

City of Anacortes, Washington

*2005
Budget*

City of Anacortes
2005 Operating Budget

For Fiscal Year
January 1, 2005 - December 31, 2005

H. Dean Maxwell, Mayor

City Council

Brad Adams
Terry Christiansen
Loren Hoboy

Cynthia Richardson
Bud Rock
Nick Petrish

Ray Sizemore

Prepared by
Financial Planning Division
Finance Department

Wanda Johnson
Jenifer Troxel
Myung Hee Muller
Jesse Hofheimer

Director of Finance
Assistant Director of Finance
Sr. Accountant
Physical Assets Accountant



**CITY OF ANACORTES 2005 BUDGET
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City of Anacortes

2005 Budget

Mission Statement

Our mission is to maintain and improve the quality of life reflecting community expectations through a focus on public participation and employees-mayor-council teamwork.



ORDINANCE NO.

AN ORDINANCE ADOPTING THE BUDGET FOR
ALL MUNICIPAL PURPOSES AND USES FOR THE YEAR 2005

Section 1. The 2005 budget and salary schedule of the City of Anacortes, Washington as established by the City Council and made available for distribution to the general public through the office of the City Clerk-Treasurer, is hereby adopted, a copy of which is hereto adopted by reference.

Section 2. The total estimated revenues and appropriations for each fund and the aggregate total for all such funds combined are summarized and set forth as follows:

<u>Fund</u>	<u>Expenditure/Revenue</u>
001 General (Current Expense)	\$9,961,091
101 Parks & Recreation	801,828
102 Cemetery	117,801
103 Library	746,735
104 Street Maintenance	1,023,671
105 Arterial Street Construction	711,850
107 Washington Park	163,112
109 Police Substance Abuse	4,000
110 Ambulance Services	1,011,738
112 Impact Fee Development	80,000
113 ACFL Management Fund	2,000
135 Tourism	174,500
180 Community Development	150,802
200 2000 GO Bond Debt Service (Library)	525,935
292 1992 GO Bond Debt Services (Fire)	148,990
297 1999 GO Bonds Debt Service (Police)	130,605
335 Growth Management Capital Improvement	223,338
401 Water	6,326,178
440 Wastewater (Sewer)	4,037,567
445 Storm Drainage	518,905
450 Sanitation (Solid Waste)	1,772,427
501 Equipment Rental	1,161,822
611 Firemen's Pension	45,465
Total Budget	29,840,360

Section 3. The City Clerk-Treasurer of the City of Anacortes is hereby authorized to transmit a complete copy of the final budget, as herein above adopted by reference, to the Division of Municipal Corporations in the Office of the State Auditor, to the Association of Washington Cities, and the Municipal Research & Services Center of Washington.

Section 4. Effective date. The Ordinance shall take effect from and after five (5) days after its passage and publication, as required by law.

PASSED AND APPROVED this 3rd day of November, 2005

CITY OF ANACORTES, WASHINGTON

By: _____
H. Dean Maxwell, Mayor

ATTEST:

, City Clerk

(Corporate Seal)

APPROVED AS TO FORM:

Ian Munce, City Attorney

MAYOR'S BUDGET MESSAGE

December 27, 2004

Honorable City Council Members/Community of Anacortes,

The budget for the City of Anacortes as proposed for the year 2005 is submitted for your review and comment. I would like to point out some highlights both as they relate to this budget preparation year (2004) and to the 2005-projected budget.

Before I begin the highlights of the 2005 budget I would like to once again acknowledge the effort that makes our budgets a reality. Departments, assisted by the Council and the Community, have put together a conservative budget that provides a high level of service to our community within the parameters of a 1% property tax increase. Anacortes remains the lowest taxing City in the County!

This budget does not diminish our high levels of service to this community in any sector.

Public Safety

Police

The Police Department enters 2005 with all budgeted positions filled. All current programs will be maintained. Updating of needed equipment in the areas of communications, patrol and investigation will continue as in past years. Implementation of less lethal weapons for use by patrol officers in the field will move forward. Planning will continue for the improvement of the radio communications system as federal licensing allows. Crime prevention and community policing activities will continue at the current pace. A concentrate effort to move forward on the accreditation program will be made.

Fire

The Fire Department has once again strived to maintain a high quality and level of service. We have continued to watch over and represent all residents of Fidalgo and Guemes Island we serve to ensure that emergency medical services (EMS) in our service area are not diminished. We have been able to serve our citizens, funded in part, through a countywide EMS Levy and ambulance billing system. The added value to our citizens is not only a high level of EMS service, but Fire Protection services are readily available by crossed trained dual role Firefighter/Paramedics.

Within the Fire Department's prevention efforts, we continue to conduct station tours for school age children and take this opportunity to educate them on fire prevention and injury prevention measures. We have issued free bicycle helmets to many youth, likely reducing head injuries in our community. The Firefighters are also trained to conduct fire inspections and have successfully met our goals to inspect and advise local businesses on fire safety and the fire code thereby reducing the risk of injury and death to patrons and employees.

The Fire Department continued to work with the Marches Point industries on emergency response and communications in the community. Firefighter/Paramedics have canvassed the neighborhoods, checking and maintaining fire hydrants. This last year we have been able to maintain our fire suppression capability with at least two firefighters at both fire stations, supported by a cadre of volunteer firefighters when available.

Public Works

The Public Works budget for 2005 is \$16.0 million, which represents a 14% decrease from 2004 expenditures (\$18.7 million).

Streets/Trails: The budget provides \$205k for street reconstruction to be performed along "M" Avenue in the Old Town area; and \$153,000 for the continuation of our downtown sidewalks program. In early 2005, the sidewalks on Commercial Avenue between 10th and 11th streets will be renovated. The 2005 budget also provides \$175k for the design of the

widening of Sunset Avenue, as well as \$113k for Pedestrian safety improvements on 41st Street in the vicinity of Mount Erie School. The 2005 budget also includes \$31,000 for the construction of new sidewalks in town.

Water Treatment, Transmission and Distribution: The 2005 budget provides funding for design engineering and easement acquisition for a replacement transmission line between the Water Treatment Plant and Bradshaw Road (\$666k). The budget also includes funds to replace a 10-inch transmission line along portions of State Route 20 on South Fidalgo Island (\$650k). A feasibility study has been funded in 2005 (\$50k) to review options for water treatment plant improvements and expansion.

Wastewater Treatment, Collection, and Conveyance: The Wastewater budget declines in 2005 by 3% from \$4.2 million to \$4.0 million. Included in the budget are funds to replace equipment in one of our main sewage pumping stations at 12th Street and B Avenue.

Stormwater: The 2005 budget of \$506,000 provides \$75k for the first phase of a Comprehensive Plan update for our storm drainage system.

Library

The Library operational budget is slightly higher than 2004 due to an increase in utility costs and some salary adjustments. Our new facility is the pride of the Northwest and we get visits each month from other communities that are looking for ways to fund and construct such a beautiful, functional facility.

Legal/Courts

The 2004 Court budget is relatively unchanged from 2004. This cost containment has worked due to sound contracts for services with Skagit County District Court, a City Prosecutor, and a City Public Defender. No significant increases are involved despite continual annual caseload increases.

Planning

No major new planning initiatives are reflected in the 2005 budget. Rather, 2005 will see a focus on several economic development projects ranging from the Anacortes plywood mill site, to ferry issues, and to further developments in the March Point annexed area. We will also be spending time working on Critical Areas.

Human Resources

In 2004, the City's personnel policies were updated as part of an annual review. A new policy regarding Ethics was adopted and all employees received Ethics training in October 2004. Both employees and managers utilize the policies to answer many of their employment related questions. A direct correlation was that there were zero employee grievances in 2004! Several employees retired in 2004 resulting in a regional recruiting effort. The Library Board's roles and responsibilities were updated in 2004 in coordination with the Library Director and Library Board Members. The City of Anacortes was awarded a Well-City Award from the Association of Washington Cities for its well run and well established Wellness Program.

Museum

The total Museum budget is similar to last year's budget. The exhibit that was installed in 2004 will run through March of 2006. At that time a display of photographs and artifacts from the Wallie Funk Collection will replace it.

The Museum Director believes the utility costs for the new W.T. Preston Snagboat Heritage Center can be absorbed into the existing Preston budget. The Center is the only capital funding project planned for the Museum in 2005.

Parks

The Parks Department completed construction of the field portion of the Marguerite and Don Daniels all-weather softball / little league field in 2004. With a great deal of assistance from the Public Works Department the Tommy Thompson Parkway up to the railroad trestle was completed. The

Conservation Easement program continues to be a success with nearly \$750,000 raised to date. Improvements will continue at Volunteer and Washington Park in 2005 and the tennis courts at Clearridge will be resurfaced.

Administration/General

The City continues to maintain strong Restricted Reserves in all the funds of approximately \$1.9 million dollars. The City of Anacortes continues to have the lowest property tax levy in all of Skagit County.

The 2005 budget is fiscally conservative reflecting these times and this administration. I believe it provides high levels of service meeting this community's expectations.

I would like to thank the Council and the Community for the input received and implemented in this 2005 budget. The city staff looks forward to implementation and administration of this budget, providing all of Anacortes with value for your dollar.

Respectfully,

H. Dean Maxwell
Mayor



FINANCIAL MESSAGE

Dear Reader:

The Budget of the City of Anacortes for 2005 is hereby submitted.

The proposed budget for all funds totals \$29,840,360. This budget represents a 24.2% decrease over the Revised 2004 budget. It should be noted that the Revised 2004 budget has been increased from its adopted level of \$30,658,842 to \$37,251,515 ($\approx 21.50\%$).

Moderate increases occur in wages and benefits and operations and maintenance, whereas capital projects and debt service funds increase more dramatically. In reserves a smaller amount was needed to bring the balances up to council's recommendations.

Governmental accounting/budgeting differs from that practiced by private business in that it utilizes the FUND concept. Each fund of the City is a separate entity. In certain cases, money is appropriated (budgeted) and paid from one fund for services performed and appropriated by another fund. Examples follow:

The EQUIPMENT RENTAL FUND (city garage) appropriates money for labor and supplies to maintain the city's rolling stock. The street, water, sewer, sanitation, police, fire and other departments likewise appropriate in their different funds to 'rent' equipment from the E/R fund (which reimburses the E/R for its costs). Both the E/R fund appropriations and other department fund appropriations are required to be in the budget, resulting in 'double budgeting'.

The ADMINISTRATIVE departments in the General Fund (executive, legal, human resources, planning, finance, etc.) spend varying portions of their departmental resources to help administrate the proprietary funds; water, sewer, sanitation and equipment rental. These services are in turn reimbursed to the General Fund by the proprietary funds.

The 'double budgeting' effect inflates the all city budget amount by \$:

Equipment Rental	\$1,199,763
Administrative Overhead	786,288
Medical Insurance	1,862,479
Data Processing	<u>305,335</u>
TOTAL	\$4,153,865

ECONOMIC CONDITION AND OUTLOOK

Based on current trends the City anticipates a continued growing and healthy economy. The population of Anacortes is growing at an average rate of 2% per year. The current population totals 15,110. Real revenue growth rate, (inflation removed) for the next five years is expected to be 2% for General Fund revenues.

Anacortes' primary revenue sources are property taxes, sales taxes, utility taxes, and utility service charges. Growing tourism activity offsets the retail leakage to regional malls. The City has completed major upgrades to its sewer, water, and solid waste services; the goal is now maintenance of these services at high quality levels.

MAJOR INITIATIVES

The City's recent budgets have placed highest priority on full compliance with the State Growth Management Act. The following City plans have been updated: water, sewer, storm water, transportation, parks and recreation, and urban growth area. These plans have then been moved into implementation phase by incorporation in the City's Comprehensive Plan and the City's Six-Year Capital Facilities Plan.

As to maintenance of our quality of life, the City has adopted regulations protecting wetlands and water quality, these and our critical area regulations are now being updated. The City's Comprehensive Plan is updated annually. Major emphasis is placed on updating our land-use regulations to fully implement the Comprehensive Plan policies. Additionally, the City is working on implementing a conservation and development plan for Fidalgo Bay.

CAPITAL PROJECTS.

As a result of the State's Growth Management Act the City's eighth formal six-year Capital Facilities Plan (CFP) was presented for review in June of 2004. The Plan is an attempt to identify the demands placed upon the City associated with growth, i.e. improved streets, upgraded water, sewer and storm drain services, additional park and recreation facilities, and improved fire and police protection. The CFP presents only those major public improvements that are viewed as most urgently needed within the next six years. However, these public improvements will still need public hearings, environmental review, a public vote in some cases, and annual budget decisions. The CFP identifies the capital costs for public facility projects and provides an estimate of subsequent operating costs. The City Council adopts the CFP that identifies projects on which work is needed during the next calendar year and appropriates funds for those projects. Operating costs for the completed projects in the CFP are included in the City's Operating Budget. The 2005-2010 CFP identified 89 projects (43 utility, 46 non-utility) at an estimated cost of \$45,176,361. Most of the funding would be financed through the present income stream of property, sales, fuel and excise taxes and user fees. Any additional amounts of funding could come from grants, private developer's contributions and Public Works Trust Loans.

ABOUT THE BUDGET

The City's budget format focuses on missions, goals, objectives, and targets. The intent is to better enlighten the Citizenry as to how their tax and rate dollars are being used.

DEBT OBLIGATIONS

The City of Anacortes has four types of debt issues outstanding: general obligation, revenue, refunded (revenue) and special assessment debt. Debt service for special assessment debt is met by assessments levied against property owners. The total outstanding bonded debt at year-end 2004 will be \$18,610,000. (See Schedule of Long-Term Debt).

As prescribed by statutes of the State of Washington, the unlimited tax general obligation indebtedness permitted for cities, subject to 60% majority

vote of qualified electors, is limited to 2.5% of assessed valuation for general purposes, 2.5% for open space/park facilities, and 2.5% for utilities. Non-voted (limited tax) general obligation indebtedness is limited to 1½% of assessed valuation. The combination of unlimited tax and limited tax general obligation debt for all purposes cannot exceed 7.5% of assessed valuation.

Current bond ratings are as follows: all Water and Sewer Bonds are Baa1-rated by Moody's, AAA-rated by Moody's/Standard & Poor's (MBIA insured). General Obligation bonds are rated by Moody's at A3 (Police Facility) and A2 (Library). Special Assessment Bonds are non-rated.

Respectfully submitted,

CITY OF ANACORTES

Director of Finance
Wanda Johnson

USER'S GUIDE TO THE BUDGET

The main purpose of this document is to present to the City Council and the public a clear picture of the services the City provides. Another purpose is to provide a financial and operating plan that conforms to the City's accounting system and explains the organizational and reporting structure of the City.

Overall, this budget is presented by departments. Each department may include several funds and fund types and also a portion of the General Fund. The level of detail reported for each fund depends upon the nature of the activity. For example, the General Fund encompasses ten departments with additional detail on non-departmental functions.

The Table of Contents provides an easy way to locate specific information or areas of interest. The City's organizational structure does not match its fund structure. For example, the City's Public Works Director oversees functions in the General Fund, special revenue funds, capital projects funds, enterprise funds and internal services funds. These activities are grouped together under Public Works.

Other sections of this document include:

- Mayor's Budget Message
- Financial Message
- Policies and Procedures
- Summaries of Revenues & Expenditures
- Debt Service Schedules
- Personnel Information
- Revenue Explanations and Detail
- Expenditure Detail by Departments
- Miscellaneous Information About Our City
- Budget Policies and Procedures



*Budget Policies
And
Procedures*

BUDGET PROCESS

The Finance Department is responsible for coordinating the overall preparation of the City's annual operating budget. To do this, the Finance Department issues budget instruction, conducts budget preparation training sessions, and communicates regularly with department staff.

The budget process for the City of Anacortes is a year-round activity. Formal budget planning begins in June with budget preparation for all departments. Budget worksheets, manpower reports, instructions and other materials are provided to the departments at this time.

During June through August, staff in each department is responsible for developing an annual operating budget for their department that meets the general policy direction provided by City Administration. During this time, the Finance Department develops and updates revenue estimates for the coming year. These estimates are further refined and fine-tuned in September.

In August, the Mayor meets with representatives from the Finance and other departments to discuss specific changes to department budgets. In September a balanced preliminary budget is prepared and submitted to the City Council.

In September, public study sessions are held during the time the City Council is deliberating on the preliminary budget proposal. Public comment is taken at the formal public hearing the first part of October. The City Council by a majority of its members, adopts the final Operating Budget by ordinance in November effective January 1. The budget can be amended after it is adopted only by an ordinance of the City Council.

BUDGET RESPONSIBILITY

Department heads have primary responsibility for formulating budget

proposals in line with City Administration priorities and for implementing them once they are approved.

The Finance Department is responsible for coordinating all aspects of the budget process on behalf of the City Administration, analyzing department budget information, preparing budget revenue estimates, assembling the budget document, and overview financial monitoring and reporting once the budget is adopted.

Throughout the year, the Finance Department assists department heads in identifying budget problems, formulating solutions and alternatives, and implementing corrective action approved by the City Administration.

BUDGET GOALS AND POLICIES

Budget goals, objectives, and performance measures are listed under each department in the expenditure section.

DEVELOPING THE OPERATING BUDGET POLICIES

City staff members develop annual operating budget proposals after receiving guidance from the City Administration. The budget determines what services the City will provide, the level of these services, and how funds will be provided to finance them. Recognizing the importance of these decisions, the following statements reflect the principles and priorities the city staff uses in preparing the budget.

REVENUE

General Revenue Policies

A diversified and stable revenue system will be maintained to shelter public services from short-run fluctuations in any one revenue source.

Revenue forecasts shall be conservative, thus minimizing the possibility that economic and political (e.g. voter-passed initiatives) fluctuations could imperil ongoing service programs during the budget year. This policy functions in part as an alternative to the budget practice of providing for a contingency fund for unforeseen events.

Intergovernmental Revenues

All potential grants shall be carefully examined for matching requirements.

One-time Revenues

One-time revenues will be used only for one-time expenditures.

One-time revenues will be used only after examining whether they are subsidizing an imbalance between operating revenues and expenditures, and then only if a long-term forecast shows that the operating deficit will not continue. The City will avoid dependence on temporary revenues to fund mainstream municipal services.

Property Tax Revenues

The City is dependent on the County to maintain a very high tax collection rate (99%), to the extent consistent with the marginal costs of collection.

User Fees

User fees will be imposed to cover the cost of specific services used by select or narrow segments of the community. Fees may be set at levels sufficient to cover the entire cost of service delivery, or the service may be subsidized as determined by Council.

Enterprise Fund Revenue

The City will maintain sewer, water, storm drain, solid waste, and other rate structures which are adequate to insure that these enterprise funds remain firmly and separately self-supporting. Rate structures must support the direct and indirect costs of operations, capital plant maintenance, debt service, depreciation, and moderate system extensions.

EXPENDITURES

General Expenditure Policies

High priority shall be given to expenditures that will reduce future operating costs such as increased utilization of technology and equipment, and more prudent business methods.

Productivity improvement programs should be initiated in all labor-intensive departments.

The City of Anacortes seeks to provide quality service programs. If expenditure reductions are necessary, complete elimination of a specific service is preferable to lower quality programs.

An appropriate balance will be maintained between budget dollars provided for direct services to the public and dollars proved to assure good management and legal compliance.

All department heads should share in the responsibility for looking at the long-term financial viability of the City, developing spending trends, projecting incomes, educating themselves and employees on the disparity between revenues and expenditures.

Department heads are encouraged to help employees better see the "big picture" of City government to increase teamwork.

The City will consider the impact of growth on the fiscal viability of the City and adopt appropriate policies and strategies to deal with this issue.

Before the City undertakes any agreements that would create fixed ongoing costs, the cost implications of such agreements will be fully determined for current and future years.

Organizations that are not part of the City, but which receive non-obligatory funding from the City, shall not have their existing budgetary allocation carried forward from year to year unless expressly authorized and directed by the Administration.

All externally mandated services for which funding is available will be fully costed out to allow for complete reimbursement of expenses.

The estimated direct costs of service will be budgeted in and charged to the fund performing the service. Interfund service fees will be charged to recover these direct costs, and will be recognized as revenue to the providing fund.

Budget procedures that fund current expenditures at the expense of future needs will be avoided.

Personnel

Emphasis should be placed on improving productivity rather than adding to the work force.

Additional personnel should be recommended only after needs have been thoroughly documented and it is substantiated that the new employee is critical to the operation of the City. Additional budgeted personnel will be so substantiated, prior to hiring, for final formal approval by the Mayor and City Council.

All compensation negotiations will focus on total compensation: Direct salary plus employer share of fringe benefits.

Cost analysis of salary increases will include the effect of such increases on employer share of related fringe benefits.

Maintenance and Replacement

The budget process will include a multi-year projection of vehicle replacement requirements (CFP)

The budget will provide sufficient funding for adequate maintenance and orderly replacement of capital plant and equipment.

Future maintenance needs for all new capital facilities will be fully costed out. (CFP).

