,203	162,357	1,843,193	1,889,193
Total Anticipated Expenditures	\$ 2,840,863	\$ 4,232,357	\$ 2,034,203	\$ 3,596,543

PROGRAM OVERVIEW

The Transportation Improvement Fund was established to provide budget and accounting visibility and control of all Transportation and Street related Capital Improvement Projects. The beginning fund balance consists of mitigation money provided by Quadrant for the Pedestrian Bridge (\$1,000,000) and the Salish for the Tokul Road Roundabout (\$1,000,000). The majority of the remaining funding will be provided through approved State of Washington Transportation Improvement Board grants and additional mitigation funding from Quadrant. Motor Vehicle Street Fuel Tax revenues are recorded in the Street Maintenance Fund as they have been consolidated by the state with other street fuel tax revenues. In the 2010 – 2015 Capital Facilities Project Plan, the following 2010 Street & Transportation Capital Improvement Projects are anticipated:

- Street / Alley Program
- Historic Downtown Improvements
- Parkway Median Landscaping
- River Street Signalization
- Meadowbrook Way Grind & Overlay
- Street Lights – Cottages at the Heights

Public Safety Improvement Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

Public Safety Improvements	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 501,183	\$ 14,685	\$ 22,259	\$ 7,875
Investment Interest	1,847	250	551	300
Interfund Transfers - In	-	-	-	-
Total Anticipated Revenues	\$ 503,030	\$ 14,935	\$ 22,810	\$ 8,175
Expenditures:				
Construction	\$ 480,771	\$ 14,935	\$ 14,935	\$ -
Ending Fund Balance	22,259	-	7,875	8,175
Total Anticipated Expenditures	\$ 503,030	\$ 14,935	\$ 22,810	\$ 8,175

PROGRAM OVERVIEW

The Public Safety Improvement Fund was established to provide budget and accounting visibility and control of all Public Safety related Capital Improvement Projects. There are no anticipated expenditures in 2010.

General Government Improvement Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

General Government Improvemnt	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 852,539	\$ 3,031,376	\$ 151,359	\$ 176,862
Investment Interest	23,312	3,580	4,000	4,000
Interfund Transfers - In	527,500	3,189,091	6,246,693	57,600
Total Anticipated Revenues	\$ 1,403,351	\$ 6,224,047	\$ 6,402,052	\$ 238,462
Expenditures:				
Construction	\$ 1,201,992	\$ 4,055,000	\$ 6,225,190	\$ -
Transfers Out	50,000	-	-	-
Ending Fund Balance	151,359	2,169,047	176,862	238,462
Total Anticipated Expenditures	\$ 1,403,351	\$ 6,224,047	\$ 6,402,052	\$ 238,462

PROGRAM OVERVIEW

The General Government Improvement Fund was established to provide budget and accounting visibility and control of all non Utility, Irrigation, Parks, Flood Reduction, Transportation and Public Safety related Capital Improvement Projects. In 2008, construction of the City Hall began, and will be completed in the fall of 2009. Design and construction of a new Community Center is shown as placeholder for 2010. In the 2010 – 2015 Capital Facilities Project Plan, the following General Government Capital Improvement Projects are being anticipated:

- Public Works & Parks Storage Facility - design



Enterprise Funds

[Combined Utilities](#)
[Combined Utilities Improvements](#)
[Combined Utilities Bond Redemption](#)
[Combined Utilities Bond Reserve](#)
[Parks Irrigation Improvements](#)

SUMMARY OF ENTERPRISE FUNDS

The Enterprise Funds encompass those activities that recover the vast majority, if not all, of their costs from charges for services. Included in this group of funds are the Combined Utilities – water, sewer, and stormwater management; associated Utility Debt Service Funds; and the Utility Capital Improvement and Park Improvement Funds.

