

City of Sammamish, Washington

2017-2018 Budget-in-Brief



Coming in 2017



Village at Sammamish Town Center

2017 - 2018 Budget Message

Since Sammamish's incorporation in 1999, your elected representatives on the City Council have consistently made prudent financial choices on behalf of the entire community. The 2017-2018 Budget continues on this path with funding for the core elements of the City Council's vision while achieving a 2018 ending balance that is well-reasoned and fiscally conservative.

Our City is maturing and growing as it nears the end of its second decade of incorporation. With the annexation of the Klahanie area on January 1, 2016, the 2017-2018 budget period is the first biennium in which the City's residential population will exceed 60,000, up from 50,000 prior to annexation. Development is occurring rapidly, with commercial and multi-family residential construction in the Town Center, and strong residential development in other areas of the city. In response to a growing workload, this budget converts 13 seasonal staff positions to 10 full-time maintenance positions and adds professional and supervisory staff to bring the employee count to 114.75. Infrastructure needs are addressed in the transportation, surface water, and park capital investment project funds that were approved as part of the Council's long-term Capital Improvement Plans.



The City Council's emphasis on contracting for major services allows the city's operating expenditure and direct staffing levels to remain low compared with many of our neighboring cities, and frees up funding for both near-term infrastructure needs and the long-range transformational projects that will shape the future of Sammamish. The 2017-2018 budget strikes an efficient balance of funding for in-house positions, which will be sustained for the long-term, and contracted services, which will address short-term, service-demand surges that are anticipated in the next two years.

Total expenditures of \$170 million are \$25 million higher than in 2015-2016, reflecting inclusion in the 2017-2018 budget of the recently annexed Klahanie area along with several transportation and surface water capital improvement projects.

Providing high quality city services employs 56% of the budget with the remaining 44% devoted to capital improvement projects. Revenues are budgeted \$27 million higher than in the 2015-2016 biennium due to revenue from the Klahanie annexation that is sufficient to cover the accompanying costs, continued strong development activity, and capital grants. The projected ending fund balance is a healthy \$18 million.

I hope you will take the time to review this "Budget in Brief". By looking to the future and paying respect to the economic realities of the present, I think it achieves admirable balance. I hope you agree! If you have any questions, please feel free to contact me or Finance Director Aaron Antin.

Respectfully,

A handwritten signature in blue ink that reads "Lyman Howard". The signature is fluid and cursive, written over a white background.

Lyman Howard
City Manager

SUMMARY OF SAMMAMISH'S 2017-2018 OPERATING AND CAPITAL BUDGETS

City of Sammamish 2017-2018 Budget Highlights

Public Safety

Provide a safe environment for people and property:

- Add 1 Police patrol officer

Streets and Transportation

Create efficient movement of people and vehicles throughout the city:

- Widen and beautify NE 4th St.
- Improve traffic flow on Issaquah/Fall City Rd.
- Repave streets to maintain surfaces
- Reconstruct 212th Way

Economic Planning and Development

Foster high quality residential neighborhoods and a welcoming business climate

- Complete an Urban Forestry Plan
- Implement an electrical inspection program
- Enhance code compliance activities

Parks and Recreation

Create/maintain a park system and programs to enhance the resident's quality of life:

- Update the Parks & Open Space Plan
- Improve the Beaver Lake Park beach
- Install a restroom in the Lower Commons
- Acquire land for parks and open space
- Regularly maintain parks and sports fields

Natural Environment

Promote and protect a healthy environment:

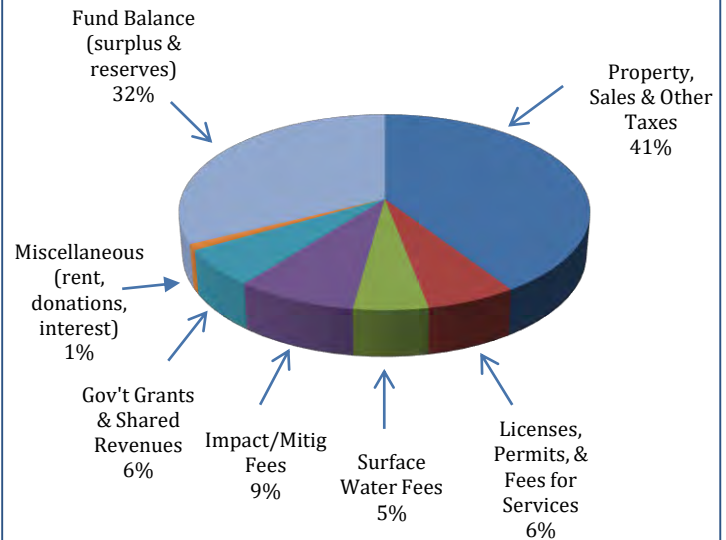
- Improve drainage on steep slopes
- Install Zackuse Creek fish passage
- Maintain surface water facilities in compliance with federal requirements