Land

Whenever feasible, continue the policy of acquiring property in advance of need to provide for future public facilities.

Pensions

The budget will provide for adequate funding of all retirement systems.

Reserves

The City has implemented emergency or contingency reserve funds. The emergency reserves have been designated by City Ordinance at 5% of operating funds, and a specific amount (\$500,000) for the General Fund.

CAPITAL IMPROVEMENTS

The City will maintain a multi-year (6 year) Capital Facilities Plan (CFP) and update it annually. All capital improvements will be made in accordance with the adopted plan. The CFP will be developed in conjunction with the operating budget to insure that all operation and maintenance costs associated with new capital improvements are adequately addressed. The City will maintain all of its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.

AMENDING THE BUDGET

The mayor is authorized to transfer budgeted amounts between programs within any fund, however, any revisions that alter the total expenditures of a fund must be approved by the Council. When Council determines that it is in the best interest of the City to increase or decrease the appropriation for a particular fund, it may do so by ordinance.

BUDGET PRACTICES

The City will annually review all revenue schedules, including taxes, rates, license fees, user fees, and other charges to insure that these revenues collections are kept current.

Revenue projections are prepared for each revenue source based on an analysis of past revenue trends and current fiscal conditions, as well as information about changing economic or commercial activities in the community.

Regular reports comparing actual to budgeted revenues will be prepared by the Finance Director and presented to the Mayor and Council.

Expenditure analysis includes adjustments for inflation, workload increases/decreases, and other effects that will cause changes in expenditures.

The Finance Department and City Administration together create a list of parameters for departments to follow when preparing base budgets. These parameters include items such as allowable growth in O & M, growth of the labor base caused by non-contract increases and benefit costs, and utility rate increases. The Finance Department budgets all non-departmental contributions and projects separately based on the unique requirements of each program. Separate from this process, the departments prepare schedules of new program requests for the coming budget period.

Separate budget requests are presented for each different local service or function. Currently existing services compete directly with new program

requests during the budget evaluation process. Existing services do not receive greater support merely because of their historical standing.

After all base expenditures are calculated, and new programs are summarized, City Administration balances the budget by selecting new programs to add, and selecting current services to discontinue.

GOALS FOR IMPROVING BUDGET POLICY

Position Control

Assist the Administration and Human Resources departments with developing and maintaining centralized position control to assure that salary commitments do not exceed budgeted amounts.

Financial Condition

Complete evaluation of City's Financial Condition.

Budget Document

Continue the refinement and fine-tuning of this budget document format to better inform the citizens of Anacortes and to the many other users as well.

BUDGET CONTROL

The City maintains budgetary controls in accordance with the Revised Code of Washington (RCW 35A.33). All budgets are controlled on a departmental basis. City budgets are legally adopted and controlled on a cash basis.

BUDGETARY ACCOUNTING

According to the Washington State Auditor's Office all general (current expense), special revenue and proprietary (enterprise and internal service) funds must have annual appropriated budgets. Debt service and capital project fund budget requirements are met by the continuing appropriation contained in the enabling ordinance or resolution. These funds do not need annual appropriated budgets, however, the City, to give greater visibility and understanding, does budget these funds. The City also budgets its fiduciary pension trust fund.

BUDGET ACCOUNT CLASSIFICATIONS

Fund Accounting

The City of Anacortes utilizes (for all funds) the Budgeting, Accounting, Reporting System (BARS) for counties and cities in the State of Washington as prescribed by the State Auditor's Office. Emphasis is placed on programs and services of what the City is attempting to accomplish rather than upon objects or individual services to be paid.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The City uses governmental, proprietary and fiduciary funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped as follows:

GOVERNMENTAL FUNDS

Governmental funds are accounted for on a spending measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available expendable resources." Governmental fund operating statements focus on measuring changes in financial position, rather than net income; they present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

General Fund - The General Fund is the general operating fund of the City. It accounts for all financial resources and transactions except those required to be accounted for in another fund. The activities of fire and police service, legal services, general administration, and other general activities are included.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes. The activities of parks & recreation, cemetery, library, streets are included here, but are also combined with the General Fund above and referred to in combination as "General Government". Special Revenue funds also include the tourism and community development funds.

Debt Service Funds - Debt Service Funds account for the accumulation of resources and the payment of general long-term debt principal and interest from governmental resources and special assessment bond principal and

interest from special assessment levies when the government is obligated in some manner for the payment.

Capital Projects Funds - Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). This includes construction activities on the W.T. Preston Interpretive Center, South March Point Road and Tommy Thompson Parkway Trail.

PROPRIETARY FUNDS

Proprietary funds are accounted for on a capital maintenance measurement focus. All assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund operating statements present increase (revenue and gains) and decreases (expenses and losses) in net total assets.

Enterprise Funds - Enterprise Funds account for operations

(a) which are normally financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or

(b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds include the Water Utility, Sewer Utility, Storm Drain Utility, and Solid Waste Utility.

Internal Service Funds - Internal Service funds account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. The only current internal service fund is that of Motor Equipment.

FIDUCIARY FUNDS

Trust Funds - Trust Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Pension Trust funds are accounted for in essentially the same manner as Proprietary Funds since capital maintenance is critical. The Fire Pension Fund is included here.

BUDGET CALENDAR

The City follows the procedures outlined below in establishing its annual budget. These procedures are in accordance with state law time limitations as mandated by RCW 35A.33 (Code cities).

BUDGET PROCESS FOR FY 2005*

June	Requests for Council recommendations for budget policies and priorities before department heads start.
July	Distribution of budget instructions, related forms, and worksheets, and financial information necessary to prepare budgets.
July/August	Departmental submission of new program requests. Preparation of preliminary revenue estimates by Finance. Preparation of preliminary base budget by Finance & Departments. Mayor/staff review new program requests, revenue estimates, base budgets with Finance.
September	Mayor/staff finalize preliminary budget review, revenues are further refined, and recommended budget is prepared. Budget workshops are held with City Council on the recommended budget. The Council makes its adjustments to the proposed budget.
Sept 29/Oct 6	City Clerk publishes notice of filing of preliminary budget and notice of public hearing on final budget for two consecutive weeks.
October 3	Copies of proposed (preliminary) budget made available to the public.
October 18	Public hearings concerning proposed budget ordinance are held. Council sets by ordinance the amount to be raised through property taxes in the ensuing budget year. Final formal Council hearing on proposed budget.
November 1	Council certifies to Board of County Commissioners the current expense budget and levy estimates.
November 1	Mayor's budget message presented at City Council meeting. Adoption of proposed budget.

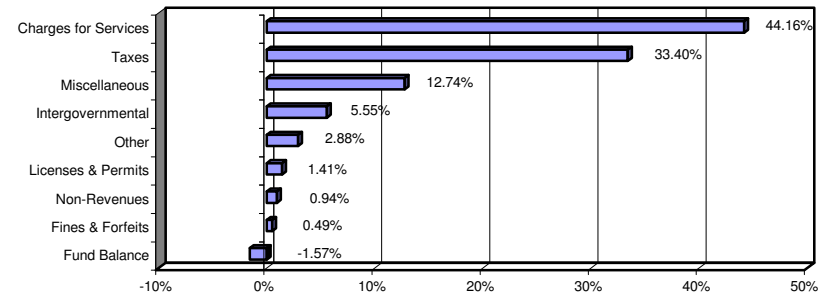
The final budget as adopted is published after adoption, distributed to various agencies, and made available to all interested citizens.

**REVENUE SUMMARY
ALL FUNDS CITY WIDE**

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
GENERAL FUND	10,334,449	9,761,179	9,881,403	9,961,091
SPECIAL REVENUE FUNDS	4,359,723	6,060,907	7,610,905	4,988,037
DEBT SERVICE FUNDS	1,599,585	807,698	1,182,698	805,530
CAPITAL PROJECT FUNDS	427,929	851,120	859,070	223,338
ENTERPRISE FUNDS	20,720,966	12,083,033	16,412,033	12,655,077
INTERNAL SERVICE FUND	1,230,174	1,051,930	1,069,430	1,161,822
FIDUCIARY FUND	135,529	42,975	44,275	45,465
TOTAL ALL FUNDS	38,808,355	30,658,842	37,059,814	29,840,360
General Fund				
Property Taxes	986,541	913,000	913,000	945,000
Sales & Use Taxes	2,705,956	2,640,000	2,640,000	2,694,000
All Other Taxes	2,256,722	2,310,000	2,310,000	2,375,250
Licenses & Permits	343,999	319,800	319,800	421,185
Federal/State Grants	72,487		7,624	
Entitlements/Impact Payments	184,181	177,800	177,800	209,510
Interlocal	12,385	12,500	12,500	
Intergovernmental	450,877			18,600
Service Fees	1,213,444	827,761	827,761	920,798
Fines/Forfeits	157,672	155,000	155,000	142,000
Interest	91,933	25,100	25,100	55,200
Rents/Leases	4,412	3,001	3,001	3,001
Interfund Med Ins Premiums	1,836,065	1,881,520	1,881,520	1,862,479
Interfund Data Processing		273,695	273,695	305,335
Other	17,775			
Transfers				
Total Discretionary	10,334,449	9,539,177	9,546,801	9,952,358
Beginning Fund Balance		222,002	334,602	8,733
Total General Fund	10,334,449	9,761,179	9,881,403	9,961,091
Special Revenue Funds				
Taxes	2,187,243	2,452,302	2,452,302	2,961,044
Licenses & Permits			0	1,000
Federal/State Grants	522,953	967,200	1,839,700	310,052
Entitlements/Impact Payments	311,383	315,050	315,050	325,334
Intergov'tl Grants	70,144	450,000	465,198	505,700
Service Fees	384,867	662,500	706,000	781,010
Fines/Forfeits	4,372	3,000	3,000	3,060
Interest	23,172			9,881
Rents/Leases	330,314	325,100	330,100	262,550
Land Sales				
Other	65,275	10,000	10,000	1,000
Operating Transfers	460,000	620,000	620,000	280,000
Total Discretionary	4,359,723	5,805,152	6,741,350	5,440,631
Beginning Fund Balance		255,755	869,555	(452,594)
Total Special Revenue Funds	4,359,723	6,060,907	7,610,905	4,988,037

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
Debt Service Funds				
Property Taxes	654,634	630,096	630,096	656,540
Other Taxes	406,516	148,190	148,190	
Interest	27,147			4,000
Penalties				
Assessments/interest	11,288			
Operating Transfer	500,000		375,000	
Total Discretionary	1,599,585	778,286	1,153,286	660,540
Beginning Fund Balance		29,412	29,412	144,990
Total Debt Service Funds	1,599,585	807,698	1,182,698	805,530
Capital Projects Funds				
Taxes (REET)	406,514	273,044	273,544	300,000
Intergovernmental		324,375	324,375	
Private Donations	14,645	83,701	83,701	
Interest	6,770			
Transfers				
Other				
Total Discretionary	427,929	681,120	681,620	300,000
Beginning Fund Balance		170,000	177,450	(76,662)
Total Capital Projects Funds	427,929	851,120	859,070	223,338
Enterprise Funds				
Water	8,095,988	5,681,130	8,683,130	6,326,178
Sewer	10,227,333	4,159,346	5,159,346	4,037,567
Storm Drain	508,047	542,246	869,246	518,905
Sanitation	1,889,598	1,700,311	1,700,311	1,772,427
Total Enterprise Funds	20,720,966	12,083,033	16,412,033	12,655,077

REVENUES BY SOURCE - 2005



**SUMMARY OF EXPENDITURES
ALL FUNDS CITY WIDE**

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
GENERAL FUND	10,514,425	9,761,179	9,881,403	9,961,091
SPECIAL REVENUE FUNDS	4,362,164	6,060,907	7,610,905	4,988,037
DEBT SERVICE FUNDS	822,974	807,698	1,182,698	805,530
CAPITAL PROJECTS FUNDS	945,048	851,120	859,070	223,338
ENTERPRISE FUNDS	11,508,193	12,083,033	16,412,033	12,655,077
INTERNAL SERVICE FUND	1,055,151	1,051,930	1,069,430	1,161,822
FIDUCIARY FUND	44,089	42,975	44,275	45,465
TOTAL ALL FUNDS	29,252,044	30,658,842	37,059,814	29,840,360

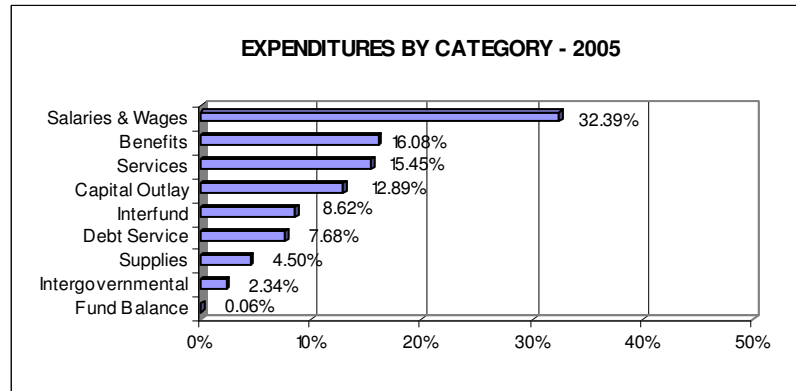
General Fund				
Personnel				
Salaries & Wages	5,077,972	4,447,125	4,447,125	4,672,313
Fringe Benefits	2,737,017	3,012,061	3,081,061	3,287,202
Supplies	267,389	240,000	239,650	202,825
Services	881,831	1,031,663	1,082,887	915,435
Intergovernmental	450,997	256,406	256,406	281,562
Capital Outlays	537,977	81,075	81,425	52,550
Interfund	561,242	492,849	492,849	549,204
Total Discretionary	10,514,425	9,561,179	9,681,403	9,961,091
Reserve Fund Balance		200,000	200,000	
Total General Fund	10,514,425	9,761,179	9,881,403	9,961,091

Special Revenue Funds				
Personnel				
Salaries & Wages	1,232,673	2,073,205	2,083,005	2,106,908
Fringe Benefits	313,325	527,206	528,306	533,412
Supplies	247,384	247,720	261,518	251,935
Services	761,747	523,585	698,885	699,506
Intergovernmental	12,910	11,511	30,511	3,056
Capital Outlays	1,449,478	1,924,500	3,025,500	947,800
Debt Service	484			
Interfund	344,163	299,180	299,180	426,811
Operating Transfers		284,000	659,000	
Total Discretionary	4,362,164	5,890,907	7,585,905	4,969,428
Reserve Fund Balance		170,000	25,000	18,609
Total Special Revenue Funds	4,362,164	6,060,907	7,610,905	4,988,037

EXPENDITURES BY CATEGORY - 2005

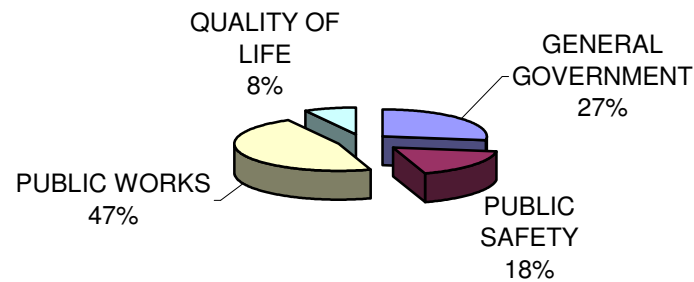
	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
Capital Projects Funds				
Personnel				
Salaries & Wages	3,017			
Fringe Benefits	540			
Supplies				
Services	6,224			
Intergovernmental	66			
Capital Outlays	16,446	408,076	415,526	
Debt Service	23,755	23,044	23,544	23,338
Interfund	395,000			
Other Financing Uses	500,000	420,000	420,000	200,000
Total Capital Projects Funds	945,048	851,120	859,070	223,338

Enterprise Funds				
Personnel				
Salaries & Wages	2,455,694	2,661,140	2,661,140	2,704,590
Fringe Benefits	666,019	829,594	829,594	877,950
Supplies	577,288	652,855	652,855	641,166
Services	4,326,288	2,710,258	3,342,258	2,798,648
Intergovernmental	423,129	403,065	403,065	414,325
Capital Outlays	37,308	1,740,724	5,437,724	2,396,253
Debt Service	1,640,652	1,843,788	1,843,788	1,461,761
Interfund	1,381,815	1,241,609	1,241,609	1,360,384
Total Enterprise Funds	11,508,193	12,083,033	16,412,033	12,655,077



**SUMMARY OF EXPENDITURES
BY DEPARTMENT**

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
GENERAL GOVERNMENT				
Mayor and Council	233,206	238,455	238,105	249,703
City Attorney	403,378	383,532	883,532	387,873
Finance	1,409,730	1,380,686	1,428,686	1,022,769
Human Resources	184,505	172,065	188,565	183,708
Planning/Community Development	683,973	637,216	739,016	624,822
Non-Departmental	5,538,989	5,750,172	6,595,972	5,614,284
PUBLIC SAFETY				
Police	3,071,229	3,058,840	3,058,840	3,131,156
Medic/Fire	2,528,137	2,310,849	2,310,849	2,193,802
PUBLIC WORKS (UTILITIES & TRANSPORTATION)				
Public Works	12,144,767	13,960,294	18,760,144	13,990,026
QUALITY OF LIFE				
Parks/Recreation/Cemetery	1,738,731	1,442,115	1,495,115	1,481,263
Library	720,500	715,093	737,741	746,365
Museum	186,152	609,525	623,249	214,589
	28,843,297	30,658,842	37,059,814	29,840,360



EMERGENCY RESERVE FUND BALANCES - ALL FUNDS
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	Emergency Reserve Fund Balance 1/1/04	Increases	Emergency Reserve Fund Balance 12/31/04
GENERAL/SPECIAL REVENUE			
General Fund	500,000		500,000
Park & Recreation	36,238	3,169	39,407
Cemetery	8,000		8,000
Street	56,228		56,228
Washington Park	25,000		25,000
Tourism	9,500		9,500
Community Development	22,966		22,966
ENTERPRISE FUNDS			
Water	834,332		834,332
Sewer	217,934		217,934
Storm Drain	24,888	2,224	27,112
Sanitation	87,621		87,621
INTERNAL SERVICE			
Equipment Rental	67,193		67,193
FIDUCIARY	<u>3,448</u>		<u>3,448</u>
TOTAL	<u><u>1,893,348</u></u>	<u><u>5,393</u></u>	<u><u>1,898,741</u></u>

The emergency reserves have been designated by City Ordinance at 5% of a funds adopted budget, and a specific amount (\$500,000) for the General Fund.