To conform to Government Accounting Standard Board Statement No. 34 et al, the State Auditor's Office formerly required that enterprise funds whose annual operating revenues exceeded \$5 million were required to report enterprise fund financial statements in accordance with Generally Accepted Accounting Principles (GAAP). In July of 2007, the Washington State Auditor's Office removed this requirement and allowed governmental entities to report financial information either in accordance with GAAP or on the cash basis using the State of Washington Budgeting, Accounting, Reporting System (BARS), other comprehensive basis of accounting (ocboa). Since the City has always reported using BARS, we have elected to continue with this reporting method.

The following table presents the funds that comprise the Enterprise Funds section and their revenues/expenditures history:

Enterprise Funds	2008	2009	2009	2010
	Actual	Budget	Estimated	Budget
Combined Utility Operating	\$ 4,685,910	\$ 6,292,739	\$ 5,284,247	\$ 5,908,136
Combined Utility Capital Improvement	9,930,419	7,967,814	8,025,626	5,204,151
Combined Utility Bond Redemption	599,017	599,674	603,848	604,968
Combined Utility Bond Reserve	336,309	383,911	392,847	449,385
Park Irrigation Improvement	21,342	21,191	21,624	21,624
Total Enterprise Funds	\$ 15,572,997	\$ 15,265,329	\$ 14,328,192	\$ 12,188,264
Staffing	17.32	17.15	14.83	18.57

The remainder of this section will describe in detail the revenue /expenditure history as well as the 2010 preliminary budget. The information is provided in a format somewhat similar to the General Fund in that summarized revenue and expenditure information is provided by category. A description of the fund and its purpose, along with any legal or policy restrictions that affect the fund is included to provide an understanding of the budgetary limitations and requirements. A summary of changes to the budget is also provided to detail what changes occurred and finally, an explanation of any new programs that require City Council action.

Combined Utilities

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

Combined Utilities	2008	2009	2009	2010
	Actual	Budget	Estimated	Budget
Revenues:				
Beginning Fund Balance	\$ 244,463	\$ 294,164	\$ -	\$ 211,603
Beginning Fund Balance - Restricted	-	525,954	37,449	255,033
Water Charges	1,856,659	2,229,560	2,076,287	2,200,000
Irrigation Charges	-	210,100	250,000	250,000
Sewer Charges	1,735,031	2,115,395	2,030,000	2,100,000
Stormwater Charges	593,554	641,666	665,000	665,000
New Account Fees	102,357	165,900	82,000	102,000
Investment Interest	34,197	-	65,000	55,000
Miscellaneous	111,892	80,000	78,512	69,500
Interfund transfers	7,757	-	-	-
Total Revenues	\$ 4,685,910	\$ 6,262,739	\$ 5,284,248	\$ 5,908,136
Expenditures:				
Salary and Benefits	\$ 1,280,105	\$ 1,793,867	\$ 1,241,869	1,839,845
Supplies	355,315	380,510	378,365	457,785
Services	768,475	856,906	1,217,109	868,525
Intergovernmental/ Equip/ Leases	237,912	505,912	259,007	247,700
Interfund & Transfers Out	2,006,654	1,625,745	1,721,261	1,716,707
Ending Fund Balance	-	313,799	211,603	319,545
Ending Fund Balance - Restricted	37,449	786,000	255,033	458,029
Total Expenditures	\$ 4,685,910	\$ 6,262,739	\$ 5,284,247	\$ 5,908,136
Staffing	17.32	17.15	14.83	18.57

PROGRAM OVERVIEW

The Combined Utilities is a component of the Public Works Department of the City of Snoqualmie. The Public Works Department encompasses the Equipment Repair and Replacement Fund, Street Maintenance Fund, Combined Utilities Fund, and the associated Transportation and Utility Capital Improvement and Debt Service Funds. The purpose of the Combined Utilities Fund is to provide our customers and citizens with adequate and reliable, high quality drinking water; effective removal and treatment of sewage; and an effective stormwater management system which minimizes property damage and hazardous driving conditions.

