

City of Covington Washington



2015 Budget



**CITY OF COVINGTON
2015 BUDGET
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INTRODUCTORY



City of Covington
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City Hall – 253.480.2400
www.covingtonwa.gov

October 14, 2014

Dear Mayor Harto, Mayor Pro Tem Wagner, Honorable Councilmembers, Residents and Businesses of Covington:

It is my pleasure to present the 2015 Preliminary Operating and Capital Budget. This budget encompasses and implements council policies and conforms to state law.

At the beginning of 2014, Moody's Investors Service upgraded the city's bond rating from an Aa2 to an Aa3. The underlying factors driving the rating increase were a significantly improved financial profile and positive multi-year trends. Other considerations include the city's strong financial management, history of solid reserve levels, and modest debt burden.

The 2015 Operating and Capital Budget strives to continue with those elements in mind. However, a familiar theme begins to emerge as we begin the transition from 2014 to 2015. The general fund continues to be the "go to" fund as streets and parks continue to struggle.

We saw record sales tax revenues in 2013. However, the market has shifted somewhat for 2014 and sales tax revenues are coming in lower than forecast. Utility tax revenues have increased this year partially due to the completed Comcast utility tax audit which has brought in additional revenue for cable and telephone utility taxes. In addition real estate excise tax funds which were initially designated to support bond payments are continuing to languish and put pressure on the general fund to fill the gap.

While the general fund continues to be strong overall, the programs that were decided outside of the budget process such as athletics and staffing add to the growing list of items the general fund supports including the street and parks fund. For streets, the City Council created a Transportation Benefit District (TBD) in 2013. Creating the TBD was an important step in the city's overall financial strategy to support the street fund and the general fund. Even though the 2013 ballot proposition failed, the city still has options and we will discuss next steps in the near future. For parks, an infusion of general fund money is being allocated to cover one-time costs and new programs and staffing for 2015. With the increase in development activity the development services fund is also projected to bring in more revenue than expenditures in the next several years, while the surface water management fund (SWM) continues its strong financial position.

The Association of Washington Cities continues to work on the city's behalf to control health care costs and as such the city will only be seeing an increase of 4.8 percent which is well below the double digit increases of the early 2000's. While the COLA has increased by a percent over last year it is still within historical norms at 2.2 percent.

Economic Outlook¹

On a national level, the economy shows strength in areas such auto sales, residential construction, and existing home sales. Consumer confidence measures also are continuing to increase. However, factors on a global scale continue to bring potential risk to the national economy and the State including the potential slowing of the Chinese economy and instability in the Middle East and Eastern Europe.

¹ Economic information is supplied by the *Puget Sound Economic Forecaster*, Volume 22 Number 3 September 2014



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The state's unemployment rate was 5.6 percent in August, the same rate as in July but down from 7.0 percent in August 2013. Currently, the annual percent change in employment growth is 2.5 percent and is expected to decrease slightly to 1.5 percent in 2015. If the anticipated job losses at Boeing and Microsoft are offset by gains at Amazon, the Puget Sound region should continue its long-term trend of outperforming the nation by creating 307,000 new jobs over the next ten years.

In the Puget Sound region, retail sales are expected to hit a 4.2 percent pace through the end of the year. This pace is being fueled in part by rising prices and an increase in real growth. For 2015 retail sales are expected to increase slightly to 4.5 percent. The City is projecting a 3 percent increase in sales tax revenue over 2014 estimates.

The consumer price index for the Puget Sound is forecast to rise slightly from 2.4 percent in 2013 to 2.5 percent in 2014 and remain unchanged for 2015.

Budget Process

The 2015 budget process began in June with the annual budget call. At that time, the calendar and decision card criteria were reviewed with the directors and budget team. For 2015, directors were encouraged to be thoughtful with the number of decision cards they submit. Beginning in August, the finance team and I met with individual directors to review base budgets and decision cards. Once these meetings were completed and the preliminary forecast was reviewed, the deputy finance director and I met to discuss which decision cards would move forward.

The following four guiding principles are used in the budget decision making process:

- Favor one-time over ongoing programs (due to the still-fragile nature of economy)
- Address imminent mandates (such as comprehensive plan update)
- Maintain what we have (people, programs, and infrastructure)
- Achieve efficiencies (via investments in equipment and technology)

These principles and the final budget decisions were reviewed with members of the management team at the end of September.

2015 Budget Strategies

- Use fund balance only in cases where funds have deficits to cover (for 2015 that would be the general fund, street fund).
- Utilize the general fund to support the parks fund for one-time and ongoing programs such as athletics.
- Utilize the SWM rate study to address future operating and capital needs.

Funds Overview

General Fund

The general fund is the largest city fund and provides for the day-to-day operations of city government.

In 2015, we are forecasting a 5.6 percent total increase in revenues over 2014 estimates for the entire fund.

growing toward greatness.



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- Property tax for 2015 is estimated to be \$2.5 million. This includes a one percent increase plus new construction.
- Sales tax revenue for 2015 is expected to increase by 3 percent over 2014 estimated collections. Both food services revenue and retail sales have been increasing. Total sales tax collections for 2014 are estimated to be \$3.29 million, with the general fund receiving 84 percent (\$2.77 million) and the parks fund 16 percent (\$527,000).
- Utility tax collections for 2014 are estimated at \$2.13 million, 2.5 percent above forecast due mostly in part by the recent Comcast utility tax audit that brought in additional funds. For 2015, the forecast was revised slightly downward by 0.72 percent.
- Other sources of revenue total \$2 million with \$897,000 being paid to the general fund in the form of interfund payments from other funds.

On the operating expenditure side, the budget is 3 percent, or \$215,000, higher than estimated actuals for 2014. This is due to an increased transfer-in to the parks fund for the city's new athletics program as well as an additional transfer to the long-term debt service fund for debt service.

I am recommending 14 decision cards totaling \$523,880 – \$504,010 in one-time costs and \$19,870 in ongoing costs. The decision cards are:

Title/Description	Initiating Dept.	<u>Amount Funded</u>	
		One-Time	Ongoing
Transfer-out to CIP Fund for Aquatic Center remodel	Council	100,000	-
Transfer-out to CIP Fund for CCP sales tax liability	Council	100,000	-
Transfer-out to CIP fund for 164th AVE SE pedestrian project	Council	90,000	-
Transfer-out to CIP Fund for Skate Park renovation	Council	60,000	-
Transfer-out to Parks Fund for demolition of Cedar Creek houses	Council	40,000	-
Additional human services funding	Personnel	-	10,000
Council Chambers conference tables	Central	1,950	-
Email archiver	Central	5,060	2,450
ITS Network - Traffic Signals with iNet Service	Central	-	(2,580)
Microsoft Office Software Upgrade	Central	-	5,000
Equipment replacement funds for server	Central	5,000	5,000
Comprehensive Emergency Management Plan Update carryover	Central	40,000	-
Code Publishing Comprehensive Plan Hosting	Planning	2,000	-
Carry-over for Comprehensive Plan Update	Planning	60,000	-
Net Total General Fund		504,010	19,870



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Street Fund

There are two main sources of revenue for this fund: Comcast franchise fees and motor vehicle fuel tax. Franchise fees are forecasted to increase 6.1 percent based on the results of the recently completed franchise fee audit. Fuel tax is forecasted to remain flat for 2015. Base expenditures before decision cards are \$1,075,478, which is an increase from expected actual expenditures in 2014 of 11.7 percent, which is due a change in accounting for interfund service payments.

I am recommending two decision cards totaling \$14,835 - \$5,000 in one-time costs and \$9,835 in ongoing costs. The decision cards are:

Title/Description	Initiating Dept.	Amount Funded	
		One-Time	Ongoing
Two Seasonal maintenance workers (9-month)	ST	-	55,935
Reduction to maintenance contract		-	(50,600)
ITS Network - Traffic signals with iNet service	ST	5,000	4,500
Net Total Street Fund		5,000	9,835

Given the current level of service and existing revenue sources, the street fund is unsustainable. Creating the TBD was an important step in the city’s overall financial strategy to support the street fund. Council and staff will discuss next steps in the near future.

Development Services Fund

In 2015, we are forecasting a 32.7 percent total increase in revenues over 2014 budget for the entire fund due to an increase in single and multi family developments. Base expenditures are \$1,096,538, which is an increase from expected expenditures in 2014 of 5.1 percent.

I am not recommending any decision cards for this fund.



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Parks Fund

Revenues in the parks fund for 2015 are expected to increase by 15.4 percent over 2014 estimates. This is due to increased aquatics revenues as well as the revenues associated with the addition of athletic programs. Expenditures show an increase of 11.2 percent primarily due to increased programming at the aquatic center and the addition of athletic programs as well as the accounting change for interfund service payments.

I am recommending 15 decision cards totaling \$111,282 - \$61,150 in one-time costs and \$50,132 in ongoing costs. The decision cards are:

Title/Description	Initiating Dept.	<u>Amount Funded</u>	
		One-Time	Ongoing
Two Seasonal maintenance workers (9-month)	Pk Maint	-	18,645
Reduction to maintenance contract		-	(17,000)
Program audio equipment replacement	Aquatics	1,500	-
Aquatic Center printer/copier replacements	Aquatics	4,000	-
Aquatic Center staff locker replacement	Aquatics	5,000	-
Aquatic Center art project continuation	Recreation	-	3,500
Sponsorship marketing program	Recreation	-	14,295
Gerry Crick Skate Park - public art	Recreation	900	-
Update and expand community event signs	Recreation	3,000	-
Increase special event programming	Recreation	-	5,000
Covington Days generator	Recreation	1,200	-
Credit card PIN pads	Multiple	1,200	-
ACTIVENet training	Multiple	2,550	-
Demolition of Cedar Creek Park houses	Parks	40,000	-
Transfer-in from General Fund		(40,000)	-
Reduction of management/maintenance fees		-	(6,600)
Loss of rental revenue		-	32,292
PROS plan update	Parks	40,000	-
CPTED training for Parks Planner	Parks	1,800	-
Net Total Parks Fund		61,150	50,132



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Surface Water Management Fund (SWM)

Revenues for SWM are staying pretty much even with the 2014 budget with an increase of 0.47 percent. With the approval of the below decision cards we are projecting deficit spending, which is sustainable due to the large fund balance, but will need to use the rate study to be thoughtful on how we draw down fund balance for capital and one-time uses. Budgeted expenditures are slightly lower than 2014 estimates at 0.01percent

I am recommending one decision card totaling \$45,515 in one-time costs for additional seasonal maintenance workers.

Title/Description	Initiating Dept.	Amount Funded	
		One-Time	Ongoing
Seasonal maintenance workers	SWM	45,515	-
Net Total Surface Water Management Fund		45,515	-

Capital Investment Program Fund

For 2015, I am recommending six decision cards as follows:

Title/Description	Initiating Dept.	Amount Funded	
		One-Time	Ongoing
Design funds for 164th Ave SE pedestrian improvement project	CIP	90,000	-
Transfer-in from General Fund		(90,000)	-
Covington Community Park Phase 1 sales tax liability	CIP	100,000	-
Transfer-in from General Fund		(100,000)	-
Aquatic Center rental room remodel	CIP	324,650	-
Department of Commerce grant		(224,650)	-
Transfer-in from General Fund		(100,000)	-
Gerry Crick Skate Park renovation	CIP	60,000	-
Transfer-in from General Fund		(60,000)	-
Jenkins Creek Park concept level master plan	CIP	50,000	-
Parks fee-in-lieu		(50,000)	-
Tri-parks concept level master plans	CIP	60,000	-
Parks fee-in-lieu		(60,000)	-
Net Capital Investment Program Fund		-	-



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Summary

Overall, the 2015 budget continues the quality level of service the council and citizens expect of us. In the 2014 budget, the general fund is utilized to support streets, parks and recreation, the 2007 transportation bond debt payments, and the Costco payback (which ends in 2015). That policy is being extended into 2015. The council made a conscious effort in June to spend down some of the fund balance in the general fund with one-time projects. Other costs have been added such as personnel and athletics which impacts the long-term fund balance as well.

By continuing to strategically manage the fund balance through well thought-out placement of ongoing programs and personnel, and limiting one-time costs to those goods and services that create efficiencies, the general fund can remain viable through 2020 as well as the funds it supports. It can however, be eroded quickly with the addition of just a few ongoing programs which was demonstrated earlier this year. Bear in mind those other funds should be made to be as self-sufficient as possible so the general fund can provide other services not currently available such as additional police.

I would like to thank the city council for your passion as you look to the future of Covington and for your ongoing support of staff and the budget process. As we not only transition across budget years we also transition to new leadership. It's an exciting time for the city and I'd like to acknowledge the efforts of the directors and employees who have been and are the backbone of this city. Finance staff deserves extra thanks for setting the standard by which other finance departments should be measured.

I look forward to your thoughtful deliberations in the weeks to come.

Sincerely,

Rob Hendrickson

Interim City Manager



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March 4, 2015

Dear Mayor Harto, Mayor Pro Tem Wagner, Honorable Councilmembers, Residents and Businesses of Covington:

It is my pleasure to present the 2015 Final Operating and Capital Budget. This budget encompasses and implements Council policies and conforms to state law.

The preliminary budget presentation was given to Council on October 21, 2014. On October 25, 2014, the council held their annual budget retreat to review individual department recommendations and begin budget deliberations. At the end of the presentations, council agreed to the recommendations set forth in my preliminary budget message which follows.

As I stated in my preliminary message, I would like to thank the City Council for their leadership and the staff for their teamwork and coordination to complete this budget. The transition to new leadership has taken place as Regan Bolli started in January as Covington's newest City Manager. He will be guiding the city during the 2016 budget cycle.

I want to thank the Council for their confidence in me and for giving me the opportunity to fill the gap between two excellent city leaders especially during the budget season. The city is in good hands as it continues *Growing Toward Greatness!*

Sincerely,

Rob Hendrickson

2014 Interim City Manager/Finance Director



Reader's Guide to the Budget

Introduction

This section includes the City Manager's message to the Mayor, Council, and citizens of the community presenting the 2015 budget. Also included is this Reader's Guide, a description of the budget process, listing of the council and staff, as well as the City's commissions and committees.

Budget Summary and Forecast

This section begins with the ordinance passed by the council adopting the 2015 Budget. This section also contains a summary of revenue, expenditure, and interfund transfer information which has actual comparisons for two previous years. There are projected 2014 year end fund balances, as well as FY 2015 resources and uses along with beginning and ending fund balances by fund. Also included is a description of revenue sources as well as the City's Six-Year Financial Planning Model.

Department Budgets

The Department Budgets section presents the 2015 budget for each Department within each Fund. Each Department includes a mission statement, department overview, major activities, significant budget issues, 2014 accomplishments, and 2015 goals. There are also charts comparing the department's expenditures with those in that fund, as well as all funds combined. A breakdown by type of use is shown both in spreadsheet format and a bar graph. This is followed by a budget line item breakdown.

Statistical

This section contains more information about Covington, personnel information, property tax information, population, housing statistics, and workload indicators.

Appendix

This section contains the City of Covington's vision statement, goals and objectives, financial policies, and a glossary of budget terms.



Budget Process

Purposes of the Annual Budget

The 2015 annual budget, prepared by the Finance Department working with the City Manager and City Council, seeks to achieve four major purposes:

Policy Development

The budget process brings to the City Council and the City Manager an opportunity to set and review the goals, objectives, and strategies of the City, and the ability to direct its activities by allocating resources. The budget affords an opportunity to review and establish policy for ensuing years and may affect operations, service levels, and the financial wellbeing of the community.

Financial Planning

The budget also provides a financial plan to govern the fiscal operation of the City for the year. A formal revenue estimate provides a listing of the available financial resources, explaining the basis for estimating each source. Over time, the budget document will display a revenue history that improves understanding of both the current year's needs and a longer term view of City programs and resources.

Operations Guide

The budget is also the blueprint that governs the amount of service to be provided during the year, and how that service is to be provided, e.g., by contract with another agency, the City's own personnel, or a combination. This direction is presented throughout the document with program descriptions, staffing levels, charts, and services as legislative and administrative guidance to department staff and the public.

Communications Device

The budget also provides a way for the City's decision makers to communicate a great deal of information regarding the scope and nature of the City's activities. This information includes priorities for service delivery, rationale for decisions made, and a vision for the future. The budget is intended to provide an effective tool in helping citizens understand their City government, reasons behind legislative decisions, and the basis for change as the need may arise.

The Process of Budget Development and Adoption

The general method by which budgets are developed is laid out in Washington State law. The law prescribes the basis for forecasting revenue and preparing the budget; public access to the preliminary budget; and much of the budget content. The budget message appearing at the beginning of this document has been prepared by the City Manager.

The budget message must include an explanation of the document; an outline of recommended financial policies and programs; reasons for changes from the prior year; and an explanation of recommended major changes in financial policies. The City Council must schedule public hearings on the budget and require the presence of staff to give information about the preliminary budget.

State law also requires that "any taxpayer may appear and be heard for or against any part of the budget." The City Council must adopt the budget no later than December 31.

During the budget year, the City Council may make certain amendments to the budget as they become necessary. The general responsibility of administering the adopted budget, however, falls to the City Manager, who is the chief executive officer.

The Process of Budget Adjustments & Amendments

Under the provisions of State law and the City's operating procedures, the operating budget may be adjusted or amended in two different ways. Adjustment of the budget involves a reallocation of existing appropriations and does not change the budget "bottom line". Amendment of the budget involves an addition to or reduction of existing appropriations.

- A. Adjustments – Under the first method, departmental expenditures and requirements are monitored throughout the year. Certain departments may develop the need for additional expenditure authority to cover unanticipated costs that cannot be absorbed within the budget, while other departments will not require their full budget authorizations. The Finance Department reviews and analyzes all department and/or fund budgets to determine what adjustments are necessary and whether the adjustments can be made within existing appropriation limits. These changes are then reviewed with the affected department and/or fund managers. When an adjustment is needed, Finance staff will look first to savings within the department; and then transfers between departments. No City Council action is needed as State law allows budget adjustments to be done administratively.

- B. Amendments – Amending the City's budget occurs whenever the requested changes from department and/or fund managers will cause the existing appropriation level for the fund to change. This situation generally occurs when the City Council authorizes additional appropriation. This is done by an ordinance that amends the original budget and states the sources of fund for the incremental appropriations.

Budget Organization

The City's financial structure is divided into funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts. In other words, revenue groups support identified sets of expenditures with a stated balance. Funds are separated into three types:

<i>Governmental</i>	Funds that account for the activities of the City that are of governmental nature.
<i>Proprietary</i>	Funds that account for the activities of the City that are of proprietary or "business" nature.
<i>Fiduciary</i>	Funds held by the City as a trustee, e.g., pension funds. The City of Covington has none.

The City of Covington's budget consists of twelve governmental funds: the General Fund, the Street Fund, the Development Services Fund, the Parks Fund, the Capital Investment Program Fund, the Cumulative Reserve Fund, the Contingency Fund, the Real Estate Excise Tax Fund 1st ¼% Fund, the Real Estate Excise Tax Fund 2nd ¼% Fund, the Local Improvement District 99-01 Fund, the Local Improvement District Guaranty Fund, the Long-Term Debt Service Fund; as well as three proprietary funds, two internal service funds: the Unemployment Insurance Fund and the Equipment Replacement Fund; and one enterprise fund: the Surface Water Management Fund.

Basis of Budgeting and Accounting

This term refers to revenues, expenditures, expenses and transfers and the related assets and liabilities that are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on

either the cash or the accrual method. The City's funds are accounted for under the "modified accrual basis." Under this method, revenues and other financial resource increments are recognized when they become susceptible to accrual—that is, when they become both "measurable" and "available" to finance expenditures of the current period. Expenditures are recognized when the fund liability is incurred.

The Washington State Auditor's Office divides cities into two categories as follows:

Category 1 - Cities with populations of 25,000 or more. Local governments in this category must use a unique chart of accounts for budgeting and reporting in conformity with generally accepted accounting principles (GAAP).

Category 2 – Cities and towns with populations under 25,000. Local governments in this category may follow single-entry accounting and cash-basis reporting procedures that are not intended to reflect financial condition and results of operations in conformance with GAAP.

Category 2 municipalities may use the system prescribed for Category 1 municipalities.

Although the City of Covington qualifies as a Category 2 city, the City has been reporting as a Category 1 since its inception. While this takes more resources, it is a valuable tool for the City since it provides a higher level of accountability and a better overall picture of the City's financial health.

Fund Descriptions

General Fund: This fund is used to account for and fund the day-to-day operations of the City. Items such as supplies, utility payments, rent, salaries, and maintenance are paid for out of this fund. It is supported by non-restricted revenues such as property and sales taxes, and shared revenues such as liquor excise tax, and liquor profits.

Special Revenue Funds

Street Fund: This fund is used to provide for street maintenance within the City. It is funded by restricted revenues such as street fuel taxes and cable TV franchise fees - which are specifically intended for this purpose.

Development Services Fund: This fund was created to track costs associated with building and development within the City. Developers are billed for costs incurred by the City for outside consulting plus staff time. The revenue received from developers is used to offset the City's cost for development. Any excess is utilized for General Fund operations as needed.

Parks Fund: This fund was created to track costs associated with parks and aquatics. These divisions are funded by user fees and 20% of the sales tax revenue received by the City.

Contingency Fund: The Contingency Fund is used to accumulate monies with which to meet any municipal expense, the necessity or extent of which could not have been foreseen or reasonable evaluated at the time of adopting the annual budget or to provide monies for certain emergencies which may arise. The amount accumulated shall not exceed the equivalent of thirty-seven and one half cents per thousand dollars of assessed valuation within the City at such time.

Cumulative Reserve Fund: This fund is used to accumulate monies that in general terms can be used for several different municipal purposes as well as for a very specific municipal purpose. The monies accumulated in this fund shall never be expended for any other purpose or purposes than those specified, without an approving vote by a two-thirds majority of the members of the legislative authority of the City.

Real Estate Excise Tax Funds: These Funds are to account for the monies received by the City from the implementation of an excise tax on real estate transactions within the City. Uses of these funds are generally limited to financing certain capital projects specified in the City's Comprehensive Plan. Currently, the City has implemented the maximum allowed by law of two ¼% for a total of ½%. Each ¼% is accounted for separately.

Debt Service Funds

Local Improvement District Guaranty Fund: The Local Improvement District Guaranty Fund is used to establish a guaranty account to provide a means of paying LID bond debt service obligations in the event there are insufficient resources in the LID Control Fund to do so.

Long-Term Debt Service Fund: This Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds

Capital Investment Program Fund: This fund is where capital projects are budgeted. It is funded by impact fees, grants, debt proceeds, and portions of utility tax monies.

Local Improvement District 99-01 Fund: The Local Improvement District Fund is used to account for resources used to finance specific capital improvements, which are deemed to primarily benefit certain properties located near the project. Although the bonds are secured by liens against assessed properties, the City is required under State law to establish a guaranty account.

Internal Service Funds

Unemployment Insurance Fund: This Fund is used to account for charges to other departments to accumulate sufficient resources to pay reimbursement of unemployment benefits paid by the Employment Security Department of the State and chargeable to the City. The City has elected the in-lieu contribution method for payment of unemployment compensation.

Equipment Replacement Fund: This Fund is required by state law and accounts for the replacement of equipment in the City such as vehicles. It is funded by transfers from the General Fund, Development Services Fund, Parks Fund, Street Fund and Surface Water Management Fund.

Enterprise Fund

Surface Water Management Fund: This fund was created to provide maintenance for the surface water management system. It is funded by surface water management fees collected by King County and remitted to the City.

2015 Budget Calendar

June						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					
July						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		
August						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						
September						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				
October						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	
November						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						
December						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Due Date	Responsibility	Action
6/16	CM/Finance	Formal budget call
Jun – Aug	All Depts	Complete Department Budgets per Budget Instructions; Base budget worksheets and all forms are due to Finance including decision cards, line-item detail, new employee requests including job descriptions and justifications, new revenue/revenue enhancements, and capital outlay requests. Final due date is August 8th. NO EXCEPTIONS.
7/11	All Depts	Decision card list to the Finance Director.
TBD	CM/Fin/Directors	Individual meetings regarding base budget and decision card list.
8/31	Finance/All Depts	Complete 2015-2020 revenue forecast.
7/1 – 8/31	Fin/HR	Develop Personnel Budget.
9/9	CM/Finance/Directors	Management meeting on final decision card list.
8/11 – 9/30	Finance	Prepare 2015 preliminary budget document. Preliminary budget message to the CM the week of 9/15 for review.
10/1*	Finance	Revenue and expenditure summaries are available and presented to the City Manager for review. Comparative revenue and expenditure reports are due at this time for the last, current, and ensuing fiscal year.
10/14*	CM/Fin	Preliminary budget presented to City Council and copies made available to the public. CM presents budget message.
10/25	CM/Council/Departments	Budget workshop for department presentations and budget discussions.
10/28*	CM/Council/Departments	First public hearing on revenue sources including consideration of possible increases in the property tax (prior to setting property tax levy).
11/11 - 11/25*	CC/Fin	Clerk publishes notice of filing of preliminary budget and publishes notice of public hearing on final budget once a week for two consecutive weeks.
11/25*	City Council	Second budget public hearing. Property tax levy set. The Council shall determine and fix by ordinance the amount to be raised by ad valorem taxes.
12/2	City Council	Budget deliberations continue (if needed).
12/9*	City Council	Final budget deliberations. Budget Adoption.

* Required dates and/or actions required by state law.