SCHEDULE OF LONG-TERM DEBT

	<u>PURPOSE</u>	<u>INTEREST RATE</u>	<u>DATE ISSUED</u>	<u>ORIGINAL MATURITY</u>	<u>ORIGINAL ISSUE</u>	<u>BALANCE 12/31/04</u>
GENERAL LONG-TERM DEBT ACCOUNT GROUP						
General Obligation:						
1999 Refunded G.O. Bond (1992 old)	Construction of Fire Halls	3.4 - 4.75%	1999	2012	\$1,490,000	\$960,000
1999 G.O. Bonds (new)	Construction of Public Safety Building	3.5 - 5.1%	1999	2018	2,050,000	1,850,000
2000 G.O. Bonds	Construction of Library Facility	5.375 – 5.8%	2000	2020	6,050,000	5,410,000
Loans Payable:						
Washington St DCD PWTF Loan #3	Anaco Beach Road Improvements	3.0%	1993	2013	351,225	169,489
Washington St DCD PWTF Loan #4	SR-20/R Avenue Intersection	1.0%	1994	2014	48,374	<u>25,460</u>
TOTAL GENERAL LONG-TERM DEBT						<u>\$8,414,949</u>
ENTERPRISE FUNDS						
Revenue & Refunding Bonds:						
1997 Water Revenue Refunding		3.5 -4.45%	1997	2006	1,835,000	\$ 260,000
2003 Sewer Revenue Refunding ('93)	New Sewer Plant	4.0 – 5.0%	2003	2013	6,295,000	5,780,000
2002 Water Revenue	36" Waterline Replacement	2.5 – 4.875	2002	2022	3,065,000	3,065,000
2003 Water Revenue	Betterments & Extensions (AMR)	2.0 – 3.0%	2003	2012	1,500,000	1,285,000
Loans Payable						
Washington St DCD PWTF Loan #1	Storm Sewer Separation	1.0%	1988	2008	106,161	47,183
Washington St DCD PWTF Loan #2	Sewer Replacement	1.0%	1990	2010	134,041	73,113
Washington St DCTED C.E.R.B. Loan	So March Pt Sewer Extension	3.0%	2001	2020	700,000	700,000
TOTAL ENTERPRISE FUND						<u>\$11,210,296</u>

DEBT SERVICE SCHEDULES GENERAL LONG-TERM DEBT
--

1999 G.O. Bonds

	Principal	Interest	Total
2005	\$40,000	\$90,605.00	\$130,605.00
2006	50,000	88,885.00	138,885.00
2007	50,000	86,660.00	136,660.00
2008	55,000	84,410.00	139,410.00
2009	50,000	81,907.50	131,907.50
2010	60,000	79,582.50	139,582.50
2011	55,000	76,792.50	131,792.50
2012	60,000	74,207.50	134,207.50
2013	210,000	71,357.50	281,357.50
2014	220,000	61,172.50	281,172.50
2015	230,000	50,282.50	280,282.50
2016	245,000	38,897.50	283,897.50
2017	255,000	26,647.50	281,647.50
2018	270,000	13,770.00	283,770.00
	<u>\$1,850,000</u>	<u>\$925,177.50</u>	<u>\$2,775,177.50</u>

2000 G.O. Bonds

	Principal	Interest	Total
2005	\$220,000	\$305,935.00	\$525,935.00
2006	230,000	294,110.00	524,110.00
2007	245,000	281,747.50	526,747.50
2008	255,000	268,578.76	523,578.76
2009	270,000	254,872.50	524,872.50
2010	280,000	240,360.00	520,360.00
2011	300,000	225,100.00	525,100.00
2012	315,000	207,850.00	522,850.00
2013	335,000	189,737.50	524,737.50
2014	350,000	170,475.00	520,475.00
2015	375,000	150,350.00	525,350.00
2016	400,000	128,787.50	528,787.50
2017	420,000	105,787.50	525,787.50
2018	445,000	81,847.50	526,847.50
2019	470,000	56,260.00	526,260.00
2020	500,000	29,000.00	529,000.00
	<u>\$5,410,000</u>	<u>\$2,990,798.76</u>	<u>\$8,400,798.76</u>

1999 Refunding G.O. Bond

	Principal	Interest	Total
2005	\$105,000	\$43,990.00	\$148,990.00
2006	105,000	39,475.00	144,475.00
2007	110,000	34,802.50	144,802.50
2008	115,000	29,852.50	144,852.50
2009	125,000	24,620.00	149,620.00
2010	125,000	18,807.50	143,807.50
2011	135,000	12,995.00	147,995.00
2012	140,000	6,650.00	146,650.00
	<u>\$960,000</u>	<u>\$211,192.50</u>	<u>\$1,171,192.50</u>

Washington St DCD PWTF Loan #3

	Principal	Interest	Total
2005	\$18,832.13	\$1,694.89	\$20,527.02
2006	18,832.13	1,506.57	20,338.70
2007	18,832.13	1,318.25	20,150.38
2008	18,832.13	1,129.93	19,962.06
2009	18,832.13	941.61	19,773.74
2010	18,832.13	753.29	19,585.42
2011	18,832.13	564.96	19,397.09
2012	18,832.13	376.64	19,208.77
2013	18,832.13	188.32	19,020.45
	<u>\$169,489.17</u>	<u>\$8,474.46</u>	<u>\$177,963.63</u>

Washington St DCD PWTF Loan #4

	Principal	Interest	Total
2005	\$2,546.01	\$254.60	\$3,309.81
2006	2,546.01	229.14	3,233.43
2007	2,546.01	203.68	3,157.05
2008	2,546.01	178.22	3,080.67
2009	2,546.01	152.76	3,004.29
2010	2,546.01	127.30	2,927.91
2011	2,546.01	101.84	2,851.53
2012	2,546.01	76.38	2,775.15
2013	2,546.01	50.92	2,698.77
2014	2,546.01	25.46	2,622.39
	<u>\$25,460.10</u>	<u>\$1,400.30</u>	<u>\$29,661.00</u>

DEBT SERVICE SCHEDULES ENTERPRISE FUNDS
--

1997 Water Revenue Refunding

	Principal	Interest	Total
2005	260,000	5,785	265,785

2003 Sewer Revenue Refunding ('93)

	Principal	Interest	Total
2005	\$540,000	\$262,550	\$802,550
2006	565,000	240,950	805,950
2007	585,000	218,350	803,350
2008	610,000	194,950	804,950
2009	635,000	167,500	802,500
2010	665,000	138,925	803,925
2011	695,000	109,000	804,000
2012	725,000	74,250	799,250
2013	760,000	38,000	798,000
	<u>\$5,780,000</u>	<u>\$1,444,475</u>	<u>\$7,224,475</u>

Washington St DCD PWTF Loan #1

	Principal	Interest	Total
2005	\$11,795.63	\$471.83	\$12,267.46
2006	11,795.63	353.87	12,149.50
2007	11,795.63	235.91	12,031.54
2008	11,795.63	117.96	11,913.59
	<u>\$47,182.52</u>	<u>\$1,179.57</u>	<u>\$48,362.09</u>

Washington St DCD PWTF Loan #2

	Principal	Interest	Total
2005	\$12,185.53	\$2,193.39	\$14,378.92
2006	12,185.53	1,827.83	14,013.36
2007	12,185.53	1,462.26	13,647.79
2008	12,185.53	1,096.70	13,282.23
2009	12,185.53	731.13	12,916.66
2010	12,185.53	365.57	12,551.10
	<u>\$73,113.18</u>	<u>\$7,676.88</u>	<u>\$80,790.06</u>

2002 Water Revenue Bonds

	Principal	Interest	Total
2005		\$127,861.26	\$127,861.26
2006	\$135,000	127,861.26	262,861.26
2007	135,000	124,486.26	259,486.26
2008	140,000	120,436.26	260,436.26
2009	145,000	115,536.26	260,536.26
2010	150,000	110,461.26	260,461.26
2011	155,000	104,461.26	259,461.26
2012	160,000	98,261.26	258,261.26
2013	170,000	91,861.26	261,861.26
2014	175,000	85,061.26	260,061.26
2015	180,000	77,973.76	257,973.76
2016	190,000	70,323.76	260,323.76
2017	200,000	62,011.26	262,011.26
2018	205,000	53,211.26	258,211.26
2019	215,000	43,986.26	258,986.26
2020	225,000	34,042.50	259,042.50
2021	235,000	23,467.50	258,467.50
2022	250,000	12,187.50	262,187.50
	<u>\$3,065,000</u>	<u>\$1,483,491.40</u>	<u>\$4,548,491.40</u>

2003 Water Revenue

	Principal	Interest	Total
2005	\$150,000	\$33,187.50	\$183,187.50
2006	150,000	30,187.50	180,187.50
2007	155,000	27,187.50	182,187.50
2008	160,000	23,700.00	183,700.00
2009	160,000	19,700.00	179,700.00
2010	165,000	15,300.00	180,300.00
2011	170,000	10,350.00	180,350.00
2012	175,000	5,250.00	180,250.00
	<u>\$1,285,000</u>	<u>\$164,862.50</u>	<u>\$1,449,862.50</u>

DEBT SERVICE SCHEDULES ENTERPRISE FUNDS (cont.)
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Washington St. DCETD C.E.R.B. Loan

	Principal	Interest	Total
2005		\$84,000	\$84,000
2006	\$34,727.59	21,000	55,727.59
2007	35,769.42	19,958.17	55,727.59
2008	36,842.50	18,885.09	55,727.59
2009	37,947.78	17,779.81	55,727.59
2010	39,086.21	16,641.38	55,727.59
2011	40,258.79	15,468.80	55,727.59
2012	41,466.56	14,261.03	55,727.59
2013	42,710.56	13,017.03	55,727.59
2014	43,991.87	11,735.72	55,727.59
2015	45,311.63	10,415.96	55,727.59
2016	46,670.98	9,056.61	55,727.59
2017	48,071.11	7,656.48	55,727.59
2018	49,513.24	6,214.35	55,727.59
2019	50,998.64	4,728.95	55,727.59
2020	52,528.60	3,198.99	55,727.59
2021	54,104.45	1,623.14	55,727.59
	<u>\$699,999.93</u>	<u>\$275,641.51</u>	<u>\$975,641.44</u>

Position Counts Ten-Year Full Time Equivalents*
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	1996	1997	1998	1999	2000	2001	2002	2003	2004	2004 revised	2005
Public Works	59.00	59.00	64.02	65.14	67.76	64.78	65.87	69.27	65.13	65.13	65.63
Police	33.00	32.00	32.00	29.00	31.00	32.00	32.00	32.00	33.00	32.00	32.00
Fire	14.38	14.88	18.88	23.78	21.32	21.01	21.00	21.00	21.00	20.00	21.00
Parks/Recreation/Cemetery	15.69	16.66	20.41	21.74	24.91	18.06	19.18	18.04	18.04	18.04	18.04
Finance	9.50	9.50	10.30	11.33	12.00	11.00	12.00	12.00	12.00	13.00	13.00
Library	11.70	11.70	13.20	14.27	14.47	11.79	10.82	13.29	13.29	13.29	13.29
Mayor/Council	8.50	8.50	8.50	8.50	8.50	8.40	8.46	8.46	8.44	8.44	8.44
Planning	7.00	7.00	7.34	7.50	7.50	7.00	7.10	7.10	6.90	6.74	6.74
Legal/Judicial	4.32	4.32	4.50	4.50	3.25	3.30	3.70	3.48	4.09	3.81	3.81
Museum	4.30	4.80	4.75	5.95	5.55	4.10	4.60	4.27	4.27	4.27	4.75
Human Resources	1.00	1.00	1.00	1.00	1.60	1.53	1.60	1.80	1.80	1.80	1.80
Total	168.39	169.36	184.90	192.71	197.86	182.97	186.33	190.71	187.96	186.52	188.50

*Full time equivalents includes: Regular full-time and part-time and Temporary/Project full-time and part-time.

SALARY STRUCTURE

Non-Union, Including Management	2005 Salary Range	
Administrative Assistant – Public Safety	3,062	3,445
Administrative Support – Library	2,417	2,720
Assistant City Engineer	5,211	5,866
Assistant Finance Director	5,211	5,866
Assistant Fire Chief	5,367	6,041
Building Official	4,364	4,913
City Attorney/Planning Director	7,384	8,311
Council Members	800	
Court Administrator	3,549	3,994
Executive Secretary	3,247	3,655
Facilities Manager	3,655	4,114
Finance Director	6,225	7,007
Fire Chief	5,935	6,679
Human Resource Director	5,045	5,683
Human Resource Generalist	3,062	3,445
Information Systems Assistant	3,247	3,655
Information Systems Technician	4,364	4,913
Legal Secretary	3,062	3,445
Librarian	3,655	4,114
Library Assistant	1,908	2,147
Library Associate Senior	2,720	3,062
Library Director	4,668	5,253
Library Pages	minimum wage	

Non-Union, Including Management	2004 Salary Range	
Mayor	5,294	6,880
Mechanic Foreman	4,237	4,769
Museum Aides	minimum wage	
Museum Curator	1,908	2,147
Museum Director	3,140	3,534
Museum Registrar	1,908	2,147
Office Manager	3,655	4,114
Park Operations/Forestlands/ WA Park Mgr	3,655	4,114
Parks & Recreation Director	4,982	5,607
Physical Assets Accountant	3,655	4,114
Police Captain	5,211	5,866
Police Chief	6,315	7,077
Public Services Manager	4,769	5,368
Public Works Director	6,655	7,791
Recreation Manager	3,655	4,114
Senior Accountant	4,364	4,913
Special Project Engineer	4,769	5,368
Street/Sewer Foreman	4,237	4,769
Water Maintenance Foreman	4,237	4,769
WTP & WWTP Foreman	4,237	4,769
WWTP Lab Technician	4,237	4,769
WTP & WWTP Manager	4,769	5,368

In 2003 all position salaries except for Directors were established within a range. Director salaries are at the discretion of the Mayor and indicated here in an assumed range.

IAFF Local 1537	2005 Ranges	
Firefighter/Paramedic	4,540	5,173
Lieutenant	5,313	5,758

Police Services Guild	2003 Ranges	
Clerk	2,519	2,992
Sr. Clerk	2,566	3,047
Records Support	2,690	3,194
Animal Control	3,009	3,574
Records Supervisor	3,354	3,698
Police Officer	3,620	4,533
Police Sergeant	4,920	5,166

Teamster	2004 Ranges	
Accounting Clerk I	2,615	2,943
Accounting Clerk II	3,058	3,441
Administrative Assistant	3,132	3,526
Building Inspector	3,563	4,010
Building Plans Examiner	3,999	4,500
Court Clerk	2,692	3,029
Custodian	2,493	2,805
Department Secretary I	2,505	2,820
Department Secretary II	2,916	3,283
Engineering Technician I	3,123	3,515
Engineering Technician II	3,306	3,721
Engineering Technician III	3,824	4,305
Engineering Technician IV	4,104	4,621
GIS Coordinator	3,824	4,305
Land Use Permit Manager	3,386	3,811
Mechanic - Equipment	3,467	3,903
Park Maint Worker	3,386	3,811

Teamster	2004 Ranges	
Park Maint Worker - Lead	3,556	4,002
Park Maint Worker - Foreperson	3,892	4,381
Permit Technician II	3,280	3,692
Recreation Coordinator	3,321	3,737
Sanitation Worker	3,386	3,811
Sanitation Worker - Lead	3,556	4,002
Street/Sewer Worker	3,386	3,811
Street/Sewer Worker - Lead	3,556	4,002
Water Maint Worker	3,386	3,811
Water Maint Worker - Lead	3,556	4,002
Water Utility Services Worker	3,386	3,811
Water Utility Services - Foreperson	3,874	4,359
WTPO – WWTPPO - I	3,163	3,561
WTPO – WWTPPO - II	3,457	3,891
WTPO – WWTPPO - III	3,778	4,252

All wages are quoted as monthly salaries.

Anacortes is a non-charter code city, operating under Section 35A of the Revised Code of Washington. It has a Mayor/Council form of government. The Mayor and seven member City Council are elected for staggered four-year terms and are elected both at-large (4) and by district (3). Members of the City Council are responsible for establishing the general direction and policies for the City and for providing the resources necessary to carry out these policies.

Revenues

REVENUES

GOVERNMENTAL FUNDS

1. Fund Balances

Technically, a fund balance is the difference between assets and liabilities of a governmental fund. However, for budgetary purposes, the City defines balances as equivalent to "Cash on Hand at the Beginning of a Year". Fund balances therefore are estimated amounts of cash needed to carry over to balance a fund's budget where estimated expenditures exceed estimated revenues

2. Taxes

A. Property Tax

The County Treasurer acts as agent to collect property (real and personal) taxes levied in the County for all taxing authorities. The City may levy up to \$3.375* per \$1,000 of assessed valuation (A.V.) for general governmental services (RCW 84.52.043), subject to two limitations:

- 1) Initiative 747 went into effect in December 2001 limiting property tax regular levy increases to 1%, unless a city chooses to submit a voter-approved levy lid lift.
- 2) The Washington State Constitution limits the total regular property taxes to 1% of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1% limit.

Voters may approve excess property tax levies over the constitutional and statutory limits for a number of years to pay off general obligation bonds (debt) for construction, or a single year levy (two years for school districts) for general operating purposes (e.g. library bldg. improvements in 1985). The constitution requires 40% of voter turnout in the previous general election and a 60% favorable majority vote (RCW 41 & 84).

Levy Lid Lift

Cities that are levying property taxes at a rate lower than the statutory maximum (\$3.375) can ask the voters to lift the levy lid by more than 6%. A simple majority vote is required. (RCW 84.55.050) The purpose for which the money will be used does not need to be specified.

Even cities that are currently levying their statutory maximum rate can ask the voters to raise their rate for one year (RCW 84.52.052). Referred to as an O & M (operations and maintenance) levy. The proposition must be approved by 60% of those voting and the total number of voters must be at least 40% of those voting in the most recent general election. As with the levy lid lift, the purpose for which the money will be used does not need to be specified.

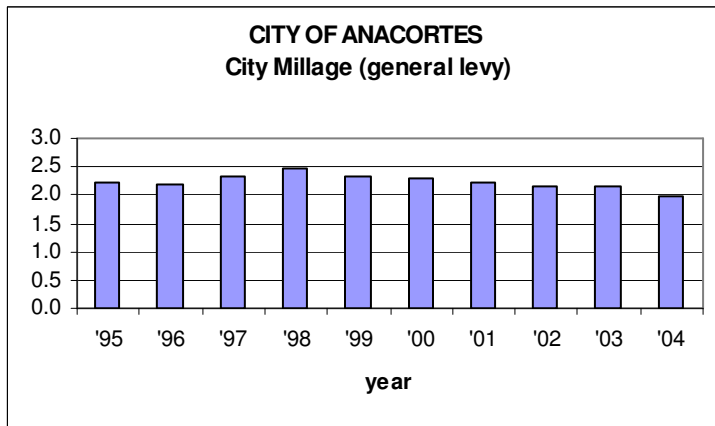
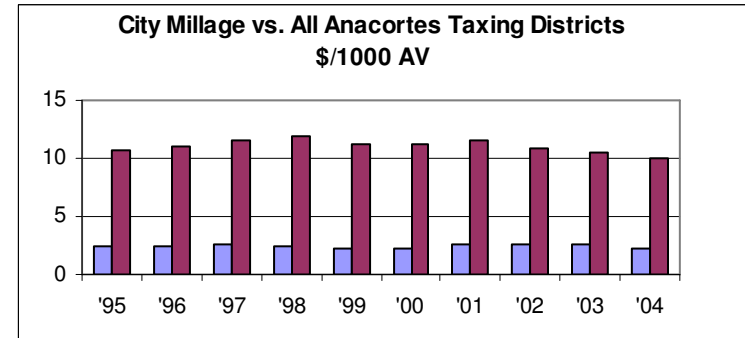
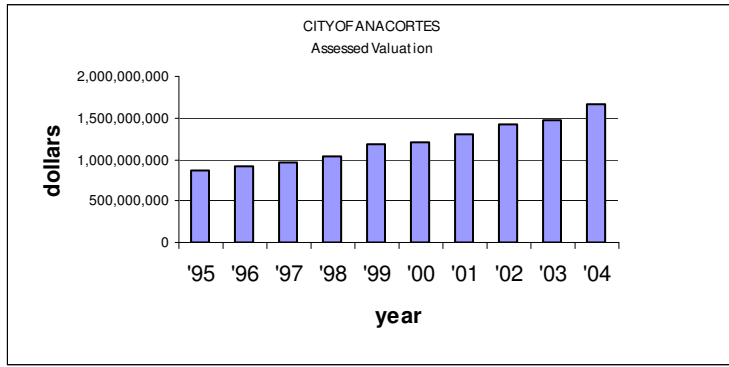
Property taxes are due on April 30 and October 31. This means that the bulk of property tax revenue is received in May, June, November and December. The County Treasurer collects all property taxes and transmits the City's portion on the 10th day of the month, on the balances it has held until that time.

* The City, having a Firemen's Pension Fund, is allowed an additional \$0.225/\$1,000 A.V., (RCW 41.16.060), which the City has not yet chosen to use. See page 31.

Property Tax Levy Rates

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<u>Assessed Value</u>	\$874,973,309	\$927,343,777	\$961,331,925	\$1,027,802,608	\$1,175,198,254	\$1,216,416,039	\$1,310,040,109	\$1,412,486,984	\$1,467,464,751	\$1,661,054,153
<u>City Millage (General Levy)</u>	2.2367	2.1948	2.333	2.4542	2.3140	2.2975	2.6490	2.1582	2.1456	1.961

The following two charts show for a ten-year period (1995-2004) the City's assessed valuation growth and the City's basic levy rate decreases relative thereto



The following chart shows a ten-year comparison of the City's tax levy relative to all other entities making up the total tax levy for the citizens of Anacortes, including the City. These other entities are: State School, County, Pool, Port and Hospital. Schools represent approximately 55% of the total taxes.

B. Retail Sales and Use Tax

Effective October 1, 2003, sales tax (RCW 82.14.030) in Anacortes is 7.9%. Of this, 6.5% goes to the State, 1.0% to the City and 0.4% to the County. Of the 1.0%, 0.15% goes to the County, and an approximate .01% administrative charge is kept by the State, so the City actually receives a net of .840%. Of the 0.4%, 0.1% is distributed by the County to cities in the county and is to be used strictly for criminal justice purposes, 0.2% is for the Skagit County Public Transportation Benefit Area Authority (PTBA) and 0.1% is to provide funds for costs associated with emergency communication and facilities. (RCW 82.14.340).

The tax is imposed on all retail sales of personal property except retail for food products consumed off premises and prescription drugs (there are other minor exemptions).

On purchases made out-of-state by Washington residents, the sales tax has to be paid when the item(s) are put to use in Washington. It is then called a "use tax" because the item is purchased out of the State but is "used" in Washington. If the other State charges a sales tax but is less

than the Washington tax, then the Washington resident must pay the difference (e.g. if Idaho charges 5.0% sales tax on an automobile, then the Anacortes resident would have to pay an additional 2.9% use tax.)

The State Department of Revenue distributes the monies collected monthly, along with accrued interest (RCW 82.14.050).

C. Lodging Excise Taxes (Referred to as Hotel-Motel Tax)

In 1997, SSB 5847 (Chapter 452, Laws of 1997, RCW 67.28) authorized cities a 4% hotel-motel tax rate. This includes the original 2% tax taken as a credit against the 6.5% state sales tax (not an additional tax.) The 1997 state legislature allowed an additional 2% lodging tax, which the City has adopted.