Municipal Services and Facilities

Maximize cost-effectiveness and efficiency of municipal services and facilities:

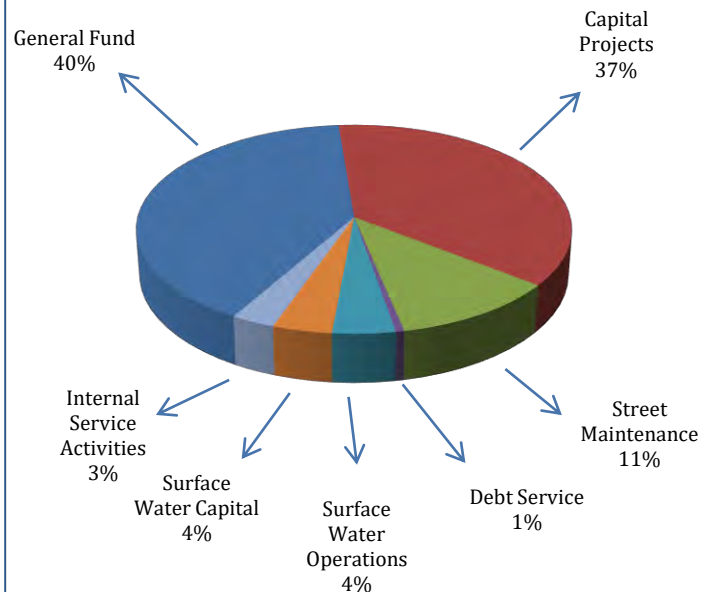
- Implement an emergency management program
- Reconfigure City Hall interior
- Replace 5 vehicles & 5 pieces of heavy equipment
- Install an automated Human Resources System
- Create an IT business continuity plan

**Where the Money Comes From... Estimated Sources of Revenue: \$193,687,147



** Excluding interfund transactions

**Where the Money Goes... Approved Budget \$193,687,147



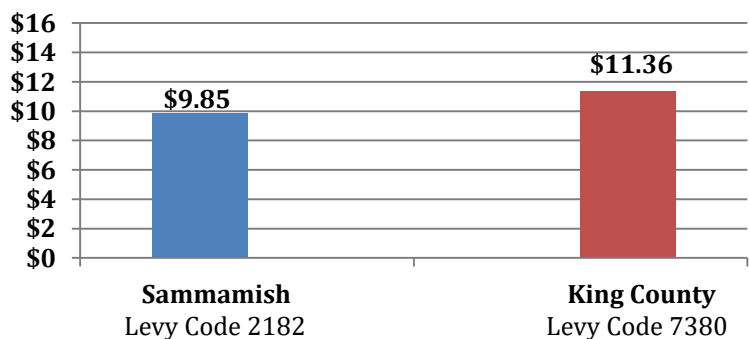
Revenues by Source-All Funds	2015-2016	2017-2018
	Budget	Budget
Property, Sales, REET, and other Taxes	\$ 67,489,734	\$ 78,890,000
Licenses & Permits	4,594,800	5,106,000
Gov't. Grants & Shared Revenues	4,591,900	11,970,700
Direct Charges for Services Provided	21,374,547	31,928,500
Development & Court Fines	537,300	558,900
Interest Income, Rent, & Miscellaneous	5,567,730	2,716,080
Total Revenues (Sources)	\$ 104,156,011	\$ 131,170,180
<i>Interfund Transfers</i>	<i>38,209,699</i>	<i>23,260,458</i>
<i>Beginning Fund Balance</i>	<i>78,144,674</i>	<i>62,516,968</i>
Total Available Funds	\$ 220,510,384	\$ 216,947,606
Expenditures (Uses) by Category-All Funds	2015-2016	2017-2018
	Budget	Budget
Police Services (King Co. Sheriff)	\$ 12,109,318	\$ 14,456,240
Fire Services (Eastside Fire & Rescue)	13,563,773	15,267,511
Public Works & Street Maintenance	14,590,697	18,391,300
Emergency Management	-	530,200
Parks, Recreation, & Culture	8,121,889	9,960,620
Community Development	6,154,665	7,994,600
Surface Water Management	5,651,656	7,617,300
Central Services	15,718,111	20,391,096
Total Operating Expenditures	\$ 75,910,109	\$ 94,608,867
General Gov. Capital Projects	9,730,000	4,000,000
Parks Capital Projects	29,943,482	17,686,500
Transportation Capital Projects	23,986,011	46,588,800
Surface Water Capital Projects	5,067,400	7,121,768
Total Capital Expenditures	\$ 68,726,893	\$ 75,397,068
Total Expenditures (Uses)	\$ 144,637,002	\$ 170,005,935
<i>Interfund Transfers & Contingencies</i>	<i>44,251,699</i>	<i>29,287,459</i>
<i>Ending Fund Balance</i>	<i>31,621,683</i>	<i>17,654,212</i>
Total Budgeted Uses	\$ 220,510,384	\$ 216,947,606