CITY OF COVINGTON CITY COUNCIL



Mayor Margaret Harto
Position 3
Term Expiration 12/31/15



Marlla Mhoon
Position 1
Term Expiration 12/31/15



Mark Lanza
Position 2
Term Expiration 12/31/17



Joseph Cimaomo, Jr.
Position 4
Term Expiration 12/31/17



Sean Smith
Position 5
Term Expiration 12/31/15



Jim Scott
Position 6
Term Expiration 12/31/17



Mayor Pro Tem Jeff Wagner
Position 7
Term Expiration 12/31/15

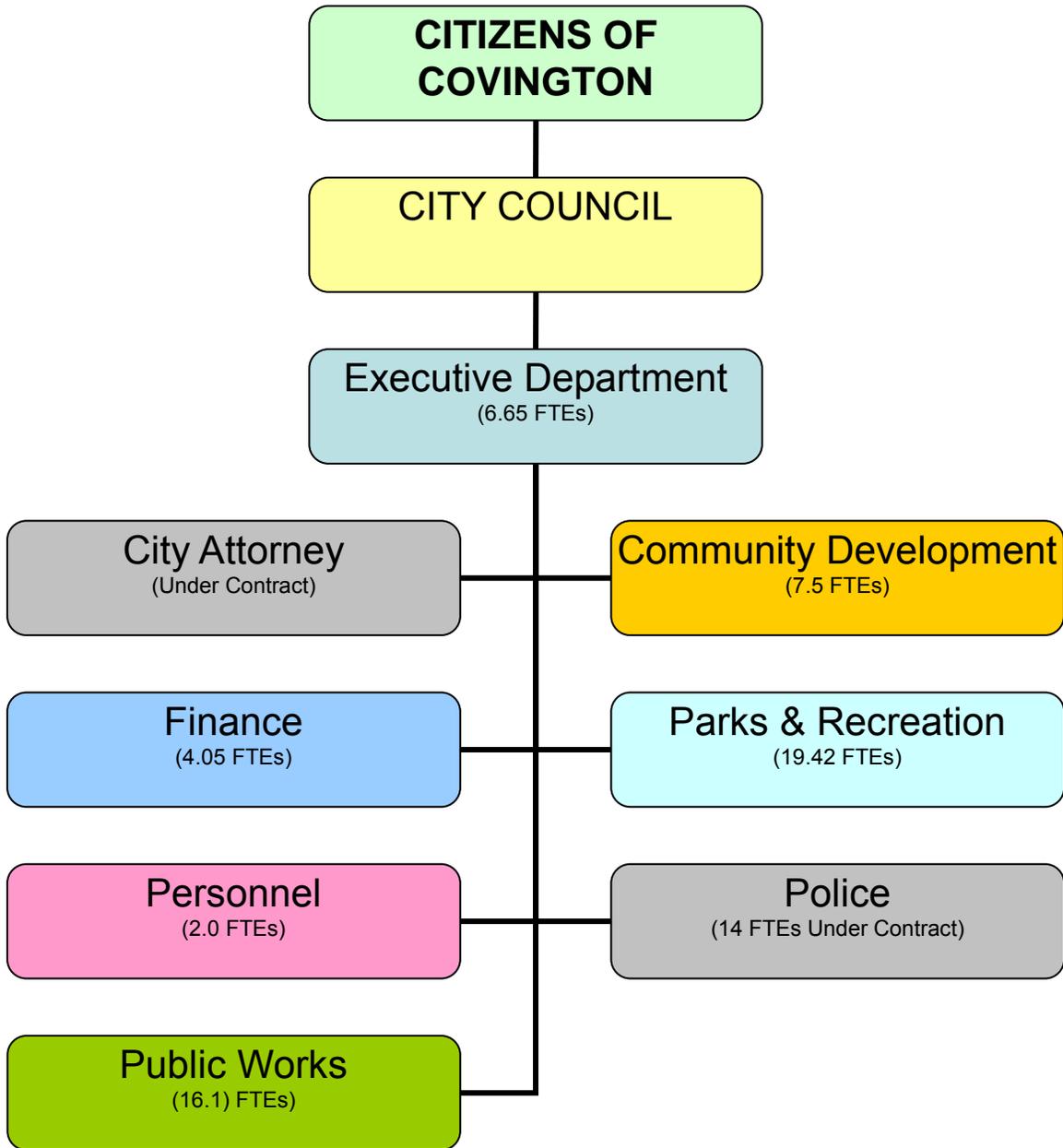
CITY MANAGER Regan Bolli

FINANCE DEPARTMENT STAFF

Rob Hendrickson
Casey Parker
Lindsay Hagen
Staci Cles

Finance Director
Senior Accountant
Accountant I
Senior Accounting Clerk

~ **CITY OF COVINGTON** ~
ORGANIZATION CHART by FUNCTION
January 2015





ARTS COMMISSION 2015

Position	Name	Term Exp Date
1	Vacant	05/31/2016
2	Leslie Spero	05/31/2016
3	Paul Selland	05/31/2017
4	Vacant	05/31/2017
5	Ed White	05/31/2015
6	Virginia (Gini) Cook	05/31/2015
7	Lesli Cohan	05/31/2015

Terms for the Arts Commission are three (3) years for adult members and one (1) year for student members (June 1 – May 31)

Commission Meetings: 2nd Thursday of the month at 6:30 p.m. in City Hall

Staff Contact: Pat Patterson 253-480-2482
ppatterson@covingtonwa.gov



COVINGTON ECONOMIC DEVELOPMENT COUNCIL 2015

Position	Name	Term Exp Date
1	Lisa Agron	07/31/2016
2	Krista Bates	07/31/2015
3	Sherry Corbey	07/31/2016
4	Hugh Kodama	07/31/2015
5	Zach Steele	07/31/2015
6	Ed Cook	07/31/2016
7	Kevin Holland	07/31/2015
8	Steven Pand	07/31/2015
9	Laura Roth	07/31/2016
10	Jeff Wagner	07/31/2016

Terms for the Covington Economic Development Council are two (2) years (Aug 1 – July 31)

Commission Meetings: 4th Thursday of the month at 6:30 p.m. in City Hall

Staff Contact: Richard Hart 253-480-2441
rhart@covingtonwa.gov

Chamber Contact: Rick Oliveira 253-631-6117
info@covingtonchamber.org



PARKS AND RECREATION COMMISSION 2015

Position	Name	Term Exp Date
1	William Pand	01/31/2015
2	Conni Elliot	01/31/2017
3	Elizabeth Fast	01/31/2015
4	David Aldous	01/31/2015
5	Laura Morrissey	01/31/2016
6	Steven Pand	01/31/2016
7	Troy McIntyre	01/31/2016

Terms for the Parks & Recreation Commission are three years (February 1 – January 31)

Commission Meetings: 3rd Wednesday of the month at 6:00 p.m. in City Hall

Staff Contact: Angie Feser 253-480-2488
afeser@covingtonwa.gov



PLANNING COMMISSION 2015

Name	Term Exp Date
Edward Holmes	08/31/2015
Jennifer Gilbert-Smith	08/31/2015
Bill Judd	08/31/2017
Jim Langehough	08/31/2017
Sean Smith	08/31/2017
Paul Max	08/31/2015
Alex White	08/31/2017

Terms for the Planning Commission are four (4) years (September 1 – August 31)

Commission Meetings: 1st and 3rd Thursdays of the month at 6:30 p.m. in City Hall

Staff Contact: Kelly Thompson 253-480-2447
kthompson@covingtonwa.gov



HUMAN SERVICES COMMISSION 2015

Position	Name	Term Exp Date
1	Leslie Hamada	03/31/2017
2	Brian Lord	03/31/2017
3	Joyce Bowling	03/31/2016
4	Adam Wheeler	03/31/2015
5	Jared McMeen	03/31/2015
6	Lesley Schlesinger	03/31/2016
7	Fran McGregor	03/31/2016

Terms for the Human Services Commission are three (3) years for adult members and one (1) year for student members

Commission Meetings: 2nd Thursday of the month at 6:30 p.m. in City Hall

Staff Contact: Victoria Throm 253-480-2411
vthrom@covingtonwa.gov

BUDGET SUMMARY AND FORECAST

ORDINANCE NO. 17-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, ADOPTING THE CY2015 OPERATING AND CAPITAL BUDGET AND IMPLEMENTING THE CY2015 COST OF LIVING ADJUSTMENT FOR CITY EMPLOYEES.

WHEREAS, Chapter 35A.33 RCW requires the city to adopt an annual budget and provides procedures for the filing of estimates, a preliminary budget, deliberations, public hearings, and final adoption of the budget; and

WHEREAS, a preliminary budget for the year 2015 was prepared and filed with the City Clerk; and

WHEREAS, public hearings were scheduled and properly noticed for October 28, 2014, at 7:00 pm and November 25, 2014, at 7:00 pm for the purpose of making and adopting the final budget for the year 2015; and

WHEREAS, the City Council did hold said hearings and deliberated and made such changes as deemed necessary and proper; and

WHEREAS, the estimated expenditures set forth in said budget being all necessary to carry on the government of the City of Covington for the year 2015 and being sufficient to meet the needs of the City of Covington for this period;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The budget for the City of Covington, Washington, for the year 2015 is hereby adopted at the fund level in its final form and content as set forth in the document entitled "City of Covington 2015 Budget" dated December 9, 2014, a true and correct copy of which is attached hereto as Exhibit "A", and incorporated herein by reference.

Section 2. Estimated resources, including fund balances or working capital for each separate fund of the City of Covington for the year 2015, and aggregate totals for all such funds combined are set forth in summary form below and are hereby appropriated for expenditure at the fund level during the year 2015 as set forth below:

<u>FUND</u>	<u>AMOUNT</u>
General Fund	\$13,655,815
Street Fund	1,519,855
Development Services Fund	3,691,233
Parks and Recreation Fund	2,864,933
Surface Water Management Fund	10,018,315
Capital Investment Program	4,135,621
Cumulative Reserve Fund	1,400,729
Contingency Fund	421,216
Real Estate Excise Tax Fund 1 st Qtr	175,040
Real Estate Excise Tax Fund 2 nd Qtr	175,040
Local Improvement District	35,915
LID Guaranty Fund	35,165
Long-Term Debt Service Fund	1,276,904
Unemployment Reserve Fund	281,259
Equipment Replacement Fund	<u>911,855</u>
Total All Funds	<u>\$40,598,895</u>

Section 3. The 2015 budget provides funding for and it is hereby authorized that a 2.2305% Cost of Living Adjustment (COLA) for all regular (non-contract) city employees is to take effect on January 1, 2015.

Section 4. The 2015 budget provides funding for and it is hereby authorized that a step increase be awarded to all employees on that date which is one year from their date of hire or the date of their last step increase. The exact details of the step program are to be established by the City Manager, subject to the funded level in the budget.

Section 5. The 2015 Salary Schedule for authorized positions is attached hereto as Exhibit "B", and incorporated herein by reference.

Section 6. Any surplus funds remaining in the Local Improvement District Fund after all bonds have been paid shall be transferred to the LID Guaranty Fund. Upon certification by the Finance Director that the LID Guaranty Fund has sufficient funds currently on hand to meet all valid outstanding obligations of the fund and all other obligations of the fund reasonably expected to be incurred in the near future, then the surplus funds shall be transferred to the General Fund. The net cash of the LID Guaranty fund may be reduced to no less than ten percent of the net outstanding obligations guaranteed by the fund.

Section 7. The Parks and Recreation Fund, Aquatics Division, is allowed to increase or decrease FTE's based on program demand.

Section 8. A complete copy of the final budget as adopted herein shall be transmitted to the Division of Municipal Corporations in the office of the State Auditor and to the Municipal

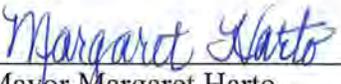
Research and Services Center of Washington. Three copies of the final budget as adopted herein shall be filed with the City Clerk and shall be available for use by the public.

Section 9. Upon the approval of the City Attorney, the City Clerk is authorized to make any necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any reference thereto.

Section 10. If any provision of this ordinance, or ordinance modified by it, is determined to be invalid or unenforceable for any reason, the remaining provisions of this ordinance, and ordinances and/or resolutions modified by it, shall remain in force and effect.

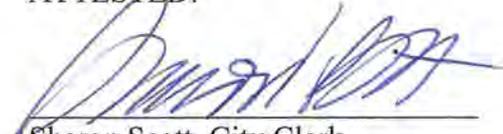
Section 11. This ordinance shall be in force and take effect five (5) days after its publication according to law.

Adopted by the Council on this 9th day of December, 2014.



Mayor Margaret Harto

ATTESTED:

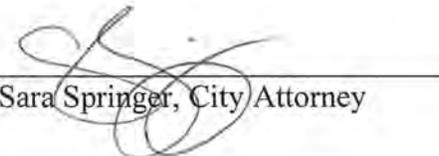


Sharon Scott, City Clerk

PUBLISHED: December 12, 2014

EFFECTIVE: December 17, 2014

APPROVED AS TO FORM:



Sara Springer, City Attorney

2014

City of Covington
 Estimated Actuals - By Fund
 For the Fiscal Year 2014

	<u>General Fund</u>	<u>Street Fund</u>	<u>Development Services Fund</u>	<u>Parks Fund</u>	<u>Surface Water Management Fund</u>	<u>Capital Investment Program Fund</u>	<u>Cumulative Reserve Fund</u>
Beginning Fund Balances (Actuals), January 1, 2014	\$ 4,026,805	\$ 467,866	\$ 1,891,229	\$ 301,478	\$ 7,782,695	\$ 2,093,439	\$ 1,377,071
Projected Revenues:	8,940,531	651,368	1,588,327	1,462,752	1,939,425	1,076,457	632
Projected Expenditures:	(7,084,635)	(948,066)	(1,043,486)	(2,201,389)	(1,874,637)	(1,287,895)	-
2014 Decision Packages Expenditures:	-	-	-	-	-	-	-
Fund Transfers In:	35,276	279,330	-	688,720	-	-	14,426
Fund Transfers (Out):	(1,741,312)	(14,426)	-	(27,483)	-	(33,070)	-
Excess (Deficiency) of Revenues Over Expenditures	<u>149,860</u>	<u>(31,794)</u>	<u>544,841</u>	<u>(77,400)</u>	<u>64,788</u>	<u>(244,508)</u>	<u>15,058</u>
Assigned Ending Fund Balance	3,045,497	-	-	-	-	152,876	-
Projected Adjusted Ending Fund Balances, December 31, 2014	\$ 1,131,168	\$ 436,072	\$ 2,436,070	\$ 224,078	\$ 7,847,483	\$ 1,696,055	\$ 1,392,129

2014

City of Covington
 Estimated Actuals - By Fund
 For the Fiscal Year 2014

Contingency Fund	Real Estate Excise Tax Fund 1st Qtr%	Real Estate Excise Tax Fund 2nd Qtr%	L.I.D. 99-01 Fund	L.I.D. Guaranty Fund	Long-Term Debt Service Fund	Unemployment Insurance Reserve Fund	Equipment Replacement Fund
\$ 418,360	\$ 47,606	\$ 46,914	\$ 260	\$ -	\$ -	\$ 189,812	\$ 667,643
2,856	175,040	175,040	35,766	-	-	45,815	159,816
-	-	-	(500)	-	(1,278,415)	(2,400)	(86,500)
-	-	-	-	-	-	-	-
-	-	-	-	35,276	1,278,415	-	-
-	(222,646)	(221,954)	(35,276)	(35,276)	-	-	-
2,856	(47,606)	(46,914)	(10)	-	-	43,415	73,316
-	-	-	-	-	-	-	-
\$ 421,216	\$ -	\$ -	\$ 250	\$ -	\$ -	\$ 233,227	\$ 740,959

2015
City of Covington
 Budget Summary - All Funds
 For the Fiscal Year 2015

	General Fund	Street Fund	Development Services Fund	Parks Fund	Surface Water Management Fund	Capital Investment Program Fund	Other Funds
RESOURCES							
<u>Beginning Fund Balance</u>	\$ 4,176,665	\$ 436,072	\$ 2,436,070	\$ 224,078	\$ 7,847,483	\$ 1,848,931	\$ 2,787,781
<u>Operating Revenues</u>							
Taxes	7,883,860	-	-	542,690	-	-	350,000
Licenses and Permits	75,000	233,500	1,017,230	-	-	-	-
Intergovernmental	326,035	367,250	-	-	247,202	1,602,040	-
Charges for Goods and Services	1,008,040	6,000	233,933	720,764	1,918,630	-	208,928
Fines and Forfeitures	94,700	-	-	-	-	-	-
Miscellaneous	56,350	400	4,000	135,380	5,000	-	44,345
Total Operating Revenues	<u>9,443,985</u>	<u>607,150</u>	<u>1,255,163</u>	<u>1,398,834</u>	<u>2,170,832</u>	<u>1,602,040</u>	<u>603,273</u>
<u>Transfers</u>							
Fund Transfer In	<u>35,165</u>	<u>476,633</u>	<u>-</u>	<u>1,234,313</u>	<u>-</u>	<u>-</u>	<u>1,312,069</u>
<u>Decision Cards</u>							
Related Revenues	-	-	-	(32,292)	-	334,650	10,000
Fund Transfer In	-	-	-	40,000	-	350,000	-
Debt Proceeds	-	-	-	-	-	-	-
Total Decision Card Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,708</u>	<u>-</u>	<u>684,650</u>	<u>10,000</u>
TOTAL RESOURCES	\$ 13,655,815	\$ 1,519,855	\$ 3,691,233	\$ 2,864,933	\$ 10,018,315	\$ 4,135,621	\$ 4,713,123
<u>USES</u>							
<u>General Fund</u>							
City Council	\$ 435,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	50,000	-	-	-	-	-	-
Municipal Court	517,600	-	-	-	-	-	-
Executive	953,728	-	-	-	-	-	-
Finance	590,140	-	-	-	-	-	-
Legal	96,000	-	-	-	-	-	-
Personnel	378,782	-	-	-	-	-	-
Central Services	451,469	-	-	-	-	-	-
Police	3,478,449	-	-	-	-	-	-
Community Development	347,928	-	-	-	-	-	-
Street	-	1,075,478	-	-	-	-	-
Development Services Fund	-	-	1,099,538	-	-	-	-
Parks Fund	-	-	-	2,460,509	-	-	-
Surface Water Management Fund	-	-	-	-	2,380,655	-	-
Capital Investment Program Fund	-	-	-	-	-	2,108,835	-
L.I.D. 99.01 Fund	-	-	-	-	-	-	500
Long-Term Debt Service Fund	-	-	-	-	-	-	1,276,904
Unemployment Insurance Reserve Fund	-	-	-	-	-	-	50,000
Equipment Replacement Fund	-	-	-	-	-	-	73,308
Total Operating Expenses	<u>7,299,483</u>	<u>1,075,478</u>	<u>1,099,538</u>	<u>2,460,509</u>	<u>2,380,655</u>	<u>2,108,835</u>	<u>1,400,712</u>
<u>Transfers</u>							
Fund Transfer Out	<u>2,610,286</u>	<u>-</u>	<u>-</u>	<u>27,484</u>	<u>-</u>	<u>-</u>	<u>420,410</u>
<u>Decision Cards</u>							
Decision Packages Expenditures	145,100	14,835	-	118,990	45,515	684,650	-
Fund Transfer Out	<u>390,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Decision Card Expenditures	<u>535,100</u>	<u>14,835</u>	<u>-</u>	<u>118,990</u>	<u>45,515</u>	<u>684,650</u>	<u>-</u>
<u>Assigned Fund Balance</u>	<u>1,884,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,876</u>	<u>-</u>
<u>Adjusted Ending Fund Balance</u>	<u>1,326,691</u>	<u>429,542</u>	<u>2,591,695</u>	<u>257,950</u>	<u>7,592,145</u>	<u>1,189,260</u>	<u>2,892,001</u>
<u>Total Ending Fund Balance</u>	<u>3,210,946</u>	<u>429,542</u>	<u>2,591,695</u>	<u>257,950</u>	<u>7,592,145</u>	<u>1,342,136</u>	<u>2,892,001</u>
TOTAL USES	\$ 13,655,815	\$ 1,519,855	\$ 3,691,233	\$ 2,864,933	\$ 10,018,315	\$ 4,135,621	\$ 4,713,123

2015

City of Covington
Adopted - By Fund
For the Fiscal Year 2015

	<u>General Fund</u>	<u>Street Fund</u>	<u>Development Services Fund</u>	<u>Parks Fund</u>	<u>Surface Water Management Fund</u>	<u>Capital Investment Program Fund</u>	<u>Cumulative Reserve Fund</u>
Beginning Fund Balances (Projected), January 1, 2015	\$ 4,176,665	\$ 436,072	\$ 2,436,070	\$ 224,078	\$ 7,847,483	\$ 1,848,931	\$ 1,392,129
Projected Revenues:	9,443,985	607,150	1,255,163	1,398,834	2,170,832	1,602,040	8,600
Projected Expenditures:	<u>(7,299,483)</u>	<u>(1,075,478)</u>	<u>(1,099,538)</u>	<u>(2,460,509)</u>	<u>(2,380,655)</u>	<u>(2,108,835)</u>	<u>-</u>
Fund Transfers In:	35,165	476,633	-	1,234,313	-	-	-
Fund Transfers (Out):	<u>(2,610,286)</u>	<u>-</u>	<u>-</u>	<u>(27,484)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(430,619)</u>	<u>8,305</u>	<u>155,625</u>	<u>145,154</u>	<u>(209,823)</u>	<u>(506,795)</u>	<u>8,600</u>
Base Budget Projected Ending Fund Balances, December 31, 2015	<u>\$ 3,746,046</u>	<u>\$ 444,377</u>	<u>\$ 2,591,695</u>	<u>\$ 369,232</u>	<u>\$ 7,637,660</u>	<u>\$ 1,342,136</u>	<u>\$ 1,400,729</u>
Decision Packages:							
Decision Packages Expenditures:	(145,100)	(14,835)	-	(118,990)	(45,515)	(684,650)	-
Related Revenues	-	-	-	(32,292)	-	334,650	-
Fund Transfers In:	-	-	-	40,000	-	350,000	-
Fund Transfers (Out):	<u>(390,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Proceeds:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Decision Packages	<u>(535,100)</u>	<u>(14,835)</u>	<u>-</u>	<u>(111,282)</u>	<u>(45,515)</u>	<u>-</u>	<u>-</u>
Assigned Ending Fund Balance	1,884,255	-	-	-	-	152,876	-
Adjusted Ending Fund Balances, December 31, 2015	<u>\$ 1,326,691</u>	<u>\$ 429,542</u>	<u>\$ 2,591,695</u>	<u>\$ 257,950</u>	<u>\$ 7,592,145</u>	<u>\$ 1,189,260</u>	<u>\$ 1,400,729</u>

2015

City of Covington
Adopted - By Fund
For the Fiscal Year 2015

Contingency Fund	Real Estate Excise Tax Fund 1st Qtr%	Real Estate Excise Tax Fund 2nd Qtr%	L.I.D. 99-01 Fund	L.I.D. Guaranty Fund	Long-Term Debt Service Fund	Unemployment Insurance Reserve Fund	Equipment Replacement Fund
\$ 421,216	\$ -	\$ -	\$ 250	\$ -	\$ -	\$ 233,227	\$ 740,959
-	175,040	175,040	35,665	-	-	48,032	160,896
-	-	-	(500)	-	(1,276,904)	(50,000)	(73,308)
-	-	-	-	35,165	1,276,904	-	-
-	(175,040)	(175,040)	(35,165)	(35,165)	-	-	-
-	-	-	-	-	-	(1,968)	87,588
\$ 421,216	\$ -	\$ -	\$ 250	\$ -	\$ -	\$ 231,259	\$ 828,547
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	-
\$ 421,216	\$ -	\$ -	\$ 250	\$ -	\$ -	\$ 231,259	\$ 838,547



DESCRIPTION OF 2015 REVENUE SOURCES

This summary describes each of the major revenue sources that appear in the 2015 budget by category. Budget amounts are based on the best available information at the time of budget preparation.

Beginning Fund Balance

All Funds

This is the estimate of funds remaining unspent at the end of the previous budget year and available for use in the following budget year. This amount will fluctuate annually depending on the amount of reserves, under or over collection of revenues, and under or over expenditure of appropriations.

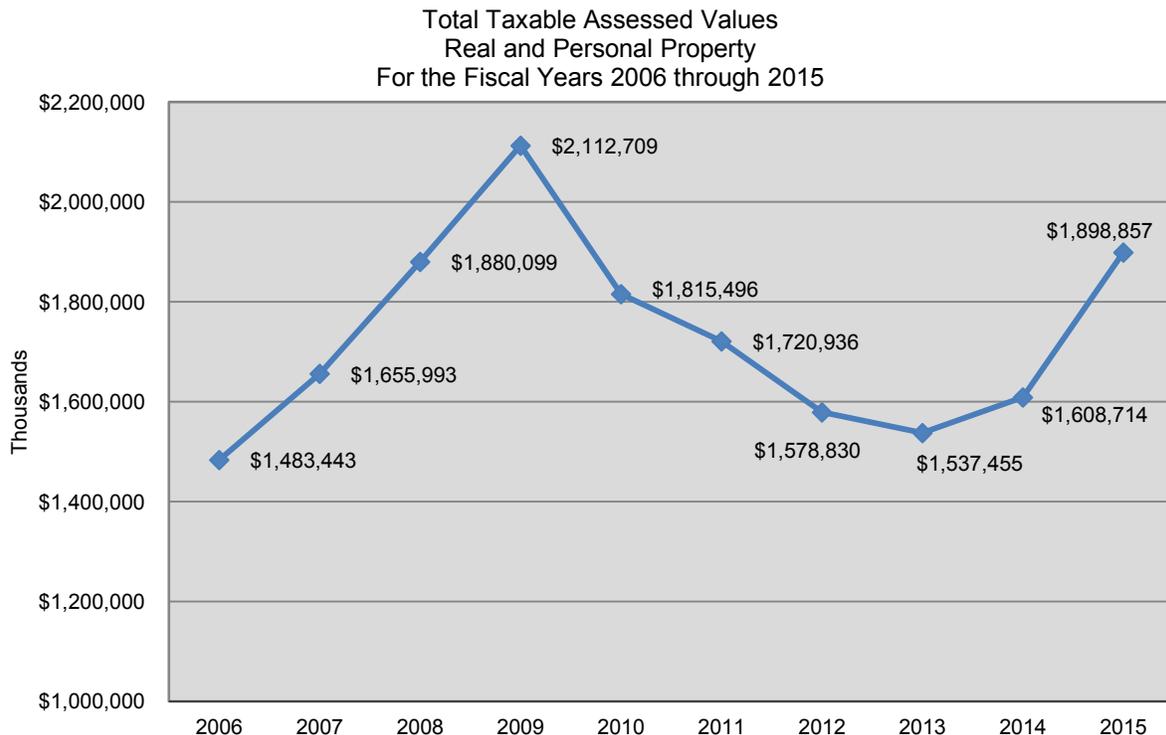
TAXES

Property Taxes

General Fund

Property taxes are one of the largest and most stable sources of revenue for the City. The City has budgeted, as state law limits allow, a levy increase of 101%. An increment for new construction is also added to this amount. The estimated levy for 2015 is \$2,474,169. The taxable assessed valuation (AV) is \$1,898,857,162 which includes \$9,167,235 in new construction. The estimated levy rate is \$1.30298/\$1,000 AV.

Total assessed value has increased 18% from 2014 to 2015.



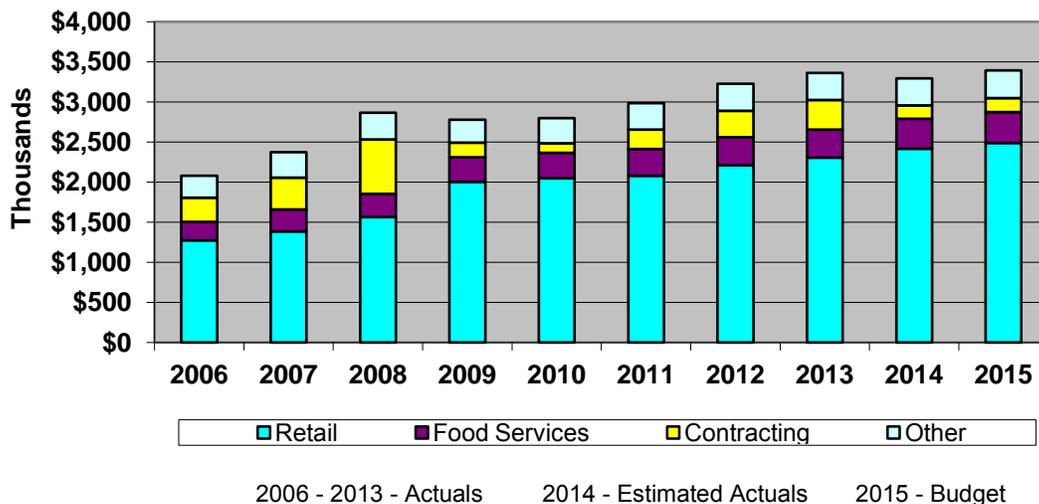
Sales Taxes

General Fund/Parks Fund

Sales taxes are subject to fluctuation from year to year due to changes in the economy and the buying habits of consumers. Sales tax is distributed monthly and is based on sales from two months previous. Revenues for 2015 are estimated at \$3,391,790 which is a decrease of 3.3% from the 2014 budget. Sales tax is currently divided between the General Fund and Parks Fund, 84% and 16% respectively. The total sales tax of 8.6% is distributed among public agencies as follows:

Sales Tax Distribution	
Agency	Tax Rate
State of Washington	6.500%
City of Covington	0.926%
King County/METRO	0.900%
King County	0.075%
King County Criminal Justice Levy	0.099%
King County Mental Health	0.100%
Total Sales Tax Rate	<u>8.600%</u>

**Sales Tax by Classifications
For the Fiscal Years 2006 through 2015**

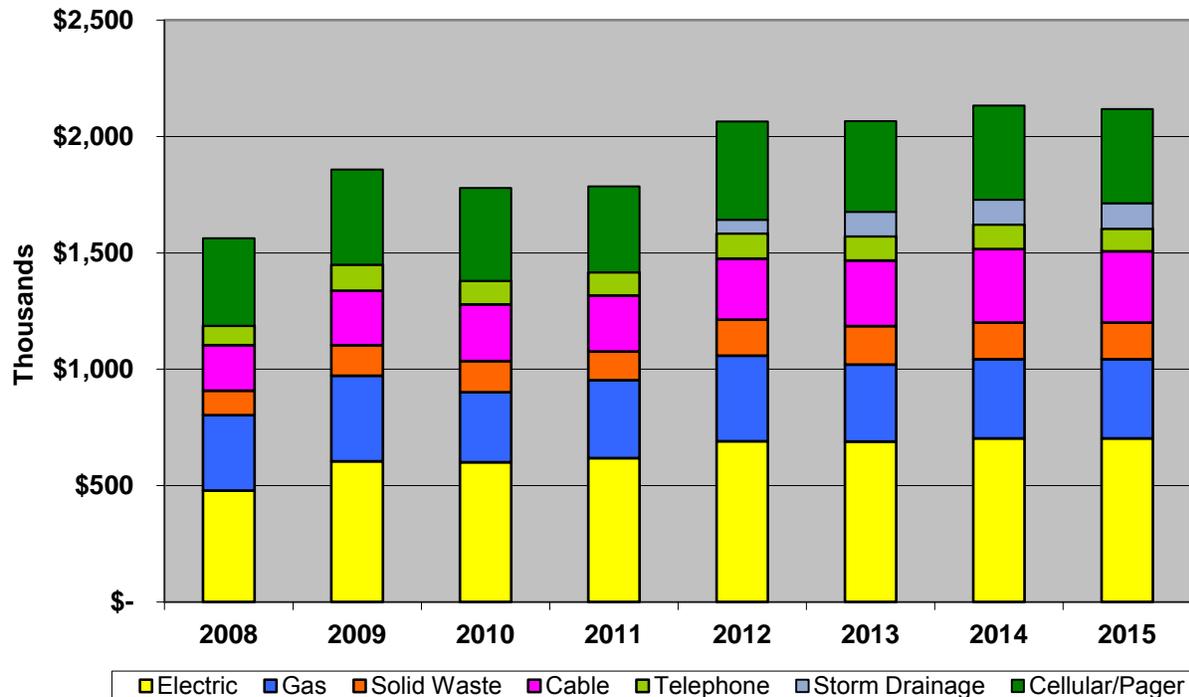


Utility Taxes

General Fund/Parks Fund/Street Fund

Utility taxes are imposed on utilities such as electricity, natural gas, solid waste, cable, telephones, storm drainage, and cellular phones. In 2007, the City adopted a 5.5% utility tax. In 2011 the City increased the rate to 6%. The new rate took effect February 1, 2012. The additional 0.5% is dedicated to the maintenance and operation of City parks. In June 2012, the City began charging its own drainage utility; these taxes are remitted to the General Fund. Revenues for 2015 are estimated at \$2,116,790. Utility tax revenues are allocated between the General Fund, Parks Fund, and Street Fund.