Permitted uses for tax revenues are tourist promotion and for acquisition/maintenance of tourism-related facilities.

D. Utility Taxes

The City imposes a utility tax on the gross operating revenues that private and public utilities earn from operations within City boundaries (RCW 35A.82.020).

Taxes are levied as follows:

	<u>Tax Rate</u>	
(private) Electric	6%	
(private) Gas	6%	
(private) Telephone	6%	
(private) Cable TV	7%	
(public) Water	7%	
(public) Sewer	7%	
(public) Stormwater	7%	
(public) Garbage	3.4%	(State also imposes 3.6%)

The revenues go to the General Fund.

Legislation passed in 1982 limits the tax rate on electric, gas, and telephone utilities to 6%. There are no restrictions on the tax rates for water, sewer, stormwater, and solid waste. The rate on cable TV is governed by the 1992 FCC "Cable TV Consumer Protection & Competition Act" authorizing cities (as the local franchising authority) rate regulation powers over "basic cable service".

A city may ask the voters to approve a rate higher than 6% on electric, gas, and telephone, which has been done by a few cities mainly for

public safety purposes (RCW 35.21.870).

Franchise fees are charges levied on private utilities for the right to use city streets, alleys and other public properties. Since 1982, however, the charges on electric, natural gas and telephone utilities are limited to the actual administrative expenses incurred by the city or town directly related to receiving and approving a permit, license or franchise; reviewing plans and monitoring construction; and preparing a detailed SEPA document (RCW 35.21.860).

Cable TV franchise fees are governed by federal rather than state law and may be levied at a rate of five percent of gross revenues, regardless of the costs of managing the franchise process.

E. Leasehold Excise Tax

Any permanent occupancy of publicly-owned premises for private use for 30 days or more is subject to a 12.84% leasehold tax (RCW 82.29A.020/.040). The tax exists as a substitute for regular property taxes to compensate cities and counties for services provided, such as police and fire protection. (There are a number of property exclusions from the tax).

The various public entities owning property in the city that lease land (City, Port, Hospital, School District, State, etc.) have to charge 12.84% against the "fair market rent" of the property and send the money to the Department of Revenue. Of the total dollars received by the Department from all the public entities leasing land in the city, the Department keeps half (6.84%, includes administration fee). Of the remaining 6%, 2% is distributed bimonthly by the State Treasurer to the County and 4% to the City (RCW 82.29A.090). Hence, the city receives approximately one-third of all leasehold tax monies collected by all public entities leasing property in the city, meaning that it receives five to six times more tax money than it collects from its own leased properties.

F. Real Estate Excise Taxes

The real estate excise tax (REET) is levied on all sales of real estate (full selling price). The State levies a 1.28% tax. Additionally, a locally imposed tax is authorized. The local tax takes two forms:

- 1) 1st 1/4% REET (RCW 82.46.010). Cities of 5,000 or more population and planning under the GMA (Growth Management Act) must spend tax receipts solely on capital projects listed in the CFP (Capital Facilities Plan) element of their Comprehensive

Plan. Since 1986, the REET was used to defray capital expenditures in the Sewer Fund. In 1992, the tax was transferred to defray annual debt service costs on the two new fire stations constructed under a 20-year \$1.7 million councilmanic G.O. bond issue. In 2004 the Community Development fund made a transfer to Fund 292 to insure adequate bond payoff dollars and the REET monies began being reported in the Arterial Street Fund.

- 2) The 2nd 1/4% REET (RCW 82.46.035). All cities planning under the GMA (regardless of population size) were given the option of levying a second quarter percent to help defray the costs of implementing the Growth Management Act. The City will use approximately one-fourth of these monies to defray annual debt service costs on a 20-year State Public Works Trust Fund Loan for Anaco Beach Road renovation (\$282,829) and 'R' Avenue/Highway 20 intersection (\$45,828).

Note: To clarify a complication that keeps cropping up. Cities can levy an additional 1/2% real estate excise tax in addition to the 1/2% (1/4% + 1/4%) described above (RCW 82.46.010). But that is available only for a city not levying the optional 1/2% sales tax. This is mainly to help border towns who do not feel they are able to levy the optional sales tax. Since Anacortes does levy the optional sales tax, it is not eligible for the additional 1/2% REET. The City is better off with the 1/2% sales tax option since it brings in far more revenue than the 1/2% real estate excise tax option would.

3. Licenses and Permits

A. Regulatory License Fees

The City levies an annual Business License flat fee categorized as follows:

- 1) \$95 - taverns/restaurants serving liquor,
- grocery/supermarkets over 3,000 square feet,
- mfg. - employing 50 or more people.
- 2) \$50- financial institutions and
- professional businesses (law, medicine,
accounting, engineering, etc.).
- 3) \$20 - all other businesses.

- 4) \$5 - taxi drivers.

The purpose of such fees is to register all businesses to provide the City with a record of the owners in the event a citizen or a City department has a problem with a business. The amounts are designed to recover the costs of registering the firms and issuing the licenses, maintaining the files, inspecting businesses for licenses, and investigation backgrounds (such as taxi drivers, pawnbrokers, etc.).

B. Permits

Permits are issued to aid in various regulatory areas, including:

- 1) Building permits (fee schedules according to building valuations).
- 2) Animal permits (dog licenses-\$2 if spayed/neutered or over 12 years old, \$10 otherwise).
- 3) Concealed weapons [new applications - \$23, (city retains \$15), renewals - \$15 (city retains \$8)].
- 4) Environmental and engineering permits (based on detailed fee schedules).

4. Intergovernmental Revenues

A. State Shared Revenues:

State shared revenues differ from state-collected revenues, which are levied by the local government itself but collected and distributed by the state (e.g. local sales taxes). State shared revenues differ from state entitlements and impact payments by the nature of the distribution (distribution formula).

B. State Entitlements, Impact Payments, & In-Lieu Taxes:

1) Criminal Justice Revenues

The 1993 legislature (SB 5521) allowed any county to levy an additional 0.1% Local-Option Countywide Sales Tax (non-voter approved). Skagit County implemented the tax effective 1/1/94. All funds collected from incorporated and unincorporated areas are distributed as follows:

- County - 10%
- County and cities based on population - 90%

- cities - incorporated population
- counties - unincorporated population

2) Liquor Taxes/Profits

Since cities are responsible for the policing of liquor establishments located within their limits, but are precluded from taxing them because of the state liquor monopoly, the law provides that a share of the state-collected profits and taxes be returned to cities to help defray the costs of policing liquor establishments.

To be eligible to receive liquor taxes and profits, a city must devote at least two percent of its distribution to support an approved alcoholism or drug addiction program (RCW 70.96A.087).

a) Liquor Excise Tax

Of the liquor taxes received by the state, a quarterly distribution is made to the cities & counties. Of spirituous liquors 28% (32% of wine) goes to the cities on a per capita (population) basis (RCW 82.08.160/.170).

b) Liquor Board Profits

Liquor Board profits consist of the difference between liquor revenue (liquor stores, taxes on wine & beer, license fees, permit fees, penalties & forfeitures) and Board expenditures. Cities get a 40% share distributed quarterly on a per capita basis. (RCW 66.08.190). 10% goes to the counties and 50% to the state General Fund.

4) Motor Vehicle Fuel Excise Tax (gas tax)

Because the federal & state governments have preempted the taxation of gasoline; the state has provided that the state-collected gasoline tax be shared with cities. Distribution is based on population.

Cities receive 6.92% to be deposited in a street fund to be used for street "maintenance" (RCW 46.68.100/.110/.070).

Cities also receive 4.61% to be deposited in an arterial street fund for the construction, improvement, and major repair of

arterial streets & highways (RCW 46.68.100/.115). Expenditures of these funds may be made only on projects listed in the city's 6-year Transportation Improvement Plan approved by the Dept. of Transportation.

Cities with population less than 15,000 may combine the two funds & use all the gas tax money for maintenance if desired (RCW 46.68.115). Anacortes does not combine the two funds. Note: There is a requirement that cities spend at least 1/2% of all gas tax receipts on paths & trails within 10 years of receipt (RCW 47.30.050).

C. Intergovernmental Revenues

1) Emergency Medical Services

This is an additional property tax of \$0.50 per \$1,000 assessed valuation maximum allowance to support emergency medical services (RCW 84.52.069). The levy requires passage under the 60/40 voting rule. This is a county levy and it is at \$.25/\$1,000 A.V. It is also subject to the annual 1% property tax limit rule.

2) Grants

Some grant examples are:

a) Grants - (State)

IAC (Interagency Committee for Outdoor Recreation) Grant - This is a grant program administered by the State Interagency Committee for Outdoor Recreation. Applications for funding for particular park or other outdoor recreation projects must be submitted to the Committee for approval. Grant agreements require that 25% of eligible project expenses be paid from local matching funds.

TIB (Transportation Improvement Board) - These are grants provided from State motor vehicle fuel tax for approved arterial street improvement projects. The program is administered by the Urban Arterial Trust Board, an independent State board that reviews and approves applications made for funding for specific improvement projects. TIB agreements require the grant recipient to provide 10% matching funds for amounts awarded under the program.

b) Grants - (Federal)

FAUS (Federal Aid to Urban Systems) - This is a federal grant program administered by the Puget Sound Council of Governments. Funds are made available to counties, through an allocation of federal fuel tax, to finance approved arterial street capacity improvement projects. Matching funds of 16.85% must be contributed by the requesting jurisdiction.

FAM (Federal Aid to Municipalities) - These funds, when available, can be used for designated federal aid routes in accord with federal construction guidelines.

c) Grants - (County)

e.g. grants to the Library since 1989, allowing sharing of county sales tax monies to provide library services for county residents.

5. Charges for Services

A. Professional/Impact/other

Fees and charges for professional and other services rendered. This category includes numerous charges such as sales of maps, photocopying services, ambulance services, various land-use planning fees, cemetery services, library services, museum fees, park/recreation services.

Development Impact Fees. These fees are assessed to developers to provide a portion of the funding for reasonable and necessary improvements to mitigate the cumulative impacts of growth and development in the Comprehensive Plan area. The estimated revenues to be derived from these fees are calculated based on expectations of development in the City and a fee calculation and collection process delineated in the Ordinances that implemented the fees (Ord. 2277 6/7/93 and Ord. 2295 9/20/93).

Sprinkled throughout the RCW's is authority for cities to levy fees and charges to cover the cost of providing services or programs and regulatory activities. The guiding principle for all these fees and charges is that they may be set at a level that recovers all the direct and indirect costs associated with the activity, including administrative overhead. If fees more than recover, however, they then become more like taxes, and cities need specific statutory authority to levy taxes.

B. Interfund Charges for Services

These are charges against the utility funds (water, sewer, storm drain, solid waste) for services rendered by the various administrative departments (finance, engineering, executive, personnel, planning, legal, etc.). Reimbursement is allocated to the General Fund.

6. Fines & Forfeits

This category includes municipal court fines & forfeits, park damage restitution's, library lost book fines, and late payment penalties.

Traffic and Parking Fines. Although the State Supreme Court establishes the schedule of fines for traffic infractions, cities share in the revenue for infractions committed within their boundaries. After the municipal court collects the fines, 35 percent is sent to the state. The remainder is kept by the city and placed in the general fund (RCW 3.50.100 & 3.62.040).

A city has complete control over setting fines for violation of its parking ordinances. It may also charge a penalty of up to \$25 for failure to pay the parking ticket fine in the time prescribed by law.

7. Miscellaneous Revenues

This category includes interest earnings on investments, rentals & leases, private contributions & donations, judgments & settlements, refunds and a whole host of small dollar-value receipts.

8. Non-Revenues

This category includes mainly monies received from issuance of debt (G.O./revenue bonds, loans, short-term notes, interfund loans or equity transfers, etc.)

9. Other Financing Sources

Includes mainly various interfund transfers, and land sales, and sales of surplus city assets.

PROPRIETARY FUNDS

1. Enterprise (Utility) Funds

The City accounts for four utility funds: Water, Sewer, Storm Drainage, and

Solid Waste. These funds are financed mainly from service charges, i.e. rates charged to customers of the utilities. Current basic residential rate structures inside city limits are as follows (excluding utility taxes):

A. Water

\$4.00 monthly meter charge plus \$.96/100 CF for a 5/8" x 3/4" residential meter and \$1.45/100 CF for commercial consumption charges.

Hence, a monthly usage of 1,000 CF yields a total bill of \$13.60 for residential customers

The latest 3-year rate study (2001-2004) maintained rates at the same level.

B. Sewer

Basic monthly meter charge of \$25.80 plus a commodity charge of \$1.85/100 cf "capped" based on average winter water use levels. There is no cap for commercial accounts.

Hence, a monthly usage of 1,000 CF yields a total bill of \$44.30.

C. Storm Drainage

The monthly rate is \$3.00 for each single family parcel.

Other parcels are charged an equivalency rate based on amount of impervious surface.

D. Solid Waste

Rate schedule based on can size and number of cans for weekly pickup:

Mini can (20 gal. max.)	\$7.00	
1 Can (32 gal.)	13.00	
2 Cans (32 gal.)	23.00	
3 Cans (32 gal.)	33.00	
Prepaid Refuse Collection Bags (32 gal.)	2.50	each
Recycling	3.00	wkly
Recycling	2.50	per multi-family unit

E. Hookup charges (residential):

- Water hookup charge is \$2,335.
- Sewer hookup charge is \$4,080.

2. Internal Service Funds

Internal Service Funds are used to account for the financing of services provided by other departments or agencies of the City on a cost-reimbursement basis. The fund in this category is the Equipment Rental fund (city garage). Note: City Medical Benefits (employee medical/dental/vision provision); and Data Processing Services (city-wide computer acquisition/replacement/maintenance) used to be separate funds but are now included in the General Fund and receive reimbursement there.

FIDUCIARY FUNDS

(Pension Trust)

Intergovernmental Revenues - State Entitlement

Fire Insurance Premium Tax. The state collects a 2% tax on the premiums of all insurance policies written. 45% of the tax collected on fire and fire component policies are distributed to cities and fire districts having firemen's pension funds existent prior to March 1, 1970 (LEOFF System 1) (RCW 41.16.050). The amount remitted is determined by the number of full-time paid firemen in the city proportionate to the statewide total. The annual remittance is placed in the city's Firemen's Pension Fund.

*The City, having a Firemen's Pension Fund, is allowed an additional property tax \$.225/\$1,000 A.V., (RCW 41.16.060), which the City has not yet chosen to use because of the declining number of retired firefighters receiving a pension or partial pension. In 2003 there was one retired firefighter and one widow receiving a full pension as allowed and two retired firefighters receiving a small portion based on the difference of what the State retirement system pays and the prevailing wage of the current IAFF contract with the City. There will be no further retirees which the City will be required to supplement their pensions.

**REVENUE DETAIL
GENERAL FUND – DISCRETIONARY**

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE		196,502	334,602	8,733
TAXES				
Property Taxes	986,541	913,000	913,000	945,000
Retail Sales & Use Taxes	2,447,617	2,400,000	2,400,000	2,450,000
Sales Tax - Criminal Justice	258,339	240,000	240,000	244,000
Business (Utility) Taxes	0			0
Electricity	423,819	430,000	430,000	438,600
Natural Gas	332,487	350,000	350,000	357,000
Cablevision	188,144	200,000	200,000	204,000
Telephone Companies	470,079	500,000	500,000	510,000
Water/Sewer/Garbage	639,131	700,000	700,000	669,925
City Gar Tax 3.4%	64,109			63,125
Other (Leasehold) Taxes	138,953	130,000	130,000	132,600
Sub-Total Taxes	5,949,219	5,863,000	5,863,000	6,014,250
LICENSES AND PERMITS				
Business Licenses and Penalties	36,765	35,000	35,000	32,000
Building Permits	293,679	275,000	275,000	380,000
Misc. Permits (Dog, gun, bicycle)	13,555	9,800	9,800	9,185
Sub-Total Licenses & Permits	343,999	319,800	319,800	421,185
INTERGOVERNMENTAL				
<u>Federal Grants</u>				
US Justice Grants	16,250			
FEMA Assistance to Firefighters	30,321			
<u>State Grants</u>				
WS Traffic Safety Comm Grant	806			
WS DCTED GMA Grant	13,635			
WS DCTED GMA Fidalgo Bay Grant	7,875			
WS DOH Prehospital Needs Grant	2,400			
WSP Fire Protection Bureau Grant	1,200			
DTED Office of Archaeology Grant			7,624	
<u>State Entitlements, Impact Payments</u>				
Vessel Registration Fees	20,434	19,000	19,000	19,000
Camper Excise Tax				
<u>State Distributed Excise Taxes</u>				
Criminal Justice Funds	16,566	15,800	15,800	17,246
Liquor Excise Tax	53,382	53,000	53,000	60,333
Liquor Board Profits	93,799	90,000	90,000	112,931
<u>Interlocal in Lieu of Taxes</u>				
Anacortes Housing Authority	3,308	3,500	3,500	3,500
Samish Indian Nation				6,100
Skagit PUD	9,077	9,000	9,000	9,000
<u>Intergovernmental</u>				
Wildland Mobilization Reimburse	556			
Skagit EMSC Medic 1	450,877			
Sub-Total Intergovernmental	720,486	190,300	197,924	228,110

A fund used to account for all non-restricted revenue with the exception of criminal justice monies.

SIGNIFICANT CHANGES

REVENUE DETAIL
GENERAL FUND - DISCRETIONARY (continued)

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
CHARGES FOR SERVICES				
<u>General Government</u>				
Map & Publications Sale	668	800	800	825
Accounting Svc/Collection Fee	768			
Photocopying	655	1,500	1,500	1,500
Encroachment Agmt Fees	2,050	1,000	1,000	1,000
Public Defender Fees	4,875	2,000	2,000	
<u>Public Safety</u>				
Accident/Incident Reports,	887	800	800	800
Fingerprint Cards/ Miscellaneous	145	250	250	250
Public Defender Fees				2,100
Ambulance Fees – Island Hospital	331,330			
EMS Contribution – Swin Casino	3,523			
<u>Utilities & Environment</u>				
Latecomer Agreement Fee	6,250			
Other Engineering Svcs	10,027			6,000
Animal Board/Distrainer/Disposal	4,203	3,500	3,500	3,500
<u>Transportation</u>				
Street/Utility Application Fees				
Parking Variance Applic. Fees				
<u>Economic Environment</u>				
Variance Fees	1,800	1,600	1,600	1,600
SEPA Review Fees	4,000	2,000	2,000	2,000
Misc. Application Fees	18,675	12,325	12,325	8,310
Planning Fees	55,490	21,000	21,000	100,000
Mobile Home/Real Prop Conv	150	75	75	75
<u>Culture & Recreation</u>				
Community Center Fees	375			500
Fidalgo Center Service Fees	3,802	3,700	3,700	4,000
W.T. Preston Admission Fees	4,432	2,000	2,000	2,050
<u>Interfund Charges for Services</u>				
Utility Overhead	759,340	769,211	769,211	786,288
Sub-Total Charges for Services	1,213,444	827,761	827,761	920,798
FINES AND FORFEITS				
Municipal Court Fines	157,672	150,000	150,000	142,000
Damage Restitution		5,000	5,000	
Sub-Total Fines and Forfeits	157,672	155,000	155,000	142,000

SIGNIFICANT CHANGES

Ambulance Service Fees are now part of Fund 110.

**REVENUE DETAIL
GENERAL FUND - DISCRETIONARY (continued)**

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
MISCELLANEOUS REVENUES				
Interest Earnings	91,933	25,100		55,200
Leases	1	1		1
Sr. Center/Head Start Rental	4,200	3,000		3,000
Interfund S/T Interest	484			
Interfund Medical Ins premiums	1,475,421	1,636,723	1,881,520	1,862,479
Interfund Data Processing chgs	360,160	273,695	273,695	305,335
Donations	694			
Wellness Program Incentive	816			
Miscellaneous	11,701			
Dishonored Check Fee	3,058			
Sub-Total Miscellaneous	1,948,468	1,938,519	2,183,316	2,226,015
OTHER FINANCING SOURCES				
Sales of Surplus Equip	1,162			
Operating Transfers				
Sub-Total Other	1,162			
TOTAL DISCRETIONARY GF	10,334,450	9,490,882	9,881,403	9,961,091

SIGNIFICANT CHANGES

**REVENUE DETAIL
PARK AND RECREATION FUND (101)**

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE		24,839	29,181	(24,796)
TAXES				
Property Taxes	684,377	703,958	703,958	770,524
INTERGOVERNMENTAL				
DNR Community Forestry Grant Port of Anacortes	4,800			
CHARGES FOR SERVICES				
Sale of Trail Guide Maps - ACFL	6,088	5,000	5,000	5,100
Recreation Fees	46,690	50,000	50,000	51,000
MISCELLANEOUS REVENUE				
Interest Earnings	2,402			
Private Donations/Gifts	500			
Damage Restitution	50			
OTHER FINANCING SOURCES				
Sale of Surplus Equip Land Sales	1,743			
TOTAL PARK AND RECREATION	<u>746,650</u>	<u>783,797</u>	<u>788,139</u>	<u>801,828</u>

A special revenue fund used to account for the operation of general recreation facilities of the City. The primary source of revenue is from property taxes

SIGNIFICANT CHANGES

**REVENUE DETAIL
CEMETERY FUND (102)**

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE		11,634	12,169	8,010
TAXES				
Property Taxes	52,524	54,005	54,005	59,111
CHARGES FOR SERVICES				
Cemetery Fees	42,317	49,000	49,000	49,980
MISCELLANEOUS REVENUES				
Interest Earnings	1,491			700
TOTAL CEMETERY FUND	<u>96,332</u>	<u>114,639</u>	<u>115,174</u>	<u>117,801</u>

A special revenue fund to account for revenues and expenditures of the City's cemetery. The primary sources of income are from property taxes and charges for services

SIGNIFICANT CHANGES

**REVENUE DETAIL
LIBRARY FUND (103)**

A special revenue fund to account for the revenues and expenditures of the City's library. The primary source of income is from property taxes.