The Combined Utilities derive the vast majority of their revenues from charges for the provision of water, sewer and stormwater goods and services. The expenditures associated with the Combined Utility maintain, repair, and operate the City of Snoqualmie's water, sewer and stormwater management systems. The Combined Utility consists of three major divisions who also contain sub-divisions which track the administrative, operating and maintenance costs for each of the major divisions. The three major divisions are:

Water Division:

The Collections/ Distributions division operates, maintains and improves the drinking water system of the City of Snoqualmie to appropriate State and Federal drinking water standards, and provides for and maintains adequate fire suppression levels through a comprehensive system of hydrants and emergency water flows. Included in the operation of the water system are extensive water sampling and testing, meter reading and repair, service inspections and infrastructure plan review, fire hydrant and water supply pipe repair, and general system maintenance improvements.

Water- Irrigation:

Beginning in 2009, the Irrigation Operations Fund was combined with the Collections/ Distributions Division (under Water Fund). Irrigation services provide for the municipal irrigation system for the City of Snoqualmie. Both potable and Class A reclaimed water is managed through a Rainbird Maxicom system. As the city expands its parks and open space there is a greater demand for the irrigation system. Revenues are derived from billings to users of the irrigation system. The City of Snoqualmie's General Fund currently provides approximately 65% of the irrigation revenue. This percentage will increase as more parks are added to the system. A rate study is proposed in 2010 to adjust the rates and costs associated with the fund. It is anticipated that the rate study will be presented to Council in late 2010 and will include a recommendation for a restructuring of the fund to bring revenues and costs more in line with current operations. Irrigation covers 800+ irrigation zones and maintains Class A water in a system that supplies community parks, bio-swales, the Business Park, Snoqualmie Parkway medians and wholesale class A water for the Snoqualmie Ridge Golf Course.

Sewer Division:

The treatment division operates and maintains a system that collects and treats all waste water flows of the City of Snoqualmie. The division ensures compliance with the National Pollution Discharge Elimination System Permit (NPDES) standards enforced by the Department of Ecology (DOE). The division is also responsible for providing Class A reclaimed water, as permitted by the State of Washington, for use by the Irrigation Utility. The division currently serves approximately 1420 acres. The Meadowbrook Farm planning area at the southeast end of the City is currently not served, as are most of the southern and northern portions of the City and the portion of the Urban Growth Area that lies outside the current city limits. The division maintains all the treatment equipment associated with its service efforts.

Stormwater Division:

The Stormwater division collects, treats, and maintains facilities such as detention/retention ponds, structures, including catch basins and bio-swales for the purpose of assuring a safe, clean discharge of stormwater run-off. The division also monitors stormwater quality and flow characteristics for compliance with applicable local, State and Federal regulations and standards.

The table below identifies the final revenues and expenditures for the individual divisions of the Combined Utilities. The table indicates that we are generating adequate revenues to begin establishing reserves to cover operating emergencies and future system replacement and repair.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

Sewer Treatment Dryer Operations: Per developer agreement, Quadrant is in the process of constructing a waste water sludge drying facility. Quadrant will provide the necessary staff to operate the Dryer facility for the first year. The City's requirements are to provide electricity and the required chemicals to operate the dryer. The City anticipates incurring operating costs during 2010.

UV Disinfection System Upgrade: The Waste Water Treatment Plant needs to replace UV disinfection system light bulbs every 12,000 hours and replace the quartz sleeves as needed. These requirements are in accordance with the operations and maintenance manual, manufactures requirements and to maintain compliance with the City's NPDES permit.

Lab Sterilizer Unit (replacement): Replace current 15 year old unit that has reached the end of its life cycle with unit that has a data logger to document verification of sterility, accuracy and time and temperature requirements required for table top sterilizers.

Fire Hydrant Replacement Program: Replacement of 5 fire hydrants per year will allow for the Collections/ Distribution division to properly maintain the infrastructure of the Water system. Fire hydrant failures include; repair parts no longer available, leaking fire hydrants and difficult to operate. This enhancement is critical with 619 hydrants in the City's inventory. This will allow for a regular schedule of replacements to be implemented. For the 2010 budget, we are anticipating covering the cost of replacements out of the General Fund. This is in accordance with the Lane v. Seattle Supreme Court ruling that fire hydrant replacement costs must be borne by general government taxes.