**Utility Tax by Classification
For the Fiscal Years 2008 Through 2015**



2008 – 2013 Actuals 2014 - Estimated Actuals 2015 - Budget

Criminal Justice Sales Tax

General Fund

King County levies an optional 0.1% sales tax to support criminal justice programs, under authority granted by the State. This optional tax, collected by the State, is distributed as follows: 10% to the County, and the remainder to cities and towns on the basis of population. The 2015 estimate of \$417,500 is based on inflation and population growth. This tax is distributed monthly to cities.

Real Estate Excise Tax (REET)

Real Estate Excise Tax Funds

The real estate excise tax is levied on all sales of real estate, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The state levies this tax at the rate of 1.28%. The City has also authorized a locally imposed tax of 0.5%, in two 0.25% increments, replacing that tax formerly levied by King County. Both increments must be spent for local capital improvements, identified under the capital facilities plan element of the City’s Comprehensive Plan. The amount of tax collected depends totally upon real estate sales activity for residential and non-residential, including new construction and

economic fluctuations. The 2015 estimates are based on estimated changes in real estate prices, new residential development increases, and new non-residential development increases. Distribution occurs on the 10th of each month to cities in King County. The 2015 revenue estimate is \$350,000.

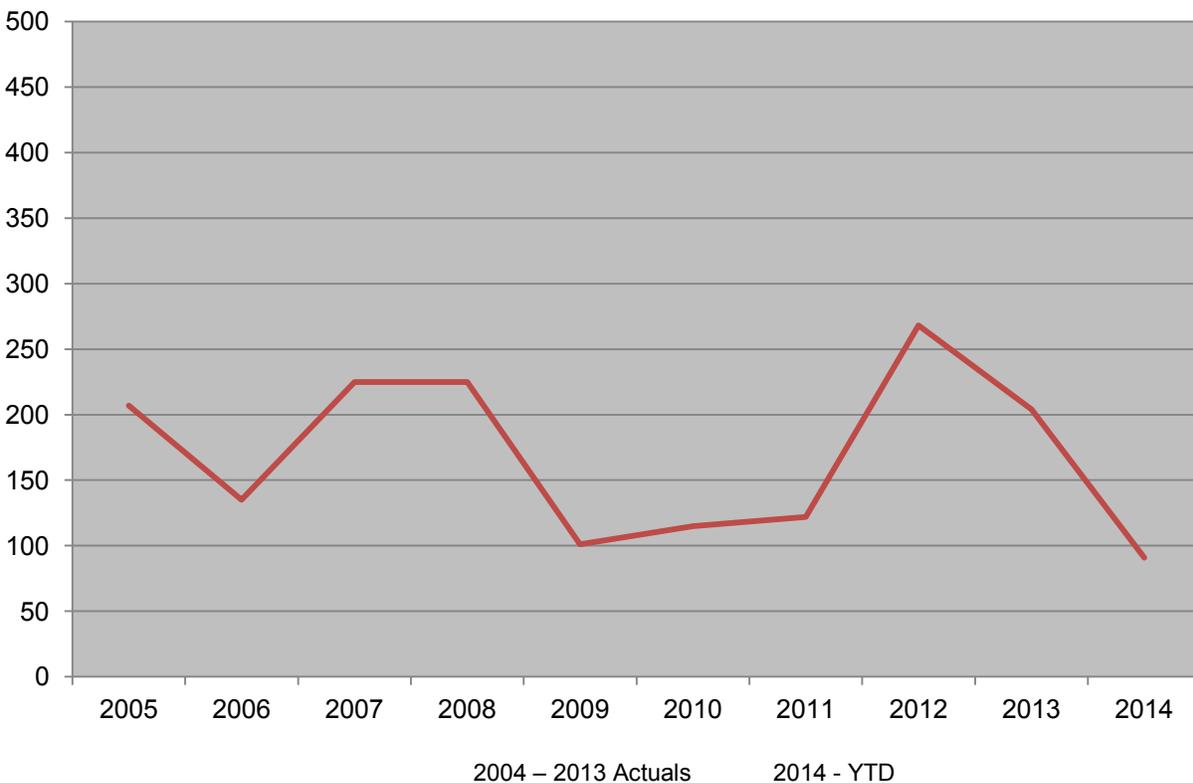
LICENSES AND PERMITS

Building, Permits, Misc.

Development Services Fund

Licenses and permit activities are user fees derived from various regulatory activities of the City. Building permit revenues are based on staff estimates and are applied to the Development Services Fund. In 2015, \$931,930 is estimated based on 63 new single family permits, anticipated commercial fees, and land use revenues. A fee of \$60 is collected for business licenses from those businesses that conduct activities within the City. This fee is collected annually and is also applied to the Development Services Fund. The 2015 revenue estimate for this license fee is \$80,000. For 2015, all other permits and licenses such as sign permits and peddler’s permits are estimated at \$5,300.

**Number of Building Permits Issued
For Fiscal Years 2005 Through 2014**



Cable TV Franchise

Street Fund

Cable TV franchise fees, which are applied to the Street Fund, are based on population growth. For 2015 the estimated fees are \$233,500.

Solid Waste Administration

General Fund

In 2013, the City entered into a franchise agreement with Republic Services. For 2015 the estimated revenue is \$75,000.

INTERGOVERNMENTAL

Liquor Excise Tax

General Fund

The 2015 estimate of \$34,500 is based on the City’s population and per capita estimates provided by Municipal Research Services Center.

Liquor Board Profits

General Fund

The State is now collecting revenue in the form of license fees from distributors and retailers. A portion of these “liquor profits” come to the City. The initiative provides that each recipient receive no less than it received from the liquor revolving fund during a set comparable period. What this means for the City is, we will be receiving the same distribution each year in the future with no allowances for inflation. To be eligible to receive this revenue and Liquor Excise Taxes, a city must devote at least 2% of its distribution to support an approved alcoholism or drug addiction program as well as enhanced public safety programs. The 2015 estimate of \$160,550 is based on estimates provided by Municipal Research Services Center. This money is distributed quarterly beginning in March.

Motor Vehicle Fuel

Street Fund

State law provides that the State-levied tax on gasoline be shared with cities and towns. Of the base tax amount of 23 cents per gallon, 6.92% is redistributed to cities and towns to be used for street maintenance as well as construction, improvement, chip sealing, seal coating, and repair of arterial highways and city streets. These funds will be deposited in the Street Fund and used for the described purposes. Estimates are based on the City’s population and per capita estimates provided by Municipal Research Services Center. This tax is distributed on the last day of the month. For 2015, we are estimating \$367,250.

Criminal Justice Shared Revenues

General Fund

Municipal Criminal Justice Funding has shifted from application based to a per capita distribution. Estimates are based on the City’s population and per capita estimates provided by Municipal Research Services Center. For 2015, we are estimating \$52,875.

Recycling Grants

General Fund

The City is involved with King County and the State of Washington in an effort to encourage recycling. The City offers events in the spring and fall of every year. Costs for these events are reimbursed to the City through the grant process. For 2015 we estimate being awarded \$24,360.

CHARGES FOR SERVICES

Interfund Service Payments/Overhead

General Fund

These fees are collected from other funds within the City for their percentage of General Fund services that they require. There are two interfund payments - central services overhead and interfund service payments. Central services overhead is spread over every fund besides the General Fund based on the number of FTEs. Each fund pays their proportional share of the Central Services Department which consists of things such as the building lease, office supplies, and IT. Beginning in 2012, the central services overhead payments are a direct reduction to the City’s Central Services Department base budget, therefore there is no revenue recorded.

The interfund service payment is for each fund's share of the assistance they receive from the City Manager, Finance, Legal, and Personnel offices. The 2015 budget is estimated at \$896,728.

Land Use/Inspection/Engineering Fees

Development Services Fund

These fees are collected for services related to the issuance of permits for both residential and commercial aspects of construction or capital improvements, and for services related to the review of plans for compliance with aspects of the various codes. Fees are generally collected at a level estimated to recover the cost of the service. The 2015 budget for these fees is estimated at \$233,933.

Parks Fees

Parks Fund

These fees are collected for services related to the Aquatic Center, Athletics, and Recreation programs. In 2014, the City added athletics programs which consist of programs such as baseball, soccer, flag football, and volleyball. The 2015 revenues are estimated at \$720,764.

Surface Water Management Fees

Surface Water Management Fund

These fees are collected on developed properties within the City to maintain storm and surface water runoff in the City. These fees provide for things such as maintenance, repair, and construction of storm water facilities. The 2015 budget is estimated at \$1,821,451.

FINES AND FORFEITURES

District Court, False Alarm, and Miscellaneous Fines

General Fund

The City is entitled to money received in payment of fines, forfeitures, fees, costs and penalties associated with enforcement of local ordinances. Based on current collections we are estimating \$94,700 in revenue for 2015. In 2015 the City will again be utilizing King County for its court services through an interlocal agreement. As part of the agreement, King County receives 100% of revenues collected to provide the City's court services.

MISCELLANEOUS

Technology Surcharge

General Fund

These fees are collected for services related to the issuance of permits for both residential and commercial aspects of construction. The estimate for 2015 is \$16,000.

Parks Fees

Parks Fund

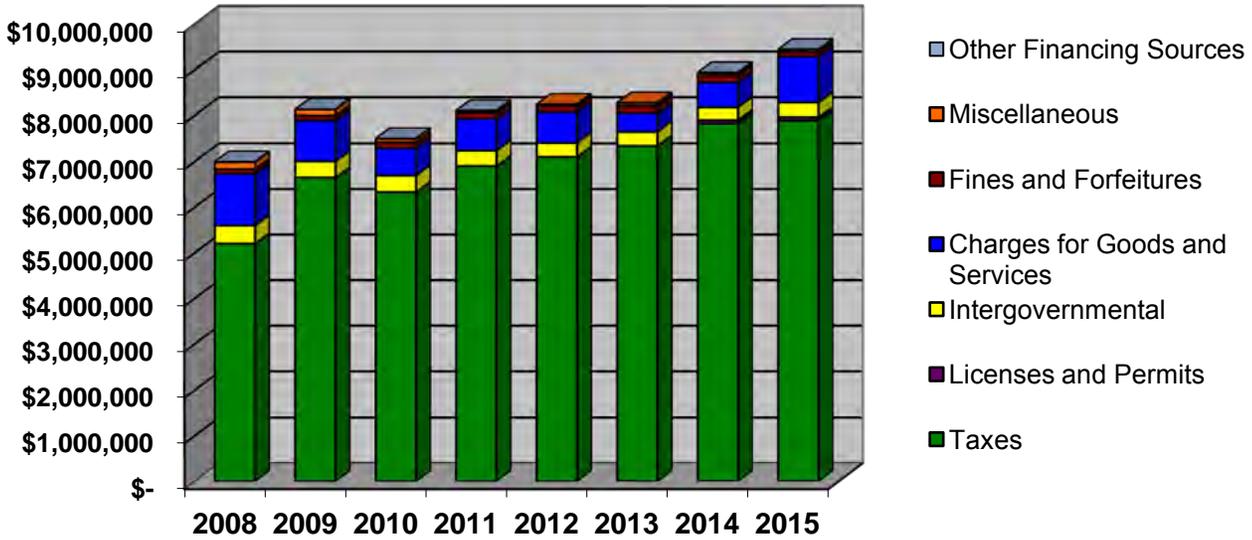
These miscellaneous fees are collected for locker rentals, pool rentals, concessions, etc. The 2015 revenues are estimated at \$135,180.

Interest Income

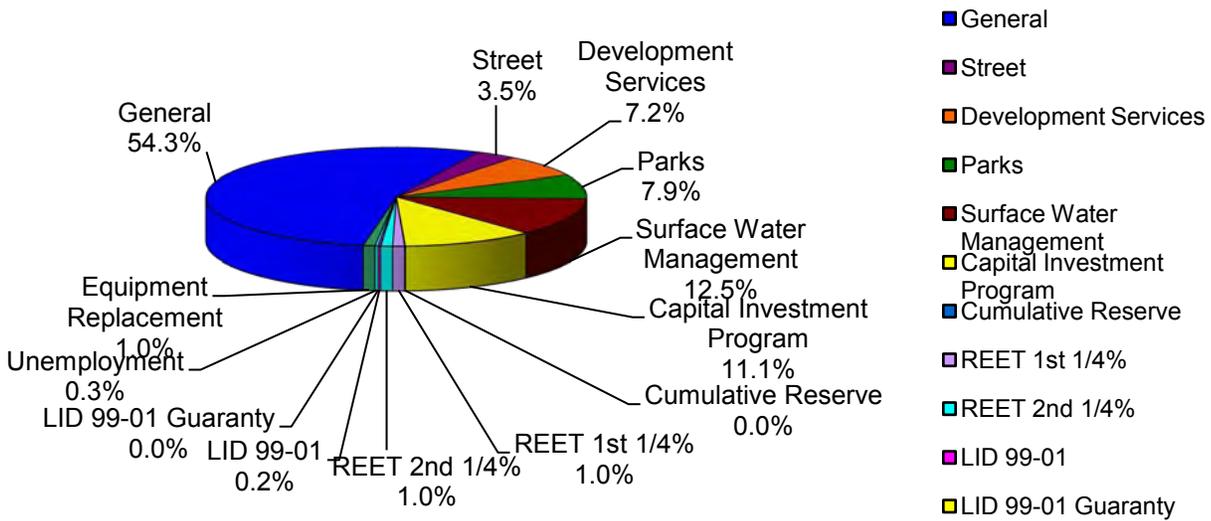
All Funds

The City will receive interest on cash balances through investment of public funds as allowed by law. The amount received will vary with interest rates, types and duration of investments, and the amount of cash available for investment during any particular budget year. The overall 2015 estimate of \$30,280 is based on annualized 2014 data, economic outlook, and the assumption that fund balances available for investing will be at 2014 levels.

General Fund Revenues



2015 Revenues All Funds



City of Covington
 Summary of Revenues - All Funds (Note 1)
 For the Fiscal Years 2013 through 2015

	2013	2014		2015		
	Actual	Total Amended Budget	Estimated Actuals	Requested Budget	Decision Cards	Total Budget
<u>General Fund</u>						
Taxes	\$ 7,551,751	\$ 7,818,114	\$ 7,731,795	\$ 7,883,860	\$ -	\$ 7,883,860
Licenses and Permits	37,500	75,000	75,000	75,000	-	75,000
Intergovernmental	327,034	284,455	321,997	326,035	-	326,035
Charges for Goods and Services	597,444	543,997	653,133	1,008,040	-	1,008,040
Fines and Forfeitures	122,836	156,500	95,223	94,700	-	94,700
Miscellaneous	95,500	56,450	63,383	56,350	-	56,350
Other Financing Sources	10,947	-	-	-	-	-
Total General Fund	<u>\$ 8,743,012</u>	<u>\$ 8,934,516</u>	<u>\$ 8,940,531</u>	<u>\$ 9,443,985</u>	<u>\$ -</u>	<u>\$ 9,443,985</u>
<u>Street Fund</u>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	266,065	220,000	233,500	233,500	-	233,500
Intergovernmental	369,773	369,240	359,000	367,250	-	367,250
Charges for Goods and Services	11,960	6,000	58,262	6,000	-	6,000
Miscellaneous	1,617	400	355	400	-	400
Other Financing Sources	3,291	-	251	-	-	-
Total Street Fund	<u>\$ 652,706</u>	<u>\$ 595,640</u>	<u>\$ 651,368</u>	<u>\$ 607,150</u>	<u>\$ -</u>	<u>\$ 607,150</u>
<u>Development Services Fund</u>						
Licenses and Permits	\$ 588,022	\$ 325,000	\$ 702,242	\$ 1,017,230	\$ -	\$ 1,017,230
Intergovernmental	-	-	-	-	-	-
Charges for Goods and Services	284,116	619,868	881,544	233,933	-	233,933
Fines and Forfeitures	408	-	276	-	-	-
Miscellaneous	6,939	1,300	4,265	4,000	-	4,000
Total Development Services Fund	<u>\$ 879,485</u>	<u>\$ 946,168</u>	<u>\$ 1,588,327</u>	<u>\$ 1,255,163</u>	<u>\$ -</u>	<u>\$ 1,255,163</u>
<u>Parks Fund</u>						
Taxes	\$ 535,828	\$ 561,120	\$ 526,880	\$ 542,690	\$ -	\$ 542,690
Intergovernmental	30,098	64,296	118,417	-	-	-
Charges for Goods and Services	577,630	554,475	676,400	720,764	-	720,764
Miscellaneous	150,992	137,410	141,055	135,380	(32,292)	103,088
Other Financing Sources	1,562	-	-	-	-	-
Total Parks Fund	<u>\$ 1,296,110</u>	<u>\$ 1,317,301</u>	<u>\$ 1,462,752</u>	<u>\$ 1,398,834</u>	<u>\$ (32,292)</u>	<u>\$ 1,366,542</u>
<u>Surface Water Management Fund</u>						
Charges for Goods and Services	\$ 1,759,582	\$ 1,810,558	\$ 1,819,233	\$ 1,918,630	\$ -	\$ 1,918,630
Miscellaneous	4,010	9,500	5,301	5,000	-	5,000
Proprietary Income (Grants)	59,736	49,315	114,891	247,202	-	247,202
Other Financing Sources	-	-	-	-	-	-
Total Surface Water Management Fund	<u>\$ 1,823,328</u>	<u>\$ 1,869,373</u>	<u>\$ 1,939,425</u>	<u>\$ 2,170,832</u>	<u>\$ -</u>	<u>\$ 2,170,832</u>
<u>Capital Investment Program Fund</u>						
Taxes	\$ -	\$ -	\$ 35,055	\$ -	\$ -	\$ -
Intergovernmental	359,823	1,906,149	1,034,441	1,602,040	224,650	1,826,690
Charges for Goods and Services	165,057	-	4,461	-	110,000	110,000
Miscellaneous	3,139	2,500	2,500	-	-	-
Other Financing Sources	42,106	-	-	-	-	-
Total Capital Investment Program Fund	<u>\$ 570,125</u>	<u>\$ 1,908,649</u>	<u>\$ 1,076,457</u>	<u>\$ 1,602,040</u>	<u>\$ 334,650</u>	<u>\$ 1,936,690</u>
<u>Cumulative Reserve Fund</u>						
Miscellaneous	\$ 1,992	\$ 8,600	\$ 632	\$ 8,600	\$ -	\$ 8,600
Total Cumulative Reserve Fund	<u>\$ 1,992</u>	<u>\$ 8,600</u>	<u>\$ 632</u>	<u>\$ 8,600</u>	<u>\$ -</u>	<u>\$ 8,600</u>
<u>Contingency Fund</u>						
Miscellaneous	\$ 3,450	\$ -	\$ 2,856	\$ -	\$ -	\$ -
Total Contingency Fund	<u>\$ 3,450</u>	<u>\$ -</u>	<u>\$ 2,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Covington
 Summary of Revenues - All Funds (Note 1)
 For the Fiscal Years 2013 through 2015

	2013	2014		2015		
	Actual	Total Amended Budget	Estimated Actuals	Requested Budget	Decision Cards	Total Budget
<u>Real Estate Excise Tax Fund- 1st Qtr%</u>						
Taxes	\$ 272,604	\$ 240,000	\$ 175,000	\$ 175,000	\$ -	\$ 175,000
Miscellaneous	102	100	40	40	-	40
Total Real Estate Excise Tax-1st Qtr% Fund	<u>\$ 272,706</u>	<u>\$ 240,100</u>	<u>\$ 175,040</u>	<u>\$ 175,040</u>	<u>\$ -</u>	<u>\$ 175,040</u>
<u>Real Estate Excise Tax Fund-2nd Qtr%</u>						
Taxes	\$ 271,911	\$ 240,000	\$ 175,000	\$ 175,000	\$ -	\$ 175,000
Miscellaneous	102	100	40	40	-	40
Total Real Estate Excise Tax-2nd Qtr% Fund	<u>\$ 272,013</u>	<u>\$ 240,100</u>	<u>\$ 175,040</u>	<u>\$ 175,040</u>	<u>\$ -</u>	<u>\$ 175,040</u>
<u>L.I.D. 99-01 Fund</u>						
Miscellaneous	\$ 37,004	\$ 36,991	\$ 35,766	\$ 35,665	\$ -	\$ 35,665
Total L.I.D. 99-01 Fund	<u>\$ 37,004</u>	<u>\$ 36,991</u>	<u>\$ 35,766</u>	<u>\$ 35,665</u>	<u>\$ -</u>	<u>\$ 35,665</u>
<u>L.I.D. Guaranty Fund</u>						
Miscellaneous	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ -
Total L.I.D. Guaranty Fund	<u>\$ 70</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Unemployment Insurance Reserve Fund</u>						
Charges for Goods and Services	\$ 42,993	\$ 42,541	\$ 45,715	\$ 48,032	\$ -	\$ 48,032
Miscellaneous	239	-	100	-	-	-
Total Unemployment Insurance Reserve Fund	<u>\$ 43,232</u>	<u>\$ 42,541</u>	<u>\$ 45,815</u>	<u>\$ 48,032</u>	<u>\$ -</u>	<u>\$ 48,032</u>
<u>Equipment Replacement Fund</u>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Goods and Services	122,716	140,328	159,516	160,896	10,000	170,896
Miscellaneous	394	300	300	-	-	-
Proprietary Income (Grants)	14,600	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-
Total Equipment Replacement Fund	<u>\$ 137,710</u>	<u>\$ 140,628</u>	<u>\$ 159,816</u>	<u>\$ 160,896</u>	<u>\$ 10,000</u>	<u>\$ 170,896</u>
Total All Funds	<u>\$ 14,732,943</u>	<u>\$ 16,280,607</u>	<u>\$ 16,253,825</u>	<u>\$ 17,081,277</u>	<u>\$ 312,358</u>	<u>\$ 17,393,635</u>

Note 1: This table does not include operating transfers-in

City of Covington
Summary of Expenditures - All Funds (Note 1)
For the Fiscal Years 2013 through 2015

	2013	2014		2015		
	Actual	Total Amended Budget	Estimated Actuals	Requested Budget	Decision Cards	Total Budget
<u>General Fund</u>						
Salaries and Wages	\$ 1,374,346	\$ 1,418,068	\$ 1,360,178	\$ 1,434,868	\$ 9,406	\$ 1,444,274
Personnel Benefits	494,299	504,425	494,985	531,495	1,554	533,049
Supplies	55,275	69,496	69,630	60,385	2,210	62,595
Other Services and Charges	1,905,921	1,877,988	1,815,986	1,743,996	126,870	1,870,866
Intergovernmental	3,592,333	3,893,199	3,769,098	4,027,573	-	4,027,573
Capital Outlay	41,824	-	16,108	-	5,060	5,060
Debt Service	-	-	-	-	-	-
Central Services Cost Allocation	(424,861)	(441,350)	(441,350)	(498,834)	-	(498,834)
Total General Fund	<u>\$ 7,039,137</u>	<u>\$ 7,321,826</u>	<u>\$ 7,084,635</u>	<u>\$ 7,299,483</u>	<u>\$ 145,100</u>	<u>\$ 7,444,583</u>
<u>Street Fund</u>						
Salaries and Wages	\$ 289,859	\$ 309,399	\$ 344,677	\$ 316,265	\$ 37,422	\$ 353,687
Personnel Benefits	111,541	120,367	132,874	129,775	5,276	135,051
Supplies	44,153	59,526	40,496	60,621	5,325	65,946
Other Services and Charges	310,372	330,495	290,019	470,817	(33,188)	437,629
Intergovernmental	92,212	100,500	105,000	98,000	-	98,000
Capital Outlay	-	29,650	35,000	-	-	-
Debt Service	-	-	-	-	-	-
Total Street Fund	<u>\$ 848,137</u>	<u>\$ 949,937</u>	<u>\$ 948,066</u>	<u>\$ 1,075,478</u>	<u>\$ 14,835</u>	<u>\$ 1,090,313</u>
<u>Development Services Fund</u>						
Salaries and Wages	\$ 504,861	\$ 476,663	\$ 493,358	\$ 494,394	\$ -	\$ 494,394
Personnel Benefits	159,455	171,251	166,824	174,060	-	174,060
Supplies	2,161	7,921	6,224	9,679	-	9,679
Other Services and Charges	304,652	358,227	335,580	361,780	-	361,780
Intergovernmental	33,609	60,600	41,500	59,625	-	59,625
Total Development Services Fund	<u>\$ 1,004,738</u>	<u>\$ 1,074,662</u>	<u>\$ 1,043,486</u>	<u>\$ 1,099,538</u>	<u>\$ -</u>	<u>\$ 1,099,538</u>
<u>Parks Fund</u>						
Salaries and Wages	\$ 794,562	\$ 834,340	\$ 956,063	\$ 1,030,786	\$ 20,287	\$ 1,051,073
Personnel Benefits	227,981	233,319	279,082	308,976	3,395	312,371
Supplies	93,214	89,456	113,451	132,322	10,675	142,997
Other Services and Charges	469,750	676,684	772,287	976,465	84,633	1,061,098
Intergovernmental	10,631	4,460	10,419	11,960	-	11,960
Capital Outlay	11,015	23,360	70,087	-	-	-
Debt Service	-	-	-	-	-	-
Interfund Payment for Services	-	-	-	-	-	-
Total Parks Fund	<u>\$ 1,607,153</u>	<u>\$ 1,861,619</u>	<u>\$ 2,201,389</u>	<u>\$ 2,460,509</u>	<u>\$ 118,990</u>	<u>\$ 2,579,499</u>
<u>Surface Water Management Fund</u>						
Salaries and Wages	\$ 487,413	\$ 591,782	\$ 493,937	\$ 561,275	\$ 33,263	\$ 594,538
Personnel Benefits	194,260	217,713	209,184	233,912	4,687	238,599
Supplies	28,528	51,768	38,128	38,645	500	39,145
Other Services and Charges	861,690	958,863	885,246	1,133,255	7,065	1,140,320
Intergovernmental	27,180	52,705	40,800	61,944	-	61,944
Capital Outlay	-	60,350	176,902	318,787	-	318,787
Debt Service	32,837	32,837	30,440	32,837	-	32,837
Interfund Payment for Services	-	-	-	-	-	-
Total Surface Water Management Fund	<u>\$ 1,631,908</u>	<u>\$ 1,966,018</u>	<u>\$ 1,874,637</u>	<u>\$ 2,380,655</u>	<u>\$ 45,515</u>	<u>\$ 2,426,170</u>

City of Covington
Summary of Expenditures - All Funds (Note 1)
For the Fiscal Years 2013 through 2015

	2013	2014		2015		
	Actual	Total Amended Budget	Estimated Actuals	Requested Budget	Decision Cards	Total Budget
<u>Capital Investment Program Fund</u>						
Salaries and Wages	\$ 22,456	\$ -	\$ 47,846	\$ 24,960	\$ -	\$ 24,960
Personnel Benefits	4,418	-	8,115	2,475	-	2,475
Supplies	-	-	-	-	-	-
Other Services and Charges	508,399	784,900	611,632	671,980	230,000	901,980
Capital Outlay	344,867	1,437,000	620,302	1,409,420	454,650	1,864,070
Debt Service	-	-	-	-	-	-
Interfund Payment for Services	-	-	-	-	-	-
Total Capital Investment Program Fund	<u>\$ 880,140</u>	<u>\$ 2,221,900</u>	<u>\$ 1,287,895</u>	<u>\$ 2,108,835</u>	<u>\$ 684,650</u>	<u>\$ 2,793,485</u>
<u>L.I.D. 99-01 Fund</u>						
Other Services and Charges	\$ 494	\$ 500	\$ 500	\$ 500	\$ -	\$ 500
Debt Service	29,421	-	-	-	-	-
Total LID 99-01 Fund	<u>\$ 29,915</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 500</u>
<u>Long-Term Debt Service Fund</u>						
Debt Service	\$ 1,283,211	\$ 1,278,415	\$ 1,278,415	\$ 1,276,904	\$ -	\$ 1,276,904
Total Long-Term Debt Service Fund	<u>\$ 1,283,211</u>	<u>\$ 1,278,415</u>	<u>\$ 1,278,415</u>	<u>\$ 1,276,904</u>	<u>\$ -</u>	<u>\$ 1,276,904</u>
<u>Unemployment Insurance Reserve Fund</u>						
Personnel Benefits	\$ 2,362	\$ 50,000	\$ 2,400	\$ 50,000	\$ -	\$ 50,000
Total Unemployment Insurance Reserve Fund	<u>\$ 2,362</u>	<u>\$ 50,000</u>	<u>\$ 2,400</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>
<u>Equipment Replacement Fund</u>						
Supplies	\$ 19,824	\$ 21,972	\$ 21,500	\$ 22,332	\$ -	\$ 22,332
Other Services and Charges	15,353	25,656	15,000	21,294	-	21,294
Capital Outlay	-	75,000	50,000	29,682	-	29,682
Total Equipment Replacement Fund	<u>\$ 35,177</u>	<u>\$ 122,628</u>	<u>\$ 86,500</u>	<u>\$ 73,308</u>	<u>\$ -</u>	<u>\$ 73,308</u>
Total All Funds	<u>\$ 14,361,878</u>	<u>\$ 16,847,505</u>	<u>\$ 15,807,923</u>	<u>\$ 17,825,210</u>	<u>\$ 1,009,090</u>	<u>\$ 18,834,300</u>

Note 1: This table does not include operating transfers-out

City of Covington
 Summary of Interfund Transfers - All Funds
 For the Fiscal Years 2013 through 2015