Taxes Lower; Services Higher

Property taxes are over 15% higher in unincorporated King County than in Sammamish. For a \$700,000 home that equals \$1,057 more per year. At the same time Sammamish residents have seen their services increase due to process improvements and efficiencies with existing resources. Contracting public safety services (fire, emergency medical services, and police protection) has also resulted in savings. Our many accomplishments include road and park improvements and completion of city-wide comprehensive planning documents.

Total Property Tax Levy Rate (All Jurisdictions) Comparison for 2017

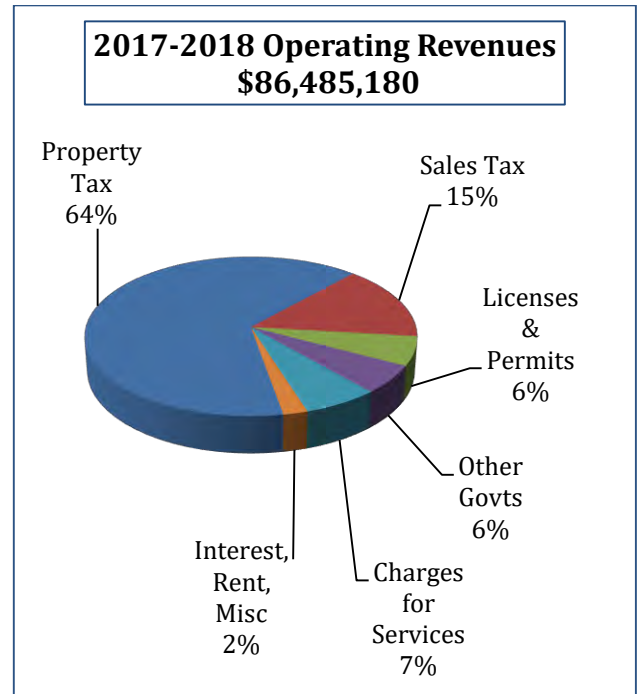
(Rate per \$1000 Assessed Valuation
Difference = \$1.51/\$1000 AV)



GENERAL AND STREET FUND REVENUES & SERVICES

General and Street fund revenues pay for basic city services such as police, fire, street and landscape maintenance, parks and recreation, and community development. The \$5.7 million ending fund balance in the General Fund finances capital improvements and/or provides a reserve for future emergencies. The \$6.5 million ending fund balance in the Street Fund is retained for future street maintenance.

- **Property Taxes = \$55.8 million**
Sammamish receives about 19 cents of every tax dollar collected. A home with an assessed value of \$700,000 generates \$1,348 in annual revenue to the city
- **Sales Taxes = \$13.1 million**
Sammamish receives about 9 cents of every tax dollar collected within the city
- **Charges for Services = \$5.8 million**
Development fees, traffic concurrency test fees, field use fees
- **Licenses & Permits = \$5.1 million**
Building permits, franchise fees, right of way permits
- **Other Governments = \$5.0 million**
State shared revenue/federal, state, and county grants
- **Interest, rent, court fines, miscellaneous = \$1.8 million**



Cost of General & Street Fund Services				
Operating Expenditures	2017-2018 Budget	% of Total 17/18 Operating Costs	2017 FTE's	**Avg Annual Per Capita Cost
Police Services (King Co. Sheriff-contract)	\$ 14,456,240	17.0%	1.00	\$ 118.01
Fire Services (Eastside Fire & Rescue-interlocal agreement)	15,267,511	18.0%	-	124.63
Emergency Management	530,200	0.6%	1.00	4.33
Public Works & Street Maintenance	18,799,714	22.1%	24.80	153.47
Parks, Recreation, & Culture	9,960,620	11.7%	23.50	81.31
Community Development	7,994,600	9.4%	26.03	65.26
City Council, City Manager, Finance	4,165,050	4.9%	13.47	34.00
Administrative Svcs., City Clerk, Human Svcs., Legal, Facilities	8,774,590	10.3%	8.50	71.63
Internal Services & Other	5,076,318	6.0%	1.00	41.44
Totals	\$ 85,024,843		99.3	\$ 694.08
Transfers-Capital	2,400,000			
Contingencies	6,100,000			
Ending Fund Balance (reserves & surplus)	12,148,686			
Total Expenditures	\$ 105,673,529			

** Per capita cost = budget amount/population

WHAT DO THESE SERVICES DO FOR THE CITIZENS?