Valve Maintenance / Water System: To properly operate and maintain the City's water distribution system all valves need to be operational. Several shut off valves are in need of replacement. This enhancement will provide funds needed to purchase replacements valves and associated fittings.

Lab Analyst / Treatment Plants: The City has identified a need to hire a chemist to conduct the laboratory testing required to meet Department of Health and Department of Ecology requirements. This position will perform Good Lab Practices on all statutory and mandated sample collecting, preservation, and laboratory techniques. This position will lead to more effective and statistically accurate data.

Industrial Maintenance Technician: Currently many technical pump and motor control repair tasks are contracted out. The hourly rate for these tasks is 100.00 plus an hour. Having a competent mechanic with strong electrical skills to make repairs, perform preventative maintenance, and trouble shoot equipment failures will improve plant performance and free up time for other specialty trained operators to focus on process improvements, overall water, sewer, and reclamation plant performance.

Project Engineer: The City of Snoqualmie has a vacant Utility Inspector position in the Public Works department. The determination is to replace this position with a Project Engineer. The Project Engineer salaries and benefits are budgeted at the top of the range, consistent with current budgeting practices.

Combined Utility Improvement Fund

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

Utilities Capital Improvements	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 1,694,952	\$ 7,689,814	\$ 7,781,364	\$ 4,780,685
Investment Interest	156,091	18,000	47,696	20,000
Capital Contributions	12,049	260,000	-	-
Bond / Intergov Loan Proceeds	7,551,029	-	-	-
Transfers In	516,299	-	196,566	403,466
Total Anticipated Revenues	\$ 9,930,420	\$ 7,967,814	\$ 8,025,626	\$ 5,204,151
Expenditures:				
Supplies	\$ 73	\$ -	\$ 14,000	\$ -
Services	219,516	-	23,200	87,500
Construction	666,961	1,740,700	2,849,000	3,859,472
Debt Service	888,912	66,750	105,741	97,966
Transfers Out	373,593	253,000	253,000	253,000
Ending Fund Balance	7,781,364	5,907,364	4,780,685	906,213
Total Anticipated Expenditures	\$ 9,930,419	\$ 7,967,814	\$ 8,025,626	\$ 5,204,151

PROGRAM OVERVIEW

The Combined Utility Improvement Fund was established to provide budget and accounting visibility and control of all Utility related Capital Improvement Projects. To initiate and complete the anticipated capital improvement projects, the fund relies on a transfer of rate revenues from the Combined Utility Operating Fund, a capital contribution from Quadrant, revenue bond proceeds, the Economic Development Administration Grant and Public Works Trust Fund Loans. In the 2010 – 2015 Capital Facilities Project Plan, the following 2010 Combined Utility Capital Improvement Projects are anticipated:

- Water Comprehensive Plan
- 384th Street Booster Station & PRV
- Snoqualmie Point Park PRV
- Snoqualmie Parkway Lift Station
- Lift Station Reconstruction
- Schedule C Alley Sewer
- Historic Downtown Improvements

Combined Utility Bond Redemption

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

Utility Bond Redemption	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 817	\$ 8,151	\$ 7,825	\$ 12,125
Investment Interest	3,200	500	5,000	2,500
Interfund Transactions	595,000	591,023	591,023	590,343
Total Anticipated Revenues	\$ 599,017	\$ 599,674	\$ 603,848	\$ 604,968
Expenditures:				
Debt Service	591,192	591,023	591,723	590,343
Ending Fund Balance	7,825	8,651	12,125	14,625
Total Anticipated Expenditures	\$ 599,017	\$ 599,674	\$ 603,848	\$ 604,968

PROGRAM OVERVIEW

The Combined Utility Bond Redemption Fund was established to receive rate revenue resources from the Combined Utilities Fund for the purpose of retiring Utility Revenue Bonds. Utilities are authorized by State law to issue bonds that are retired from revenues derived from the sale of goods and services rather than from special property tax levies. The primary source of resources is rate revenues and utilities, generally through bond covenants, are required to establish rates that will provide sufficient revenues to make the current year's principal and interest payment and to support all operating expenditures without the use of general governmental resources.