	Transfer In/Out	2013	2014		2015		
		Actual	Total Amended Budget	Estimated Actuals	Proposed Budget	Decision Cards	Total Budget
General Fund	In	\$ 59,525	\$ 36,491	\$ 35,276	\$ 35,165	\$ -	\$ 35,165
	Out	(1,243,219)	(1,621,376)	(1,741,312)	(2,610,286)	(390,000)	(3,000,286)
Net Total General Fund		\$ (1,183,694)	\$ (1,584,885)	\$ (1,706,036)	\$ (2,575,121)	\$ (390,000)	\$ (2,965,121)
Street Fund	In	\$ 250,401	\$ 279,330	\$ 279,330	\$ 476,633	\$ -	\$ 476,633
	Out	(4,446)	-	(14,426)	-	-	-
Net Total Street Fund		\$ 245,955	\$ 279,330	\$ 264,904	\$ 476,633	\$ -	\$ 476,633
Parks Fund	In	\$ 388,840	\$ 604,384	\$ 688,720	\$ 1,234,313	\$ 40,000	\$ 1,274,313
	Out	(98,143)	(27,483)	(27,483)	(27,484)	-	(27,484)
Net Total Parks Fund		\$ 290,697	\$ 576,901	\$ 661,237	\$ 1,206,829	\$ 40,000	\$ 1,246,829
Surface Water Management Fund	In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Out	(174,629)	-	-	-	-	-
Net Total Surface Water Management Fund		\$ (174,629)	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Investment Program Fund	In	\$ 245,289	\$ -	\$ -	\$ -	\$ 350,000	\$ 350,000
	Out	-	(33,070)	(33,070)	-	-	-
Net Total Capital Investment Program Fund		\$ 245,289	\$ (33,070)	\$ (33,070)	\$ -	\$ 350,000	\$ 350,000
Cumulative Reserve Fund	In	\$ 4,446	\$ -	\$ 14,426	\$ -	\$ -	\$ -
	Out	(4,184)	-	-	-	-	-
Net Total Cumulative Reserve Fund		\$ 262	\$ -	\$ 14,426	\$ -	\$ -	\$ -
Real Estate Excise Tax Fund-1st Qtr%	In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Out	(323,783)	(240,100)	(222,646)	(175,040)	-	(175,040)
Net Total Real Estate Excise Tax Fund-1st Qtr%		\$ (323,783)	\$ (240,100)	\$ (222,646)	\$ (175,040)	\$ -	\$ (175,040)
Real Estate Excise Tax Fund-2nd Qtr%	In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Out	(323,783)	(240,100)	(221,954)	(175,040)	-	(175,040)
Net Total Real Estate Excise Tax Fund-2nd Qtr%		\$ (323,783)	\$ (240,100)	\$ (221,954)	\$ (175,040)	\$ -	\$ (175,040)
LID 99-01 Fund	In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Out	(7,094)	(36,491)	(35,276)	(35,165)	-	(35,165)
Net Total LID 99-01 Fund		\$ (7,094)	\$ (36,491)	\$ (35,276)	\$ (35,165)	\$ -	\$ (35,165)
LID Guaranty Fund	In	\$ 7,094	\$ 36,491	\$ 35,276	\$ 35,165	\$ -	\$ 35,165
	Out	(59,525)	(36,491)	(35,276)	(35,165)	-	(35,165)
Net Total LID Guaranty Fund		\$ (52,431)	\$ -	\$ -	\$ -	\$ -	\$ -
Long-Term Debt Service Fund	In	\$ 1,283,211	\$ 1,278,415	\$ 1,278,415	\$ 1,276,904	\$ -	\$ 1,276,904
	Out	-	-	-	-	-	-
Net Total Long-Term Debt Service Fund		\$ 1,283,211	\$ 1,278,415	\$ 1,278,415	\$ 1,276,904	\$ -	\$ 1,276,904
Total Interfund Transfers In		2,238,806	2,235,111	2,331,443	3,058,180	390,000	3,448,180
Total Interfund Transfers Out		(2,238,806)	(2,235,111)	(2,331,443)	(3,058,180)	(390,000)	(3,448,180)
Net Total Fund Transfers for all Funds		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City of Covington
 Summary of Interfund Transfers - All Funds
 For the Fiscal Year 2015

Transfer In:

	General Fund	Street Fund	Parks Fund	Capital Investment Program Fund	LID Guaranty Fund	Long-Term Debt Service Fund	Total
Transfer Out:							
General Fund	\$ -	\$476,633	\$1,274,313	\$ 350,000	\$ -	\$ 899,340	\$ 3,000,286
Parks Fund	-	-	-	-	-	27,484	27,484
Real Estate Excise Tax 1st Qtr % Fund	-	-	-	-	-	175,040	175,040
Real Estate Excise Tax 2nd Qtr % Fund	-	-	-	-	-	175,040	175,040
LID 99-01 Fund	-	-	-	-	35,165	-	35,165
LID Guaranty Fund	<u>35,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,165</u>
Total Transfers	<u>\$ 35,165</u>	<u>\$476,633</u>	<u>\$1,274,313</u>	<u>\$ 350,000</u>	<u>\$ 35,165</u>	<u>\$ 1,276,904</u>	<u>\$ 3,448,180</u>

* Includes Decision Cards

CITY OF COVINGTON
GENERAL FUND LONG RANGE FORECAST
 2014-2020 Analysis in 000s
 BASE BUDGET

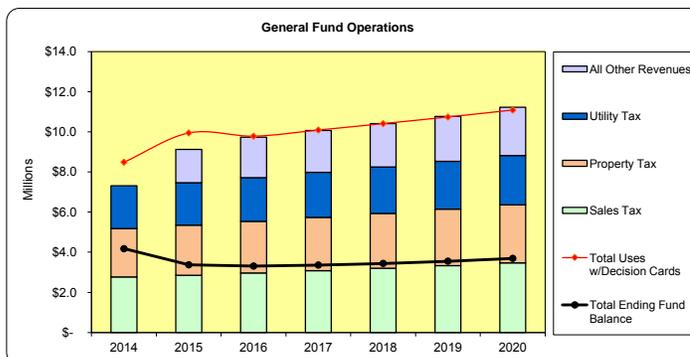
	2014	2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE	\$ 4,027	\$ 4,177	\$ 3,374	\$ 3,311	\$ 3,363	\$ 3,442	\$ 3,554
REVENUES							
Sales Tax ¹	2,766	2,849	2,963	3,081	3,205	3,333	3,466
Property Tax	2,416	2,500	2,575	2,652	2,732	2,814	2,898
Utility Tax ²	2,132	2,117	2,181	2,246	2,313	2,383	2,454
Local Criminal Justice	418	418	435	452	470	489	509
Licenses & Permits	75	75	75	75	75	75	75
Intergovernmental Revenue	322	326	336	346	356	367	378
Charges for Services	220	542	558	575	592	610	628
Fines & Forfeitures	95	95	100	105	110	115	121
Miscellaneous	63	56	58	59	61	63	65
Interfund Payment	434	466	489	514	539	566	595
Operating Transfer In ³	35	35	35	35	35	35	35
BASE BUDGET REVENUES	8,976	9,479	9,804	10,141	10,489	10,850	11,224
OTHER FINANCING SOURCES							
Budget Strategies	-	-	-	-	-	-	-
TOTAL OTHER FINANCING USES	-						
TOTAL SOURCES	\$ 8,976	\$ 9,479	\$ 9,804	\$ 10,141	\$ 10,489	\$ 10,850	\$ 11,224
EXPENDITURES							
Salaries and Wages	1,360	1,435	1,492	1,552	1,614	1,679	1,746
Personnel Benefits	495	531	571	614	660	709	762
Supplies	70	60	62	64	66	68	70
Other Services and Charges	1,479	1,407	1,469	1,513	1,559	1,605	1,653
Intergovernmental	3,769	4,028	4,225	4,373	4,526	4,685	4,849
Capital Outlay	16	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Interfund Payment for Services	-	-	-	-	-	-	-
Central Services Cost Allocation	(441)	(499)	(524)	(550)	(578)	(607)	(637)
Operating Transfer Out less debt service transfer ⁴	935	1,549	1,587	1,625	1,664	1,704	1,745
BASE BUDGET EXPENDITURES	7,683	8,511	8,882	9,190	9,510	9,843	10,188
Operating Surplus/Deficit by Year	\$ 1,293	\$ 968	\$ 922	\$ 950	\$ 979	\$ 1,007	\$ 1,036
OTHER FINANCING USES							
Decision Cards	-	-	-	-	-	-	-
Ongoing	-	31	-	-	-	-	-
One-time	-	504	-	-	-	-	-
Budget Strategies	-	-	-	-	-	-	-
Transfer to opportunity fund	-	-	-	-	-	-	-
Debt Service Transfer	806	899	901	898	899	896	896
TOTAL OTHER FINANCING USES	806	1,434	901	898	899	896	896
Annual Surplus/Deficit	487	(466)	21	52	80	112	140
TOTAL USES	8,489	9,945	9,783	10,089	10,410	10,738	11,084
One-time Costco payout	337	337	84	-	-	-	-
Sources over Uses	150	(803)	(64)	52	80	112	140
TOTAL ENDING FUND BALANCE	\$ 4,177	\$ 3,374	\$ 3,311	\$ 3,363	\$ 3,442	\$ 3,554	\$ 3,694
Cumulative net amount available for debt service:	\$ 3,318	\$ 2,512	\$ 2,130	\$ 1,229	\$ 899	\$ 896	\$ 896
Amount transferred to the debt service fund:	\$ 806	\$ 899	\$ 901	\$ 898	\$ 899	\$ 896	\$ 896
Remainder of debt service reserve:	\$ 2,512	\$ 1,613	\$ 1,229	\$ 331	\$ 0	\$ 0	\$ 0
COSTCO RESERVE	\$ 421	\$ 84	\$ 0	\$ -	\$ -	\$ -	\$ -
REPUBLIC SERVICES RESERVE	\$ 113	\$ 188	\$ 263	\$ 338	\$ 413	\$ 488	\$ 563
UNRESERVED FUND BALANCE	\$ 1,131	\$ 1,489	\$ 1,818	\$ 2,694	\$ 3,029	\$ 3,066	\$ 3,131
TOTAL ENDING FUND BALANCE	\$ 4,177	\$ 3,374	\$ 3,311	\$ 3,363	\$ 3,442	\$ 3,554	\$ 3,694
20% fund balance target	\$ 1,350	\$ 1,392	\$ 1,459	\$ 1,513	\$ 1,569	\$ 1,628	\$ 1,689
Fund balance policy	Meets 20%						
Margin above/below the 20% threshold	\$ 2,827	\$ 1,982	\$ 1,851	\$ 1,850	\$ 1,873	\$ 1,926	\$ 2,006
Margin above the unreserved fund balance	\$ (219)	\$ 96	\$ 359	\$ 1,180	\$ 1,460	\$ 1,438	\$ 1,443

Notes:

- 1) This worksheet makes no assumptions as to new programs and decision cards past 2015 other than ongoing costs.
- 2) Decision cards and budget strategies were moved into their respective line items where they accrue at different inflation rates. This creates a slightly different bottom line in future years.

Footnotes:

- ¹ Sales tax is allocated at 84% of forecasted revenues to the General Fund and 16% to the Parks Division.
- ² This represents gross receipts for utility tax collections. Transfers are made to other funds.
- ³ This transfer is from the LID Fund.
- ⁴ Operating transfers go to Streets, Parks, and Long-Term Debt.



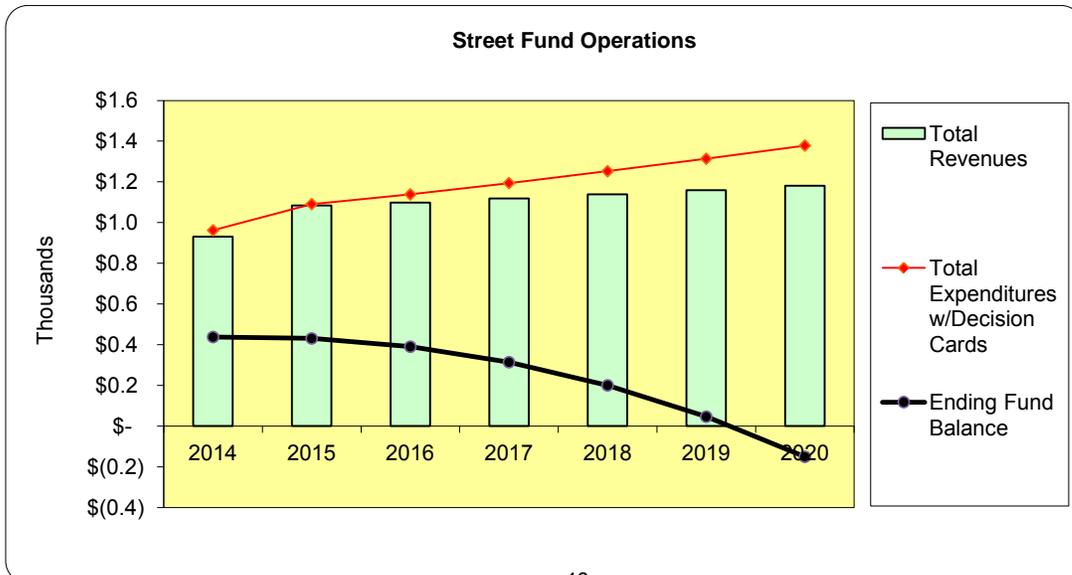
CITY OF COVINGTON STREET FUND LONG RANGE FORECAST

2014-2020 Analysis in 000s
BASE BUDGET

	2014	2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE	\$ 468	\$ 437	\$ 430	\$ 390	\$ 314	\$ 200	\$ 46
REVENUES							
Licenses and Permits	234	234	240	246	252	258	265
Street Fuel Tax	359	367	376	386	395	405	415
Intergovernmental Revenues	-	-	-	-	-	-	-
Charges for Goods and Services	58	6	-	-	-	-	-
Miscellaneous	1	-	-	-	-	-	-
BASE BUDGET REVENUES	652	607	616	631	647	663	680
Operating Transfers In	279	477	482	487	491	496	501
Revenue strategies	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-
TOTAL REVENUES	931	1,084	1,098	1,118	1,139	1,160	1,181
EXPENDITURES							
Salaries and Wages	345	316	366	381	396	412	428
Personnel Benefits	133	130	145	156	168	180	194
Supplies	40	61	68	70	72	74	77
Other Services and Charges	290	471	456	479	503	528	555
Intergovernmental	105	98	103	108	113	119	125
Capital Outlay	35	-	-	-	-	-	-
Debt Service: Principal	-	-	-	-	-	-	-
Interfund Payment for Services	-	-	-	-	-	-	-
Operating Transfer Out	14	-	-	-	-	-	-
BASE BUDGET EXPENDITURES	962	1,076	1,139	1,194	1,252	1,314	1,378
Decision Cards	-	15	-	-	-	-	-
Budget Strategies	-	-	-	-	-	-	-
TOTAL EXPENDITURES	962	1,091	1,139	1,194	1,252	1,314	1,378
Operating Surplus/Deficit by Year	(31)	(7)	(41)	(76)	(114)	(154)	(197)
ENDING FUND BALANCE	\$ 437	\$ 430	\$ 390	\$ 314	\$ 200	\$ 46	\$ (151)
10% fund balance target	\$ 95	\$ 108	\$ 114	\$ 119	\$ 125	\$ 131	\$ 138
Fund balance policy	Meets 10%	Under 10%	Under 10%				
Margin above/below the 10% threshold	\$ 343	\$ 323	\$ 276	\$ 194	\$ 75	\$ (85)	\$ (289)

Notes:

1) This worksheet makes no assumptions as to new programs and decision cards past 2015 other than ongoing costs.



CITY OF COVINGTON DEVELOPMENT SERVICES FUND LONG RANGE FORECAST

2014-2020 Analysis in 000s
BASE BUDGET

	2014	2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE	\$ 1,891	\$ 2,436					
REVENUES							
Licenses & Permits	\$ 702	\$ 1,017					
Intergovernmental Revenues	-	-					
Charges for Goods & Services	882	234					
Miscellaneous Revenues	5	4					
Operating Transfer In	-	-					
TOTAL REVENUES¹	1,588	1,255					
EXPENDITURES							
Salaries and Wages	493	494					
Personnel Benefits	167	174					
Supplies	6	10					
Other Services and Charges	336	362					
Intergovernmental	42	60					
Other Financing	-	-					
Interfund Payment for Services	-	-					
BASE EXPENDITURES	1,043	1,100					
Decision Cards	-	-					
TOTAL EXPENDITURES	1,043	1,100					
Operating Surplus/Deficit by Year	545	156	-	-	-	-	-
Operating Transfer	-	-	-	-	-	-	-
Ending Fund Balance	\$ 2,436	\$ 2,592	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance target	\$ 238	\$ 188	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance policy	Meets 10%	Meets 10%	Meets 10%	Meets 10%	Meets 10%	Meets 10%	Meets 10%
Margin above/below the 10% threshold	\$ 2,198	\$ 2,403	\$ -	\$ -	\$ -	\$ -	\$ -

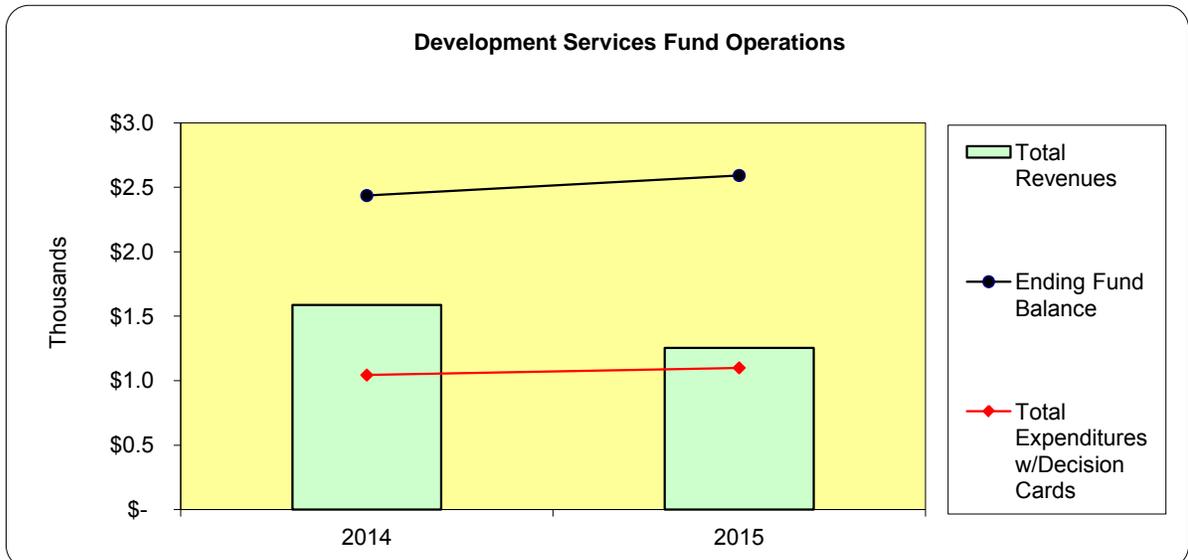
Due to the nature of Development Services being a working capital fund where projects cross years and the source of revenue is based solidly on economic cycles, accurate forecasting becomes speculative beyond 2015.

Notes:

1) This worksheet makes no assumptions as to new programs and decision cards past 2015 other than ongoing costs.

Footnotes:

¹ Reflects all revenues related to Development Services.



CITY OF COVINGTON PARKS & RECREATION FUND LONG RANGE FORECAST

2014-2020 Analysis in 000s

BASE BUDGET

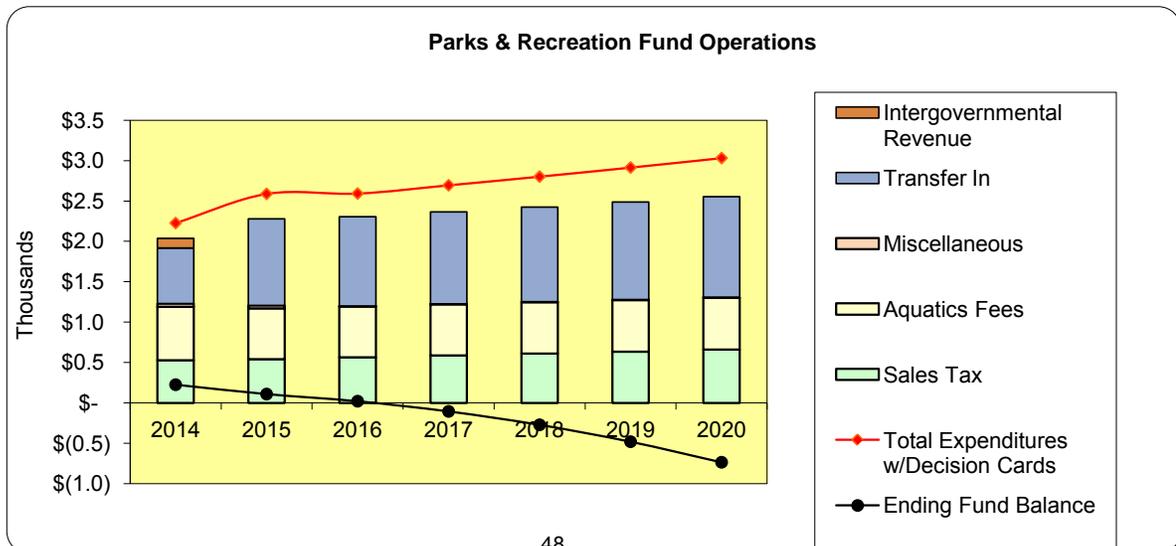
	2014	2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE	\$ 301	\$ 225	\$ 109	\$ 21	\$ (105)	\$ (271)	\$ (480)
REVENUES							
Sales Tax ¹	527	543	565	587	611	635	661
Intergovernmental Revenues	118	-	-	-	-	-	-
Charges for Goods and Services	-	-	-	-	-	-	-
Aquatics Fees	661	626	630	633	636	639	642
Athletics & Recreation	114	194	199	205	212	218	224
Miscellaneous	42	36	5	5	5	5	5
Other Financing Sources	-	-	-	-	-	-	-
BASE BUDGET REVENUES	1,462	1,399	1,399	1,430	1,463	1,498	1,533
Operating Transfers In	689	1,073	1,105	1,138	1,172	1,208	1,244
TOTAL REVENUES	2,151	2,472	2,504	2,569	2,636	2,705	2,777
EXPENDITURES							
Salaries and Wages	956	1,031	1,093	1,136	1,182	1,229	1,278
Personnel Benefits	279	309	336	361	388	417	448
Supplies	113	132	138	142	146	151	155
Other Services and Charges	772	966	987	1,017	1,047	1,079	1,111
Intergovernmental	10	12	12	12	12	12	12
Capital Outlay	70	-	-	-	-	-	-
Operating Transfer	27	27	27	27	27	27	27
BASE BUDGET EXPENDITURES	2,227	2,477	2,592	2,695	2,802	2,914	3,032
Decision Cards	-	111	-	-	-	-	-
Budget Strategies	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,227	2,588	2,592	2,695	2,802	2,914	3,032
Operating Surplus/Deficit by Year	(76)	(116)	(88)	(126)	(166)	(209)	(255)
ENDING FUND BALANCE	\$ 225	\$ 109	\$ 21	\$ (105)	\$ (271)	\$ (480)	\$ (735)
10% fund balance target	\$ 220	\$ 245	\$ 257	\$ 267	\$ 278	\$ 289	\$ 300
Fund balance policy	Meets 10%	Under 10%	Under 10%	Under 10%	Under 10%	Under 10%	Under 10%
Margin above/below the 10% threshold	\$ 5	\$ (136)	\$ (236)	\$ (372)	\$ (549)	\$ (769)	\$ (1,036)

Notes:

1) This worksheet makes no assumptions as to new programs and decision cards past 2015 other than ongoing costs.

Footnotes:

¹ Sales tax is allocated at 84% of forecasted revenues to the General Fund and 16% to the Parks Fund.



CITY OF COVINGTON
SURFACE WATER MANAGEMENT FUND LONG RANGE FORECAST
 2014-2020 Analysis in 000s
 BASE BUDGET

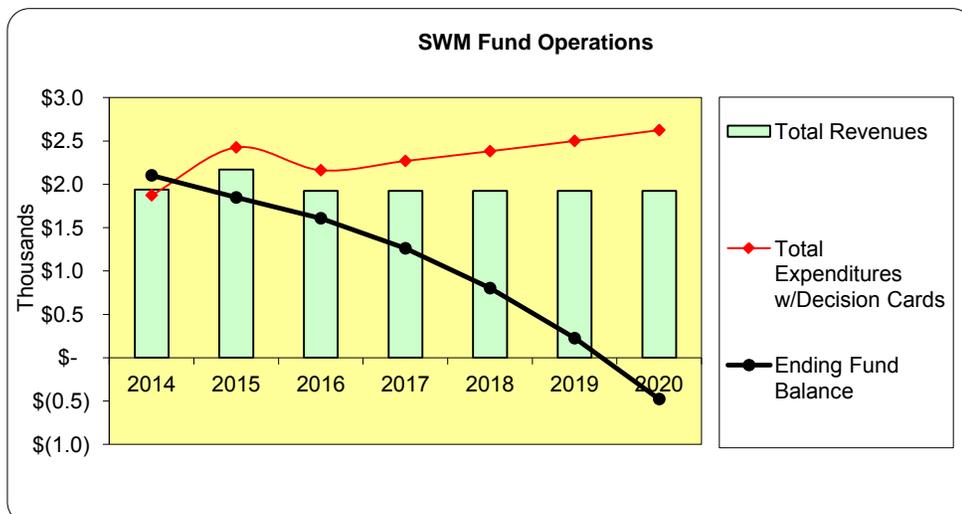
	2014	2015	2016	2017	2018	2019	2020
BEGINNING CASH BALANCE	\$ 2,039	\$ 2,104	\$ 1,849	\$ 1,609	\$ 1,262	\$ 803	\$ 226
REVENUES							
Customer Charges ¹	\$ 1,819	\$ 1,919	\$ 1,919	\$ 1,919	\$ 1,919	\$ 1,919	\$ 1,919
Grant Revenue	115	247	-	-	-	-	-
Misc	5	5	5	5	5	6	6
TOTAL REVENUES	<u>1,939</u>	<u>2,171</u>	<u>1,924</u>	<u>1,924</u>	<u>1,924</u>	<u>1,924</u>	<u>1,924</u>
Transfers In	-	-	-	-	-	-	-
TOTAL SOURCES	<u>1,939</u>	<u>2,171</u>	<u>1,924</u>	<u>1,924</u>	<u>1,924</u>	<u>1,924</u>	<u>1,924</u>
EXPENDITURES							
Salaries and Wages	494	561	584	607	631	657	683
Personnel Benefits	209	234	251	270	291	312	336
Supplies	38	39	41	43	45	47	49
Other Services and Charges	885	1,133	1,190	1,249	1,312	1,377	1,446
Intergovernmental	41	62	65	68	72	75	79
Capital Outlay	177	319	-	-	-	-	-
Debt Service: Principal	-	-	-	-	-	-	-
Debt Service: Interest	30	33	33	33	33	33	33
Transfer Out	-	-	-	-	-	-	-
BASE BUDGET TOTAL	<u>1,875</u>	<u>2,381</u>	<u>2,164</u>	<u>2,271</u>	<u>2,383</u>	<u>2,502</u>	<u>2,626</u>
Decision Card	-	46	-	-	-	-	-
Budget Strategies	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,875</u>	<u>2,426</u>	<u>2,164</u>	<u>2,271</u>	<u>2,383</u>	<u>2,502</u>	<u>2,626</u>
Operating Surplus/Deficit by Year	65	(255)	(240)	(347)	(459)	(577)	(702)
ENDING CASH BALANCE	2,104	1,849	1,609	1,262	803	226	(476)
10% fund balance target	\$ 184	\$ 235	\$ 213	\$ 224	\$ 235	\$ 247	\$ 259
Margin above the 10% threshold	Meets 10%	Under 10%	Under 10%				
	\$ 1,919	\$ 1,614	\$ 1,396	\$ 1,038	\$ 568	\$ (21)	\$ (735)

Notes:

1) This worksheet makes no assumptions as to new programs and decision cards past 2015 other than ongoing costs.

Footnotes:

¹ This reflects ongoing 0% increases.



DEPARTMENT BUDGETS



CITY COUNCIL

Mission Statement

Provide effective community leadership and formulate sound public policy to meet the Community's needs.

Department Overview

The City Council is the legislative and policy making branch of City government. The seven (7) Council Members serve as the elected representatives of Covington citizens participating in a Council-City Manager form of government.

Major Activities

- Set Operating Budget for City
- Adopt Public Policy
- Enact City Ordinances and Resolutions
- Develop Long-Range Strategic Planning
- Make Land Use Decisions
- Appoint Boards and Commissions

Significant Budget Issues

Beginning in 2012 through 2016, the City is paying traffic mitigation fee exemption.