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE		(10,753)	(7,156)	(43,744)
TAXES				
Property Taxes	683,351	702,949	702,949	769,419
INTERGOVERNMENTAL				
Skagit County Grant	30,144		15,198	
CHARGES FOR SERVICES				
Photocopying	3,947	2,000	2,000	2,500
Non-Resident Use Fee	20,877	15,000	15,000	15,500
Library Card Replacement Fee				
FINES AND FORFEITS				
Overdue/Lost Book Fees	4,330	3,000	3,000	3,060
OTHER FINANCING SOURCES				
Sales of Surplus Equipment	8,713			
Property Insurance Recovery	4,626			
TOTAL LIBRARY FUND	<u>755,988</u>	<u>712,196</u>	<u>731,991</u>	<u>746,735</u>

SIGNIFICANT CHANGES

**REVENUE DETAIL
STREET FUND (104)**

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE		148,007	157,294	(165,204)
TAXES				
Property Taxes	588,555	605,440	605,440	662,690
Real Estate Excise Tax – Local				300,000
LICENSES AND PERMITS				
Street Cut/ROW Permits	1,250			1,000
INTERGOVERNMENTAL				
<u>State Entitlements, Impact Fees</u>				
Motor Vehicle Fuel Tax	211,116	215,000	215,000	221,685
CHARGES FOR SERVICES				
Sale of Maps & Publications	560			
Sidewalk Repairs	6,628	3,000	3,000	3,000
Street Maint/Repair Fees	428			
Special Cleanup	123			
Interdepartmental Sign Fabrication	967			500
FINES & FORFEITS				
Damage Restitution				
OTHER FINANCING SOURCES				
Property Insurance Recovery	3,627			
Street/Alley Vacation Fees	200	10,000		
TOTAL STREET FUND	<u>813,454</u>	<u>981,447</u>	<u>980,734</u>	<u>1,023,671</u>

A special revenue fund to account for the administration of street maintenance. The primary sources of revenue are property taxes and the State levied motor vehicle fuel tax.

SIGNIFICANT CHANGES

**REVENUE DETAIL
ARTERIAL STREET FUND (105)**

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE			133,000	
INTERGOVERNMENTAL				
<u>Federal Grants</u>				
T-21 Tommy Thompson Trail WS FHWA 32 nd St Const	10,642		242,000	
<u>State Grants</u>				
IACOR Tommy Thompson Trail WS TSNS (12 th signal,G/H wide)	1,772	476,000	476,000	
WSDOT Marine Dr Safety Grant		160,000	330,000	
WS TIB Grant (H Ave Widening)			160,000	
WS TIB Grant (12 th St Traff Signal)	9,009		626,000	
WS TIB Grant (Traffic Signal)	423,178			
WS TIB Grant (Q Ave)	4,582			
WS TIB Grants (Sidewalks)				178,000
WS TIB Grant (Pedistrian Imp)				112,800
<u>State Entitlements, Impact Fees</u>				
Motor Vehicle Fuel Tax	98,711	100,050	100,050	103,649
<u>Local Grants</u>				
EDASC Tommy Thompson Trail County Grant – Q Ave Improv County STE CBD Sidewalks County – So March Pt Road School Dist (12 th signal,G/H wide) Port of Anacortes Q Ave Imp				35,000
MISCELLANEOUS				
Interest Earnings	2,060			1,901
Sale of Plans & Specifications	544			500
Private Donation	5,682			
OTHER FINANCING SOURCES				
Operating Transfer	460,000	620,000	620,000	280,000
TOTAL ARTERIAL STREET	1,016,180	1,356,050	2,687,050	711,850

A special revenue fund to account for the administration of major street construction. The primary sources of revenue are from the State levied motor vehicle fuel tax, special construction grants, and real estate excise taxes.

SIGNIFICANT CHANGES

Operating Transfers

Interfund transfers of real estate excise tax and transportation impact fee monies.

**REVENUE DETAIL
WASHINGTON PARK FUND (107)**

A special revenue fund to account for the revenues and expenditures of a 220 acre self-supporting park.

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE		17,205	20,935	25,282
INTERGOVERNMENTAL				
State Grants				
WS IACOR				
CHARGES FOR SERVICES				
Firewood Sales	2,579	1,500	1,500	1,530
Laundry Fees	1,277	1,000	1,000	1,000
Shower Fees	2,312	2,000	2,000	2,000
MISCELLANEOUS				
Interest Earnings	824			
Parking Fees	56,023	49,200	49,200	50,700
Camping Fees	81,275	80,000	80,000	81,600
Day Use Fees	1,262	500	500	1,000
Donations	75			
Cash Over/Short, Foreign Adj				
TOTAL WASHINGTON PARK	<u>145,627</u>	<u>151,405</u>	<u>155,135</u>	<u>163,112</u>

SIGNIFICANT CHANGES

**REVENUE DETAIL
PARKS CAPITAL IMPROVEMENT PROJECTS FUND (108)**

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE				
INTERGOVERNMENTAL				
<u>State Entitlements, Impact Fees</u>				
Vehicle Fuel Tax for Paths/Trails	1,557			
<u>Local Grant</u>				
Skagit Co Baseball Field Grant				
MISCELLANEOUS				
Interest Earnings	1,047			
Space & Facilities Leases	21,108		5,000	
Donations	35,038			
TOTAL PARKS CAPITAL	58,750		5,000	

A special revenue fund to account for revenues derived from leases, donation, and State motor vehicle fuel taxes collected for paths and trails.

SIGNIFICANT CHANGES

REVENUE DETAIL
POLICE SUBSTANCE ABUSE FUND (109)

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE		4,250	4,250	2,800
MISCELLANEOUS REVENUES				
Interest Earnings	167			200
D.A.R.E Donations	3,219			1,000
TOTAL SUBSTANCE ABUSE	<u>3,386</u>	<u>4,250</u>	<u>4,250</u>	<u>4,000</u>

A special revenue fund to account for revenues and expenditures associated with drug investigations and the DARE Program. Major sources of revenue come from drug confiscation's and DARE donations.

SIGNIFICANT CHANGES

**REVENUE DETAIL
AMBULANCE SERVICE FUND (110)**

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE				(28,862)
TAXES				
Property Taxes		100,000	100,000	110,000
Sales & Use Tax		114,800	114,800	114,800
INTERGOVERNMENTAL				
WS DOH Pre-hospital Needs		1,200	1,200	1,200
Emergency Medical Svcs		450,000	450,000	470,700
CHARGES FOR SERVICES				
Ambulance Services (Hospital)		330,000	330,000	339,900
EMS Contrib-Swinomish Casino		4,000	4,000	4,000
MISCELLANEOUS REVENUES				
Interest Earnings				
TOTAL AMBULANCE SERVICE		<u>1,000,000</u>	<u>1,000,000</u>	<u>1,011,738</u>

A special revenue fund to account for revenues and expenditures associated with ambulance services.

SIGNIFICANT CHANGES

A new fund set up in 2004 to separate ambulance revenues and expenses from other medic/fire revenues and expenses.

REVENUE DETAIL
SVC AREA #1 DEVELOP IMPACT FEE (112)

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE				(226,080)
INTERGOVERNMENTAL				
ASD Athletic Field Grant	40,000			
CHARGES FOR GOODS				
Development Impact Fees/Street	127,898	200,000	235,000	204,000
Development Impact Fees/Park	71,965			100,000
Development Impact Fees/Fire Prot	210			500
MISCELLANEOUS REVENUES				
Interest on Investments	4,788			1,580
TOTAL SVC AREA #1 FUND	<u>244,861</u>	<u>200,000</u>	<u>235,000</u>	<u>80,000</u>

A special revenue fund used to account for revenues and expenditures related to development impact fees for streets and roads, parks and recreation, school facilities, and fire protection

SIGNIFICANT CHANGES

REVENUE DETAIL ACFL MANAGEMENT FUND (113)
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A special revenue fund used to account for revenues and expenditures related to management of timber sales and rock quarry sales in the forestlands.

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE				
INTERGOVERNMENTAL				
IAC Grant – Forestland Project			4,500	
CHARGES FOR GOODS				
Timber Sales				
Quarry Rock Sales	50,000		8,500	
MISCELLANEOUS REVENUES				
Interest on Investments	2,049			2,000
TOTAL ACFL MGMT FUND	<u>52,049</u>		<u>13,000</u>	<u>2,000</u>

SIGNIFICANT CHANGES

**REVENUE DETAIL
TOURISM FUND (135)**

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE			25,000	
TAXES				
Hotel/Motel Tax	178,435	171,150	171,150	174,500
MISCELLANEOUS REVENUE				
Restitution on Fireworks Theft	9			
TOTAL TOURISM FUND	<u>178,444</u>	<u>171,150</u>	<u>196,150</u>	<u>174,500</u>

A special revenue fund used to account for revenues and expenditures related to promoting tourism. The primary source of revenue is from the State Hotel-Motel tax.

SIGNIFICANT CHANGES

The State Legislature in 1997 authorized implementing an additional 2% lodging (sales) tax. This is in addition to the current 2% lodging tax which is a credit against the state sales tax levy.

**REVENUE DETAIL
COMMUNITY DEVELOPMENT FUND (180)**

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE		38,891	494,882	
INTERGOVERNMENTAL				
WA DOE Grant	68,970			
WA DOE Grant				18,052
FINES & FORFEITS				
L/H Tax Reimbursements	43			
MISCELLANEOUS REVENUES				
Interest Earnings	8,345			3,500
Boat Launch Fees	19,175	20,000	20,000	6,800
North Harbor Diesel Fees	6,432	8,600	8,600	8,600
Miscellaneous Leases	102,876	123,800	123,800	113,850
DNR Harbor Lease Reimb	42,162	43,000	43,000	
OTHER FINANCING SOURCES				
Land Sales				
Operating Transfer				
TOTAL COMMUNITY DEVELOPMENT	<u>248,003</u>	<u>234,291</u>	<u>690,282</u>	<u>150,802</u>

A special revenue fund which accounts for revenues and expenditures of the City's Industrial Park. The primary source of revenue is from property leases.

SIGNIFICANT CHANGES

REVENUE DETAIL
2000 G.O. BOND DEBT SERVICE LIBRARY(200)

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE		29,412	29,412	
TAXES				
Property Taxes	520,009	497,811	497,811	525,935
MISCELLANEOUS REVENUE				
Interest Earnings	15,298			
OTHER FINANCING SOURCES				
Operating Transfer In	500,000			
TOTAL 2000. DEBT SERVICE	<u>1,035,307</u>	<u>527,223</u>	<u>527,223</u>	<u>525,935</u>

**A debt service fund to account for principal and interest on bonds issued
to build new library.**

SIGNIFICANT CHANGES

REVENUE DETAIL
1999 G.O. REFUNDED (1992 OLD) BOND DEBT SERVICE FUND (292)

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE				144,990
TAXES				
Real Estate Excise Taxes	406,516	148,190	148,190	
MISCELLANEOUS REVENUE				
Interest Earnings	6,385			4,000
OTHER FINANCING SOURCES				
Operating Transfer			375,000	
TOTAL 1992 G.O. DEBT SERVICE	<u>412,901</u>	<u>148,190</u>	<u>523,190</u>	<u>148,990</u>

A debt service fund to account for principal and interest on refunded bonds issued to build two new fire stations.

SIGNIFICANT CHANGES

REVENUE DETAIL
1999 G.O. BOND DEBT SERVICE (297)

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE				
TAXES				
Property Taxes	134,625	132,285	132,285	130,605
OTHER FINANCING SOURCES				
Operating Transfer from PSB				
TOTAL 1999 G.O. DEBT SERVICE	<u>134,625</u>	<u>132,285</u>	<u>132,285</u>	<u>130,605</u>

**A debt service fund to account for principal and interest on bonds issued
to pay for construction of a new public safety building**

SIGNIFICANT CHANGES

**REVENUE DETAIL
GROWTH MANAGEMENT IMPROVEMENT FUND (335)**

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE		170,000	170,000	(76,662)
TAXES				
Real Estate Excise Taxes	406,514	273,044	273,044	300,000
MISCELLANEOUS				
Interest	6,697			
TOTAL	<u>413,211</u>	<u>443,044</u>	<u>443,044</u>	<u>223,338</u>

**A capital project fund used to finance capital projects specified in the
Capital Facilities Plan**

SIGNIFICANT CHANGES

REVENUE DETAIL PRESTON INTERP CENTER CONSTRUCTION FUND (355)

A capital project fund used to construct the Preston Interetation Center.
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CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE				
INTERGOVERNMENTAL				
Federal T-21 Grant		324,375	324,375	
MISCELLANEOUS REVENUE				
Museum Foundation Grant		83,701	83,701	
Interest on Investments	72			
OTHER FINANCING SOURCES				
Operating Transfer In				
TOTAL Preston Interp Center	72	408,076	408,076	

SIGNIFICANT CHANGES

**REVENUE DETAIL
LIBRARY CONSTRUCTION FUND (356)**

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE			7,450	
MISCELLANEOUS REVENUES				
Interest on Investments	1			
PSE Conservation Grant	14,645			
TOTAL LIBRARY CONST FUND	<u>14,646</u>		<u>7,450</u>	

A capital project fund used to build new library

SIGNIFICANT CHANGES

Library construction was completed December 2002 but some costs carried over into 2003.

**REVENUE DETAIL
WATER FUND (401)**

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
CLASSIFICATION				
BEGINNING UNRESERVED FUND BALANCE		(834,294)	2,195,430	
INTERGOVERNMENTAL				
County Grant – 36" waterline	100,000			
CHGS FOR SERVICES-OPTG REV				
<u>Metered</u>				
Residential	829,506	775,000	775,000	775,000
Commercial	530,928	550,000	550,000	510,000
Tesoro NW Co.	1,509,225	1,600,000	1,600,000	1,600,000
Shell Puget Sound Refinery	2,023,378	2,200,000	2,200,000	2,000,000
Public Authorities	73,092	75,000	75,000	55,000
Miscellaneous	3,499	100	100	100
<u>Resale</u>				
Town of LaConner	147,871	140,000	140,000	140,000
City of Oak Harbor	713,211	730,000	730,000	732,000
Skagit PUD #1	182,445	130,000	130,000	200,000
Swinomish Tribal Community	32,371	30,000	30,000	35,000
Community Water Systems	19,454	5,000	5,000	10,000
<u>Interdepartmental</u>				
Park, Cemetery, City Buildings	26,608	22,000	22,000	35,200
Sub-Total Charges for Services	6,091,586	6,257,100	6,257,100	6,092,300
OTHER CHGS FOR SERVICES				
Chemical Sales	958	500	500	
MISCELLANEOUS - NON OPTG				
Interest	76,445	40,000	40,000	40,713
US West Group Leases	7,668	9,200	9,200	8,640
Interfund Loan Interest	1,853			
PSE Energy Conservation Grant	0			
Tool & Equipment Rental	852	400	400	425
Scrap Materials	1,576			
Sale of Plans & Specifications	2,421	500	500	500
Sub-Total Miscellaneous	90,815	50,100	50,100	50,278
NON-REVENUES				
Meter Installation Fees	121,971	80,000	80,000	81,600
General Facilities Charges	184,158	100,000	100,000	102,000
Interfund Loan Principal	6,500			
2003 Rev Bond Proceeds	1,500,000			
Sub-Total Non-revenues	1,812,629	180,000	180,000	183,600
OTHER FINANCING SOURCES				
Sale of Fixed Assets				
TOTAL	8,095,988	5,653,406	8,683,130	6,326,178

An enterprise fund to operate and maintain the City's water supply system.

SIGNIFICANT CHANGES

REVENUE DETAIL WASTEWATER (SEWER) FUND (440)

An enterprise fund to operate and maintain the City's wastewater system.

SIGNIFICANT CHANGES

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE		421,955	1,104,246	2,467
INTERGOVERNMENTAL				
County Grant – Snow Mtn Mills			72,000	
County Grant – So March Pt	165,000			275,000
County Grant – Stevenson Rd			275,000	
CHGS FOR SERVICES-OPTG REV				
Residential	2,250,734	2,200,000	2,200,000	2,344,000
Commercial	682,189	650,000	650,000	665,000
Public Authorities	100,548	100,000	100,000	101,000
Industrial Wastewater	23,868	40,000	40,000	
Septic Disposal Fees	112,566	80,000	80,000	83,000
Interdepartmental	15,881	14,000	14,000	7,000
Sub-Total Charges for Services	3,185,786	3,084,000	3,084,000	3,200,000
OTHER CHGS FOR SERVICES				
General Facilities Charge	502,249	500,000	500,000	520,000
Sewer System Repair Fees	363			
Sale of Plans & Specs				100
Latecomer Hook-Up Fees	(6,350)			
Sub-Total Other Chgs for Services	496,262	500,000	500,000	520,100
MISCELLANEOUS - NON OPTG				
Interest on Investments	55,073	40,000	40,000	40,000
Miscellaneous		100	100	
Sub-Total Miscellaneous	55,073	40,100	40,100	40,000
OTHER REVENUE				
Private Contribution – March Pt	20,000			
NON-REVENUES				
2003 Sewer Refunding Bonds	6,295,000			
Escrow Balance on 2003 Bonds	10,211			
Operating Transfer from 180	0	84,000	84,000	
	6,305,211			
TOTAL	10,227,332	4,130,055	5,159,346	4,037,567

**REVENUE DETAIL
STORM DRAINAGE FUND (445)**

An enterprise fund to operate and maintain the City's storm drainage system.

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE		70,663	395,246	4,705
INTERGOVERNMENTAL				
FEMA				
CHGS FOR SERVICES-OPTG REV				
Residential	205,784	200,000	200,000	200,000
Commercial	101,677	100,000	100,000	100,000
Public Authorities	47,010	47,000	47,000	47,000
Interdepartmental	7,800	7,000	7,000	7,200
Latecomer Hook-up Fees	6,350			
General Facilities Charges	124,331	120,000	120,000	155,000
Sub-Total Charges for Services	492,952	474,000	474,000	509,200
MISCELLANEOUS - NON OPTG				
Interest	15,095			5,000
TOTAL	508,047	544,663	869,246	518,905

SIGNIFICANT CHANGES

**REVENUE DETAIL
SANITATION FUND (450)**

**An enterprise fund for the collection and disposal of refuse from the
City's businesses and residences.**

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED & RESERVE FUND BALANCE		(125,092)	(120,689)	(52,073)
CHGS FOR SERVICES-OPTG REV				
Residential	740,036	730,000	730,000	735,000
Commercial	669,635	640,000	640,000	640,000
Public Authorities	154,955	160,000	160,000	160,000
Interdepartmental	47,395	40,000	40,000	35,500
Pre-paid Bags	19,283	21,000	21,000	19,000
Temporary Dumpster	17,756	20,000	20,000	20,000
Recycling	222,361	210,000	210,000	210,000
Sub-Total Charges for Services	1,871,421	1,821,000	1,821,000	1,819,500
MISCELLANEOUS - NON OPTG				
Interest	18,177			5,000
TOTAL	<u>1,889,598</u>	<u>1,695,908</u>	<u>1,700,311</u>	<u>1,772,427</u>

SIGNIFICANT CHANGES

**REVENUE DETAIL
EQUIPMENT RENTAL FUND (501)**

CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE		12,958	33,224	(48,141)
CHGS FOR SERVICES-OPTG REV				
General Fund				
Facilities Management	2,607	2,786	2,786	2,769
Police	198,847	216,042	216,042	212,722
Police - Boat	7,989	10,895	10,895	8,533
Medic/Fire	105,681	82,134	82,134	112,831
Ambulance	47,448	42,440	42,440	50,543
Engineering	11,000	9,493	9,493	11,779
Animal Control	3,986	3,540	3,540	4,258
Business Devlpt & Permit	6,691	4,340	4,340	7,188
Museum	1,457	1,440	1,440	1,549
Parks & Recreation	83,166	75,770	75,770	89,049
Cemetery	12,658	10,840	10,840	13,485
Street	105,500	94,589	94,589	112,843
Water	166,351	148,478	148,478	177,305
Wastewater	64,160	67,155	67,155	68,941
Sanitation	239,371	191,885	191,885	256,352
Storm Drain	33,148	30,752	30,752	35,514
Shop Rentals	46,555	33,627	33,627	34,102
Motor Vehicle Fuel Tax Rebate	717			
Sub-Total Charges for Services	1,137,332	1,026,206	1,026,206	1,199,763
OTHER CHGS FOR SERVICES				
Garage/Repair Services	12,358	10,000	10,000	10,200
MISCELLANEOUS				
Interest	36,059			
Shell Low Emission Grant	8,000			
OTHER FINANCING SOURCES				
Sales of Fixed Assets	36,425			
Insurance Recovery Ins. Loss				
TOTAL	<u>1,230,174</u>	<u>1,049,164</u>	<u>1,069,430</u>	<u>1,161,822</u>

**A internal service fund to account for the cost of maintaining all City
vehicles and mobile equipment.**

SIGNIFICANT CHANGES

Charges for Services

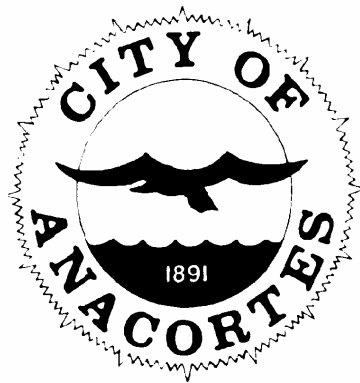
Departmental charges reflect direct and indirect cost allocations to departmental vehicles including gas, oil, tires, batteries, repairs, insurance, depreciation, shop overhead charges, etc.