The fund is currently responsible for the retirement of two revenue bonds. The first bond was issued in 1998 in the amount of \$810,000 for the purpose of providing funds for preparing an update to the City's Sewer System Comprehensive Plan and to refund the 1989 Water Revenue Bonds. This bond will be paid off in 2014 and will have an outstanding balance of \$355,000 on December 31, 2009. The second bond was issued in January of 2008 for \$7.0 million, with a term of 20 years, for the purpose of providing funds for major infrastructure enhancements and to provide matching funds for the \$1.4 million Federal Economic Development Administration Grant. This bond will have an outstanding balance of \$6,705,000 on December 31, 2009.

Combined Utility Bond Reserve

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

Utility Bond Reserve	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 100,000	\$ 334,623	\$ 336,309	\$ 392,847
Investment Interest	7,806	2,250	9,500	9,500
Interfund Transactions	228,503	47,038	47,038	47,038
Total Anticipated Revenues	\$ 336,309	\$ 383,911	\$ 392,847	\$ 449,385
Expenditures:				
Ending Fund Balance	\$ 336,309	\$ 383,911	\$ 392,847	\$ 449,385
Total Anticipated Expenditures	\$ 336,309	\$ 383,911	\$ 392,847	\$ 449,385
Staffing	-	-	-	-

PROGRAM OVERVIEW

The Combined Utility Bond Reserve Fund was established to provide for a reserve for annual debt service payments as required by the 1998 Water/Sewer Revenue Bond covenants. For 2010, additional monies are being transferred to increase the debt service reserve in order to meet the additional requirements imposed by the 2008 Revenue Bond. Generally, the reserve is adjusted up or down, depending on the debt service for the coming fiscal period. For the next several years, the Combined Utilities will be contributing to the reserve to build it up to the maximum required. After that, the balance will be adjusted up or down depending on the annual debt service needs for the Utility Debt Service Fund.

Parks Irrigation Improvement

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

Parks Irrigation Improvement	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 20,600	\$ 21,191	\$ 21,342	\$ 21,624
Investment Interest	742	-	282	-
Total Anticipated Revenues	\$ 21,342	\$ 21,191	\$ 21,624	\$ 21,624
Expenditures:				
Ending Fund Balance	\$ 21,342	\$ 21,191	\$ 21,624	\$ 21,624
Total Anticipated Expenditures	\$ 21,342	\$ 21,191	\$ 21,624	\$ 21,624

PROGRAM OVERVIEW

The Parks Irrigation Improvement Fund provides budget and accounting visibility and control of all Irrigation related Capital Improvement Projects.



Internal Service Funds

[Equipment Replacement and Repair](#)
[Information Technology](#)
[Risk Management](#)
Central Services

SUMMARY OF INTERNAL SERVICE FUNDS

The Internal Service Funds Group consists of funds that provide goods and service to other funds of the City of Snoqualmie. The purpose of Internal Service Funds is to assure that the cost of providing internal services is properly and equitable distributed to all funds that use the goods and services that these focused funds provide.

The funds derive their resources by charging user funds for the goods and service that are provided. The services are estimated by factors that are unique, representative and measurable across all users of the goods and services. Once established, the rates will be sufficient to cover all costs of the internal service funds, including necessary reserves.

The following table identifies the four internal service funds in use by the City of Snoqualmie, along with the revenue/expenditure history for each:

Internal Service Funds	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Equipment Replacement and Repair	\$ 1,696,932	\$ 2,064,550	\$ 1,927,760	\$ 2,121,447
Information Technology	547,292	621,000	600,844	708,182
Risk Management	275,547	334,806	330,322	329,885
Central Services	156,624	251,109	209,337	606,008
Total Enterprise Funds	\$ 2,676,395	\$ 3,271,465	\$ 3,068,263	\$ 3,765,522
Staffing	7.25	7.25	7.25	8.00

The remainder of this section will describe in detail the revenue /expenditure history as well as the 2010 preliminary budget. The information is provided in a format somewhat similar to the General Fund in that summarized revenue and expenditure information is provided by category. A description of the fund and its purpose, along with any legal or policy restrictions that affect the fund is included to provide an understanding of the budgetary limitations and requirements. A summary of changes to the budget is also provided to detail what changes occurred, and finally, an explanation of any new programs that require City Council action.