2014 ACCOMPLISHMENTS

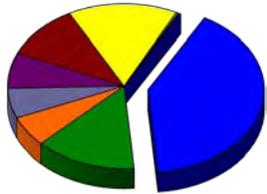
- ✓ Continued collaboration and involvement with neighboring cities, utility districts and regional associations
- ✓ Hired a qualified City Manager
- ✓ Developed public-private partnerships to advance the Town Center vision
- ✓ Established relationship with Eastern University to further higher education vision
- ✓ Seamless transition of the Youth Sports Program to city management
- ✓ Installed city's first public art at the Aquatics Center
- ✓ Established partnership with Oakpointe to further the Hawk Property Subarea Development Agreement for Rezoning and Annexation

2015 GOALS

- ❖ Economic Development: Encourage and support a business community that is committed to Covington for the long-term and offers diverse products and services, family wage jobs, and a healthy tax base to support public services
- ❖ Town Center: Establish Covington Town Center as a vibrant residential, commercial, educational, social, and cultural gathering place that is safe, pedestrian-friendly, well-designed, and well-maintained
- ❖ Youth and Families: Provide city services, programs and facilities such as parks and recreation and human services that emphasize and meet the needs of Covington's youth and families
- ❖ Neighborhoods: Foster community cohesiveness, communication, and cooperation, and maintain neighborhoods that offer a variety of housing options that are diverse, safe, accessible, and well-designed
- ❖ Municipal Services: Plan, develop, implement, and maintain high quality capital infrastructure and services that reflect the needs of a growing community
- ❖ Customer Service: Recruit, support, and retain a professional team of employees, volunteers, and stakeholders who offer outstanding customer service, ensure stewardship of the public's money, and promote the City

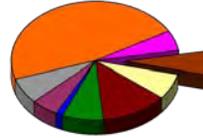
CITY COUNCIL

2015 Budget All Funds



General Fund
40.52%

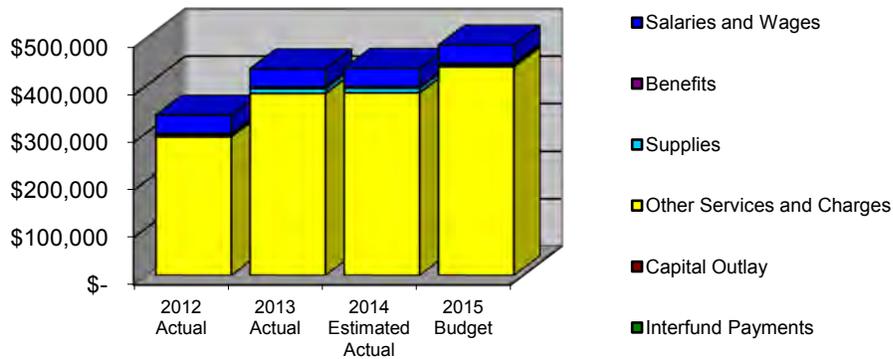
Total General Fund Budget



City Council
6.52%

Uses of Funds:	2012 Actual	2013 Actual	2014 Estimated Actual	2015 Budget
Salaries and Wages	\$ 38,400	\$ 38,400	\$ 38,400	\$ 38,400
Benefits	3,378	3,442	3,566	3,455
Supplies	4,098	10,151	9,935	4,280
Other Services and Charges	291,297	383,082	384,222	439,252
Capital Outlay	-	-	-	-
Interfund Payments	-	-	-	-
Total Operating Expenses	<u>337,173</u>	<u>435,075</u>	<u>436,123</u>	<u>485,387</u>
 Operating Transfer Out	 <u>1,493,689</u>	 <u>1,243,219</u>	 <u>1,741,312</u>	 <u>3,000,286</u>
 Total Uses	 <u>\$ 1,830,862</u>	 <u>\$ 1,678,294</u>	 <u>\$ 2,177,435</u>	 <u>\$ 3,485,673</u>

Total Operating Expenditures by Year



CITY COUNCIL

Account Number	Description	Requested
001-110-597-00-00-00	Operating Transfer Out Expenditure	\$ 3,000,286 <u>3,000,286</u>
001-110-511-60-11-00	Regular Wages Salaries and Wages	<u>38,400</u> <u>38,400</u>
001-110-511-60-21-01	Social Security Replacement	2,150
001-110-511-60-21-02	Medicare	557
001-110-511-60-21-05	Industrial Insurance	653
001-110-511-60-21-07	Life/LTD Insurance	<u>95</u>
	Personnel Benefits	<u>3,455</u>
001-110-511-60-31-01	Office Supplies	350
001-110-511-60-31-08	Honorarium	2,870
001-110-511-60-31-11	Meeting Expenses	<u>1,060</u>
	Supplies	<u>4,280</u>
001-110-511-60-41-10	Professional Services	7,900
001-110-511-60-43-01	Travel Expense (non-taxable)	1,500
001-110-511-60-43-03	Travel Expense (taxable)	250
001-110-511-60-49-01	Dues/Memberships	39,200
001-110-511-60-49-05	Training/Workshops	3,500
001-110-511-60-49-10	Contingency	50,000
001-110-558-70-49-23	Traffic Mitigation Fee Exempt	<u>336,902</u>
	Other Services and Charges	<u>439,252</u>
	Grand Total	<u>\$ 3,485,673</u>



MUNICIPAL COURT

Mission Statement

The Municipal Court Division shall monitor and assess the City's personnel and contract resources to ensure the highest quality court, jail, prosecution, public defense and screening services while operating with a Court budget constrained by inadequate revenue streams.

Department Overview

The City currently contracts for court services through King County and jail services through King County and SCORE. Other services such as prosecuting attorney are provided by contract.

Major Activities

- Prosecuting Attorney
- Provide Public Defender Services
- Monitor Jail Services Contract
- Provide Public Defender Screener
- Monitor court services contracts to include provision for court system for traffic and criminal cases

Significant Budget Issues

The City currently pays 100% of our revenues associated with the court to King County for administering our court services. Under the full cost recovery model adopted by the County, if our existing revenue stream is insufficient to pay our share of costs, we will be billed the difference. There are no employees in this department for 2015. All services are provided by contract.

2014 ACCOMPLISHMENTS

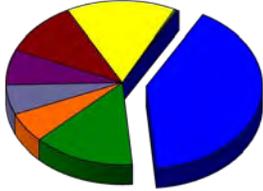
- ✓ Continued to explore alternatives to reduce court service costs
- ✓ Continued to monitor jail service contract and research cost saving measures

2015 GOALS

- ❖ Continue to explore alternatives to reduce court service costs
- ❖ Continue to monitor jail service contract and research cost saving measures

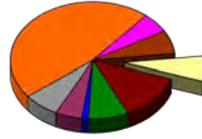
MUNICIPAL COURT

2015 Budget All Funds



General Fund
40.52%

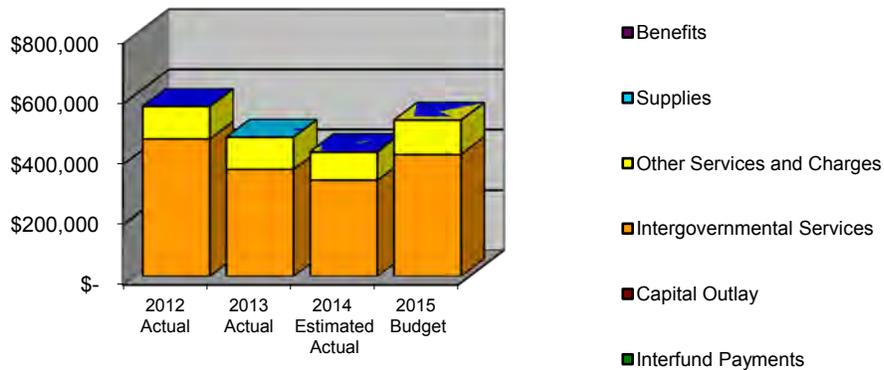
Total General Fund Budget



Municipal Court
6.95%

Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-
Supplies	117	272	-	-
Other Services and Charges	108,501	104,807	93,175	112,600
Intergovernmental Services	454,768	356,017	320,000	405,000
Capital Outlay	-	-	-	-
Interfund Payments	-	-	-	-
Total Uses	<u>\$ 563,386</u>	<u>\$ 461,096</u>	<u>\$ 413,175</u>	<u>\$ 517,600</u>

Total Operating Expenditures by Year



MUNICIPAL COURT

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
001-120-515-30-41-10	Prosecuting Attorney	\$ 55,200
001-120-515-91-41-10	Public Defender	57,400
	Other Services and Charges	<u>112,600</u>
001-120-512-50-51-02	Court Services	200,000
001-120-523-60-51-03	Jail Costs	<u>205,000</u>
	Intergovernmental Services	<u>405,000</u>
	Grand Total	<u>\$ 517,600</u>



EXECUTIVE

Mission Statement

The Executive Department facilitates the Vision of the City through others.

Department Overview

The Executive Department provides leadership, management, and administration of the affairs of the City, including coordination, direction, guidance, and support for the development of effective programs; and the planning, evaluation, analysis, control, and general management of the City. The City Clerk's Division provides legislative support to the City Council, maintains the City's official records and assists the public in accessing their local government by providing timely information.

Major Activities

- Manage and supervise all departments to achieve adopted City goals and objectives within available resources
- Provide professional advice to the City Council and Department Directors. Coordinate City activities with other agencies.
- Provide leadership and direction in the development of short- and long-range plans.
- Oversee personnel practices. Provide direction and performance evaluations.
- Assure effective and efficient use of budgeted funds, personnel, materials, facilities, and time.
- Advise the City Council and the general public of financial conditions including current and future City needs.
- Communicate official plans, policies, and procedures to the general public to improve residents' knowledge of City activities and facilitate meaningful, communications between the City council, staff, commissions, and residents of Covington.

Significant Budget Issues

None

2014 ACCOMPLISHMENTS

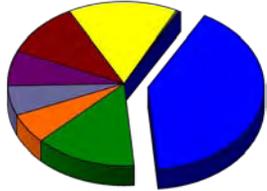
- ✓ Proposed a 2015 budget that maintained service and staffing levels and directed funds to one-time projects
- ✓ Received close to \$750,000 in grants for public works projects
- ✓ Updated commission charters to address term limits and end dates
- ✓ Established successful youth athletics program
- ✓ Facilitated public-private partnerships for the Town Center

2015 GOALS

- ❖ Implement direction from the 2014 City Council Summit
- ❖ Continue to lobby Congress and the Legislature per the City's 2014 Legislative agenda

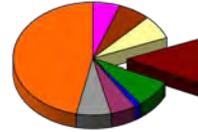
EXECUTIVE

2015 Budget All Funds



General Fund
40.52%

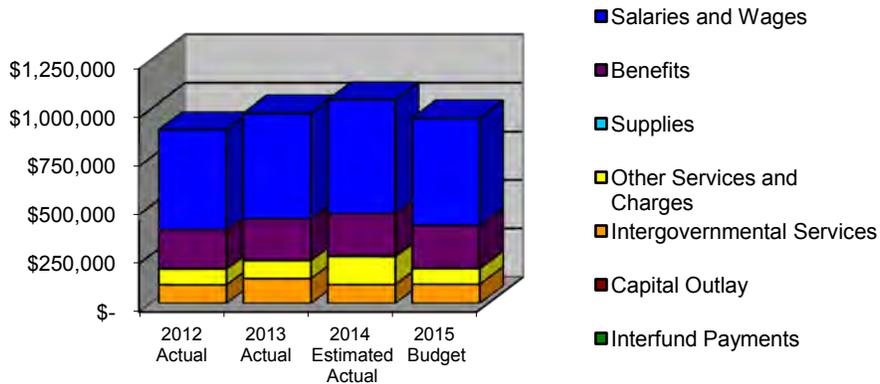
Total General Fund Budget



Executive
12.81%

Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 517,443	\$ 546,150	\$ 587,414	\$ 553,759
Benefits	197,001	209,451	212,789	217,450
Supplies	2,117	2,618	3,570	2,780
Other Services and Charges	81,966	92,499	145,230	80,685
Intergovernmental Services	95,857	128,622	97,429	99,054
Capital Outlay	-	-	-	-
Interfund Payments	-	-	-	-
Total Uses	\$ 894,384	\$ 979,340	\$ 1,046,432	\$ 953,728

Total Operating Expenditures by Year



EXECUTIVE

Account Number	Description	Requested
001-130-513-10-11-00	Regular Wages	\$ 553,759
	Salaries and Wages	<u>553,759</u>
001-130-513-10-21-01	Social Security Replacement	31,280
001-130-513-10-21-02	Medicare	8,101
001-130-513-10-21-03	PERS Replacement	41,532
001-130-513-10-21-04	Unemployment Compensation	6,922
001-130-513-10-21-05	Industrial Insurance	2,482
001-130-513-10-21-06	Medical/Dental/Vision	101,449
001-130-513-10-21-07	Life/LTD Insurance	7,614
001-130-513-10-21-10	Car Allowance	4,800
001-130-513-10-21-12	457 Employer Contributions	9,616
001-130-513-10-21-14	VEBA Contributions	<u>3,654</u>
	Personnel Benefits	<u>217,450</u>
001-130-513-10-31-01	Office Supplies	1,330
001-130-513-10-31-11	Meeting Expenses	1,000
001-130-513-10-31-13	Uniforms	250
001-130-513-10-35-00	Small Tools/Minor Equipment	<u>200</u>
	Supplies	<u>2,780</u>
001-130-511-30-42-09	Advertising/Legal Notices	8,200
001-130-513-10-41-10	Professional Services	58,640
001-130-513-10-42-06	Postage	410
001-130-513-10-43-01	Travel Expense (non-taxable)	4,150
001-130-513-10-43-03	Travel Expense (taxable)	630
001-130-513-10-49-01	Dues/Memberships	2,895
001-130-513-10-49-02	Subscriptions/Publications	250
001-130-513-10-49-04	Printing/Binding	600
001-130-513-10-49-05	Training/Workshops	<u>4,910</u>
	Other Services and Charges	<u>80,685</u>
001-130-514-40-51-01	Election Costs	14,350
001-130-514-90-51-01	Voter Registration	28,506
001-130-554-30-51-01	Animal Control Services	<u>56,198</u>
	Intergovernmental Services	<u>99,054</u>
	Grand Total	<u>\$ 953,728</u>



FINANCE

Mission Statement

The objective of the Finance Department is to help maintain a fiscally sound government organization that conforms to legal requirements and to generally accepted financial management and accounting principles.

Department Overview

The Finance Department, consisting of four employees, is responsible for the administration of all financial record keeping and reporting functions required by local, state, and federal law. They provide stewardship of the public's money, protect the assets of the City, provide City policymakers with the information needed to perform their fiduciary responsibilities, and assist departments in carrying out their financial and operational functions for the citizens of Covington.

Major Activities

- Accounts Payable/Receivable
- Payroll
- Preparation of Annual Budget
- Preparation of Annual Financial Statements
- Reconciliation of Bank Accounts
- Monthly and Quarterly Financial Reporting
- Grant Management
- Cash Management/Investments
- Risk Management
- Debt Management
- Capital Assets Management
- Internal Controls

Significant Budget Issues

None

2014 ACCOMPLISHMENTS

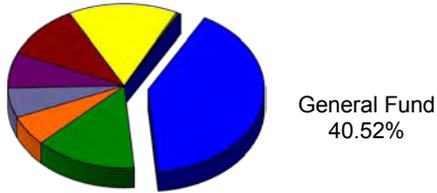
- ✓ Provided timely and accurate financial reporting
- ✓ Performed long- and short-range financial analysis and modeling
- ✓ Received clean audit opinion from State Auditor's Office
- ✓ Received 2013 CAFR award from GFOA
- ✓ Supported creation of Athletics division
- ✓ Implemented acceptance of credit cards for City Hall and Permit Services

2015 GOALS

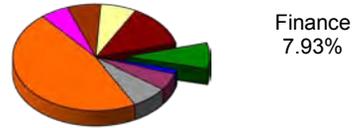
- ❖ Submit 2014 CAFR for GFOA award
- ❖ Provide timely and accurate financial reporting
- ❖ Review and amend fiscal policies and procedures as needed
- ❖ Continue work on Transportation Benefit District as needed

FINANCE

2015 Budget All Funds

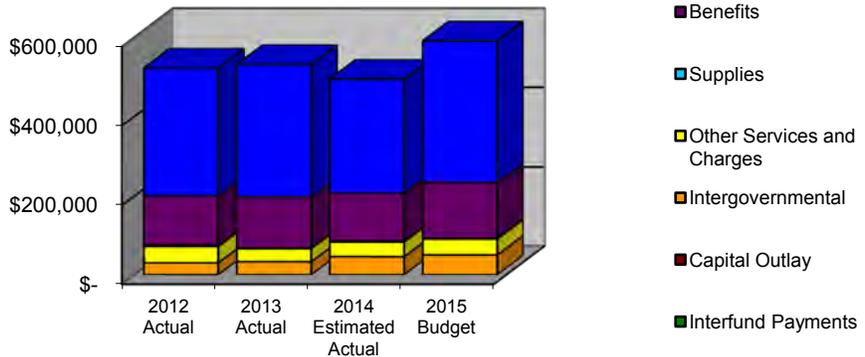


Total General Fund Budget



Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 322,206	\$ 333,385	\$ 287,005	\$ 356,866
Benefits	124,926	130,255	120,803	141,319
Supplies	2,478	790	2,473	1,650
Other Services and Charges	41,731	33,142	36,961	40,205
Intergovernmental	30,226	33,147	46,000	50,100
Capital Outlay	-	-	-	-
Interfund Payments	-	-	-	-
Total Operating Expenses	<u>521,567</u>	<u>530,719</u>	<u>493,242</u>	<u>590,140</u>
Operating Transfer Out	-	-	-	-
Total Uses	<u>\$ 521,567</u>	<u>\$ 530,719</u>	<u>\$ 493,242</u>	<u>\$ 590,140</u>

Total Operating Expenditures by Year



FINANCE

Account Number	Description	Requested
001-140-514-20-11-00	Regular Wages	\$ 356,866
	Salaries and Wages	<u>356,866</u>
001-140-514-20-21-01	Social Security Replacement	20,119
001-140-514-20-21-02	Medicare	5,210
001-140-514-20-21-03	PERS Replacement	26,765
001-140-514-20-21-04	Unemployment Compensation	4,461
001-140-514-20-21-05	Industrial Insurance	1,512
001-140-514-20-21-06	Medical/Dental/Vision	74,215
001-140-514-20-21-07	Life/LTD Insurance	4,549
001-140-514-20-21-10	Car Allowance	2,400
001-140-514-20-21-14	VEBA Contributions	<u>2,088</u>
	Personnel Benefits	<u>141,319</u>
001-140-514-20-31-01	Office Supplies	1,075
001-140-514-20-31-11	Meeting Expenses	75
001-140-514-20-35-00	Small Tools/Minor Equipment	<u>500</u>
	Supplies	<u>1,650</u>
001-140-514-20-41-01	Accounting Services	13,670
001-140-514-20-42-06	Postage	1,520
001-140-514-20-43-01	Travel Expense (non-taxable)	3,975
001-140-514-20-43-03	Travel Expense (taxable)	100
001-140-514-20-45-02	Office Equipment Lease	1,470
001-140-514-20-48-05	Equipment/Software Maint Agmt	15,000
001-140-514-20-49-01	Dues/Memberships	705
001-140-514-20-49-02	Subscriptions/Publications	990
001-140-514-20-49-05	Training/Workshops	<u>2,775</u>
	Other Services and Charges	<u>40,205</u>
001-140-514-20-51-01	State Examiner - Audit Fees	<u>50,100</u>
	Intergovernmental Services	<u>50,100</u>
	Grand Total	<u>\$ 590,140</u>



LEGAL SERVICES

Mission Statement

To assist City government in protecting lives and property while preserving and enhancing the quality of life of the public by delivering effective, cost efficient, and high quality advice, code enforcement, and litigation services that forward the policies, programs, and vision adopted by the City Council.

Department Overview

The Legal Services Department presently supports the costs associated with providing legal representation in all matters related to the City, except those related to prosecution. These services are provided through contract.

Major Activities

- General Legal Services
- Land Acquisition/Real Estate
- Condemnation
- Land Use Consultation and Litigation
- Personnel
- Code Enforcement
- Contracts

Significant Budget Issues

None

2014 ACCOMPLISHMENTS

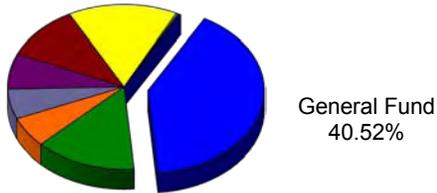
- ✓ Continued to minimize land use litigation and liability through effective claim analysis and negotiation
- ✓ Established Public Records policy

2015 GOALS

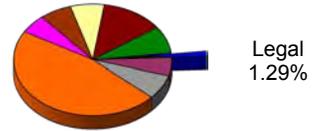
- ❖ Continue to minimize land use litigation and liability through effective claim analysis and negotiation

LEGAL SERVICES

2015 Budget All Funds

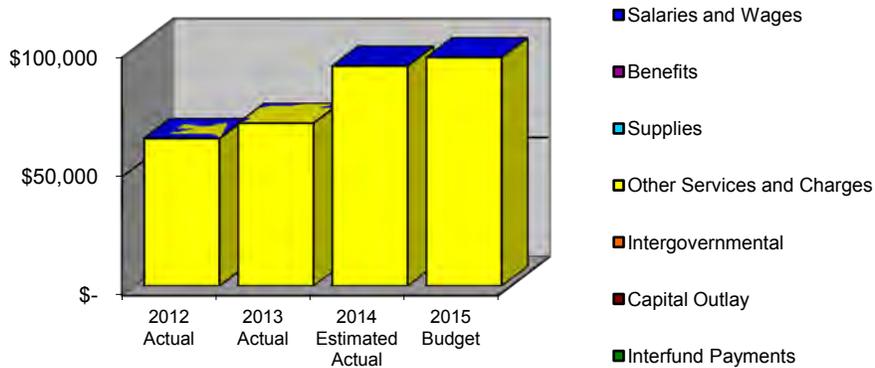


Total General Fund Budget



Uses of Funds:	2012 Actual	2013 Actual	2014 Estimated Actual	2015 Budget
Salaries and Wages	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-
Supplies	-	-	-	-
Other Services and Charges	61,859	68,289	92,400	96,000
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
Interfund Payments	-	-	-	-
Total Uses	\$ 61,859	\$ 68,289	\$ 92,400	\$ 96,000

Total Operating Expenditures by Year



LEGAL SERVICES

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
001-160-515-30-41-10	Professional Services	\$ 96,000
	Other Services and Charges	96,000
	Grand Total	<u>\$ 96,000</u>



PERSONNEL

Mission Statement

Personnel – Ensure delivery of quality services to Covington citizens by attracting and retaining a professional, talented, ethical, and cohesive workforce through the fair and consistent administration of the City’s personnel programs and procedures.

Human Services – Assist Covington citizens in achieving a better quality of life through access to resources and services that aid in meeting immediate and basic needs; improve and strengthen the health and well-being of youth, individuals, and families; and strive to build a safer, socially-conscious community.

Department Overview

The Personnel Department is responsible for two discrete functions—Personnel and Human Services. Personnel assists in recruiting, developing, compensating and retaining the City’s workforce, while Human Services administers specialized, essential services that support the basic health and welfare of Covington citizens through individual or family referrals.

Major Activities

- Coordinate resolution of employee issues
- Recruit new employees
- Develop/maintain Employee, Volunteer & Safety Handbooks
- Develop/maintain Personnel Administrative Procedures
- Provide analysis, information and recommendations on City benefits
- Administer employee evaluation and merit award programs
- Maintain personnel files
- Manage the City’s Volunteer Program
- Develop/coordinate all staff training programs
- Coordinate Drug & Alcohol Testing Program
- Manage Employee Safety Program
- Oversee/coordinate Wellness Program
- Monitor City’s Human Services Programs
- Liaison to Human Services Commission
- Coordinate citizen referrals to appropriate human services programs
- Support City-sanctioned programs related to human services, such as the Covington Domestic Violence Task Force
- Chair or participate on City committees, including Safety, Wellness, Emergency Management, and ad hoc committees

Significant Budget Issues

None

2014 ACCOMPLISHMENTS

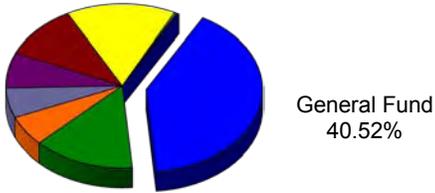
- ✓ Recruited 79 employees and 64 volunteers
- ✓ Executed citywide employee satisfaction and retention survey
- ✓ Successfully applied for annual WellCity award
- ✓ Coordinated Human Services application process for the biennial funding cycle
- ✓ Hosted Regional Domestic Violence Task Force meeting introducing anti-child abuse resource
- ✓ Coordinated Minor Home Repair Program

2015 GOALS

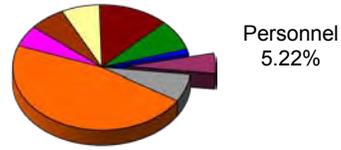
- ❖ Issue updates to city’s Employee Handbook
- ❖ Issue update to city’s Safety Handbooks
- ❖ Assess revising Employee Evaluation Program and present recommendations
- ❖ Revise and consolidate different volunteer procedures/applications/forms
- ❖ Complete Comprehensive Plan Amendment for Human Services Element
- ❖ Complete service audit and monitoring visits for one-third of the city-funded human services agencies

PERSONNEL

2015 Budget All Funds

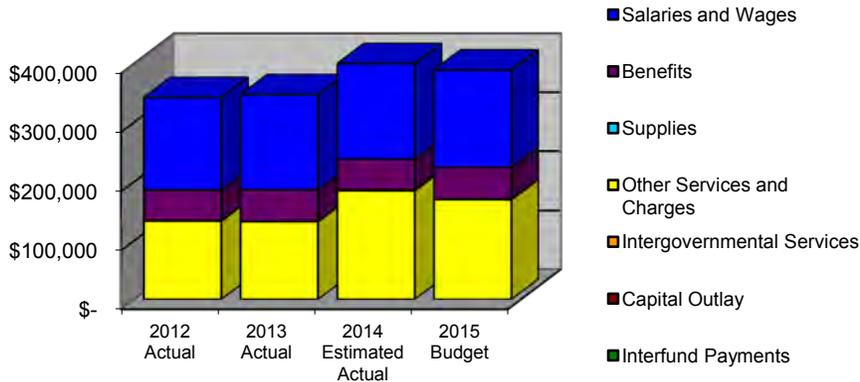


Total General Fund Budget



Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 156,093	\$ 160,603	\$ 162,413	\$ 165,587
Benefits	51,713	53,697	50,826	52,760
Supplies	933	367	1,640	850
Other Services and Charges	133,213	132,195	184,720	169,585
Intergovernmental Services	-	-	-	-
Capital Outlay	-	-	-	-
Interfund Payments	-	-	-	-
Total Uses	\$ 341,952	\$ 346,862	\$ 399,599	\$ 388,782

Total Operating Expenditures by Year



PERSONNEL

Account Number	Description	Requested
001-165-518-10-11-00	Regular Wages	\$ 165,587
	Salaries and Wages	<u>165,587</u>
001-165-518-10-21-01	Social Security Replacement	9,273
001-165-518-10-21-02	Medicare	2,402
001-165-518-10-21-03	PERS Replacement	12,420
001-165-518-10-21-04	Unemployment Compensation	2,069
001-165-518-10-21-05	Industrial Insurance	750
001-165-518-10-21-06	Medical/Dental/Vision	22,576
001-165-518-10-21-07	Life/LTD Insurance	2,226
001-165-518-10-21-14	VEBA Contributions	1,044
	Personnel Benefits	<u>52,760</u>
001-165-518-10-31-01	Office Supplies	250
001-165-518-10-31-11	Meeting Expenses	600
	Supplies	<u>850</u>
001-165-517-90-49-17	Employee Wellness Program	560
001-165-518-10-41-10	Professional Services	7,150
001-165-518-10-41-16	Human Services	125,000
001-165-518-10-42-06	Postage	400
001-165-518-10-42-09	Advertising/Legal Notices	1,350
001-165-518-10-43-01	Travel Expense (non-taxable)	2,075
001-165-518-10-43-03	Travel Expense (taxable)	300
001-165-518-10-48-02	Minor Housing Repair Services	28,750
001-165-518-10-49-01	Dues/Memberships	875
001-165-518-10-49-02	Subscriptions/Publications	1,025
001-165-518-10-49-05	Training/Workshops	1,800
001-165-518-10-49-19	Human Services Commission	300
	Other Services and Charges	<u>169,585</u>
	Grand Total	<u>\$ 388,782</u>



CENTRAL SERVICES

Department Overview

The Central Services Department supports activities generally not specifically associated with any department such as building maintenance, custodial services, utilities, information technology, and emergency management.