Police Services-Police services are provided in Sammamish through a contract with the King County Sheriff's Office. For the 2017-2018 biennium there are 20 patrol officers assigned to the city, up from 14 in 2015. Five officers were added with the Klahanie annexation on 1/1/2016 and one officer is added in the 2017-2018 budget. In addition, the city has 2 School Resource Officers who spend a significant amount of time at the local schools participating in school activities and getting to know the students. The city directly employs one Administrative Assistant to support the Sammamish Police Department.

Fire Services-Fire protection and emergency medical services are provided in Sammamish by Eastside Fire and Rescue (EF&R) through an interlocal agreement among two fire districts and three cities. There are three fire stations within the city limits of Sammamish, each staffed twenty-four hours per day by a three-person crew. Back up is available from the other stations in the EF&R service area as well as surrounding fire departments such as Redmond and Bellevue.

Emergency Management-A separate program is new in the 2017-2018 budget to implement a city-wide emergency management function. Coordination with other emergency response agencies, communication during an emergency, and promotion of citizen preparedness are primary functions of this service area.

Public Works & Street Maintenance-Provides services to plan, construct, and maintain roadways, sidewalks, and related components to enable easy movement around the city. This service area covers street maintenance such as signals, repaving, sweeping, landscape maintenance, and snow plowing as well as administration, engineering and project management services. These functions are handled by a combination of private contractors and city crews.

Parks, Recreation, & Culture-These are services and programs that help to make Sammamish a place where people want to live. Activities include planning for, constructing, and maintaining active and passive parks, field and facility rentals, organizing cultural activities such as 4th on the Plateau, Holiday Lighting, Teen Fest, and a summer concert series, and a vibrant Arts program that includes activities from rotating art displays in City Hall to a Lego building day. These services are partly paid for by field use and recreation program fees.

Community Development-The most visible tasks of Community Development are issuing building permits and inspecting property to make sure the city's development codes are followed. Behind the "front desk" this group keeps the city in compliance with many state and federal development regulations, does long and short range planning, economic development, zoning, and helps developers successfully implement their building projects. These services are largely supported by development fees-building permits, plan review fees, etc.

City Council, City Manager, Finance-The City Council sets strategic direction and overall goals for the city and enacts municipal laws. The City Manager and Finance ensure the affairs and finances of the city are properly managed.

Administrative & Human Services, City Clerk, Legal, and Facilities-These functions handle contract management, Council support, record keeping, legal costs, and facility maintenance and repair.

Internal Services & Other-Internal city services encompass technology, city vehicles and equipment, and risk management. The other category includes general city expenditures such as election costs and regional organization memberships.

WHERE DO MY TAX DOLLARS GO?

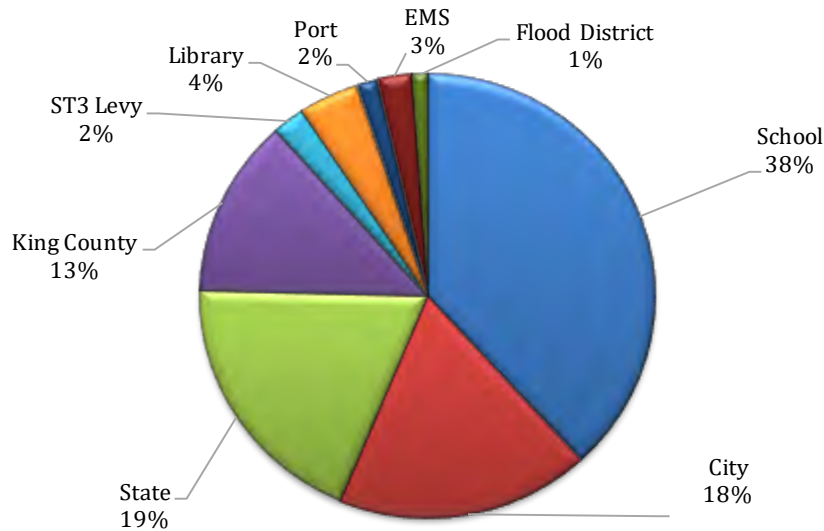
Property Tax

Property tax is the city's primary source of funding for general city services. In 2017 the city expects to receive \$27.7 million in property tax revenue. All real and personal property (except where exempt by law) is assessed by the King County Assessor at 100% of the property's fair market value. Although property taxes represent the city's largest source of revenue at about 67% of general fund revenue, the portion of the city's property tax levy compared to each property owner's total bill is relatively small (approximately 18%).