Equipment Repair & Replacement

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

Equipment Replacement & Repair	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 15,931	\$ 100,000	\$ (38,826)	\$ 171,997
Beginning Fund Balance - Restricted	970,000	914,550	914,550	975,450
I/F Equip/Vehicle Repair Charges	189,000	310,000	310,000	280,000
I/F Fuel Sales	201,000	285,000	285,000	280,000
I/F Equip/Vehicle Replacement Charges	250,000	425,000	425,000	400,000
Investment Interest	33,445	30,000	14,000	14,000
I/F Equip/Vehicle Rentals	-	-	903	-
Sales of Scrap	-	-	17,132	-
Transfers In	37,556	-	-	-
Total Anticipated Revenues	\$ 1,696,932	\$ 2,064,550	\$ 1,927,759	\$ 2,121,447
Expenditures:				
Replacement				
Services	\$ 1,845	\$ 1,000	\$ 1,587	\$ 1,600
Equipment	306,458	378,100	359,595	265,600
Operations				
Salaries & Benefits	\$ 195,312	291,372	182,564	271,878
Supplies	227,996	264,200	160,908	246,200
Services	27,659	44,250	24,171	45,400
Equipment	2,941	-	-	34,800
Interfund transfers	58,997	51,488	51,488	32,154
Ending Fund Balance	(38,826)	58,690	171,997	101,565
Ending Fund Balance - Restricted	914,550	975,450	975,450	1,122,250
Total Anticipated Expenditures	\$ 1,696,932	\$ 2,064,550	\$ 1,927,760	\$ 2,121,447
Staffing	3.00	2.50	2.50	2.50

PROGRAM OVERVIEW

The Fleet Maintenance Division ensures that all transportation needs are met to enable City divisions to carry out their duties and services to the public for the greater good. Administration along with service centers such as parts, auto, truck and heavy equipment shops facilitate the organization, maintenance, and operation to provide continuing services. The Fleet Division is responsible for safety and industry standards compliance, repair, maintenance, vehicle acquisition and sales, and customer service. Fleet Management Division provides use of vehicles on a short and long term basis to meet those needs.

The Fleet Maintenance Division currently provides vehicle repair and maintenance, vehicle acquisition and sales, customer service, and is responsible for the development and analysis of equipment charge back rates for each department within the City. The Division also maintains appropriate inventory control and software management.

The Fleet Maintenance Division continues to support Mayor Larson, the Snoqualmie City Council and 1013 other U.S. Mayors in their commitment to reduce global climate changing emissions.

Fleet personnel strive to meet these goals through implementation of green fleet strategies; which include techniques such as applying "right sizing" policies towards new purchases and optimizing fuel economy with fuel efficient vehicles and driving practices.

The Equipment Repair and Replacement fund is segregated into three programs:

Administration: The Administration program is involved in administering the Fleet Maintenance Division and in assuring that the Fund's policies are adhered to. Administration consists of Public Works management staff responsible for overseeing the operation of the division.

Equipment Repair: The Equipment Repair program is responsible for equipment repair and maintenance. The program is a separate cost center whose financial goal is to cover all of its operating costs through fees charged to user Departments. This division should annually break even. If the division operates at a loss, then user departments' fees in the subsequent year will be increased to compensate for the loss incurred. If there is a surplus, user fees will be reduced accordingly to compensate for the overcharge.