Major Activities

- Ordering of supplies
- Emergency Management
 - Mitigation
 - Preparedness
 - Response
 - Recovery
 - Training, exercises and drills
 - Keep plans up to date
- Building maintenance
- Information Technology
 - Computer repair/replacement
 - Maintain IT infrastructure
 - IT/technology consultation to departments
 - Phone system support
 - Backups and computer disaster preparedness

Significant Budget Issues

None

2014 ACCOMPLISHMENTS

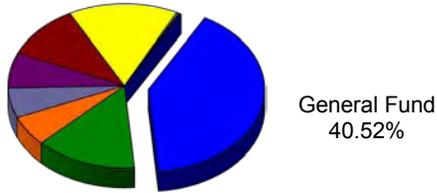
- ✓ Entered into an agreement with Bridgeview Consulting to update the Comprehensive Emergency Management Plan
- ✓ Submitted 2014 NIMS Compliance Report
- ✓ Updated emergency kit supplies
- ✓ Conducted an emergency management table top exercise
- ✓ Implementation of server and network monitoring
- ✓ Moved to Server 2012 for improved disaster recovery
- ✓ Compliance with all WCIA cyber security mandates

2015 GOALS

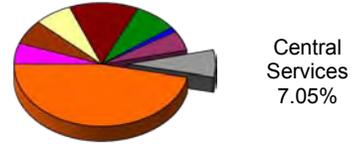
- ❖ Adopt Comprehensive Emergency Management Plan update
- ❖ Prepare Hazard Mitigation Plan Annual Progress Report
- ❖ Develop and conduct a tabletop exercise with staff and outside agencies
- ❖ Attend regional training courses
- ❖ Encourage staff to complete NIMS training
- ❖ Encourage staff to take CERT training
- ❖ Meet PCI compliance standards required for online credit card processing
- ❖ Hire part-time work-study Desktop Technician
- ❖ Migrate to Office 2013
- ❖ Implement email records policy and controls

CENTRAL SERVICES

2015 Budget All Funds

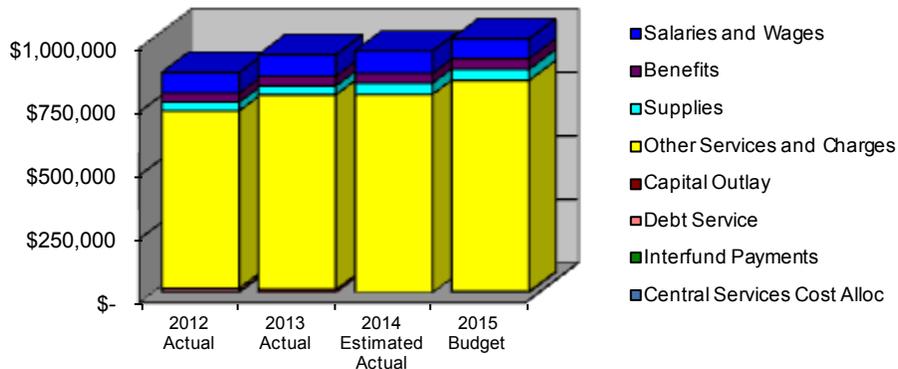


Total General Fund Budget



Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 80,906	\$ 84,526	\$ 87,696	\$ 101,499
Benefits	36,006	37,698	38,421	41,880
Supplies	34,084	35,210	44,474	43,812
Other Services and Charges	698,531	767,083	781,191	831,152
Capital Outlay	-	12,442	-	5,060
Debt Service	11,808	-	-	-
Interfund Payments	6,073	-	-	-
Central Services Cost Alloc	<u>(384,619)</u>	<u>(424,861)</u>	<u>(441,350)</u>	<u>(498,834)</u>
Total Uses	<u>\$ 482,789</u>	<u>\$ 512,098</u>	<u>\$ 510,432</u>	<u>\$ 524,569</u>

Total Operating Expenditures by Year



CENTRAL SERVICES

Account Number	Description	Requested
001-180-500-00-00-00	Central Services Interfund Pym Expenditure	\$ (498,834) <u>(498,834)</u>
001-180-518-80-11-00	Regular Wages - IT Salaries and Wages	101,499 101,499
001-180-518-80-21-01	Social Security Replacement-IT	5,668
001-180-518-80-21-02	Medicare - IT	1,467
001-180-518-80-21-03	PERS Replacement - IT	7,592
001-180-518-80-21-04	Unemployment Compensation - IT	1,265
001-180-518-80-21-05	Industrial Insurance - IT	485
001-180-518-80-21-06	Medical/Dental/Vision - IT	23,715
001-180-518-80-21-07	Life/LTD Insurance - IT	1,166
001-180-518-80-21-14	VEBA Contributions - IT Personnel Benefits	<u>522</u> <u>41,880</u>
001-180-518-40-31-01	Office Supplies	15,675
001-180-518-40-31-05	Operating Supplies	8,945
001-180-518-40-31-11	Meeting Expenses	50
001-180-518-40-31-52	ER Supplies	204
001-180-518-40-32-52	ER Fuel	408
001-180-518-40-35-00	Small Tools/Minor Equipment	4,060
001-180-518-80-31-05	Operating Supplies - IT	1,000
001-180-518-80-35-00	Small Tools/Minor Equipment-IT	10,920
001-180-525-60-31-01	Office Supplies - EM	250
001-180-525-60-31-05	Operating Supplies - EM	2,000
001-180-525-60-31-11	Meeting Expenses - EM	250
001-180-525-60-35-00	Small Tools/Minor Equipment-EM Supplies	<u>50</u> <u>43,812</u>
001-180-518-30-41-10	Professional Services	162,360
001-180-518-30-45-05	Furnishings Replacement	7,800
001-180-518-30-46-01	Property Insurance	14,305
001-180-518-30-48-01	Repairs/Maintenance of Equip	800
001-180-518-30-48-02	Repairs/Maintenance of Bldg	4,700
001-180-518-30-48-05	Equipment/Software Maint Agmt	13,650
001-180-518-40-41-10	Professional Services	3,880
001-180-518-40-42-01	Communications	17,380
001-180-518-40-42-06	Postage	50
001-180-518-40-45-01	Building Lease	356,675
001-180-518-40-45-02	Office Equipment Lease	11,665
001-180-518-40-45-52	Equipment Replacement Cost	20,968
001-180-518-40-47-01	Utility Services	29,600
001-180-518-40-48-52	ER Repairs/Maintenance	2,304
001-180-518-40-49-01	Dues/Memberships	5,970
001-180-518-40-49-21	Annual Permits	450
001-180-518-80-41-10	Professional Services - IT	5,700

CENTRAL SERVICES

Account Number	Description	Requested
001-180-518-80-42-01	Communications - IT	840
001-180-518-80-43-01	Travel Expense (non-tax) - IT	700
001-180-518-80-43-03	Travel Expense (taxable) - IT	50
001-180-518-80-45-02	Office Equipment Lease - IT	2,850
001-180-518-80-48-01	Repairs/Maintenance Equip - IT	1,400
001-180-518-80-48-05	Equip/Software Maint Agmt - IT	6,510
001-180-518-80-49-01	Dues/Memberships - IT	235
001-180-518-80-49-02	Subscriptions/Publications -IT	5,480
001-180-518-80-49-05	Training/Workshops - IT	2,750
001-180-518-90-46-01	Liability Insurance	78,590
001-180-525-60-41-10	Professional Services - EM	45,500
001-180-525-60-42-01	Communications - EM	900
001-180-525-60-42-06	Postage - EM	100
001-180-525-60-43-01	Travel Expense (non-tax) - EM	250
001-180-525-60-43-03	Travel Expense (taxable) - EM	100
001-180-525-60-48-01	Repairs/Maintenance Equip - EM	1,000
001-180-525-60-49-01	Dues/Memberships - EM	225
001-180-525-60-49-05	Training/Workshops - EM	900
001-180-554-90-41-10	Recycling Promotion	<u>24,515</u>
	Other Services and Charges	<u>831,152</u>
001-180-594-18-64-06	Machinery/Equipment	<u>5,060</u>
	Capital Outlay	<u>5,060</u>
	Grand Total	<u>\$ 524,569</u>



LAW ENFORCEMENT

Mission Statement

To provide quality, professional law enforcement services to improve public safety. To reduce crime and the fear of crime. To provide high quality, cost-effective, and accountable services to the City of Covington.

Department Overview

The Law Enforcement Department presently supports the costs associated with maintaining police services. These services are contracted through the King County Sheriff’s Office, and in addition to normal public safety activities, there are also numerous support services which are available through the contract such as K9 Unit, Bomb Unit, Swat Team, etc.

Major Activities

- Enforcement of traffic laws
- Radar unit operation
- Investigation of traffic accidents
- Issuing tickets for violations
- Provide road closure, traffic control, and safety for successful Covington Days parade
- Provide reactive policing, driven by 911 calls
- Provide pro-active policing as time permits
- Support code enforcement for life-safety issues and quality of life
- Investigating criminal activities
- Detection and arrest of criminal offenders
- Provide general safety and security to City
- Continued participation with Domestic Violence Task Force and other civic groups

Significant Budget Issues

None

2014 ACCOMPLISHMENTS

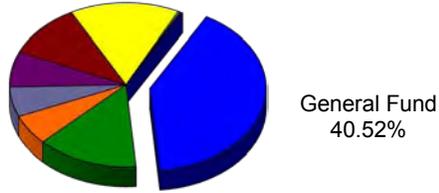
- ✓ Partnered with City and Civic groups for Covington Days Festival and Parade
- ✓ Participated in the annual Shop With a Cop program at the Covington Wal-Mart
- ✓ Five residents attended annual joint Covington/Maple Valley/King County Citizen Academy
- ✓ Partnered with Black Diamond Police, Maple Valley Police and other area law enforcement agencies for DUI Emphasis Patrols, Seatbelt Violation Patrols and Speed Enforcement Emphasis Patrols
- ✓ Continue on limited staffing level City of Covington “Citizen Police Volunteer” Program to assist the Covington Police Department with several duties
- ✓ Implement School Resource Officer partnership with Kent Schools.
- ✓ Seven National Night Out locations

2015 GOALS

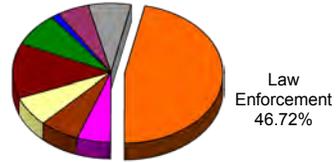
- ❖ Continue acquiring Active Shooter equipment and obtain additional training
- ❖ Continue emphasis patrols targeting current crime trends such as graffiti, tagging and evidence of any gang activity
- ❖ Complete outfitting of recently purchased jail transport prisoner van
- ❖ Participate in X52 DUI Emphasis Patrols, Seatbelt Emphasis Patrols, and Speed Enforcement Patrols
- ❖ Recruit citizens for joint Covington/Maple Valley/King County Sheriff’s Office Citizen Academy
- ❖ Continue expansion of National Night Out activities

LAW ENFORCEMENT

2015 Budget All Funds

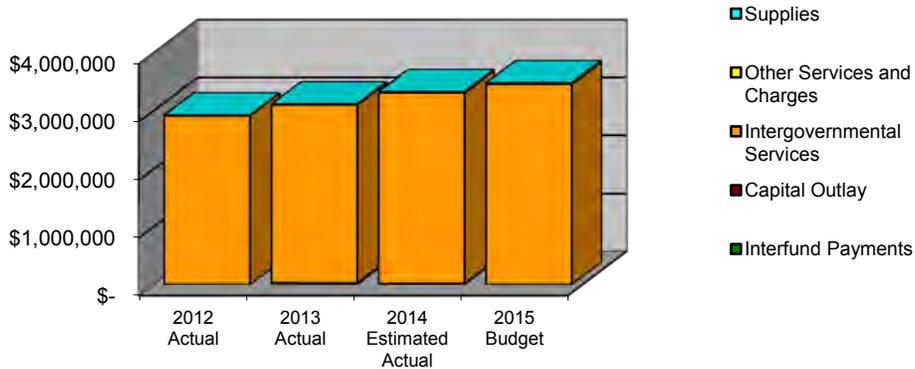


Total General Fund Budget



Uses of Funds:	2012 Actual	2013 Actual	2014 Estimated Actual	2015 Budget
Supplies	\$ 2,705	\$ 3,962	\$ 5,780	\$ 7,378
Other Services and Charges	4,080	6,529	11,199	11,182
Intergovernmental Services	2,912,397	3,071,508	3,293,069	3,459,889
Capital Outlay	-	29,383	16,108	-
Interfund Payments	-	-	-	-
Total Uses	<u>\$2,919,182</u>	<u>\$3,111,382</u>	<u>\$3,326,156</u>	<u>\$3,478,449</u>

Total Operating Expenditures by Year



LAW ENFORCEMENT

Account Number	Description	Requested
001-210-521-20-31-01	Office Supplies	\$ 450
001-210-521-20-31-05	Operating Supplies	925
001-210-521-20-31-11	Meeting Expenses	275
001-210-521-20-31-52	ER Supplies	180
001-210-521-20-32-52	ER Fuel	348
001-210-521-20-35-00	Small Tools/Minor Equipment	<u>5,200</u>
	Supplies	<u>7,378</u>
001-210-521-10-41-10	Professional Services	1,500
001-210-521-10-49-01	Dues/Memberships	255
001-210-521-20-42-01	Communications	250
001-210-521-20-42-06	Postage	125
001-210-521-20-45-02	Office Equipment Lease	1,200
001-210-521-20-45-52	Equipment Replacement Cost	5,004
001-210-521-20-48-01	Repairs/Maintenance of Equip	400
001-210-521-20-48-05	Equipment/Software Maint Agmt	300
001-210-521-20-48-52	ER Repairs/Maintenance	348
001-210-521-40-49-05	Training/Workshops	<u>1,800</u>
	Other Services and Charges	<u>11,182</u>
001-210-521-20-51-01	Police Services Contract	<u>3,459,889</u>
	Intergovernmental Services	<u>3,459,889</u>
	Grand Total	<u>\$ 3,478,449</u>



COMMUNITY DEVELOPMENT

Mission Statement

The Community Development department is committed to delivering personalized services, within available resources, while ensuring a safe built environment, planning for a well designed community, and facilitating balanced growth, environmental preservation and sustainability.

Division Overview

The Community Development Division provides strategic (long-range) planning services, development regulation updates, Growth Management Act compliance, code enforcement efforts, and staffs the City's Planning Commission. The Division also provides economic development services and staffs the Covington Economic Development Council (CEDC).

Major Activities

- Strategic (long-range) planning
- Economic development
- State Growth Management Act and Shoreline Management Act compliance
- Population and housing data analysis
- Code enforcement
- Annual Comprehensive Plan Amendment docket review and processing
- Development regulations updates
- Planning Commission staffing
- CEDC staffing

Significant Budget Issues

None

2014 ACCOMPLISHMENTS

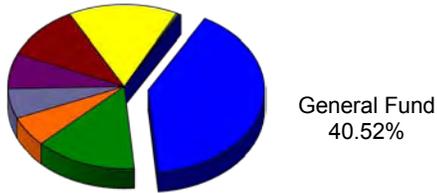
- ✓ Completed the Hawk Subarea Plan, Planned Action Ordinance, Development Property Subarea Plan and the Environmental Impact Statement (EIS)
- ✓ Amended the Downtown Design Guidelines and Standards to address building façade design
- ✓ Started the 2015 Comprehensive Plan updated, as mandated by the Growth Management Act
- ✓ Amended the sign code for civic, government, non-profit and home occupation sign regulations

2015 GOALS

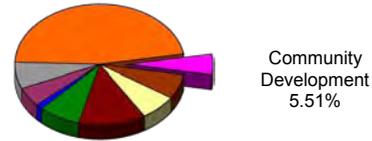
- ❖ Finalize the 2015 Comprehensive Plan Docket process
- ❖ Complete the Hawk Subarea Development Agreement, Rezoning and Annexation process
- ❖ Amend the temporary sign regulations for banners, A-frame and special event signs
- ❖ Amend the residential use zoning code to address quality of life issues such as the keeping of fowl; living in RV's on SFR lots and setbacks for accessory structures
- ❖ Develop a user guide for the shoreline development and permitting process
- ❖ Develop permanent zoning to address I-502 recreational and medical marijuana uses
- ❖ Work with the Kent Regional Fire Authority (RFA) and the City's Park and Recreation Department to implement the Park Impact Fee ordinances for their capital needs

COMMUNITY DEVELOPMENT

2015 Budget All Funds

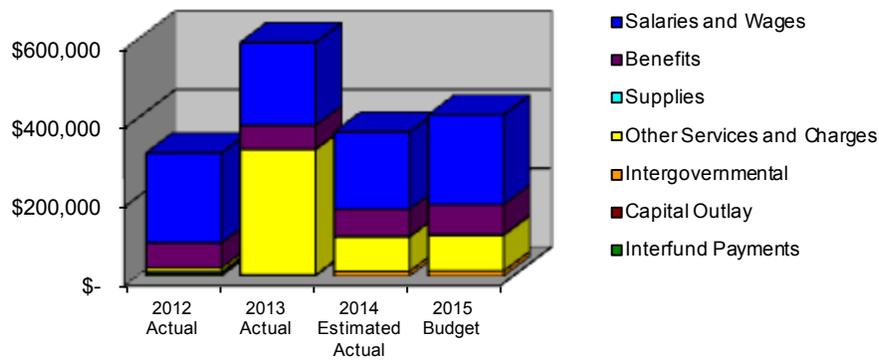


Total General Fund Budget



Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 228,437	\$ 210,688	\$ 196,598	\$ 228,163
Benefits	63,352	59,659	68,473	76,185
Supplies	683	1,905	1,758	1,845
Other Services and Charges	9,790	318,296	86,888	90,205
Intergovernmental	4,748	3,039	12,600	13,530
Capital Outlay	-	-	-	-
Interfund Payments	6,157	-	-	-
Total Uses	\$ 313,167	\$ 593,587	\$ 366,317	\$ 409,928

Total Operating Expenditures by Year



COMMUNITY DEVELOPMENT

Account Number	Description	Requested
001-250-524-60-11-00	Regular Wages - CE	\$ 36,508
001-250-558-60-11-00	Regular Wages - PL	191,655
	Salaries and Wages	<u>228,163</u>
001-250-524-60-21-01	Social Security Replacement-CE	2,044
001-250-524-60-21-02	Medicare - CE	529
001-250-524-60-21-03	PERS Replacement - CE	2,738
001-250-524-60-21-04	Unemployment Compensation - CE	456
001-250-524-60-21-05	Industrial Insurance - CE	1,008
001-250-524-60-21-06	Medical/Dental/Vision - CE	5,356
001-250-524-60-21-07	Life/LTD Insurance - CE	529
001-250-524-60-21-14	VEBA Contributions - CE	261
001-250-558-60-21-01	Social Security Replacement-PL	10,873
001-250-558-60-21-02	Medicare - PL	2,817
001-250-558-60-21-03	PERS Replacement - PL	14,374
001-250-558-60-21-04	Unemployment Compensation - PL	2,397
001-250-558-60-21-05	Industrial Insurance - PL	392
001-250-558-60-21-06	Medical/Dental/Vision - PL	26,414
001-250-558-60-21-07	Life/LTD Insurance - PL	2,407
001-250-558-60-21-10	Car Allowance - PL	2,520
001-250-558-60-21-14	VEBA Contributions - PL	1,070
	Personnel Benefits	<u>76,185</u>
001-250-524-60-31-13	Uniforms - CE	370
001-250-524-60-35-00	Small Tools/Minor Equipment-CE	250
001-250-558-60-31-01	Office Supplies - PL	380
001-250-558-60-31-11	Meeting Expenses - PL	150
001-250-558-60-31-13	Uniforms - PL	35
001-250-558-60-31-52	ER Supplies	156
001-250-558-60-32-52	ER Fuel	504
	Supplies	<u>1,845</u>
001-250-524-60-41-02	Engineering Services - CE	500
001-250-524-60-41-10	Professional Services - CE	4,050
001-250-524-60-42-01	Communications - CE	360
001-250-524-60-42-06	Postage - CE	150
001-250-524-60-43-01	Travel Expense (non-tax) - CE	300
001-250-524-60-43-03	Travel Expense (taxable) - CE	25
001-250-524-60-49-01	Dues/Memberships - CE	115
001-250-524-60-49-04	Printing/Binding - CE	250
001-250-524-60-49-05	Training/Workshops - CE	255
001-250-558-60-41-10	Professional Services - PL	69,100
001-250-558-60-42-06	Postage - PL	750
001-250-558-60-43-01	Travel Expense (non-tax) - PL	2,660
001-250-558-60-43-03	Travel Expense (taxable) - PL	350
001-250-558-60-45-52	Equipment Replacement Cost	4,176
001-250-558-60-48-52	ER Repairs/Maintenance	300

COMMUNITY DEVELOPMENT

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
001-250-558-60-49-01	Dues/Memberships - PL	1,086
001-250-558-60-49-02	Subscriptions/Publications -PL	438
001-250-558-60-49-04	Printing/Binding - PL	600
001-250-558-60-49-05	Training/Workshops - PL	2,340
001-250-558-60-49-19	Planning Commission - PL	400
001-250-558-70-41-10	Professional Services - ED	<u>2,000</u>
	Other Services and Charges	<u>90,205</u>
001-250-522-30-51-01	Fire Investigation Services	10,100
001-250-558-60-51-01	Professional Services - PL	<u>3,430</u>
	Intergovernmental Services	<u>13,530</u>
	Grand Total	<u>\$ 409,928</u>



STREET

Mission Statement

Continue to define, improve, and enhance the operational and service level environment of Covington’s street infrastructure system.

Fund Overview

The Street Fund provides direction, administrative support, and long-range planning efforts for the City’s streets and infrastructure. The fund is supported through the City’s share of the State collected gasoline tax and cable TV franchise fees. This Fund is used to account for all public works functions except surface water management functions, which are accounted for in their Fund.

Major Activities

- Maintenance and repair of City streets
- Maintain traffic signals and signs
- Maintain traffic lanes marking
- Ensure adequate intersection sight distance
- Maintain sidewalks
- Snow and ice removal
- Street tree maintenance
- Overlay streets

Significant Budget Issues

Beginning in 2013, Interfund Payments are reported in Other Services and Charges.

2014 ACCOMPLISHMENTS

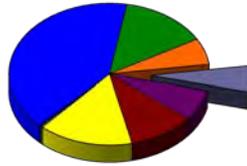
- ✓ Snow and ice/wind events response
- ✓ Street sweeping contract management
- ✓ Provided vegetation and site distance control throughout the City
- ✓ Fleet replacements/upgrades
- ✓ Joint asphalt sealing with Maple Valley
- ✓ In house tree removal/maintenance program continued
- ✓ Maintenance Facility security upgrades

2015 GOALS

- ❖ Snow/ice preparedness and response
- ❖ Continue with fleet upgrades
- ❖ Provide high level of street sweeping
- ❖ Replacement of wind damaged City Christmas tree
- ❖ Continued ILA partnership with Maple Valley and Black Diamond
- ❖ Full Implementation of in-house landscape maintenance

STREET

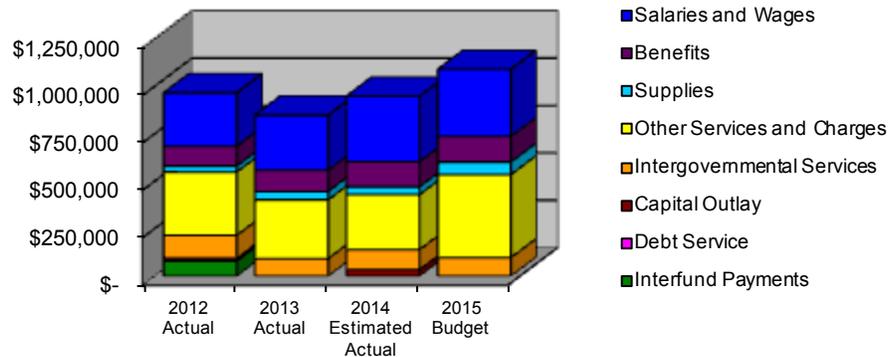
2015 Budget All Funds



Street
5.93%

Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 281,064	\$ 289,859	\$ 344,677	\$ 353,687
Benefits	104,475	111,541	132,874	135,051
Supplies	31,587	44,153	40,496	65,946
Other Services and Charges	333,312	310,372	290,019	437,629
Intergovernmental Services	121,542	92,212	105,000	98,000
Capital Outlay	13,002	-	35,000	-
Debt Service	2,283	-	-	-
Interfund Payments	78,857	-	-	-
Total Operating Expenses	<u>966,122</u>	<u>848,137</u>	<u>948,066</u>	<u>1,090,313</u>
Operating Transfer Out	<u>16,098</u>	<u>4,446</u>	<u>14,426</u>	<u>-</u>
Total Uses	<u>\$ 982,220</u>	<u>\$ 852,583</u>	<u>\$ 962,492</u>	<u>\$ 1,090,313</u>

Total Operating Expenditures by Year



STREET

Account Number	Description	Requested
101-000-543-10-11-00	Regular Wages	\$ 344,687
101-000-543-10-12-00	Overtime Wages	9,000
	Salaries and Wages	<u>353,687</u>
101-000-543-10-21-01	Social Security Replacement	19,872
101-000-543-10-21-02	Medicare	5,148
101-000-543-10-21-03	PERS Replacement	23,720
101-000-543-10-21-04	Unemployment Compensation	4,424
101-000-543-10-21-05	Industrial Insurance	9,194
101-000-543-10-21-06	Medical/Dental/Vision	65,898
101-000-543-10-21-07	Life/LTD Insurance	3,820
101-000-543-10-21-10	Car Allowance	1,200
101-000-543-10-21-14	VEBA Contributions	1,775
	Personnel Benefits	<u>135,051</u>
101-000-542-30-31-05	Operating Supplies Maintenance	15,500
101-000-542-66-31-05	Operating Supplies Snow/Ice	7,500
101-000-543-30-31-01	Office Supplies	1,780
101-000-543-30-31-05	Operating Supplies General	23,435
101-000-543-30-31-11	Meeting Expenses	250
101-000-543-30-31-13	Uniforms	2,175
101-000-543-30-31-52	ER Supplies	1,020
101-000-543-30-32-00	Fuel	1,400
101-000-543-30-32-52	ER Fuel	5,136
101-000-543-30-35-00	Small Tools/Minor Equipment	7,750
	Supplies	<u>65,946</u>
101-000-542-30-45-04	Equipment Rental Maintenance	4,000
101-000-542-63-47-01	Street Lighting Electricity	105,000
101-000-542-64-47-01	Traffic Signal Electricity	5,000
101-000-542-70-47-01	Roadside Water Services	610
101-000-543-30-41-10	Professional Services	17,500
101-000-543-30-41-20	Interfund Service Payment	145,558
101-000-543-30-41-21	Cent Svcs Overhead Allocation	56,510
101-000-543-30-42-01	Communications	4,965
101-000-543-30-42-06	Postage	100
101-000-543-30-42-09	Advertising/Legal Notices	400
101-000-543-30-43-01	Travel Expense (non-taxable)	2,140
101-000-543-30-43-03	Travel Expense (taxable)	500
101-000-543-30-45-02	Office Equipment Lease	1,060
101-000-543-30-45-04	Equipment Rental General	8,550
101-000-543-30-45-52	Equipment Replacement Cost	22,800
101-000-543-30-47-03	Waste Disposal General	1,500
101-000-543-30-48-01	Repairs/Maintenance of Equip	720
101-000-543-30-48-05	Equipment/Software Maint Agmt	7,600
101-000-543-30-48-52	ER Repairs/Maintenance	6,264
101-000-543-30-49-01	Dues/Memberships	1,482

STREET

Account Number	Description	Requested
101-000-543-30-49-04	Printing/Binding	250
101-000-543-30-49-05	Training/Workshops	5,240
101-000-543-50-41-10	Professional Services Facility	2,060
101-000-543-50-45-01	Building Lease	6,920
101-000-543-50-47-01	Utility Services Facility	1,800
101-000-543-50-48-02	Repairs/Maintenance of Bldg	1,200
101-000-544-20-41-02	Engineering Services	21,900
101-000-544-40-41-10	Traffic Concurrency	<u>6,000</u>
	Other Services and Charges	<u>437,629</u>
101-000-542-64-51-01	Traffic Control Devices	88,350
101-000-542-70-51-01	Roadside Maintenance	2,000
101-000-543-30-51-01	Intergovernmental Services	<u>7,650</u>
	Intergovernmental Services	<u>98,000</u>
	Grand Total	<u>\$ 1,090,313</u>



DEVELOPMENT SERVICES

Mission Statement

The Community Development department is committed to delivering personalized services, within available resources, while ensuring a safe built environment, planning for a well designed community, and facilitating balanced growth, environmental preservation and sustainability

Fund Overview

The Development Services Fund provides funding for building plan review and building inspection; the review, approval, and inspection of new residential subdivisions; the review of proposed downtown development for compliance with adopted design standards; compliance with State and local environmental (SEPA) requirements; and administration of the Permit Center.