Sammamish home-Iss. School District Assessed Valuation - \$700,000

Tax District	Dollars	Percent
School	\$ 2,844.79	38%
City	1,348.31	18%
State	1,422.44	19%
King County	968.06	13%
ST3 Levy	175.00	2%
Library	315.83	4%
Port	107.34	1%
EMS	184.14	2%
Flood District	82.18	1%
Total	\$ 7,448.08	

Property Tax Allocation



Sales Tax Distribution Breakdown

Tax Jurisdiction	Percentage
State	6.50%
City	0.85%
King Co/Metro	0.90%
Sound Transit (RTA)	1.40%
King County	0.25%
Criminal Justice	0.10%
Total	10.00%

Sales Tax

The sales tax within the City of Sammamish is 10.0% of which 0.85% is returned to the city. The remainder goes to the State and other public agencies. In 2016 about 39% of the city's sales tax revenue came from construction activity. In 2017 the city expects to receive \$6.5 million in sales tax and criminal justice sales tax.

CAPITAL IMPROVEMENT PROGRAM PROJECT HIGHLIGHTS

2017-2018 Biennium

The Capital Improvement Program (CIP) is a long-term plan with specific projects identified for the next six years. It is differentiated from the Operating Budget in that it involves property acquisition, public works, city infrastructure improvements, and construction of public buildings that will serve the city far beyond the 2 year budget timeframe. The City Council reviews and updates the CIP every two years and, as needed, re-establishes project priorities which may change during the life of the CIP plan. Funding is provided by transfers from the General Fund, Real Estate Excise Taxes, Impact Fees, and federal/state grants. CIP projects in progress or set to begin in the 2017-2018 biennium are highlighted below.

Parks and Recreation

- *Beaver Lake Park:* Lakeside improvements slated for Beaver Lake Park include the swim beach and shoreline, expansion of the parking lot, new playground equipment, landscaping and irrigation. The total projected cost of the improvements is \$2,800,000.
- *Field Turf Replacement:* The city and the Issaquah School District will share in the expected \$1,400,000 cost of field turf and infill replacement at Skyline High School. Funding for the city's portion will come from monies set aside for this purpose.
- *East Sammamish Park:* Two projects are planned for this park. One project will install a new playground and spray park. The second project will include a parking lot expansion, frontage improvements, pedestrian lighting, tennis court access, and a trail to Margaret Mead Elementary School. The projected cost of both projects is \$1,850,000.
- *Klahanie Park Field Repairs:* \$300,000 of athletic field drainage and turf repairs are scheduled for Klahanie Park.

Transportation

- *212th Way SE:* Reconstruct the roadway to address stability and maintenance concerns.
- *SE 4th St.:* Construction to widen SE 4th, add bike lanes, curb, gutter, and sidewalks will commence in 2017. The total project cost is \$15.5 million and will be partially funded with a grant.
- *Sahalee Way-220th to the City limits:* Widen to 3 lanes and add curbs, gutters, sidewalks with planter strips and a raised median.
- *Issaquah/Fall City Road:* Widen to 5 lanes with bike lanes, curb, gutter and sidewalk between 42nd Ave SE and Klahanie Drive SE. The total expected project cost is \$22,799,615.
- *Ongoing programs:* Intersection improvements, neighborhood projects, sidewalk program, local improvements match support.

Surface Water Management

- *Drainage Capital Resolutions:* Biennial small repairs and improvements.
- *Zackuse Creek:* Install a fish passable culvert under East Lake Sammamish Parkway and restore the streambed. The projected total cost is \$1.2 million, partially funded by a grant.
- *Surface Water Components of Transportation Projects:* Annual sidewalk program, 212th Way, Sahalee Way, SE 4th Street, future non-motorized projects.

General Capital Improvements

- *City Hall:* Reconfigure City Hall to accommodate new staff included in the 2017-2018 budget. \$500,000 is budgeted for this project.

CAPITAL IMPROVEMENTS AND ACCOMPLISHMENTS

2015-2016 Biennium

Parks and Recreation

Community and Aquatics Center: Completed construction of the Community and Aquatics Center. Citizen surveys for several years rated a Community and Aquatics Center as a high priority. This facility has been a very busy place since its opening in April 2016.

Big Rock Park: Big Rock Park is being donated to the city in phases by a very generous resident. Construction of phase I (15 acres) including trail work, an interpretive center, and parking was completed in 2016. An additional 20 acres was donated to the city effective January 1, 2017.