Equipment Replacement: The Equipment Replacement program is responsible for the acquisition and operation of all Fleet vehicles and equipment. This program is responsible for charging replacement fees from the user departments, determining which assets require replacement, and acquiring the replacement equipment. The program collects an annual fee for the use of the vehicle that is placed in a replacement fund for the future replacement of the equipment. The goal is to obtain a replacement reserve of 50% of the asset value. This reserve can become substantial and future policies will assist Fleet Management staff in determining and maintaining the appropriate level of reserves. At no time can or should this reserve be used to supplement the Equipment Repair program or any other fund, except through an interfund loan.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

Computer Diagnostic Equipment: The Fleet Department's current vehicle computer diagnostic system is obsolete no longer supported; annual software upgrades are not being produced. A new hand held diagnostic unit needs to be purchased for fleet technicians to properly service fleet vehicles.

VHF Radio upgrade: The City of Snoqualmie's Fleet support vehicles currently use 800 MHZ radios, these radios have failed in the past during regional events as the system becomes overloaded. Additionally there is a monthly maintenance cost. Switching to VHF radios would improve communication with Police & Fire during disasters (snowstorm, Floods, earthquakes) and eliminate the monthly maintenance charge to King County. The 800MHz that are removed from the 3 Fleet vehicles would be used for Public Safety (Police & Fire) vehicles.

Information Technology

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

Information Technology	2008	2009	2009	2010
	Actual	Budget	Estimated	Budget
Revenues:				
Beginning Fund Balance	\$ 67,302	\$ 135,700	\$ 113,904	\$ 108,063
Beginning Fund Balance - Restricted	-	-	-	50,000
I/F Data Processing Services	475,509	485,000	485,000	486,534
I/F Equip Replacement Charges	-	-	-	61,885
Investment Interest	3,474	300	1,628	1,700
Sales of Scrap	-	-	312	-
Transfers In	1,007	-	-	-
Total Anticipated Revenues	\$ 547,292	\$ 621,000	\$ 600,844	\$ 708,182
Expenditures:				
Replacement				
Equipment	\$ -	\$ -	\$ -	\$ 50,000
Operations				
Salaries & Benefits	\$ 268,257	\$ 298,606	\$ 292,200	\$ 294,598
Supplies	52,758	39,243	20,538	39,250
Services	70,771	147,580	111,903	147,580
Intergovernmental	9,100	8,400	8,400	8,400
Equipment	23,632	15,000	-	24,200
Interfund transfers	8,870	9,741	9,740	13,414
Ending Fund Balance	113,904	102,430	158,063	67,155
Ending Fund Balance - Restricted	-	-	-	63,585
Total Anticipated Expenditures	\$ 547,292	\$ 621,000	\$ 600,844	\$ 708,182
Staffing	3.00	3.00	3.00	3.00

PROGRAM OVERVIEW

The Information Technology Fund was established to provide cutting-edge Information Technology services to the City of Snoqualmie and its citizens in the delivery of municipal services. The Information Technology Department manages, administers, and maintains the City's Information Technology infrastructure through Infrastructure and Support Environment and Technology Initiatives. Infrastructure and Support Environment includes providing hardware/software support and user training; maintaining client/server environment; developing and maintaining infrastructure to provide connectivity and access to information; and operating a centralized help desk for all technology support requests. Technology Initiatives includes evaluating new technology and piloting selected new technology opportunities; facilitating improvement of technology to better serve the City and its citizens; and advising administration regarding technology opportunities and their potential benefit to the City and its citizens.

The fund is separated into the Operations division and the Replacement division.

Operations

Administration. The Administration program provides for the overall administration of citywide Information Technology services, including research of IT specific projects, requests for proposals, requests for quotations, and other necessary administrative ancillary functions. Currently, the program provides research of various IT specific projects for recommendations to individual departments, and advice, planning, and projections on citywide Information Technology needs.

Application Support. The Application Support program is responsible for the procurement, development, and ongoing management and maintenance of computer applications to ensure that consistent and cost-effective technologies are applied to the delivery of municipal services.

Desktop Services. The Desktop Services program provides direct support and service for all automated desktop equipment. Service delivery goals include optimizing use while minimizing cost, maintaining and replacing equipment in the most cost-effective manner possible, and providing a secure environment within which the City can safely conduct business. Service delivery is structured around the philosophy of a single point of contact. Services provided include development and maintenance of hardware/software standards, centralized procurement, troubleshooting/repair, installation, training, desktop management, security patching, upgrades, and technology asset management

Network Services. The City operates a complex data communications system comprised of numerous central computers, and the cabling and equipment necessary for communications. The Network Services program is charged with the maintenance and operation of this network, security of City systems, and protection of electronic data.