**REVENUE DETAIL
FIREMEN'S PENSION FUND (611)**

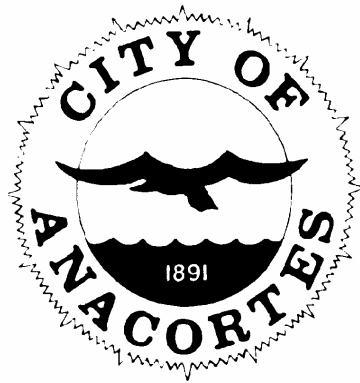
CLASSIFICATION	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
BEGINNING UNRESERVED FUND BALANCE			1,300	(1,225)
TAXES				
Property Taxes	24,471	31,975	31,975	34,245
INTERGOVERNMENTAL				
Fire Insurance Premiums	10,815	11,000	11,000	12,445
MISCELLANEOUS				
Interest	2,601			
TOTAL	<u>37,887</u>	<u>42,975</u>	<u>44,275</u>	<u>45,465</u>

A fiduciary fund which accounts for a single-employer defined benefit system established by State law for eligible firefighters hired before March 1, 1970. The primary sources of income are from property taxes and a tax imposed on fire insurance premiums.

SIGNIFICANT CHANGES



Expenditures



MAYOR AND COUNCIL
Department Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Mayor	124,808	131,996	131,996	136,945
Council	108,398	106,109	106,109	112,758
DEPARTMENT TOTAL	233,206	238,105	238,105	249,703
CHARACTER OF EXPENDITURES				
Personnel				
Salaries & Wages	179,793	182,519	182,519	185,862
Fringe Benefits	24,082	26,515	26,515	27,955
Supplies	515	550	550	600
Services	16,337	19,100	19,100	22,865
Intergovernmental	2,808	500	500	3,000
Interfund	9,671	8,921	8,921	9,421
DEPARTMENT TOTAL	233,206	238,105	238,105	249,703
SOURCE OF FUNDS				
General Fund Property/Sales Tax	233,206	238,105	238,105	249,703
	233,206	238,105	238,105	249,703

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
POSITION SUMMARY				
Mayor	1.00	1.00	1.00	1.00
Secretary	.40	.40	.44	.44
TOTAL GENERAL FUND FTE's	1.45	1.45	1.44	1.44
GENERAL FUND FTE's	1.45	1.45	1.44	1.44
COUNCIL POSITION TOTALS	7.00	7.00	7.00	7.00

MISSION STATEMENT
MAYOR
To maintain and improve the quality of life reflecting community expectations through a focus on public participation and employees-mayor-council teamwork.

MAYOR AND COUNCIL Department Summary
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GOALS

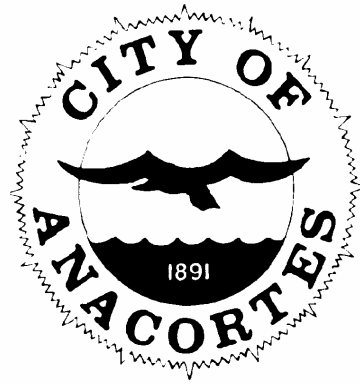
1. Continued to set performance based criteria for each city department and to explore every arena where we can be more efficient.
2. To facilitate community needs by furthering fruitful communications between council, staff and this community. To continue to seek to provide leadership through consensus.
3. We will continue to improve our government Access channel and City of Anacortes web site to provide for information sharing and open government for the citizens of our community.
4. We will continue to work with this community to find directions and focus for our cities youth.
5. To work to see that all departments are provided the technology and the tools to work efficiently and accountably.

OBJECTIVES

1. To provide the planning and the funds to create more efficient, traffic flows through the City of Anacortes wherever possible and practical.
2. To evaluate and eliminate storm water inflow and infiltration in our cities sanitary sewer, to identify and fund fixes.
3. Will continue to work to see that Anacortes has the revenue to provide for the levels of service this community identifies.

PERFORMANCE MEASURES

1. To return every appropriate phone call and to address every inquiry that is made to this office.
2. To implement Council/City generated policies.
3. To see that the City of Anacortes operates and in compliance with Federal and State laws in the context of every business day.
4. To continue to work on legislative issues that benefits both our community and our regional quality of life issues.



CITY ATTORNEY
Department Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Legal Services	209,130	158,213	658,213	163,872
Judicial Programs	194,248	225,319	225,319	224,001
DEPARTMENT TOTAL	403,378	383,532	883,532	387,873
CHARACTER OF EXPENDITURES				
Personnel				
Salaries & Wages	168,255	182,786	182,786	177,579
Fringe Benefits	47,360	57,432	57,432	61,811
Supplies	10,581	7,800	7,800	9,400
Services	135,968	93,450	593,450	95,560
Intergovernmental	27,917	27,567	27,567	28,214
Interfund	13,297	14,497	14,497	15,309
DEPARTMENT TOTAL	403,378	383,532	883,532	387,873
SOURCE OF FUNDS				
General Fund	245,706	228,532	228,532	245,873
Intergovernmental			500,000	
Fines and Forfeits	157,672	155,000	155,000	142,000
DEPARTMENT TOTAL	403,378	383,532	883,532	387,873

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
POSITION SUMMARY				
/Legal Services				
City Attorney	.40	.40	.40	.40
Legal Secretary	.80	.80	.80	.91
/Municipal Court				
Court Administrator	1.00	1.00	1.00	1.00
Court Clerks	1.50	1.50	1.50	1.50
TOTAL GENERAL FUND FTEs	3.70	3.70	3.70	3.81

SIGNIFICANT CHANGES

MISSION STATEMENT

LEGAL SERVICES: To provide prompt, accurate and effective legal advice and legal services to City departments, to the City Council, and to the Mayor and to minimize liability and insure conformance to legal constraints and to maximize the effectiveness of City Government.

MUNICIPAL COURT: To impartially and fairly process offenses and infractions filed by the Police Department or the City Prosecutor and make determinations of responsibility based upon State and Federal Constitutional principals and requirements of the City Code.

LEGAL SERVICES

Goals

1. Represent the City well in all legal proceedings.
2. Continue the process of updating the City Municipal Code as necessary.

Performance Targets

Ensure prompt and efficient legal action and response to requests for legal advice from department heads, City Council, and Mayor.

MUNICIPAL COURT

Areas of Responsibility

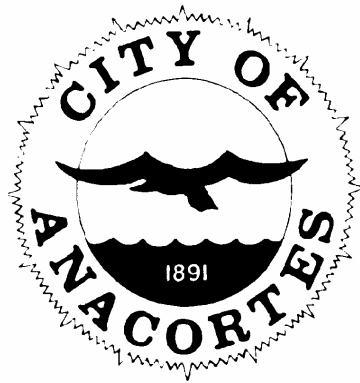
Oversee contracts with Prosecutor and Public Defender.

Performance Targets

To process all citation filings received in a prompt and efficient matter.

CITY ATTORNEY

Department Summary



FINANCIAL AND RECORDS SERVICES

Department Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Administration	96,985	103,062	103,062	82,108
Budget, Accounting, Fiduciary	502,125	533,416	533,416	589,446
Data Processing*	239,479	295,633	295,633	222,015
Utility Billing/PW Gen Admin	571,141	448,575	496,575	129,200
DEPARTMENT TOTAL	1,409,730	1,380,686	1,428,686	1,022,769
CHARACTER OF EXPENDITURES				
Personnel				
Salaries & Wages	548,595	576,372	576,372	661,260
Fringe Benefits	124,092	145,224	145,224	156,463
Supplies	63,974	50,300	50,300	27,250
Services	199,701	184,035	232,035	131,175
Intergovernmental	403,416	380,925	380,925	57
Interfund	39,708	32,330	32,330	35,064
Capital Outlays	30,244	11,500	11,500	11,500
DEPARTMENT TOTAL	1,409,730	1,380,686	1,428,686	1,022,769
SOURCE OF FUNDS				
General Fund	79,149	12,745	52,745	107,281
Interfund charges	759,440	879,366	879,366	786,288
Utility Funds	571,141	488,575	496,575	129,200
DEPARTMENT TOTAL	1,409,730	1,380,686	1,428,686	1,022,769

CAPITAL OUTLAYS

Office Furniture	\$1,500
Network Hardware	10,000

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
POSITION SUMMARY				
/Administration Finance Director	1.00	1.00	1.00	1.00
/Budget, Accounting, Fiduciary Assistant Finance Director Comptroller Office Manager Sr. Accountant Property/Fixed Asset Acct Accounting Clerk	1.00	1.00	1.00	1.00
/Data Processing Computer Technician	2.00	2.00	2.00	2.00
/Utilities Accounting Clerk	1.00	1.00	1.00	1.00
TOTAL GENERAL FUND FTE's	11.00	11.00	11.00	12.00
TOTAL OTHER FUNDS FTE's	1.00	1.00	1.00	1.00
POSITION TOTALS	12.00	12.00	12.00	13.00

MISSION STATEMENT

The mission of the Finance Department is to ensure financial integrity, fiscal control, solvency and provide financial services supporting the City's governing bodies in establishing strategic goals and policies and ensuring financial accountability to the citizens, businesses, taxpayers, and ratepayers.

2005 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

Budgeting, Accounting and Reporting

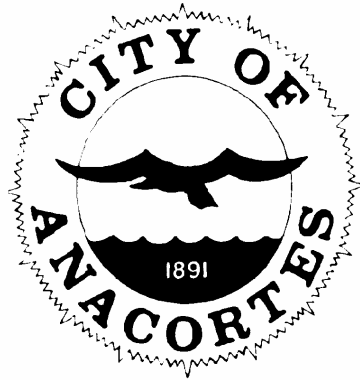
1. Budgeting – Provide a budget process that supports the governing bodies goals, facilitate department input, and generates a usable and realistic document.
 - a. Improve participation and coordination of the budget and the Capital Facilities Plan with Departments.
Measure - Post budget departmental survey on the satisfaction of the budget process.
 - b. Monitor and communicate budget to actual comparisons to prevent over expenditures and assist departments as unanticipated needs arise.
Measure - A monthly review of the budget to actual with the Mayor and Departments.
2. Accounting – Collect and maintain the accounting information in an efficient and effective manner that provides customer support to the departments and meets legal requirements.
 - a. Continue to improve the inventory and fixed asset tracking system to ensure assets are managed and properly disclosed.
Measure – Have a system in place that properly depreciates assets, captures inventory efficiently, and aggregates the assets properly for reporting.
3. Reporting - Prepare timely, accurate, and complete annual, quarterly, and monthly information to support decision making and meet legal requirements.
 - a. Obtain a “clean” audit for 2004 from the State Auditor’s Office of Washington.
Measure - An “unqualified” opinion on the 2004 financial statements from the Washington State Auditors.
Measure - Receive no audit findings on internal controls or legal compliance for the 2004 audit.
 - b. Provide the Mayor and Departments with useful and timely information on revenue and expenditure trends, and cash available balances.
Measure – Present quarterly the revenue trends to the Mayor.
Measure – Present monthly the expenditures to budget by fund and department.
Measurement - Review and communicate the cash and fund balances to the Mayor regularly to ensure expenditures do not exceed resources.

Cash Receipting, Utility Billing and Accounts Payable

1. Improve the Business licensing and Pet licensing component of the receipting system to better support user departments
 - a. Continue to improve customer service and the exchange of inter- department information
Measure - Eliminate the need to shadow systems on the licensing modules.
2. To continue to improve customer service and maximize cash flow in our utility billing.
 - a. Complete the upgrade to Eden Inforum Gold for the Utility billing.
Measure – Upgrade complete and all shadowing eliminated.
3. Maintain internal controls over accounts payable/purchasing.
 - a. Continue to audit and monitor purchases for internal control compliance.
 - b. Provide the Mayor with purchasing requests outside the normal operating needs.
Measure – Approved expenditures do not exceed budget authority.

Internal Technology

1. Obtain Fiber links from City Hall to the Library and Museum.
 - a. To increase bandwidth between City Hall and City Web Servers for future Citizen Services applications, and to improve Museum and Library staff access to City Hall network resources.
Measure – Allow for “network install” of InForum Gold software on Library and Museum workstations.
2. To improve customer access to City Websites and improve staff access to Internet.
 - a. Increase the DSL bandwidth at City Hall and the Library.
Measure – At least 768 mbps upload and download speeds.
3. Upgrade NT Domain to Windows 2000/2003.
 - a. To allow for installation of applications not supported under Windows NT domains.
Measure – All servers upgraded to Windows 2000/2003 and Active Directory implemented.
4. Upgrade the Mail Server from Exchange 5.5 to Exchange 2000.
 - a. To allow for installation of more advanced SPAM, AdWare, SpyWare and Virus protection.
Measure – Reduce time that IS staff spends responding to real or perceived threats.
5. Make it easier for staff to maintain archives of critical records in digital format.
 - a. Research, evaluate, select, procure and implement an Enterprise Document Retention System.
Measure – Compliance with State of Washington document retention requirements for Local Governments.



HUMAN RESOURCES

Department Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Administration	184,506	172,065	188,565	183,708
DEPARTMENT TOTAL	184,506	172,065	188,565	183,708
CHARACTER OF EXPENDITURES				
Personnel				
Salaries & Wages	92,156	98,028	98,028	106,344
Fringe Benefits	19,109	22,567	22,567	26,531
Supplies	6,391	6,625	6,625	6,800
Services	63,223	41,500	58,000	40,500
Interfund	3,627	3,345	3,345	3,533
DEPARTMENT TOTAL	184,506	172,065	188,565	183,708
SOURCE OF FUNDS				
General Fund	183,690	172,065	188,565	183,708
AWC Wellness Program	816			
DEPARTMENT TOTAL	184,506	172,065	188,565	183,708

SIGNIFICANT CHANGES

CAPITAL OUTLAYS

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
POSITION SUMMARY				
/Administration				
Administrator	1.00	1.00	1.00	1.00
Assistant	.80	.80	.80	.80
TOTAL GENERAL FUND FTE's	1.80	1.80	1.80	1.80

SIGNIFICANT CHANGES

MISSION STATEMENT

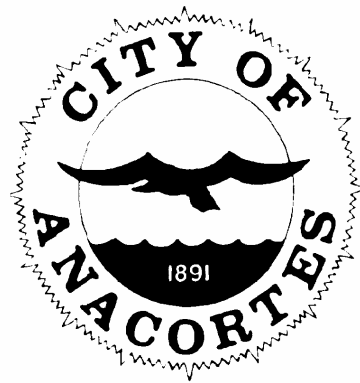
Maintaining the highest standards of professional and personal conduct. Encouraging the City to make fair and equitable treatment of all employees a primary concern. Striving to make the City profitable both in monetary terms and through the support and encouragement of effective employment practices. Instilling in the employees and the public a sense of confidence about the conduct and intentions of the City of Anacortes. Maintaining loyalty to the City and pursuing business strategies in ways that are consistent with public interest. Upholding employment laws and regulations. Maintaining the confidentiality of privileged information. Improving public understanding of the role of the human resource management

HUMAN RESOURCES

Department Summary

GOALS, TARGET, AND PERFORMANCE MEASURES

1. HR will aid the City of Anacortes in
 - Accomplishing business goals
 - Improving operating efficiencies
 - Listening and responding to employees
 - Adapting to changes
2. HR will participate in
 - The process of defining business strategies
 - Delivering HR processes
 - Improving employee commitment
 - Shaping cultural change
3. HR will assure that
 - HR strategies are aligned with business strategy
 - HR processes are efficiently administered
 - HR processes and programs increase the organization's ability to change
4. HR effectiveness can be measured by its ability to
 - Help move strategy in to practice
 - Efficiently deliver HR processes
5. Ultimately HR must develop processes and programs that link HR strategies to the City's goals while efficiently managing the HR department.



PLANNING & COMMUNITY DEVELOPMENT

Department Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Planning & Zoning	136,771	145,917	166,917	104,848
Permit Center	318,252	341,167	341,167	369,422
Urban Industrial Park	228,950	150,132	230,932	150,552
DEPARTMENT TOTAL	683,973	637,216	739,016	624,822
CHARACTER OF EXPENDITURES				
Personnel				
Salaries & Wages	336,722	349,698	349,698	356,894
Fringe Benefits	77,378	91,118	91,118	96,719
Supplies	16,895	10,000	10,000	11,000
Services	231,659	167,527	190,327	137,676
Intergovernmental	36	36	19,036	36
Capital Outlays			60,000	
Interfund	21,283	18,837	18,837	22,497
DEPARTMENT TOTAL	683,973	637,216	739,016	624,822
SOURCE OF FUNDS				
Building Permits	302,429	275,000	275,000	380,000
Planning Permits	27,975	21,000	21,800	11,525
Grants	90,480			18,052
Other	92,440	145,816	246,816	23,995
Ramp Fees	19,175	20,000	24,800	68,800
Rents	151,470	175,400	170,600	122,450
DEPARTMENT TOTAL	683,969	637,216	739,016	624,822

SIGNIFICANT CHANGES

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
POSITION SUMMARY				
/Planning				
Planning Director	.60	.60	.60	.60
Land Use Permit Manager	1.00	1.00	1.00	1.00
Legal Secretary	1.00	1.00	.64	.64
/Permit Center				
Building Official	1.00	1.00	1.00	1.00
Building Inspector	1.50	1.50	1.50	1.50
Plans Examiner	1.00	1.00	1.00	1.00
Building Permit Technician	1.00	1.00	1.00	1.00
TOTAL GENERAL FUND FTE's	6.90	6.90	6.90	6.54
TOTAL OTHER FUND FTE's	.20	.20	.20	.20
POSITION TOTAL	8.00	8.00	8.00	8.00
TOTAL FTE's	7.10	7.10	7.10	6.74

SIGNIFICANT CHANGES

MISSION STATEMENT

To facilitate the Anacortes community's efforts to plan and control its physical, social, economic, and environmental future by developing plans and policies with the community and by reviewing and processing permit applications under these plans and policies and their implementing regulations. To ensure that Anacortes buildings are properly constructed and maintained in accordance with safety and quality standards as prescribed by the State. To manage the City's Industrial Park in such a way as to optimize employment opportunities and revenue generation.

2005 GOALS

1. Revitalize the Fidalgo Bay waterfront by significantly improving public access, by providing for water-dependant and water-related uses, and by encouraging economic development activities.
2. Integrate UGA development with City planning to ensure that City standards are adhered to such that significant infrastructure upgrades are not required upon annexation and that no competitive advantage is secured by locating in the UGA vis-à-vis inside the current City limits.

2005 OBJECTIVES

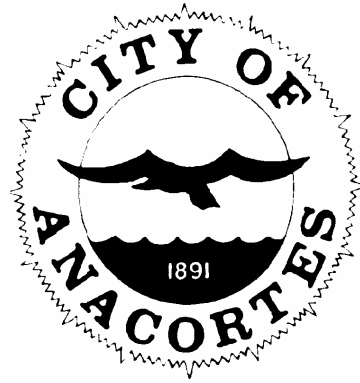
1. Implement the sub-area plan for Fidalgo Bay.
2. Plywood mill site cleanup.
3. Implement City development standards in UGA.
4. Continue the South March Point infrastructure upgrades.