Sammamish Commons Park: ADA trail improvements added switchbacks to a steep trail leading to the Lower Commons from City Hall to allow wheelchair access.



Big Rock Park

Stormwater

Inglewood Drainage: Construction of the Inglewood drainage project was nearing completion at the end of 2016..

Stormwater Comprehensive Plan: The Plan was adopted by the City Council in 2016 following public input and a lot of dedicated work by the staff.



Community and Aquatics Center

Transportation

Pavement Preservation: Invested \$5.5 million in repaving streets to maintain smooth driving surfaces free of potholes.

Se 4TH Street: The design concept for SE 4th Street was approved by the City Council. Project design is 60% complete.

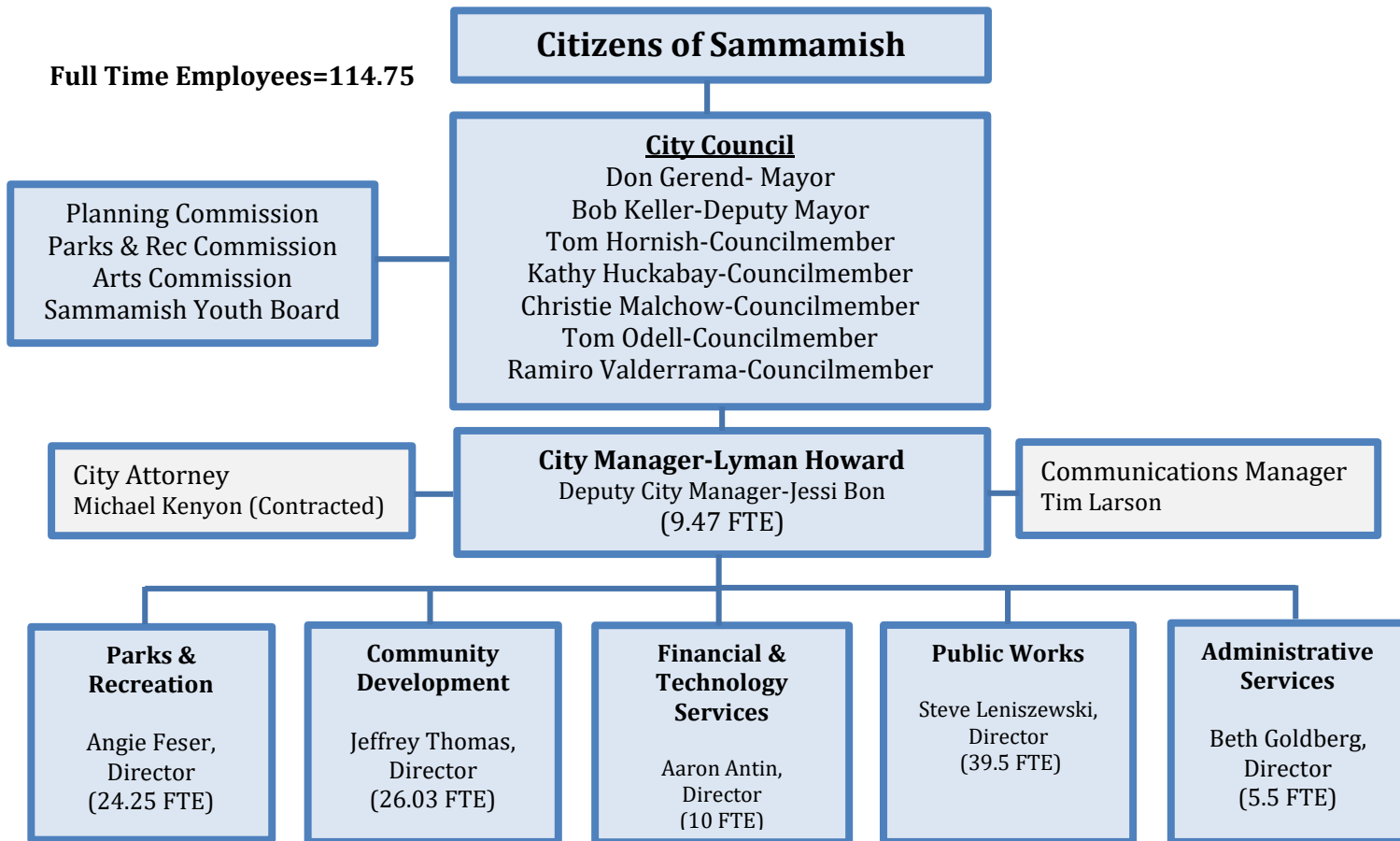
212th Ave SE: Design is completed and right-of-way access is in progress.