Replacement

Equipment Replacement. The Equipment Replacement program is responsible for the replacement of various network equipment, workstations, applications, and other ancillary equipment relating to Information Technology. Funding of the City's costly applications and equipment are identified through a replacement schedule, and include those with an estimated useful life of 10 years or more. Existing reserves for the IT fund will be used to initialize this program in 2010.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

Springbrook Software Upgrade. The City periodically upgrades the financial and reporting system. Funds have been budgeted to purchase and implement a new version in 2010.

Risk Management

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

Risk Management	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 47,321	\$ 63,896	\$ 62,358	\$ 111,471
I/F Risk Management Services	40,000	51,000	51,000	51,000
I/F Insurance Premiums	175,500	204,910	204,910	167,414
Investment Interest	96	-	300	-
Insurance Recoveries	12,630	15,000	11,754	-
Total Anticipated Revenues	\$ 275,547	\$ 334,806	\$ 330,322	\$ 329,885
Expenditures:				
Salaries & Benefits	\$ 28,195	29,205	28,403	29,273
Supplies	-	200	-	200
Services	184,994	205,758	190,448	205,758
Ending Fund Balance	62,358	99,643	111,471	94,654
Total Anticipated Expenditures	\$ 275,547	\$ 334,806	\$ 330,322	\$ 329,885
Staffing	0.25	0.25	0.25	0.25

PROGRAM OVERVIEW

The Risk Management Fund provides equitable distribution to other City funds of the complete costs of the Risk Management program. All funds in which personnel are paid bear the costs of supporting risk program costs.

The fund operates the following programs:

Administrative Services. The Administrative Services program provides the administrative support to operate the risk management function for the City of Snoqualmie.

Insurance Services. The Insurance Services program solicits quotations and pays the premiums on the City's liability, comprehensive, automobile, and malpractice insurance. Included are the necessary bonds for key personnel as required by state law.

Claims Services. The Claims Services program provides support for the investigation of claims against the City or of damage claims filed on behalf of the City with insurance carriers.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

There are no program increases or reductions for 2010.

Central Services

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BUDGET OVERVIEW – 2010 Revenue/Expenditures by Category

Central Services Fund	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Revenues:				
Beginning Fund Balance	\$ 5,188	\$ 90,359	\$ 80,324	\$ 35,464
I/F Property Mgmt Services	150,000	160,000	128,006	268,242
I/F Chargebacks - shared overhead	-	-	-	301,302
Investment Interest	1,436	750	1,007	1,000
Total Anticipated Revenues	\$ 156,624	\$ 251,109	\$ 209,337	\$ 606,008
Expenditures:				
Salaries & Benefits	\$ 32,856	\$ 148,576	\$ 149,017	\$ 236,278
Supplies	10,781	-	7,679	46,843
Services	32,663	-	14,708	187,517
Intergovernmental	-	-	-	39,324
Equipment/ Leases	-	-	-	59,585
Interfund transfers	-	2,469	2,469	-
Ending Fund Balance	80,324	100,064	35,464	36,461
Total Anticipated Expenditures	\$ 156,624	\$ 251,109	\$ 209,337	\$ 606,008
Staffing	1.00	1.50	1.50	2.25

PROGRAM OVERVIEW

The Central Services Fund supports and assures that existing and future City facilities are maintained in good operating order. Facilities staff is responsible for planning, establishing and executing a preventive maintenance program for each City facility. Through contractual and staff efforts, City facilities are painted, repaired and operated in the manner designed and built. The staff operates under the general direction of the Public Works Director.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)

Facility Maintenance Technician II (.75FTE): The Facilities department continues to expand and there is a need for an additional staff position to accomplish maintenance of City buildings and grounds including FEMA lots. Additionally the City needs to develop a central purchasing division.