Major Activities

- Development review (current) planning, subdivision review and public hearings
- Land use and zoning administration
- State Environmental Policy Act compliance
- Shoreline Master Program compliance
- Permit Center administration
- Building plan review and inspections
- Customer service information
- Fire Marshall duties

Significant Budget Issues

None

2014 ACCOMPLISHMENTS

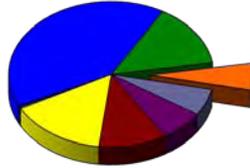
- ✓ Provided ongoing SEPA administration and monitoring impacts in adjacent cities through the SEPA notification process
- ✓ Approved the commercial site development application and development agreement for the 6-story Covington Mixed-Use Town Center project
- ✓ Issued the Notice to Proceed with Construction for Covington mixed use Town Center project, Multi-Care Hospital expansion, Rainier Wood Recyclers, Wendy's, Maple Hills subdivision, and Mountain Meadows Estates.
- ✓ Coordinated with Soos Creek Water and Sewer District on the new Lift Station 46 regional sewer project.
- ✓ Monitored development revenue and permit fees on a quarterly basis.
- ✓ Supported Hawk Property Subarea planning process.
- ✓ Established bi-annual forum with the Master Builders Association

2015 GOALS

- ❖ Establish a Tri-City (Covington, Maple Valley, Black Diamond) agreement for building administration, plans examiner and inspections services between the three cities
- ❖ Continue to coordinate with Soos Creek Water and Sewer District on the new Lift Station 46 regional sewer project
- ❖ Continue to monitor impacts of adjacent development through the SEPA notification process
- ❖ Create informational handouts and update permit applications associated with new adopted ordinances and procedures
- ❖ Provide continued support for the Hawk Subarea Plan development process
- ❖ Coordinate with Long Range Planning on amendments to the zoning code as outlined in the 2015 work plan

DEVELOPMENT SERVICES

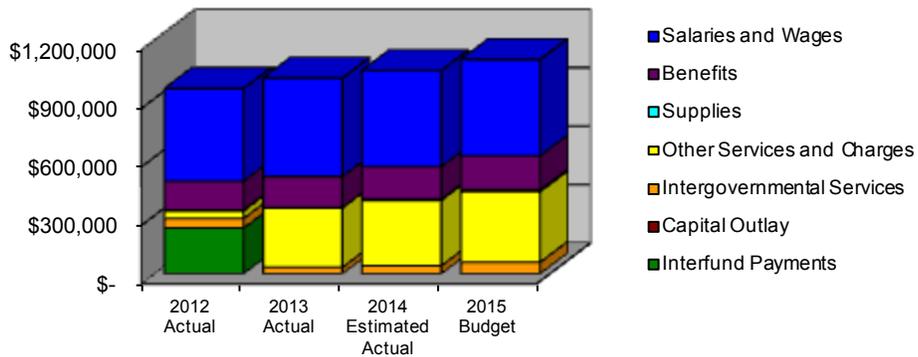
2015 Budget All Funds



Development Services
5.98%

Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 475,018	\$ 504,861	\$ 493,359	\$ 494,394
Benefits	148,181	159,455	166,824	174,060
Supplies	4,483	2,163	6,223	9,679
Other Services and Charges	39,184	304,652	335,580	361,780
Intergovernmental Services	49,019	33,609	41,500	59,625
Capital Outlay	-	-	-	-
Interfund Payments	<u>234,861</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Uses	<u>\$ 950,746</u>	<u>\$ 1,004,740</u>	<u>\$ 1,043,486</u>	<u>\$ 1,099,538</u>

Total Operating Expenditures by Year



DEVELOPMENT SERVICES

Account Number	Description	Requested
130-260-558-50-11-00	Regular Wages	\$ 494,394
	Salaries and Wages	<u>494,394</u>
130-260-558-50-21-01	Social Security Replacement	27,746
130-260-558-50-21-02	Medicare	7,183
130-260-558-50-21-03	PERS Replacement	37,078
130-260-558-50-21-04	Unemployment Compensation	6,179
130-260-558-50-21-05	Industrial Insurance	7,114
130-260-558-50-21-06	Medical/Dental/Vision	78,656
130-260-558-50-21-07	Life/LTD Insurance	6,231
130-260-558-50-21-10	Car Allowance	1,080
130-260-558-50-21-14	VEBA Contributions	<u>2,793</u>
	Personnel Benefits	<u>174,060</u>
130-260-558-50-31-01	Office Supplies	2,650
130-260-558-50-31-05	Operating Supplies	100
130-260-558-50-31-11	Meeting Expenses	100
130-260-558-50-31-13	Uniforms	615
130-260-558-50-31-52	ER Supplies	456
130-260-558-50-32-52	ER Fuel	1,908
130-260-558-50-35-00	Small Tools/Minor Equipment	<u>3,850</u>
	Supplies	<u>9,679</u>
130-260-558-50-41-01	Accounting Services	1,620
130-260-558-50-41-10	Professional Services	36,000
130-260-558-50-41-20	Interfund Service Payment	164,669
130-260-558-50-41-21	Cent Svcs Overhead Allocation	126,021
130-260-558-50-42-01	Communications	2,490
130-260-558-50-42-06	Postage	850
130-260-558-50-42-09	Advertising/Legal Notices	400
130-260-558-50-43-01	Travel Expense (non-taxable)	2,100
130-260-558-50-43-03	Travel Expense (taxable)	150
130-260-558-50-45-52	Equipment Replacement Cost	11,940
130-260-558-50-48-05	Equipment/Software Maint Agmt	8,075
130-260-558-50-48-52	ER Repairs/Maintenance	1,104
130-260-558-50-49-01	Dues/Memberships	1,727
130-260-558-50-49-02	Subscriptions/Publications	550
130-260-558-50-49-05	Training/Workshops	<u>4,084</u>
	Other Services and Charges	<u>361,780</u>
130-260-522-30-51-01	Fire Services	55,000
130-260-558-50-51-01	Intergovernmental Services	<u>4,625</u>
	Intergovernmental Services	<u>59,625</u>
	Grand Total	<u>\$ 1,099,538</u>



PARKS MAINTENANCE

Mission Statement

To provide high quality maintenance and operations for safe, functional, and aesthetically pleasing parks, trails, recreation facilities, and open spaces which meet the leisure needs of residents and visitors to the community regardless of age, gender, ethnicity, or ability level.

Division Overview

The Parks Maintenance Division is funded by the Parks Fund and staffed by the Public Works Department. The division provides the maintenance and operation of parks and recreation facilities.

Major Activities

- Operation and maintenance of City recreation facilities and park properties
- Manage the park sponsorship and adopt-a-park citizen involvement programs
- Support for special events such as Covington Days and the Tree Lighting Ceremony
- Manage City special events such as the Arbor Day celebration and Make a Difference Day
- Complete special projects such as repair, renovation and enhancement of park and recreation facilities
- Manage the Tree City USA certification and growth award programs

Significant Budget Issues

Beginning in 2013, Interfund Payments are reported in Other Services and Charges, and the budget includes maintenance for the Covington Community Park.

2014 ACCOMPLISHMENTS

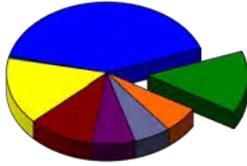
- ✓ Continued high standard of maintenance in spite of limited staffing
- ✓ Took over field painting at CCP from contractor
- ✓ Installed dog waste receptacles at CCP
- ✓ Management of maintenance contract for CCP
- ✓ Managed volunteers in parks for routine maintenance and special projects
- ✓ Repaired Jenkins Creek Park boardwalk
- ✓ Received Tree City USA certification for the 12th consecutive year
- ✓ Provided support for Summer Concert Series, Covington Days, and tree lighting events
- ✓ Removed dead/dying trees at CCP

2015 GOALS

- ❖ Continue management of volunteers in parks for maintenance
- ❖ Assist in the next phase of CCP design
- ❖ Manage CCP maintenance contract
- ❖ Continue high standard of parks maintenance
- ❖ Receive Tree City USA certification again
- ❖ Full Implementation of in-house landscape maintenance

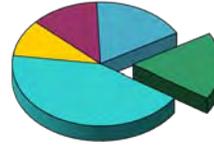
PARKS MAINTENANCE

2015 Budget All Funds



Parks
14.04%

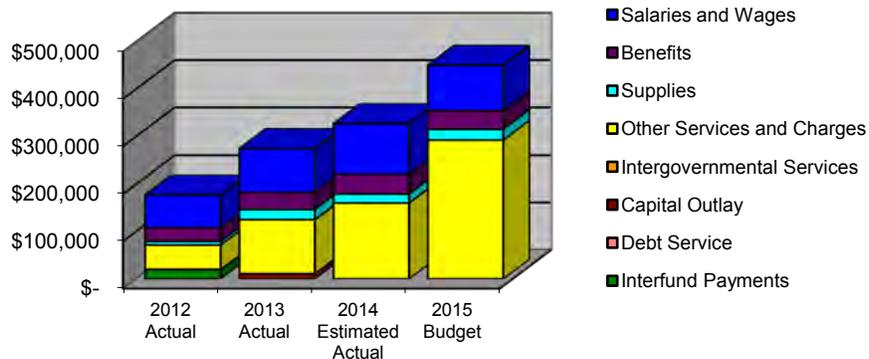
Total Parks Fund Budget



Parks
Maintenance
17.48%

Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 69,403	\$ 91,608	\$ 105,845	\$ 96,462
Benefits	28,678	35,714	41,511	38,894
Supplies	7,722	21,816	19,186	22,837
Other Services and Charges	51,686	114,430	160,748	292,639
Intergovernmental Services	-	-	-	-
Capital Outlay	-	11,016	-	-
Debt Service	489	-	-	-
Interfund Payments	19,683	-	-	-
Total Operating Expenses	<u>177,661</u>	<u>274,584</u>	<u>327,290</u>	<u>450,832</u>
Operating Transfer Out	-	70,659	-	-
Total Uses	<u>\$ 177,661</u>	<u>\$ 345,243</u>	<u>\$ 327,290</u>	<u>\$ 450,832</u>

Total Operating Expenditures by Year



PARKS MAINTENANCE

Account Number	Description	Requested
140-270-576-80-11-00	Regular Wages	\$ 94,462
140-270-576-80-12-00	Overtime Wages	<u>2,000</u>
	Salaries and Wages	<u>96,462</u>
140-270-576-80-21-01	Social Security Replacement	5,512
140-270-576-80-21-02	Medicare	1,429
140-270-576-80-21-03	PERS Replacement	6,448
140-270-576-80-21-04	Unemployment Compensation	1,231
140-270-576-80-21-05	Industrial Insurance	3,184
140-270-576-80-21-06	Medical/Dental/Vision	19,515
140-270-576-80-21-07	Life/LTD Insurance	1,053
140-270-576-80-21-14	VEBA Contributions	<u>522</u>
	Personnel Benefits	<u>38,894</u>
140-270-576-80-31-01	Office Supplies	525
140-270-576-80-31-05	Operating Supplies	12,225
140-270-576-80-31-11	Meeting Expenses	250
140-270-576-80-31-13	Uniforms	675
140-270-576-80-31-52	ER Supplies	576
140-270-576-80-32-00	Fuel	700
140-270-576-80-32-52	ER Fuel	2,556
140-270-576-80-35-00	Small Tools/Minor Equipment	<u>5,330</u>
	Supplies	<u>22,837</u>
140-270-576-80-41-10	Professional Services	162,430
140-270-576-80-41-20	Interfund Service Payment	56,815
140-270-576-80-41-21	Cent Svcs Overhead Allocation	10,090
140-270-576-80-42-01	Communications	2,486
140-270-576-80-43-01	Travel Expense (non-taxable)	650
140-270-576-80-43-03	Travel Expense (taxable)	150
140-270-576-80-45-01	Building Lease	3,460
140-270-576-80-45-04	Equipment Rental	4,500
140-270-576-80-45-52	Equipment Replacement Cost	10,308
140-270-576-80-47-01	Utility Services	19,400
140-270-576-80-47-03	Waste Disposal	1,000
140-270-576-80-48-01	Repairs/Maintenance of Equip	360
140-270-576-80-48-02	Repairs/Maintenance of Bldg	600
140-270-576-80-48-11	Park Maintenance	16,000
140-270-576-80-48-52	ER Repairs/Maintenance	2,964
140-270-576-80-49-01	Dues/Memberships	466
140-270-576-80-49-05	Training/Workshops	<u>960</u>
	Other Services and Charges	<u>292,639</u>
	Grand Total	<u>\$ 450,832</u>



AQUATICS

Mission Statement

To enhance our community by providing safe and healthy opportunities for aquatic instruction, recreation, fitness, and safety education.

Division Overview

The division provides swim instruction, water safety education, water fitness classes, and recreational swim opportunities for the community. Programming strives to be innovative by reflecting current societal trends, technology, and research findings in a safe, aesthetically pleasing, and family-friendly environment. The Aquatics Division is committed to promoting water safety by being a regional leader in advanced training for lifeguards and water safety instructors.

Major Activities

- Operate and maintain the Covington Aquatic Center
- Provide a safe and healthy place to swim
- Provide diverse aquatic programs
- Provide fitness opportunities such as water exercise classes and lap swims
- Promote safety and health in our community with special events
- Maintain a clean and functional facility
- Provide American Red Cross swimming and safety courses for the community
- Recruit and train highly qualified staff

Significant Budget Issues

Beginning in 2013, Interfund Payments are reported in Other Services and Charges.

2014 ACCOMPLISHMENTS

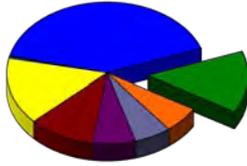
- ✓ Provided a safe environment for diverse aquatic programs
- ✓ Implemented online pool schedule improvements to cultivate online presence and improve mobile access
- ✓ Installed ADA pool lifts to increase pool accessibility
- ✓ Installed a new roof at the Aquatic Center
- ✓ Updated to the new American Red Cross Learn-to-Swim program
- ✓ Completed funded Aquatic Center facility improvement projects
- ✓ Negotiated an extended lease agreement with the Tahoma School District

2015 GOALS

- ❖ Continue to provide a safe aquatic environment
- ❖ Strategically schedule programs to meet the community's aquatic needs
- ❖ Enhance the Aquatic Center's online presence and customer relations
- ❖ Revise Aquatic Center Program Staff Training Plan
- ❖ Expand, diversify, and re-brand the Water Exercise program
- ❖ Update all program informational and marketing materials and incorporate the new city logo
- ❖ Replace pool filter grid covers

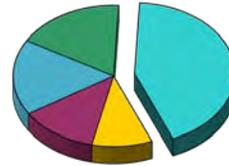
AQUATICS

2015 Budget All Funds



Parks
14.04%

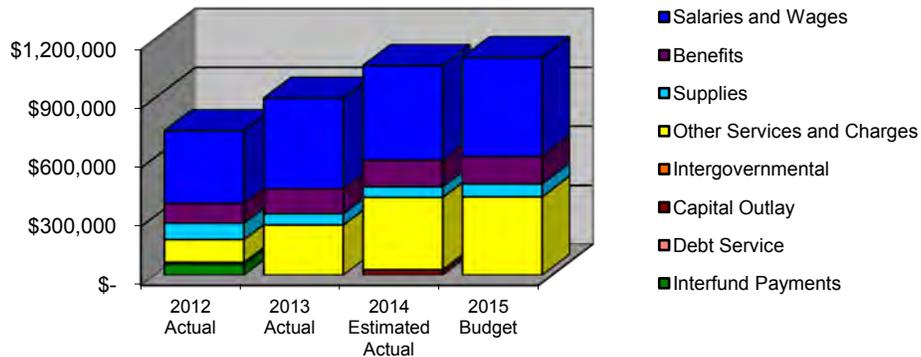
Total Parks Fund Budget



Aquatics
42.97%

Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 366,858	\$ 460,156	\$ 479,709	\$ 502,732
Benefits	100,877	126,140	136,039	139,172
Supplies	84,292	57,916	54,495	66,310
Other Services and Charges	116,025	256,554	369,326	400,176
Intergovernmental	8,687	-	-	-
Capital Outlay	-	-	27,792	-
Debt Service	-	-	-	-
Interfund Payments	57,023	-	-	-
Total Operating Expenses	<u>733,762</u>	<u>900,766</u>	<u>1,067,361</u>	<u>1,108,390</u>
Operating Transfer Out	<u>27,483</u>	<u>27,483</u>	<u>27,483</u>	<u>27,484</u>
Total Uses	<u>\$ 761,245</u>	<u>\$ 928,249</u>	<u>\$ 1,094,844</u>	<u>\$ 1,135,874</u>

Total Operating Expenditures by Year



AQUATICS

Account Number	Description	Requested
140-271-597-00-00-00	Operating Transfer Out Expenditure	\$ 27,484 <u>27,484</u>
140-271-576-20-11-00	Regular Wages Salaries and Wages	<u>502,732</u> <u>502,732</u>
140-271-576-20-21-01	Social Security Replacement	28,154
140-271-576-20-21-02	Medicare	7,289
140-271-576-20-21-03	PERS Replacement	37,611
140-271-576-20-21-04	Unemployment Compensation	6,284
140-271-576-20-21-05	Industrial Insurance	23,961
140-271-576-20-21-06	Medical/Dental/Vision	30,791
140-271-576-20-21-07	Life/LTD Insurance	3,255
140-271-576-20-21-14	VEBA Contributions	<u>1,827</u>
	Personnel Benefits	<u>139,172</u>
140-271-576-20-31-01	Office Supplies	1,500
140-271-576-20-31-05	Operating Supplies	32,000
140-271-576-20-31-08	Honorarium	1,260
140-271-576-20-31-10	Program Supplies	3,850
140-271-576-20-31-11	Meeting Expenses	30
140-271-576-20-31-13	Uniforms	2,400
140-271-576-20-34-03	Items for Resale	5,600
140-271-576-20-35-00	Small Tools/Minor Equipment Supplies	<u>19,670</u> <u>66,310</u>
140-271-576-20-41-01	Accounting Services	26,000
140-271-576-20-41-10	Professional Services	3,220
140-271-576-20-41-20	Interfund Service Payment	131,306
140-271-576-20-41-21	Cent Svcs Overhead Allocation	83,980
140-271-576-20-42-01	Communications	5,420
140-271-576-20-42-06	Postage	300
140-271-576-20-42-09	Advertising/Legal Notices	2,330
140-271-576-20-43-01	Travel Expense (non-taxable)	5,250
140-271-576-20-43-03	Travel Expense (taxable)	200
140-271-576-20-44-05	Taxes and Operating Assessment	8,085
140-271-576-20-45-02	Office Equipment Lease	1,340
140-271-576-20-45-04	Equipment Rental	2,600
140-271-576-20-47-01	Utility Services	84,370
140-271-576-20-48-01	Repairs/Maintenance of Equip	19,340
140-271-576-20-48-02	Repairs/Maintenance of Bldg	18,000
140-271-576-20-48-05	Equipment/Software Maint Agmt	2,660
140-271-576-20-49-01	Dues/Memberships	340
140-271-576-20-49-05	Training/Workshops	4,325
140-271-576-20-49-21	Annual Permits	<u>1,110</u>
	Other Services and Charges	<u>400,176</u>
	Grand Total	<u>\$ 1,135,874</u>



ATHLETICS

Mission Statement

Provide high quality recreation-level athletic leagues with an emphasis on fun, participation, and sportsmanship. By providing high quality programs, we are committed to building a great community together through people, parks, and programs.

Division Overview

The Athletics Division strives to foster community cohesiveness by providing a variety of well-organized athletic programs and leagues that emphasize fun, fair play, sportsmanship, and youth skill development in a safe and positive atmosphere.

Major Activities

- Promoted healthy lifestyles in the community
- Provide seasonal recreational athletic leagues
- Partner with the Kent School District to use fields, gyms, and other school facilities for community recreation
- Supervise and train referees
- Obtain team sponsorships
- Provide support at city events such as Covington Days, KidsFest, and Concerts in the Park
- Support volunteer coaches

Significant Budget Issues

This division began partway through 2014. FY 2015 is the first full year of athletics programs.

2014 ACCOMPLISHMENTS

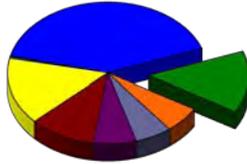
- ✓ Began providing youth athletic leagues to the community
- ✓ Recruited, trained, and managed 34 referees and 236 volunteer coaches
- ✓ Secured over \$14,000 in sponsorship funding for youth athletics teams
- ✓ Coordinated an athletics kick-off celebration at Covington Community Park
- ✓ Utilized Covington Community Park playfield for multiple city youth athletics programs
- ✓ Increased use of Covington Community Park playfield by private user groups

2015 GOALS

- ❖ Increase the number of participants and coach volunteers in each sport
- ❖ Obtain corporate sponsorships
- ❖ Increase the number of youth athletics sponsorships by local businesses
- ❖ Transition from age divisions to grade divisions for organizing youth athletics leagues
- ❖ Expand facility use and programming in the southeast service area of the city
- ❖ Reorganize and expand youth athletics to offer flag football and sports camps during the summer

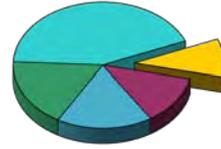
ATHLETICS

2015 Budget All Funds



Parks
14.04%

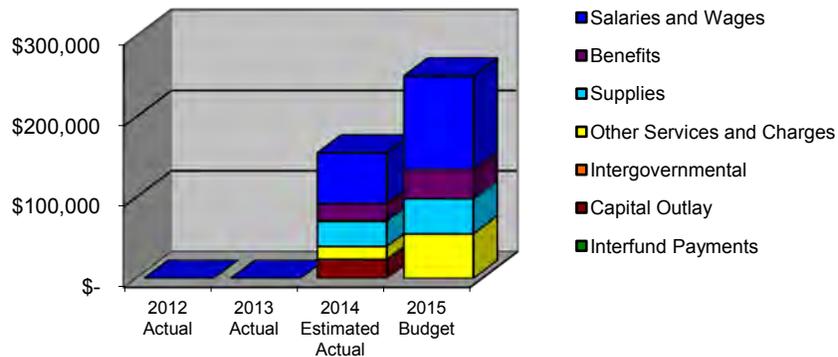
Total Parks Fund Budget



Athletics
9.72%

Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ -	\$ -	\$ 63,345	\$ 115,564
Benefits	-	-	21,140	36,487
Supplies	-	-	31,171	43,010
Other Services and Charges	-	-	16,067	55,598
Intergovernmental	-	-	-	-
Capital Outlay	-	-	23,917	-
Debt Service	-	-	-	-
Interfund Payments	-	-	-	-
Total Uses	\$ -	\$ -	\$ 155,640	\$ 250,659

Total Operating Expenditures by Year



ATHLETICS

Account Number	Description	Requested
140-272-573-60-11-00	Regular Wages	\$ 106,237
140-272-573-60-12-00	Overtime Wages	9,327
	Salaries and Wages	<u>115,564</u>
140-272-573-60-21-01	Social Security Replacement	6,994
140-272-573-60-21-02	Medicare	1,811
140-272-573-60-21-03	PERS Replacement	7,493
140-272-573-60-21-04	Unemployment Compensation	1,561
140-272-573-60-21-05	Industrial Insurance	2,661
140-272-573-60-21-06	Medical/Dental/Vision	13,950
140-272-573-60-21-07	Life/LTD Insurance	1,234
140-272-573-60-21-14	VEBA Contributions	783
	Personnel Benefits	<u>36,487</u>
140-272-573-60-31-01	Office Supplies	610
140-272-573-60-31-05	Operating Supplies	420
140-272-573-60-31-10	Program Supplies	17,000
140-272-573-60-31-13	Uniforms	610
140-272-573-60-31-52	ER Supplies	156
140-272-573-60-32-52	ER Fuel	804
140-272-573-60-34-03	Items for Resale	20,000
140-272-573-60-35-00	Small Tools/Minor Equipment	3,410
	Supplies	<u>43,010</u>
140-272-573-60-41-01	Accounting Services	3,000
140-272-573-60-41-10	Professional Services	4,300
140-272-573-60-41-21	Cent Svcs Overhead Allocation	27,438
140-272-573-60-42-01	Communications	650
140-272-573-60-42-06	Postage	50
140-272-573-60-43-01	Travel Expense (non-taxable)	150
140-272-573-60-43-03	Travel Expense (taxable)	50
140-272-573-60-44-05	Taxes and Operating Assessment	560
140-272-573-60-45-01	Building Lease	10,110
140-272-573-60-45-04	Equipment Rental	4,200
140-272-573-60-45-52	Equipment Replacement Cost	3,000
140-272-573-60-48-52	ER Repairs/Maintenance	300
140-272-573-60-49-01	Dues/Memberships	340
140-272-573-60-49-05	Training/Workshops	1,450
	Other Services and Charges	<u>55,598</u>
	Grand Total	<u>\$ 250,659</u>



RECREATION AND SPECIAL EVENTS

Mission Statement

Provide quality youth and family oriented cultural and recreational opportunities for the community. Work with local businesses and service organizations to provide community events, arts, and recreation programming.

Division Overview

The Recreation and Special Events Division strives to provide unique recreational classes and programs along with community events, arts, and cultural opportunities for the community.

Major Activities

- Promote healthy lifestyles in the community
- Provide recreation classes and activities
- Provide special events such as Covington Days, KidsFest, and the Community Tree Lighting
- Provide cultural arts activities such as music performances and art shows
- Provide staff support for the Arts Commission
- Provide programs in Covington Community Park

Significant Budget Issues

Beginning in 2013, Interfund Payments are reported in Other Services and Charges.

2014 ACCOMPLISHMENTS

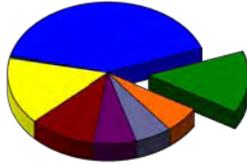
- ✓ Expanded recreation programs and activities to include summer camps for basketball, soccer, flag football, and track
- ✓ Managed Covington Days, Concerts in the Park, KidsFest, and the Community Tree Lighting event
- ✓ Secured a grant for a performance stage and canopy for city sponsored events
- ✓ Began scheduled use of the Covington Community Park playfield
- ✓ Relocated the Concerts in the Park series to Covington Community Park
- ✓ Continued to develop and implement the city's public art plan and policy
- ✓ Installed "SeaHorse," the city's first public art project

2015 GOALS

- ✓ Increase participation in recreation classes
- ✓ Expand events to include one children's concert, one outdoor family movie, and one daddy-daughter dance
- ✓ Expand entertainment at Covington Days, Concerts in the Park, and KidsFest
- ✓ Continue to develop and implement the city's public art plan and policy
- ✓ Develop and implement a fundraising campaign for public art
- ✓ Fund the continued display of the sculpture "SeaHorse" at the Covington Aquatic Center

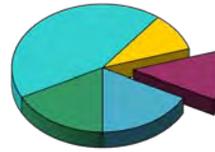
RECREATION AND SPECIAL EVENTS

2015 Budget All Funds



Parks
14.04%

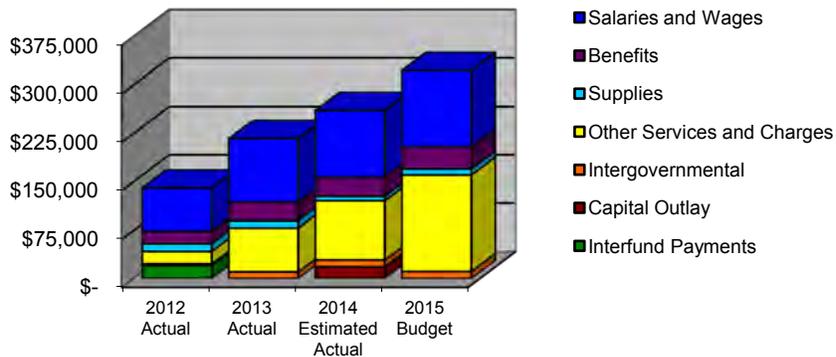
Total Parks Fund Budget



Recreation
12.48%

Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 66,494	\$ 98,832	\$ 103,595	\$ 117,872
Benefits	19,333	28,271	29,977	34,644
Supplies	12,146	11,461	6,749	9,390
Other Services and Charges	19,058	67,984	91,317	149,124
Intergovernmental	2,975	10,308	10,477	11,000
Capital Outlay	-	-	18,378	-
Debt Service	-	-	-	-
Interfund Payments	19,959	-	-	-
Total Uses	\$ 139,965	\$ 216,856	\$ 260,493	\$ 322,030

Total Operating Expenditures by Year



RECREATION AND SPECIAL EVENTS

Account Number	Description	Requested
140-274-573-90-11-00	Regular Wages	\$ 110,872
140-274-573-90-12-00	Overtime Wages	<u>7,000</u>
	Salaries and Wages	<u>117,872</u>
140-274-573-90-21-01	Social Security Replacement	6,992
140-274-573-90-21-02	Medicare	1,811
140-274-573-90-21-03	PERS Replacement	9,365
140-274-573-90-21-04	Unemployment Compensation	1,562
140-274-573-90-21-05	Industrial Insurance	3,332
140-274-573-90-21-06	Medical/Dental/Vision	9,908
140-274-573-90-21-07	Life/LTD Insurance	1,152
140-274-573-90-21-14	VEBA Contributions	<u>522</u>
	Personnel Benefits	<u>34,644</u>
140-274-573-90-31-01	Office Supplies	90
140-274-573-90-31-05	Operating Supplies	50
140-274-573-90-31-10	Program Supplies	6,000
140-274-573-90-31-11	Meeting Expenses	200
140-274-573-90-31-13	Uniforms	450
140-274-573-90-35-00	Small Tools/Minor Equipment	<u>2,600</u>
	Supplies	<u>9,390</u>
140-274-573-90-41-01	Accounting Services	1,010
140-274-573-90-41-10	Professional Services	51,500
140-274-573-90-41-14	Instructor Services	15,400
140-274-573-90-41-20	Interfund Service Payment	34,881
140-274-573-90-41-21	Cent Svcs Overhead Allocation	31,503
140-274-573-90-42-06	Postage	1,100
140-274-573-90-43-01	Travel Expense (non-taxable)	370
140-274-573-90-43-03	Travel Expense (taxable)	220
140-274-573-90-45-01	Building Lease	1,300
140-274-573-90-45-04	Equipment Rental	6,500
140-274-573-90-47-01	Utility Services	250
140-274-573-90-49-01	Dues/Memberships	840
140-274-573-90-49-05	Training/Workshops	2,150
140-274-573-90-49-19	Arts Commission	100
140-274-573-90-49-21	Annual Permits	<u>2,000</u>
	Other Services and Charges	<u>149,124</u>
140-274-573-90-51-01	Intergovernmental Services	<u>11,000</u>
	Intergovernmental Services	<u>11,000</u>
	Grand Total	<u>\$ 322,030</u>



PARKS

Mission Statement

To plan, design, and develop safe, functional, and aesthetically pleasing parks, trails, open spaces, and recreation facilities which meet the needs of our community.