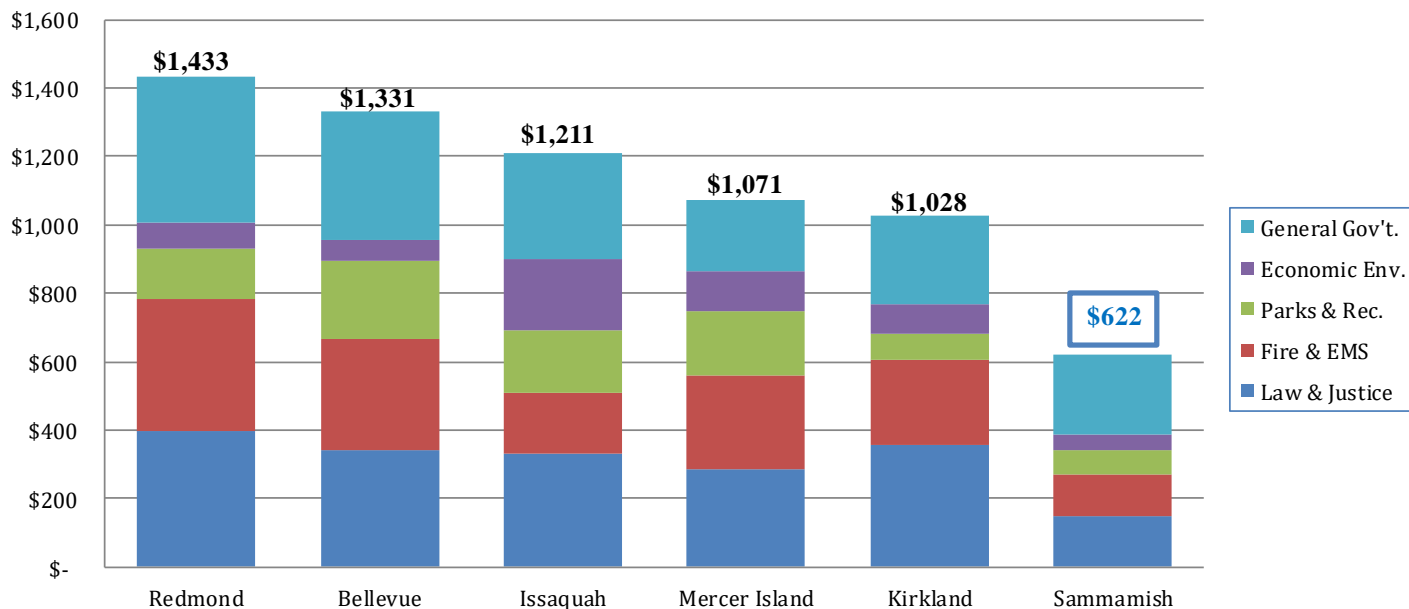
Pavement Preservation

ORGANIZATION CHART

Full Time Employees=114.75



General Fund Expenditures Per Capita Eastside Cities Comparison (2015)



Source: LGFRS-State Auditor's Office 2015. Excludes transfers and reserves.

ABOUT SAMMAMISH

The City of Sammamish, incorporated on August 31, 1999, with a 63.22% voter approval, and operates as a Non-Charter Optional Code City with a Council-Manager form of government. Optional Code City status increases the City’s operating authority by extending to it the powers of all four city classifications that exist in Washington law. The Council is comprised of seven members, elected at large by the citizens of Sammamish. They are part-time officials who exercise the legislative powers of the City and determine matters of policy.

The Mayor is a Council Member selected by the Council to chair meetings, authenticate documents and serves as the ceremonial head of the City. The Council is supported by several advisory boards and commissions. The Council appoints a full-time City Manager who is the head of the executive branch and serves as the professional administrator of the organization, coordinating day-to-day activities. The City employs 114.75 FTEs while providing a full range of municipal services including:

- Parks and Recreation, Public Works, Community Development, Finance & Technology
- General Administrative Services, which includes Police and Fire services contract oversight
 - Police Protection is contracted through the King County Sheriff
 - Fire Protection & Emergency Medical Services are contracted through Eastside Fire & Rescue

There are currently no bargaining units representing City employees.