PLANNING & COMMUNITY DEVELOPMENT

Department Summary

Performance Measures

- Ensure citizen participation in long range planning efforts by maximizing the number of active participants in the Comprehensive Plan and Zoning Ordinance revision process
- Improve the quality of Anacortes neighborhoods and industrial and commercial districts by preparing Ordinances, projects, and programs recommended in adopted plans.
- Improve the physical environment for Anacortes citizens and assure compliance with applicable standards by efficiently processing:
 - *Projects pursuant to the Zoning, Subdivision, and Shoreline Ordinances all within 120 days of completed application.
 - *Properties cleared of zoning violations.
- Improve the physical environment for Anacortes citizens and assure compliance with safety standards: by efficiently processing residential permits within 21 days of completed application and commercial permits within 56 days; and by issuing certificates of occupancy for construction projects completed in compliance with City and State Codes.
- Offset the public costs of new development by managing an impact fee program and collecting fees for permit applications.



POLICE
Department Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Administration	419,398	459,324	459,324	495,168
Investigation	236,309	248,547	248,547	258,131
Patrol	1,596,893	1,712,370	1,712,370	1,716,061
Marine Patrol	10,070	15,715	15,715	13,853
Crime Prevention	73,723	78,430	78,430	83,365
Specially Funded Programs	10,430	11,125	11,125	10,750
Care & Custody of Prisoners	90,578	85,400	85,400	85,400
Support Services	569,707	380,222	380,222	396,334
Animal Control	64,121	67,707	67,707	72,094
DEPARTMENT TOTAL	3,071,229	3,058,840	3,058,840	3,131,156

CHARACTER OF EXPENDITURES				
Personnel				
Salaries & Wages	1,812,874	1,895,681	1,895,681	1,936,911
Fringe Benefits	448,624	508,379	508,379	517,233
Supplies	44,864	57,350	57,350	54,500
Services	154,221	172,217	172,217	175,670
Intergovernmental	341,483	144,400	144,400	158,232
Capital Outlays	8,776	3,500	3,500	4,750
Interfund	260,387	277,313	277,313	283,860
DEPARTMENT TOTAL	3,071,229	3,058,840	3,058,840	3,131,156

SOURCE OF FUNDS				
General Fund	3,031,172	3,041,990	3,041,990	3,112,860
Law Enforcement Services	5,235	1,050	1,050	1,050
Grants	18,256			
Criminal Justice Funds	16,566	15,800	15,800	17,246
DEPARTMENT TOTAL	3,071,229	3,058,840	3,058,840	3,131,156

CAPITAL OUTLAYS				
Radar Unit	\$1,000			
Armored Vests	3,750			

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
POSITION SUMMARY				
/Administration				
Police Chief	1.00	1.00	1.00	1.00
Captain	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
/Investigation				
Detective Sergeant	1.00	1.00	1.00	1.00
Detectives	2.00	2.00	2.00	2.00
/Patrol				
Sergeants	3.00	3.00	3.00	3.00
Patrol Officers	15.00	15.00	15.00	15.00
/Crime Prevention				
DARE Officer	1.00	1.00	1.00	1.00
/Communications Center (Support Services)				
Supervisor	1.00	1.00	1.00	1.00
Support Staff	4.00	4.00	4.00	4.00
Receptionist/Clerk	1.00	1.00	1.00	1.00
/Animal Control				
Control Officer	1.00	1.00	1.00	1.00
TOTAL GENERAL FUND FTE's	32.00	32.00	32.00	32.00

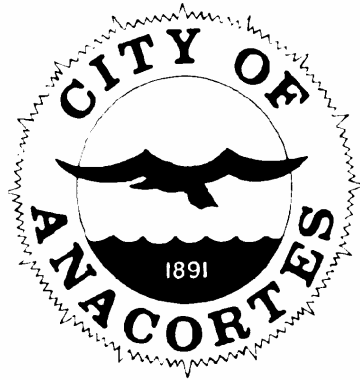
SIGNIFICANT CHANGES

MISSION STATEMENT

To contribute to the overall improvement of the quality of life in the City of Anacortes, by reducing danger from criminal activity by working in partnership with members of the community.
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GOALS 2005

1. Achieve State Accreditation for the Anacortes Police Department.
2. Implement a 450 Band radio system for police communications.
3. Conduct Emergency Operations Center exercise with Island Hospital Anacortes School District, and Port of Anacortes.
4. Put new less lethal force weapons into the field with patrol officers.



MEDIC/FIRE

Department Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Administration	649,616	214,794	214,794	199,716
Fire Suppression	860,064	812,955	812,955	673,157
Prevention/Investigation	125,737	135,154	135,154	140,569
Fire Crew Training	176,443	147,946	147,946	168,622
Ambulance/Emergency Aid	716,276	1,000,000	1,000,000	1,011,738
DEPARTMENT TOTAL	2,528,136	2,310,849	2,310,849	2,193,802
CHARACTER OF EXPENDITURES				
Personnel				
Salaries & Wages	1,447,531	1,427,083	1,427,083	1,544,678
Fringe Benefits	273,495	320,234	320,234	282,711
Supplies	65,622	52,525	52,525	53,525
Services	94,351	82,351	82,351	85,095
Intergovernmental	0	600	600	600
Capital Outlays	439,040	84,525	84,525	43,800
Interfund	178,097	143,531	143,531	183,393
Contingency March Pt Fire Prot	0	200,000	200,000	
DEPARTMENT TOTAL	2,498,136	2,310,849	2,310,849	2,193,802
SOURCE OF FUNDS				
Taxes	1,710,406	1,525,649	1,525,649	1,378,002
Prehospital Needs Grant	2,000	1,200	1,200	1,200
SSCEMS Council	450,877	450,000	450,000	470,700
EMS Contrib- Swinomish Casino	3,523	4,000	4,000	4,000
Ambulance Fees – Island Hosp	331,330	330,000	330,000	339,900
DEPARTMENT TOTAL	2,498,136	2,310,849	2,310,849	2,193,802

SIGNIFICANT CHANGES

CAPITAL OUTLAYS:

Air Paks	\$35,200
RIT Equipment	1,100
Ambulance Equipment	7,500

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
POSITION SUMMARY				
/Administration				
Fire Chief	1.00	1.00	1.00	1.00
Assistant Fire Chief/Operations	1.00	1.00	1.00	1.00
Assistant Fire Chief/Prevention	1.00	1.00	1.00	1.00
Executive Secretary	1.00	1.00	1.00	1.00
/Firefighters				
Lieutenants/Paramedics	6.00	6.00	6.00	6.00
Firefighters/Paramedics	9.00	9.00	9.00	9.00
TOTAL GENERAL FUND FTE's	19.00	19.00	19.00	19.00
TOTAL VOLUNTEERS	30.00	30.00	30.00	30.00

SIGNIFICANT CHANGES

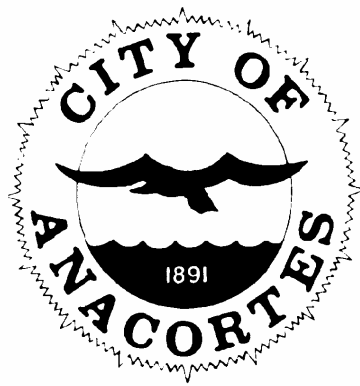
MISSION STATEMENT

The City of Anacortes Fire Department dedicates itself to protecting life and property in our community from fire, medical and other emergencies; through emergency services, public education, and code enforcement.

Value Statement

We believe that the professional services we provide are our individual contribution to the community.

- Upgrade SCBA's to current standard over next two years.
- Replace Stair Chairs to reduce back injuries.
- Purchase and place in service replacement 2912 engine.
- Implement Phase II of Fire Officer I Training.
- Maintain Fire Suppression Skills through various training offerings.
- Provide funding for Continuing Education for ALS personnel



PUBLIC WORKS
Department Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Administration	1,215,007	1,116,199	1,147,199	1,150,892
Engineering	677,577	1,935,645	5,077,995	2,766,903
Street	637,197	890,877	890,877	904,540
Arterial Street	1,077,062	1,686,000	2,687,000	711,800
Water	4,133,992	3,129,312	3,129,312	3,102,932
Wastewater	1,980,561	2,459,038	3,014,038	2,416,641
Storm Drainage	228,508	243,144	296,144	243,362
Sanitation	1,592,000	1,493,919	1,493,919	1,577,935
Equipment Rental	602,863	1,006,160	1,023,660	1,115,021
DEPARTMENT TOTAL	12,144,767	13,960,294	18,760,144	13,990,026
Personnel				
Salaries & Wages	3,142,422	3,350,738	3,350,738	3,395,585
Fringe Benefits	848,141	1,042,646	1,042,646	1,100,973
Supplies	887,518	983,055	983,055	971,366
Services	4,594,081	3,141,916	3,225,916	3,185,764
Intergovernmental	11,660	12,465	12,465	12,725
Capital Outlays	1,104,184	4,022,022	8,737,872	3,762,505
Administrative Service Chg		769,211	769,211	786,288
Interfund	1,556,761	638,241	638,241	774,820
DEPARTMENT TOTAL	12,144,767	13,960,294	18,760,144	13,990,026
SOURCE OF FUNDS				
Fund Balance	(10,417,065)		2,795,250	
Property Taxes	588,555	605,440	605,440	962,690
Motor Vehicle Fuel Tax	313,711	315,050	315,050	325,334
Grants	722,183	966,000	2,181,000	600,800
Misc. Revenues\Fees	967,451	33,200	822,800	252,288
Charges for Services	11,512,022	11,256,604	11,256,604	11,476,300
Bond Proceeds	7,795,000			
Investment Interest	202,910	80,000	80,000	92,614
Operating Transfer	460,000	704,000	704,000	280,000
DEPARTMENT TOTAL	12,144,767	13,960,294	18,760,144	13,990,026

SIGNIFICANT CHANGES:
CAPITAL OUTLAYS: See individual fund summaries.

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
POSITION SUMMARY				
/Administration				
Public Works Director	1.00	1.00	1.00	1.00
Operations/Maintenance Mgr	1.00	1.00	1.00	1.00
WTP/WWTP Manager	2.00	2.00	2.00	2.00
Administrative Assistant	.65	.65	1.00	1.00
Department Secretary	3.80	3.80	4.71	4.71
Receptionist	.40	.40		
/Engineering				
City Engineer	1.00	1.00	1.00	1.00
Asst City Engineer	1.00	1.00	1.00	1.00
City Project Engineer	.42	.42	.42	.42
Special Project Engineer	.50	.50	.50	.50
Engineering Techs	5.00	5.00	5.00	5.00
Engineering Inspector	1.00	1.00	1.00	1.00
Utility Services	1.00	1.00	1.00	1.00
/Operations				
WTP Operators	9.00	7.00	7.00	7.00
WTP Laborer	.50	.50	.50	.50
WWTP Operators	11.00	11.00	11.00	11.00
WWTP Lab Tech	1.00	1.00	1.00	1.00
WWTP Laborer				.50
/Maintenance				
Street/Sewer/Storm Drain	10.00	10.00	10.00	10.00
Water	7.00	7.00	5.00	5.00
Water Utility Services	2.00	2.00	2.00	2.00
Equipment Rental Mechanics	3.00	3.00	3.00	3.00
Sanitation	6.00	6.00	6.00	6.00
TOTAL DEPARTMENT FTE's	68.27	66.27	65.13	65.63
Full Time Positions	65.00	64.00	62.00	61.00
Part Time Positions	5.00	5.00	6.00	7.00

MISSION STATEMENT

To operate, maintain, and improve a robust infrastructure in order to maintain and improve the quality of life for the community:

GOALS FOR 2005

GOAL: Maintain relevance in the City and community.

- **Measure customer satisfaction**
 - ✧ Establish customer representatives for major utility customers.
 - ✧ Random calls to customers on how we've done.
- **Ensure services provided are relevant to our community.**
 - ✧ Review fees
 - ✧ Expand mapping/drawing availability over the counter
- **Utilize every opportunity to obtain community input and participation to improve our services.**
 - ✧ PW Development Standards Committee – Finalize Engineering Standards for Development
 - ✧ Re-vamp our Public Works citizen committees
 - ✧ Continue to improve our permitting process for street fairs and encroachment agreements.
- **Project into community; communicate and improve visibility.**
 - ✧ Pamphlets/brochures for the community on our services
 - ✧ Channel 10
 - ✧ PWD speaker bureau
 - ✧ Continue to "Brand" our water
 - ✧ Improve our Web Page
 - ✧ Continue to move GIS into the community

GOAL: Operate, maintain and improve a robust infrastructure

- **Meet all operating and environmental permit requirements.**
 - ✧ Update our Storm Drainage Comprehensive Plan
 - ✧ Upgrade our cross-connection control program
 - ✧ Complete and implement a written operations and maintenance plan for our water distribution and transmission system
 - ✧ Upgrade our water cathodic protection system on our transmission lines
 - ✧ Fix 13th Street sewer overflow issue
 - ✧ Increase professional certifications
- **Complete the Ship Harbor regional sewage pump station**
- **Complete the W.T. Preston Interpretive Center Building**
- **Complete the H Avenue widening project**
- **Complete the 41st Street/Mt Erie School Safe Routes to School Upgrade**
- **Complete the next phase of the Central business District Sidewalks program**
 - ✧ 10th to 11th Street
- **Establish and execute an emergency power plan for the water treatment plant.**
- **Complete next phase of the waterline replacement program on time, on budget, and with specification quality.**
 - ✧ 2005 – Miller Road and Lunz Road Water Line Installation
 - ✧ 2005 - Complete design and right of way acquisition for new transmission line from Bradshaw Road- Water Plant
- **Seek opportunities to reduce the life-cycle cost of our infrastructure.**
 - ✧ Institute training in engineering economics
 - ✧ Continue conversion to telemetry and PLC controls for the water and sewer systems
- **Improve our emergency response capability**
 - ✧ Establish a Water Emergency Plan
 - ✧ Conduct a least one "hands on" emergency drill

GOAL: Become a “Record Breaking” Public Works Organization – an organization that other public works departments model themselves after.

- **Pursue formal accreditation by the American Public Works Association.**
 - ✧ Complete APWA Accreditation
- **Be the first and best source of information on Public Works matters.**
 - ✧ Fully Define our development and construction standards
 - ✧ Aerial photos available to all
- **Make Public Works fun to the people and the community.**
 - ✧ Water Conservation
 - ✧ Waterfront Festival Booth
 - ✧ Outreach to schools and community groups
 - ✧ Open houses/tours
 - ✧ National Public Works Week activities
 - ✧ Earth Day activities
- **Make the extra effort to “delight” the customer.**
 - ✧ Act on improvements to our development review process and customer service
 - ✧ Improve the customer service arm of Public Works
- **Ensure seamless teamwork within Public Works, the City and supporting agencies**
 - ✧ Continue close working relationship with Finance/Building Departments
 - ✧ Seek ways to work closer with other City departments
 - ✧ Improve grants administration procedures and tracking list
 - ✧ Build close working relationship with the Skagit County Public Works, Port of Anacortes, WSDOT, DOE, and Skagit PUD.
 - ✧ Foster a positive working environment with high morale
 - ✧ Perpetuate a culture of high trust and open honest communication
 - ✧ Expand cross-training opportunities for Division Managers.
- **Develop, train, hire, and retain an outstanding team**
 - ✧ Increase recognition of our people
 - ✧ Continue training of leadership staff
 - ✧ Continue cross training within Public Works and City and other public works organizations
 - ✧ Ensure training and travel is cost effectively executed
- **Communicate our successes to the community and our professional groups**
 - ✧ Increase outreach and marketing of our services
 - ✧ Increase presence on Channel 10
 - ✧ Increase use of City web site
 - ✧ Improve our newsletter

ENGINEERING**GENERAL, STREET, WATER, SEWER, & STORM DRAIN FUNDS**

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
General Fund*	457,952	483,667	484,017	470,772
Street Fund	37,785	36,273	36,273	39,191
Water Fund	125,508	760,236	3,183,236	1,717,173
Sewer Fund	13,968	356,876	801,876	280,400
Storm Drain Fund	35,706	272,443	546,443	248,017
Sanitation	8,019	30,000	30,000	15,000
DEPARTMENT TOTAL	678,938	1,939,495	5,081,845	2,770,553
Personnel				
Salaries & Wages	430,821	558,607	558,607	446,616
Fringe Benefits	112,837	178,432	178,432	153,480
Supplies	15,711	22,350	22,350	6,650
Services	86,117	119,935	119,935	124,940
Interfund	30,207	27,247	27,247	43,467
Capital Outlays	3,245	1,032,924	4,175,274	1,995,400
DEPARTMENT TOTAL	678,938	1,939,495	5,081,845	2,770,553

*includes Administration

MAJOR CAPITAL OUTLAYS:

Water	
Sed Basin & Filter Addition	\$50,000
Reservoir Earthquake Valves	60,000
Water Volume Increase Tanks	25,000
Re-coat 36" Pipeline Pilings	25,000
Waterline Replacements	132,000
Deception Pass Pipeline	650,000
Segments 4,5 & 6 24" Pipeline	2,490,000
Sewer	
Pipeline Replacements	132,000
Manhole Repair/Replacements	75,000
I & I Reduction	54,000
Storm Sewer	
Improvements	72,000
Infiltration & Intrusion	54,000

STREET**Street, Arterial Street**

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Administration	62,058	63,334	63,334	79,690
Street Maintenance	637,197	890,877	927,150	904,540
Arterial Street	1,077,062	1,686,000	2,687,000	711,800
FUND TOTAL	1,776,317	2,640,211	3,677,484	1,696,030
Personnel				
Salaries & Wages	246,156	261,504	290,782	266,030
Fringe Benefits	67,556	80,749	87,744	87,417
Supplies	83,850	90,050	90,050	86,250
Services	203,422	204,402	204,402	207,904
Capital Outlay	1,055,827	1,891,000	2,892,000	916,800
Interfund	119,506	112,506	112,506	131,629
TOTAL	1,776,317	2,640,211	3,677,484	1,696,030

CAPITAL OUTLAYS:

Street Overlays	\$410,000
Sunset Avenue Widening	170,000
41 st Street Pedestrian Improv.	112,800
CBD Sidewalk Improv	153,000
SR 20/Thompson Rd Signal	40,000
Miscellaneous Sidewalks	31,000

WATER
Fund Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Administration	599,218	534,187	565,187	531,838
Operations	1,864,934	2,358,024	2,358,024	2,205,745
Maintenance	2,269,059	771,288	771,288	897,187
	<u>4,733,211</u>	<u>3,663,499</u>	<u>3,694,499</u>	<u>3,634,770</u>

Personnel				
Salaries & Wages	891,946	996,847	996,847	1,001,479
Fringe Benefits	242,460	297,341	297,341	320,095
Supplies	256,310	233,225	233,225	221,825
Services	2,688,358	1,281,008	1,312,008	1,303,989
Capital Outlay	31,368	276,050	276,050	170,853
Interfund Charges	622,769	579,028	579,028	616,529
	<u>4,733,211</u>	<u>3,663,499</u>	<u>3,694,499</u>	<u>3,634,770</u>

CAPITAL OUTLAYS:

Reservoir Telemetry Improvements	\$100,000
Re-build High Service Pumps	14,853
New Meters	4,000
Inventory Storage Lot Paving	5,000
Air Relief/Air Vac Repl on 36" Trans	25,000

WASTEWATER
Fund Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Administration	385,339	344,907	344,907	360,795
Operations	1,709,451	2,200,222	2,665,222	2,118,110
Maintenance	256,153	213,950	213,950	284,514
March Pt Sewer Conveyance	14,957	44,866	134,866	14,017
	<u>2,365,900</u>	<u>2,803,945</u>	<u>3,358,945</u>	<u>2,777,436</u>

CHARACTER OF EXPENDITURES				
Personnel				
Salaries & Wages	963,075	878,440	878,440	1,018,745
Fringe Benefits	250,226	280,844	280,844	317,900
Supplies	308,405	397,930	397,930	397,341
Services	496,148	475,899	475,899	480,158
Intergovernmental	11,660	12,465	12,465	12,725
Capital Outlay	0	440,800	995,800	225,000
Interfund Charges	336,386	317,567	317,567	325,567
	<u>2,365,900</u>	<u>2,803,945</u>	<u>3,358,945</u>	<u>2,777,436</u>

CAPITAL OUTLAYS:

Radio Telemetry	\$50,000
Pump Station #15	175,000

STORM DRAINAGE

Fund Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Administration	13,340	14,059	14,059	14,926
Maintenance	228,508	243,144	296,144	243,362
	<u>241,848</u>	<u>257,203</u>	<u>310,203</u>	<u>258,288</u>
CHARACTER OF EXPENDITURES				
Personnel				
Salaries & Wages	146,107	166,949	166,949	160,568
Fringe Benefits	42,888	49,229	49,229	54,308
Supplies	4,004	5,000	5,000	4,000
Services	15,700	4,273	57,273	3,898
Intergovernmental	1			
Capital Outlay		1,000	1,000	
Interfund Charges	33,148	30,752	30,752	35,514
	<u>241,848</u>	<u>257,203</u>	<u>310,203</u>	<u>258,288</u>

CAPITAL OUTLAYS:

SANITATION

Fund Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Administration	114,265	116,392	116,392	119,492
Operations	1,592,000	1,493,919	1,493,919	1,577,935
	<u>1,706,265</u>	<u>1,610,311</u>	<u>1,610,311</u>	<u>1,697,427</u>
CHARACTER OF EXPENDITURES				
Personnel				
Salaries & Wages	293,920	325,738	325,738	321,307
Fringe Benefits	88,954	107,258	107,258	113,681
Supplies	7,594	11,500	11,500	11,800
Services	932,359	854,578	854,578	872,223
Capital Outlay	2,695	5,000	5,000	5,000
Interfund Charges	380,743	306,237	306,237	373,416
	<u>1,706,265</u>	<u>1,610,311</u>	<u>1,610,311</u>	<u>1,697,427</u>

CAPITAL OUTLAYS:

Containers/Dumpsters \$5,000

EQUIPMENT RENTAL Fund Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Administration	39,425	39,470	39,470	40,501
Maintenance	602,863	1,006,160	1,023,660	1,115,021
	<u>642,288</u>	<u>1,045,630</u>	<u>1,063,130</u>	<u>1,155,522</u>
CHARACTER OF EXPENDITURES				
Personnel				
Salaries & Wages	170,396	162,653	162,653	180,840
Fringe Benefits	43,221	48,793	48,793	54,092
Supplies	211,643	223,000	223,000	243,500
Services	171,978	201,821	201,821	192,652
Capital Outlay	11,048	375,248	392,748	449,452
Interfund Charges	34,002	34,115	34,115	34,986
	<u>642,288</u>	<u>1,045,630</u>	<u>1,063,130</u>	<u>1,155,522</u>

CAPITAL OUTLAYS

Department	Equipment	Total Cost	Funding Source	
			Dept Budget	'B' Reserve
Police	Patrol cars (3)	\$93,064		\$93,064
Medic/Fire	Pumper	280,000		280,000
Park/Cemetery	Backhoe	70,000		70,000
	Weedeater (2)	800		800
	PU Canopy	1,726		1,726
	8' Sailboat	3,000		3,000
Public Works				
Water	Lawn Mower	863		863
Total		<u>\$449,453</u>		<u>\$449,453</u>

PARKS/RECREATION/CEMETERY

Department Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Parks	1,024,057	626,800	666,800	652,442
Recreation	172,480	199,055	199,055	200,917
Forestland	98,282	108,844	121,844	120,181
Cemetery	103,471	114,374	114,374	117,101
Municipal Bldg/Community Ctr	327,435	376,085	376,085	362,817
SWWTP Grounds Maint	12,432	16,957	16,957	25,305
Street Tree Program	575			2,500
DEPARTMENT TOTAL	1,738,732	1,442,115	1,495,115	1,481,263

CHARACTER OF EXPENDITURES

Personnel				
Salaries & Wages	653,263	737,022	744,822	724,235
Fringe Benefits	184,868	232,547	233,647	237,767
Supplies	88,078	99,950	100,550	102,200
Services	232,553	261,876	265,376	264,514
Intergovernmental	405	500	500	500
Capital Outlays	453,567		40,000	23,500
Interfund	125,998	110,220	110,220	128,547
DEPARTMENT TOTAL	1,738,732	1,442,115	1,495,115	1,481,263

SOURCE OF FUNDS

General	604,723	501,452	430,952	405,018
Interest	5,764			2,700
Grants	49,800		4,500	
Donations	30,613			
Taxes	736,901	757,963	757,963	829,635
Fees/Rents	310,931	182,700	301,700	243,910
DEPARTMENT TOTAL	1,738,732	1,442,115	1,495,115	1,481,263

SIGNIFICANT CHANGES**CAPITAL OUTLAYS**

Park Amenities	\$2,500
Storvik Park Playground	3,000
Tennis Court Resurfacing	18,000

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
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POSITION SUMMARY

Director	1.00	1.00	1.00	1.00
Recreation Manager	1.00	1.00	1.00	1.00
Facilities Manager	1.00	1.00	1.00	1.00
Park Operations/Maintenance Mgr	1.00	1.00	1.00	1.00
Washington Park Manager	1.00	1.00	1.00	1.00
Administrative Secretary	.70	.70	.70	.70
Department Secretary	.50	.50	.50	.50
Recreation Coordinator	1.00	1.00	1.00	1.00
Recreation Assistants	.36	.36	.20	.20
Forestland Maintenance	1.66	1.66	1.66	1.66
Maintenance	7.24	7.24	7.43	7.43
Custodial	1.25	1.25	1.20	1.20
Sailing Instructors	.35	.35	.35	.35
TOTAL DEPARTMENT FTE's	18.06	18.06	18.04	18.04
Full Time Positions	12.00	12.00	12.00	12.00
Seasonal Positions	18.00	18.00	18.00	18.00
POSITION TOTAL	30.00	30.00	30.00	30.00

MISSION STATEMENT

The Anacortes Parks & Recreation Department seeks to preserve and enhance the quality of life that our residents enjoy by providing quality recreational facilities and opportunities regardless of age, race, sex, wealth or ability.

The City of Anacortes Parks and Recreation Department is committed to:

- ✓ Developing and maintaining facilities that we are proud to call our own.
- ✓ Assuring that each person that comes in contact with our department (facilities, services and personnel) is treated with respect.
- ✓ Running recreation programs that we would encourage anyone to participate in.
- ✓ Actively involving public participation in our planning and policy setting.
- ✓ Making our work environment an enjoyable, creative, productive place.
- ✓ Effectively using our revenues to their maximum potential.
- ✓ Systematically responding to external requests for assistance as quickly and efficiently as possible.

- ❖ We will aid the City of Anacortes in developing and maintaining facilities by:
 - Thinking of the public's facilities as our own

- ❖ We will treat people with respect by:
 - Actively listening to our customers
 - Working hard to see things from different perspectives

- ❖ We will provide positive recreation programs by:
 - Ensuring that our programs are operated fairly
 - Making sure our programs are well organized

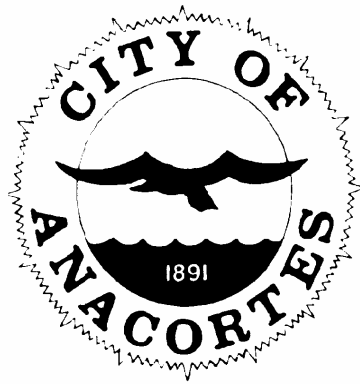
- ❖ We will involve the public in our planning and policy setting by:
 - Actively encouraging public participation and involvement
 - Doing our best to consider the public's input when making recommendations

- ❖ We will improve our work environment by:
 - Giving employees a part in decision making
 - Supporting our co-workers

- ❖ We will effectively use our revenues by:
 - Carefully considering all spending decisions
 - Always looking for more efficient ways to do things

- ❖ We will efficiently respond to requests for assistance by:
 - Prioritizing them with our regular maintenance concerns

- ❖ Our effectiveness can be measured by our ability to:
 - Contribute to making Anacortes a better place to live and work



LIBRARY
Department Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Administration	73,436	77,972	77,972	80,258
Library Services	626,725	637,121	652,319	666,107
Library Construction	20,339		7,450	
DEPARTMENT TOTAL	720,500	715,093	737,741	746,365
CHARACTER OF EXPENDITURES				
Personnel				
Salaries & Wages	418,386	432,634	434,634	448,768
Fringe Benefits	95,623	111,200	111,200	115,279
Supplies	80,169	60,820	74,018	65,785
Services	73,334	73,639	73,639	77,672
Capital Outlays	16,722		7,450	
Interfund	36,266	36,800	36,800	38,861
DEPARTMENT TOTAL	720,500	715,093	737,741	746,365
SOURCE OF FUNDS				
Property Taxes	683,413	702,949	702,949	769,419
Grants/Donations	30,144		15,198	
Charges for Services	6,943	20,000	20,000	21,060
Fund Balance		(7,856)	(406)	(44,114)
DEPARTMENT TOTAL	720,500	715,093	737,741	746,365

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
POSITION SUMMARY				
/Administration				
Library Director	1.00	1.00	1.00	1.00
Librarians	2.00	2.00	2.00	2.00
/Library Services				
Administrative Assistant	1.00	1.00	1.00	1.00
Assistant Children's Collection	.50	.50	.50	.50
Clerks	7.17	7.17	7.75	7.75
Pages	1.04	1.04	1.04	1.04
TOTAL FTE's	12.71	12.71	13.29	13.29
Full Time Positions	7.00	7.00	7.00	7.00
Part Time Positions	13.00	13.00	13.00	13.00
POSITION TOTAL	20.00	20.00	20.00	20.00

SIGNIFICANT CHANGES

CAPITAL OUTLAYS

MISSION STATEMENT
The mission of the Anacortes Public Library is to open doors to a world of information and education and to promote the value and pleasure of reading and other library resources.

2005 BUDGET GOALSPromote and support the value of learning

1. To increase attendance at library programs.

Provide resources to enrich lives

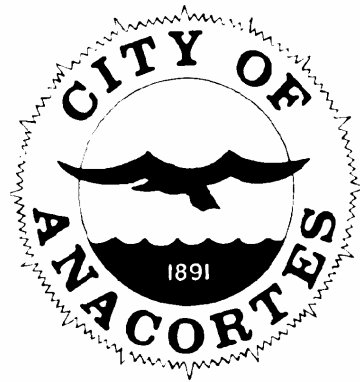
1. Provide Internet and computer training for the public and staff.
2. Technology enhancement – up to date hardware and software.
3. Provide a rich and bounteous selection of children's, young adult and adult materials.

Being a community and social center

1. Increase the use of the community meeting room, have adult and young adult programs, increase the use of the Internet.
2. Develop a marketing plan

2005 PERFORMANCE MEASURES

1. Circulation of library materials
2. Items in collection
3. Items added
4. Items deleted
5. Active borrowers
6. Participants in special programs
7. Number of Internet sessions
8. Library Web Page Hits



MUSEUM
Department Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
Museum	166,188	183,349	190,973	195,789
W.T. Preston	19,964	18,100	24,200	18,800
Preston Interpretive Ctr Const		408,076	408,076	
DEPARTMENT TOTAL	186,152	609,525	623,249	214,589
CHARACTER OF EXPENDITURES				
Personnel				
Salaries & Wages	109,756	111,562	111,562	126,535
Fringe Benefits	19,264	21,326	21,326	22,451
Supplies	10,486	10,500	10,500	10,500
Services	35,518	43,554	57,278	45,311
Capital Outlays		408,076	408,076	
Interfund	11,128	14,507	14,507	9,792
DEPARTMENT TOTAL	186,152	609,525	623,249	214,589
SOURCE OF FUNDS				
General Fund	181,027	199,449	213,173	212,539
Grants		408,076	408,076	
Sales/Donations/Fees	5,125	2,000	2,000	2,050
DEPARTMENT TOTAL	186,152	609,525	623,249	214,589

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
POSITION SUMMARY				
/Museum				
Director	1.00	1.00	1.00	1.00
Curator	1.00	1.00	1.00	1.00
Collections Aide				.48
Registrar/Admin Asst	.45	.72	.45	.72
Public Information/Education	.45	.58	.45	.58
Aides	1.70	1.50	1.37	1.97
Project				
TOTAL GENERAL FUND FTE's	4.60	4.80	4.27	4.75
Full Time Positions	2.00	2.00	2.00	2.00
Part Time Positions	5.00	5.00	5.00	6.00
POSITION TOTAL	7.00	7.00	7.00	7.00

SIGNIFICANT CHANGES

SIGNIFICANT CHANGES

CAPITAL OUTLAYS

MISSION STATEMENT
<p>The Anacortes Museum exists to promote and inspire an understanding and an appreciation of the heritage of Fidalgo and Guemes Islands.</p> <p>As a forum for historical inquiry, the Museum presents history through interpretive programs, exhibitions, research, and the active acquisition of local history collections. In conjunction with educational programs, special events and publications, these activities are designed to engage and enrich the individual and the community while also providing people with connections to the past and future.</p> <p>The Museum advances the use of history as a tool for the informed development of the community and cultivates an awareness of historic preservation. To fulfill this mission, the Museum strives to nurture in the community a pride in place and an identity that has a foundation in an understanding of the role and value of history in our society.</p>

MUSEUM
Department Summary

2005 OBJECTIVES, GOALS & PERFORMANCE MEASURES

2005 OBJECTIVES, GOALS & PERFORMANCE MEASURES

1. Create and maintain an environment of learning and understanding.

- A. Educational activities
 - 1. Continue to improve and expand the educational outreach program.
 - Provide educational materials to educators on Fidalgo and Guemes Islands within three days of the request.
 - Complete the writing of various histories of Fidalgo and Guemes Islands.
 - Continue building the research files and the research library book collection.
 - 2. Exceptional research services
 - Respond to research request within seven days after receiving them.
 - 3. Continue participating in community events.
 - Participate in WFF, Best Fest and Arts Fest.
 - Help host the Antique Engine & Machinery Day show.
 - Host a winter talk series related to our local history
- B. Interpretive exhibits.
 - 1. Provide compelling exhibits of interest to residents and visitors.
 - Interpretive center exhibit work ready for installation by March.

2. Maintain a commitment to constant preservation and respectful rehabilitation of the Museum's sites.

- A. *W.T. Preston*
 - 1. Continual preservation of our National Historic Landmark vessel
 - Spuds and spud tunnels refinished, spuds reset by March 31.
 - Vent ports cut in hull compartments by 31 March.
 - Foredeck re-planking completed by 30 Sept.
 - Turntable re-planked by 1 November.
 - 2. Site work
 - Jim Rice Park landscape work completed by May 31.
- B. Carnegie Building
 - 1. Handicapped Lift.
 - Ongoing effort to secure funding.

3. Preserve our history

- A. Care of the Museum's collections
 - 1. Continual improvements to storage rooms.
 - Lower level storage rooms secured by April 30.
 - 2. Wallie Funk Collection
 - Ongoing work to catalogue the collection.
 - 3. Collection database
 - Ongoing work to correct existing entries.
 - pre-1977 accession records entered into database by September.

4. Expand public awareness of our services

- A. Marketing
 - 1. Promotional materials and advertising.
 - Advertisements in annual publications distributed Statewide.
 - Quarterly calendar of events handouts distributed throughout the year.

NON DEPARTMENTAL
Summary

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
FINANCIAL SUMMARY				
General Gov't Services	803,691	757,364	579,287	722,231
Emergency Services	24,466	25,000	25,000	26,335
Skagit Council of Governments	7,455	8,289	8,289	7,735
NW Air Pollution Authority	5,194	5,219	5,219	5,289
Skagit Co Community Action	3,000	3,000	3,500	3,500
Skagit Domestic Violence	3,250	3,250	3,250	3,315
Skagit Co Senior Services	24,627	25,325	25,325	26,085
Skagit Co Community Alcohol	10,096	10,681	10,681	11,200
Anacortes Comm Health Council	0	1,500	1,500	1,500
Tourism	138,907	170,000	196,150	174,500
1999 GO Refunded Bonds (1992)	147,132	148,190	523,190	148,990
1999 GO Bonds	133,945	132,285	132,285	130,605
2000 GO Bonds	522,704	527,223	527,223	525,935
Growth Mgmt Capital Impv	418,755	443,044	443,544	223,338
PWTF Loans	27,613	26,147	27,131	26,648
Water Rev & Ref Bonds	791,294	933,720	933,720	576,835
2003 Sewer Rev Ref Bonds	835,585	798,937	798,937	802,550
Medical/Health Benefits	1,598,087	1,688,023	1,907,466	2,152,228
Firemen's Pension	43,188	42,975	44,275	45,465
Reserves			400,000	
NON-DEPARTMENTAL TOTAL	5,538,989	5,750,172	6,595,972	5,614,284
SOURCE OF FUNDS				
Property & Excise Taxes	3,672,426	4,986,631	4,415,657	3,442,470
Interfund Revenues	1,835,581	738,441	2,155,215	2,167,814
Interest	30,982	25,100	25,100	4,000
NON-DEPARTMENTAL TOTAL	5,538,989	5,750,172	6,595,972	5,614,284

NON-DEPARTMENTAL DEFINED

General Governmental Services

Includes all expenses of a generic-cost nature that relate to more than one department. (e.g. postage, telephone, insurance, duplicating/printing costs, AWC dues, audit fees, excise taxes etc.)

Emergency Services through Community Alcohol

All are explained on following pages "Contracted Services".

Tourism

This fund accounts for the 4% Hotel/Motel Tax monies which are used mainly for tourism purpose (Chamber of Commerce, *W.T. Preston* Museum, ...).

1999 Refunded G.O. Bonds

Refunded 1992 debt service payment on \$1.49 million (non-voted) bonds originally issued to build two new fire stations. Final payment will be in 2012.

1999 G.O. Bonds

Debt Service payments on \$2.05 million (non-voted) bonds issued in 1999 to build a new public safety building.

2000 G.O. Bonds

Debt Service payments on \$3 million (voted) bonds issued in 2000 to build a new library.

City Medical Benefits

City employees health benefits are provided through Association of Washington Cities. Per federal law each employee has two plans in which to choose from. Depending on the plan chosen some employees contribute a portion of their premium. The city is mandated to pay 100% of LEOFF I current and retired employee premiums.

Firemen's Pension

Payment of benefits to two firefighters or their beneficiaries (1 pensioner and 1 widow), who retired prior to March 1, 1970, for which the City retains payment responsibility. Beginning in late 1994 the City began paying a portion of retirement for two LEOFF I firefighters who retired due to disabilities

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CONTRACTED SERVICES
Summary

FINANCIAL SUMMARY

	Actual FY03	Adopted FY04	Revised FY04	Proposed FY05
<u>Mandated</u>				
Skagit County Emergency Svcs	24,466	25,000	25,000	26,335
NW Air Pollution Authority	5,194	5,219	5,219	5,289
Sk Co Community Alcohol Center	10,096	10,681	10,681	11,200
Sub-Total	39,756	40,900	40,900	42,824
<u>Non-Mandated</u>				
Sk Co Community Action Agency	3,000	3,000	3,500	3,500
Sk Co Senior Services	24,627	25,325	25,325	26,085
Sub-Total	27,627	28,325	28,825	29,585
Grand Total	67,383	69,225	69,725	72,409

Mandated

1. Skagit County Emergency Services (Skagit County Department of Emergency Management)
 - a. Mandate: RCW 35.82 Local governments required to prepare and carry out emergency preparedness plans. (County Ordinance 8859 - enabling act of the RCW.)
 - b. Includes: Anacortes, Burlington, Concrete, Hamilton, LaConner, Lyman, Mount Vernon, Sedro-Woolley, Skagit County
 - c. Anacortes' involvement: 1981
 - d. Contribution: based on population (a per capita assessment times Anacortes' population)
 - e. 2005 Budget: \$26,335 (15,110 population · \$1.74/capita assessment)
2. Northwest Air Pollution Authority
 - a. Mandate: RCW 70.94.053... Enforcing standards and compliance of pollution control measures by businesses and industries.
 - b. Includes; Skagit, Island, and Whatcom counties and cities therein.
 - c. Anacortes' involvement: 1968
 - d. Contribution: Based on population (a per capita assessment times Anacortes' population).
 - e. 2005 Budget: \$5,289 (15,110 population · \$0.35/capita assessment)

3. Skagit County Community Alcohol Center
 - a. Mandate: RCW 70.96A.087 Services for recovery from alcoholism and other chemical dependencies.
 - b. Includes: All cities and county.
 - c. Anacortes' involvement: 1973
 - d. Contribution:
 - Mandated 2% of the liquor excise tax and Liquor Board profits (billed quarterly).
 - Beginning 1990, all of County's cities verbally agreed to add an additional 5%, of liquor revenues, making a total of 7%.
 - e. 2005 Budget: \$11,200 (7% · estimated liquor revenues of \$160,000)

Non-Mandatory Services

1. Skagit County Community Action Agency
 - a. Purpose: SCCAA is a private non-profit United Way agency serving the residents of Skagit county. Its primary mission is to help low-income people find the resources they need in order to become self-reliant. Designated funds are also passed through to Skagit Rape Relief and Battered Women's Services. SCCAA was established in 1979 and operates under an 18 member board of directors. SCCAA's "core" funding is Skagit County's share of the Community Service Block Grant. The agency receives funds from various public and private groups.
 - b. Cities included: LaConner, Mount Vernon, Burlington, Sedro-Woolley, Anacortes
 - c. Anacortes' involvement: 1984
 - d. Contribution: Lump-sum amount requested by SCCAA.
 - e. 2005 Budget: \$3,500
2. Skagit County Senior Services
 - a. Purpose: This is an annual contractual agreement with the county for services to our senior citizen population - including the Senior center program, home-delivered meals, visits to homebound seniors, transportation services, etc. The City's Parks Department administrates the contract.
 - b. Cities included: Anacortes, Burlington, Concrete, Mount Vernon, Sedro-Woolley.
 - c. Anacortes involvement: 1975
 - d. Contribution: Negotiated
 - e. 2005 Budget: \$26,085