Sammamish at a Glance

Population (2016 OFM estimate).....	61,250
Elevation	310 feet (average)
Land Area	23.5 square miles
Average Temperature	53 degrees
Average Annual Precipitation.....	35 inches
Average Snowfall.....	3 inches
Miles of City Streets	167
City Retail Sales Tax	10%
Fire Department Rating Class	4
City Employees (2017 Full-Time Equivalents)	114.75
Assessed Valuation (2017 Tax Roll).....	\$14,487,351,093
City Property Tax Rate	\$1.93 per \$1,000

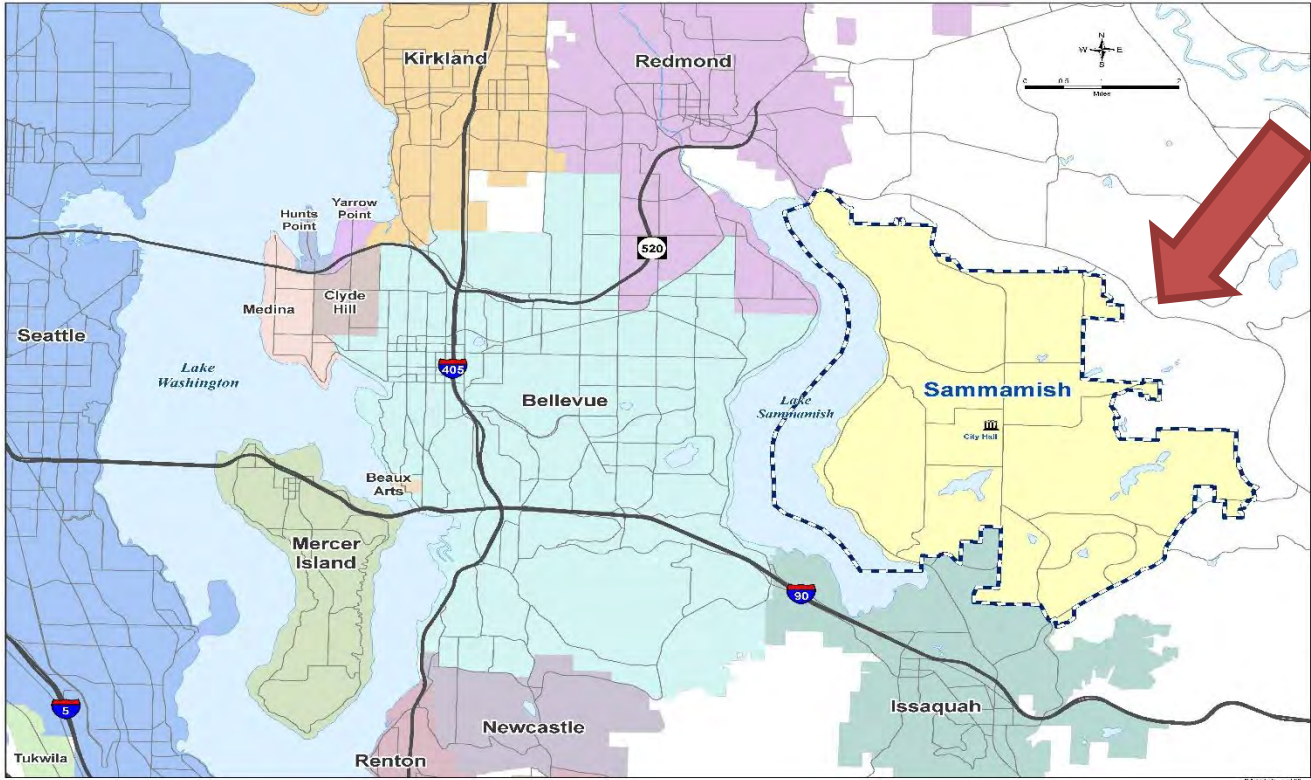
City Hall Entrance



Demographics: (from 2010 Census Data)

Male/Female.....	50.1% / 49.9%
Median Age.....	38.2 yrs.
% under 18.....	35.4%
Households.....	20,500
Owner Occupied Housing Units.....	87%
2016 Average Real Estate Sale value	\$877,497
Educational Attainment:	
B.A. or Higher.....	80.1%
H.S. or Higher.....	99.3%
Median Household Income (WA State OFM).....	\$147,349

Regional Area Map



City of Sammamish Management

- Lyman Howard, City Manager
- Jessi Bon, Deputy City Manager
- Steve Leniszewski, Public Works Director
- Aaron Antin, Finance & IT Director
- Jeffrey Thomas, DCD Director
- Beth Goldberg, Adm. Svcs. Director
- Michael Kenyon, City Attorney
- Michelle Bennett, Police Chief
- Jeff Clark, Fire Chief
- Melonie Anderson, City Clerk
- Tim Larson, Communications Manager

Sammamish City Council

Standing: Councilmember Tom Odell, Mayor Don Gerend, Councilmembers Ramiro Valderrama & Tom Hornish

Seated: Councilmembers Kathy Huckabay & Christie Malchow, Deputy Mayor Bob Keller