Division Overview

The Parks Division is responsible for park system oversight and implementing the parks capital improvement program including planning, acquiring land, designing, and developing parks and recreational facilities.

Major Activities

- Implement the parks capital improvement plan (CIP)
- Manage parks planning
- Manage park and facility design and construction
- Acquire land
- Pursue capital funding opportunities such as grants and partnerships
- Provide staff support for the Parks and Recreation Commission

Significant Budget Issues

Beginning in 2013, Interfund Payments are reported in Other Services and Charges.

2014 ACCOMPLISHMENTS

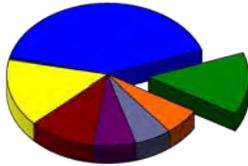
- ✓ Completed 60% design for phases 2 and 3 of Covington Community Park
- ✓ Highly ranked grants for Covington Community Park Phase 2 construction
- ✓ Highly ranked grants for South Covington (SoCo) Park Phase 1 acquisition
- ✓ Updated the Parks six year Capital Improvement Plan (CIP) and 20 year Capital Facilities Plan (CFP)
- ✓ Managed the Park Impact Fee (PIF) study
- ✓ Updated the parks element of the city's Comprehensive Plan
- ✓ Support planning and development of the Town Center
- ✓ Secured grant and completed first phase of city tree inventory
- ✓ Worked with King County to establish the trail corridor and acquisition priorities for the "Covington Highlands/Tri-city Trail"

2015 GOALS

- ❖ Manage the Park Impact Fee (PIF) public process and implementation
- ❖ Manage the Parks, Recreation and Open Space (PROS) plan update project
- ❖ Manage Covington Community Park Phase 2 construction drawings
- ❖ Complete SoCo Park Phase 1 acquisition
- ❖ Submit grant application for SoCo Park Phase 2 acquisition
- ❖ Manage the Gerry Crick Skate Park renovation design and installation
- ❖ Manage the Aquatic Center room addition project
- ❖ Complete Covington Community Park Phase 1 interpretive signage
- ❖ Collaborate with and support other departments' projects including the Jenkins Creek Park bridge/trail remodel and the city's Comprehensive Plan update

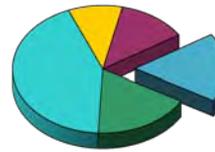
PARKS

2015 Budget All Funds



Parks
14.04%

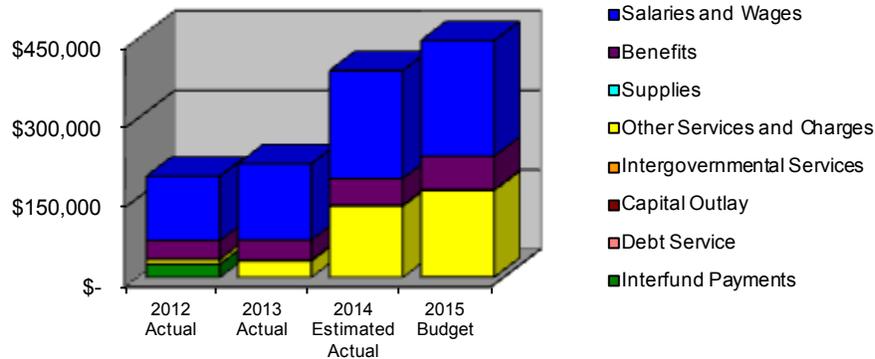
Total Parks Fund Budget



Parks
17.35%

Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 121,553	\$ 143,966	\$ 203,569	\$ 218,443
Benefits	34,789	37,856	50,415	63,174
Supplies	508	2,021	1,850	1,450
Other Services and Charges	9,041	30,783	134,829	163,561
Intergovernmental Services	293	322	(58)	960
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Interfund Payments	25,229	-	-	-
Total Uses	\$ 191,413	\$ 214,948	\$ 390,605	\$ 447,588

Total Operating Expenditures by Year



PARKS

Account Number	Description	Requested
140-275-518-20-11-00	Regular Wages	\$ 218,443
	Salaries and Wages	<u>218,443</u>
140-275-518-20-21-01	Social Security Replacement	12,367
140-275-518-20-21-02	Medicare	3,202
140-275-518-20-21-03	PERS Replacement	16,383
140-275-518-20-21-04	Unemployment Compensation	2,730
140-275-518-20-21-05	Industrial Insurance	2,389
140-275-518-20-21-06	Medical/Dental/Vision	20,136
140-275-518-20-21-07	Life/LTD Insurance	2,523
140-275-518-20-21-10	Car Allowance	2,400
140-275-518-20-21-14	VEBA Contributions	<u>1,044</u>
	Personnel Benefits	<u>63,174</u>
140-275-518-20-31-01	Office Supplies	200
140-275-518-20-31-05	Operating Supplies	200
140-275-518-20-31-11	Meeting Expenses	350
140-275-518-20-31-13	Uniforms	300
140-275-518-20-35-00	Small Tools/Minor Equipment	<u>400</u>
	Supplies	<u>1,450</u>
140-275-518-20-41-10	Professional Services	46,000
140-275-518-20-41-20	Interfund Service Payment	62,251
140-275-518-20-41-21	Cent Svcs Overhead Allocation	48,470
140-275-518-20-42-06	Postage	50
140-275-518-20-43-01	Travel Expense (non-taxable)	3,630
140-275-518-20-43-03	Travel Expense (taxable)	150
140-275-518-20-49-01	Dues/Memberships	695
140-275-518-20-49-05	Training/Workshops	1,835
140-275-518-20-49-19	Parks Commission	<u>480</u>
	Other Services and Charges	<u>163,561</u>
140-275-518-20-51-01	Intergovernmental Services	<u>960</u>
	Intergovernmental Services	<u>960</u>
	Grand Total	<u>\$ 447,588</u>



SURFACE WATER MANAGEMENT

Mission Statement

Preserve and protect surface water quality and the hydrologic flow regime in the City's streams to protect the health, safety, and welfare of the local citizenry and preserve surface water resources in the City of Covington.

Fund Overview

The Surface Water Management Fund provides direction, administrative support, and long-range planning. The Fund is supported through the City's collected surface water management fees on developed properties to maintain storm and surface water runoff in the City and to protect the environment, public and private property, and the health and welfare of its citizens and businesses.

Major Activities

- Maintenance and repair to stormwater facilities
- Monitor stormwater quality
- Report NPDES Phase II Permits
- Inspect all stormwater facilities and gain corrective action
- Educate the community to protect groundwater

Significant Budget Issues

Beginning in 2013, Interfund Payments are reported in Other Services and Charges.

2014 ACCOMPLISHMENTS

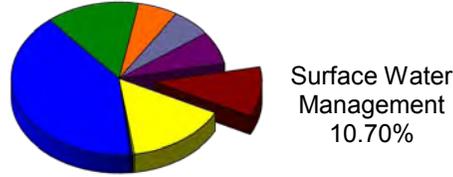
- ✓ NPDES compliance
- ✓ Continued ILA management of joint sweeping contract with Maple Valley
- ✓ Managed vector contract and cleaned 1,296 catch basins and replaced all storm filters
- ✓ Discovered hidden SWM system along SE 240th St and brought it back up to standards
- ✓ Completed SWM rate study

2015 GOALS

- ❖ Wetlands/tree survey
- ❖ Design Clements/SE 263rd Place Flood Reduction Project
- ❖ Continue NPDES compliance
- ❖ Implement Annual Ditch Maintenance Program
- ❖ Pre-settling tank cleaning

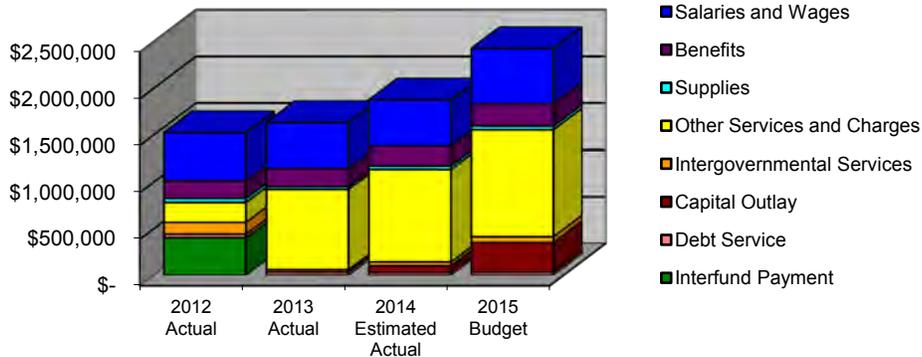
SURFACE WATER MANAGEMENT

2015 Budget All Funds



Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 509,749	\$ 487,413	\$ 493,937	\$ 594,538
Benefits	190,031	194,260	209,184	238,599
Supplies	43,461	28,528	38,128	39,145
Other Services and Charges	211,946	861,690	990,246	1,140,320
Intergovernmental Services	127,306	27,180	40,800	61,944
Capital Outlay	-	-	71,902	318,787
Debt Service	35,772	32,837	30,440	32,837
Interfund Payment	405,238	-	-	-
Total Operating Expenses	<u>1,523,503</u>	<u>1,631,908</u>	<u>1,874,637</u>	<u>2,426,170</u>
Transfer Out	-	174,629	-	-
Total Uses	<u>\$ 1,523,503</u>	<u>\$ 1,806,537</u>	<u>\$ 1,874,637</u>	<u>\$ 2,426,170</u>

Total Operating Expenditures by Year



SURFACE WATER MANAGEMENT

Account Number	Description	Requested
411-000-531-30-11-00	Regular Wages	\$ 586,238
411-000-531-30-12-00	Overtime Wages	8,300
	Salaries and Wages	<u>594,538</u>
411-000-531-30-21-01	Social Security Replacement	33,359
411-000-531-30-21-02	Medicare	8,638
411-000-531-30-21-03	PERS Replacement	42,096
411-000-531-30-21-04	Unemployment Compensation	7,433
411-000-531-30-21-05	Industrial Insurance	15,593
411-000-531-30-21-06	Medical/Dental/Vision	119,442
411-000-531-30-21-07	Life/LTD Insurance	7,341
411-000-531-30-21-10	Car Allowance	1,200
411-000-531-30-21-14	VEBA Contributions	3,497
	Personnel Benefits	<u>238,599</u>
411-000-531-30-31-01	Office Supplies	2,475
411-000-531-30-31-05	Operating Supplies	15,250
411-000-531-30-31-11	Meeting Expenses	250
411-000-531-30-31-13	Uniforms	3,850
411-000-531-30-31-52	ER Supplies	1,692
411-000-531-30-32-00	Fuel	1,400
411-000-531-30-32-52	ER Fuel	6,228
411-000-531-30-35-00	Small Tools/Minor Equipment	8,000
	Supplies	<u>39,145</u>
411-000-531-30-41-02	Engineering Services	5,000
411-000-531-30-41-10	Professional Services	29,040
411-000-531-30-41-20	Interfund Service Payment	301,250
411-000-531-30-41-21	Cent Svcs Overhead Allocation	135,682
411-000-531-30-42-01	Communications	6,120
411-000-531-30-42-06	Postage	350
411-000-531-30-42-09	Advertising/Legal Notices	400
411-000-531-30-43-01	Travel Expense (non-taxable)	2,140
411-000-531-30-43-03	Travel Expense (taxable)	500
411-000-531-30-44-05	Taxes and Operating Assessment	145,615
411-000-531-30-45-01	Building Lease	6,920
411-000-531-30-45-02	Office Equipment Lease	1,590
411-000-531-30-45-04	Equipment Rental	14,450
411-000-531-30-45-52	Equipment Replacement Cost	41,724
411-000-531-30-47-01	Utility Services	1,800
411-000-531-30-47-03	Waste Disposal	2,300
411-000-531-30-48-01	Repairs/Maintenance of Equip	720
411-000-531-30-48-02	Repairs/Maintenance of Bldg	1,200
411-000-531-30-48-05	Equipment/Software Maint Agmt	2,400
411-000-531-30-48-17	SWM Maintenance	219,498
411-000-531-30-48-52	ER Repairs/Maintenance	7,260
411-000-531-30-49-01	Dues/Memberships	1,237

SURFACE WATER MANAGEMENT

Account Number	Description	Requested
411-000-531-30-49-04	Printing/Binding	400
411-000-531-30-49-05	Training/Workshops	7,800
411-000-542-67-41-10	Street Cleaning	<u>121,521</u>
	Other Services and Charges	<u>1,056,917</u>
411-000-531-30-51-01	Intergovernmental Services	<u>61,944</u>
	Intergovernmental Services	<u>61,944</u>
411-000-594-31-64-06	Machinery/Equipment	<u>37,080</u>
	Capital Outlay	<u>37,080</u>
411-000-592-31-83-05	SWM Debt Service Interest	<u>32,837</u>
	Debt Service: Interest	<u>32,837</u>
411-202-595-40-63-00	Storm Drainage Improvements	<u>122,000</u>
	Capital Outlay	<u>122,000</u>
411-203-595-10-41-02	Engineering Services	47,433
411-203-595-20-41-10	ROW Professional Services	20,000
411-203-595-90-41-04	Construction Administration	<u>15,970</u>
	Other Services and Charges	<u>83,403</u>
411-203-595-40-63-00	Storm Drainage Improvements	<u>159,707</u>
	Capital Outlay	<u>159,707</u>
	Grand Total	<u>\$ 2,426,170</u>



CAPITAL INVESTMENT PROGRAM

Mission Statement

Provide leadership in facilitating the planning, development, financing, construction, and maintenance of transportation, surface water resource systems, parks, trails, open space, and recreation facilities that support the land use plan and incorporate linkages among all city owned properties and facilities.

Fund Overview

The Capital Investment Program provides direction and administers the implementation of the adopted Comprehensive Plans, Capital Investment Program, and Transportation Improvement Plan through the TIP annual update, budget development for projects, project development, and management.

Major Activities

- Manage Capital Improvement Projects
- Seek funding sources
- Coordinate utilities and design engineers
- Coordinate information dispersed to public
- Bid/purchase construction services
- Acquire necessary land for projects
- Coordinate with lending/granting agencies
- Developer constructed CIP segments

Significant Budget Issues

The SR 516 Jenkins Creek to 185th Avenue SE project is in need of funding for the Construction Phase of the project. This project is the number one project on the legislative agenda for the city. Grant acquisition and legislative appropriations continue to support SWM and Transportation CIP projects and remains vital for the Capital Investment Program. Covington Community Park Phase 2 construction funding is grant based and is dependent on State budget approval mid-2015.

2014 ACCOMPLISHMENTS

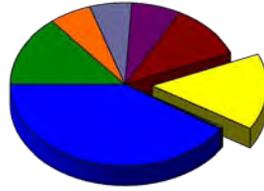
- ✓ 240th/Wax Road Overlay
- ✓ Construction of 156th Avenue rehabilitation project
- ✓ Design for Jenkins Creek Park
- ✓ Design of Timberlane/Jenkins Creek stormwater retrofit project
- ✓ Updated the Parks six year capital improvement plan and 20 year capital facilities plan
- ✓ Completed 60% design for phases 2 and 3 of Covington Community Park

2015 GOALS

- ❖ Construct Jenkins Creek Park bridge project
- ❖ Construct Citywide Safety project
- ❖ Complete environmental phase for CIP 1127/transition to ROW phase
- ❖ Design 164th Ave SE pedestrian project
- ❖ Complete Aquatic Center room addition
- ❖ Complete Gerry Crick Skate Park renovation design and installation
- ❖ Complete Covington Community Park Phase 2 acquisition
- ❖ Complete Covington Community Park Phase 2 construction drawings

CAPITAL INVESTMENT PROGRAM

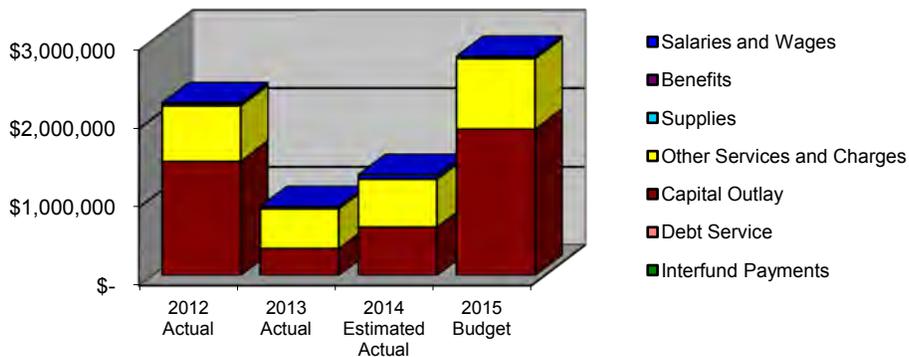
2015 Budget All Funds



Capital Investment Program
15.20%

Uses of Funds:	2012 Actual	2013 Actual	2014 Estimated Actual	2015 Budget
Salaries and Wages	\$ 29,173	\$ 22,456	\$ 47,846	\$ 24,960
Benefits	6,702	4,418	8,115	2,475
Supplies	-	-	-	-
Other Services and Charges	704,126	508,400	611,632	901,980
Capital Outlay	1,458,562	344,867	620,302	1,864,070
Debt Service	-	-	-	-
Interfund Payments	-	-	-	-
Total Operating Expenses	<u>2,198,563</u>	<u>880,141</u>	<u>1,287,895</u>	<u>2,793,485</u>
Operating Transfer Out	<u>113,421</u>	<u>23,953</u>	<u>33,070</u>	<u>-</u>
Total Uses	<u>\$ 2,311,984</u>	<u>\$ 904,094</u>	<u>\$ 1,320,965</u>	<u>\$ 2,793,485</u>

Total Operating Expenditures by Year



CAPITAL INVESTMENT PROGRAM PROJECTS

1. CIP 1127 - SE 272nd Street between Jenkins Creek and 185th Place SE

This project is to widen and reconstruct a portion of SE 272nd Street between Jenkins Creek and 185th Place SE. This project will include the crossing of Jenkins Creek with a new structure for the stream, widening the street from 2-lanes to 5-lanes including curb and gutter, 8' sidewalks, access control features, landscaping and provisions for u-turns.



2. CIP 1014 - Jenkins Creek Park between SE 267th Place and SE 268th Street

This is a non-motorized transportation project that will construct a multiuse trail between SE 267th Place and SE 268th Street through Jenkins Creek Park. This project will replace the pedestrian bridge that was washed out from a storm and once again connect neighborhoods to Jenkins Creek Elementary as well as provide ADA and bike access to and from the downtown core.



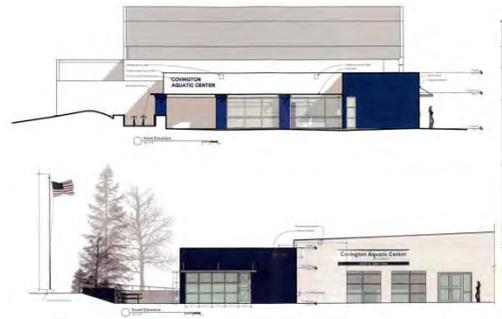
3. CIP 1086 - 164th Ave SE between SE 264th Street and vicinity SE 269th Street

This project will install a 5' separated walkway on the east side of 164th Avenue SE between SE 264th Street and just south of SE 269th Street. This project will also install a drainage swale with underdrainage to convey and treat surface water. Once completed, this will provide a continuous separated walkway/sidewalk from Kentwood High School to the Covington Library.



4. **CIP 1172 Covington Aquatic Center Renovation**

Remodel the Aquatic Center to add a meeting room on the southwest corner of the building. It will provide space for recreation classes, meetings and rental groups. Design drawings are close to the 90% level.



5. **CIP 1010 Covington Community Park Phase 2**

This project consists of completing the 90% construction drawings for Phase 2, then bidding and construction. Proposed elements include a performance stage and lawn seating area, picnic shelters, tennis court, outdoor exercise equipment, completing the trail system, temporary rest rooms, parking, entry way improvements, and related infrastructure.



6. **CIP 1019 South Covington (SoCo) Park**

This project consists of acquiring and developing three adjacent parcels totaling 5.65 acres to create SoCo Park. It is located on Wax Road directly across from Covington Elementary and what will eventually be the Town Center. The park's potential features include a location for community events, community tree lighting, play equipment, shelters, picnic tables, lawn play area, trails, benches, interpretative signage, and access to the Jenkins Creek trail and to the creek.



7. **CIP 1013 Gerry Crick Skate Park Renovation**

This project is the lifecycle replacement of existing failing skate ramps and features. Using facility design input from area youth and skate park users, select and install new pieces on the existing concrete slab. This project also includes the demolition of a defunct camera/light pole.



CIP 1010 - COVINGTON COMMUNITY PARK

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
810-000-594-76-63-00	Other Improvements	\$ 100,000
	Capital Outlay	<u>100,000</u>
810-200-594-76-41-02	Engineering Services	<u>246,800</u>
	Other Services and Charges	<u>246,800</u>
	Grand Total	<u>\$ 346,800</u>

CIP 1013 - GERRY CRICK SKATE PARK

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
813-000-594-76-41-02	Engineering Services	\$ 30,000
	Other Services and Charges	<u>30,000</u>
813-000-594-76-63-00	Other Improvements	<u>30,000</u>
	Capital Outlay	<u>30,000</u>
	Grand Total	<u>\$ 60,000</u>

CIP 1014 - JENKINS CREEK PARK

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
814-000-594-76-41-02	Engineering Services	\$ 59,600
	Other Services and Charges	<u>59,600</u>
814-000-594-76-63-00	Other Improvements	<u>318,000</u>
	Capital Outlay	<u>318,000</u>
	Grand Total	<u>\$ 377,600</u>

CIP 1019 - SOUTH COVINGTON PARK

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
815-000-594-76-41-02	Engineering Services	\$ 60,000
	Other Services and Charges	<u>60,000</u>
	Grand Total	<u>\$ 60,000</u>

CIP 1086 - 164th AVE SE (SE 268th - SE 264th PL)

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
819-000-595-10-41-02	Engineering Services	\$ 90,000
	Other Services and Charges	90,000
	Grand Total	<u>\$ 90,000</u>

CIP 1029 - ANNUAL TRAFFIC SAFETY PROJECTS

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
822-000-595-90-41-04	Construction Administration	\$ 15,000
	Other Services and Charges	<u>15,000</u>
822-000-595-30-63-00	Roadway Improvements	<u>200,000</u>
	Capital Outlay	<u>200,000</u>
	Grand Total	<u>\$ 215,000</u>

CIP 1127 - SR 516 WIDENING AT JENKINS CREEK

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
865-000-595-90-11-00	Regular Wages	\$ 24,960
	Salaries and Wages	<u>24,960</u>
865-000-595-90-21-01	Social Security Replacement	1,398
865-000-595-90-21-02	Medicare	362
865-000-595-90-21-04	Unemployment Compensation	312
865-000-595-90-21-05	Industrial Insurance	403
	Personnel Benefits	<u>2,475</u>
865-000-595-10-41-02	Engineering Services	230,000
865-000-595-20-41-10	ROW Professional Services	130,000
	Other Services and Charges	<u>360,000</u>
865-000-595-20-61-00	Land	<u>932,000</u>
	Capital Outlay	<u>932,000</u>
	Grand Total	<u>\$ 1,319,435</u>

CIP 1172 - AQUATIC CENTER

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
880-000-594-76-41-02	Engineering Services	\$ 20,000
880-000-594-76-41-04	Construction Administration	<u>20,580</u>
	Other Services and Charges	<u>40,580</u>
880-000-594-76-63-00	Other Improvements	<u>284,070</u>
	Capital Outlay	<u>284,070</u>
	Grand Total	<u>\$ 324,650</u>



LOCAL IMPROVEMENT DISTRICT NO. 99-01

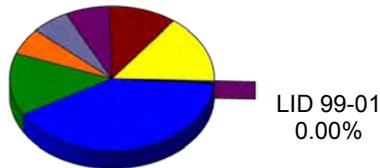
Fund Overview

This Fund was created to construct the improvements associated with Local Improvement District 99-01. These improvements are complete, the assessments have been calculated, and this fund is used to make the debt service payments associated with the bond issue that funded the work.

Significant Budget Issues

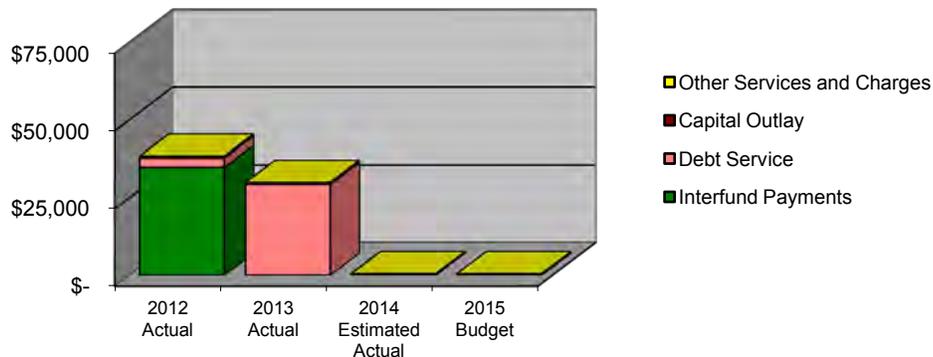
None

2015 Budget All Funds



Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Other Services and Charges	\$ 490	\$ 494	\$ 500	\$ 500
Capital Outlay	-	-	-	-
Debt Service	3,019	29,421	-	-
Interfund Payments	34,822	-	-	-
Total Operating Expenses	<u>38,331</u>	<u>29,915</u>	<u>500</u>	<u>500</u>
Operating Transfer Out	-	7,094	35,276	35,165
Total Uses	<u>\$ 38,331</u>	<u>\$ 37,009</u>	<u>\$ 35,776</u>	<u>\$ 35,665</u>

Total Operating Expenditures by Year



LOCAL IMPROVEMENT DISTRICT NO. 99-01

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
330-000-597-00-00-00	Operating Transfer Out Expenditure	\$ 35,165 <u>35,165</u>
330-000-595-90-41-10	Professional Services Other Services and Charges	<u>500</u> <u>500</u>
	Grand Total	<u>\$ 35,665</u>



LONG-TERM DEBT SERVICE

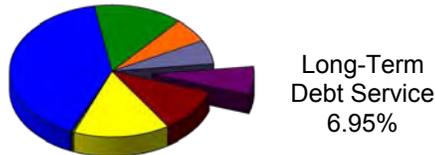
Fund Overview

This Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Significant Budget Issues

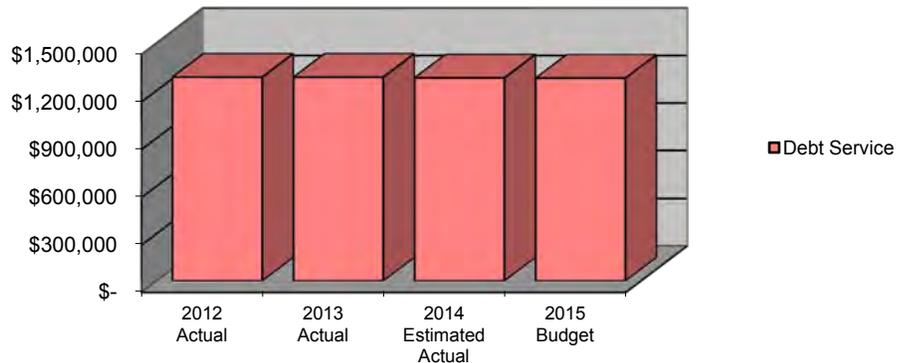
None

2015 Budget All Funds



	2012 Actual	2013 Actual	2014 Estimated Actual	2015 Budget
Uses of Funds: Debt Service	\$ 1,283,323	\$ 1,283,211	\$ 1,278,415	\$ 1,276,904
Total Uses	<u>\$ 1,283,323</u>	<u>\$ 1,283,211</u>	<u>\$ 1,278,415</u>	<u>\$ 1,276,904</u>

Total Operating Expenditures by Year



LONG-TERM DEBT SERVICE

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
202-000-591-95-71-01	2007T GO Bond Principal	\$ 170,000
202-000-591-95-71-02	2007A GO Bond Principal	430,000
202-000-591-95-71-03	2008 GO Bond Principal	19,824
202-000-591-95-78-00	PWTF Principal	<u>214,896</u>
	Debt Service: Principal	<u>834,720</u>
202-000-592-95-83-01	2007T Interest payment	9,095
202-000-592-95-83-02	2007A Interest Payment	414,684
202-000-592-95-83-03	2008 GO Interest Payment	7,660
202-000-592-95-83-04	PWTF Interest	<u>10,745</u>
	Debt Service: Interest	<u>442,184</u>
	Grand Total	<u>\$ 1,276,904</u>



INTERNAL SERVICE UNEMPLOYMENT INSURANCE BENEFIT

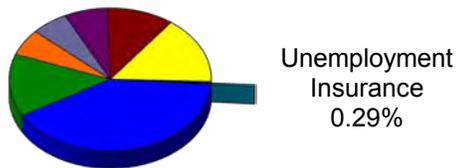
Fund Overview

This Fund is used to account for charges to other departments to accumulate sufficient resources to pay reimbursement of unemployment benefits paid by the Employment Security Department of the State and chargeable to the City. The City has elected the in-lieu contribution method for payment of unemployment compensation.

Significant Budget Issues

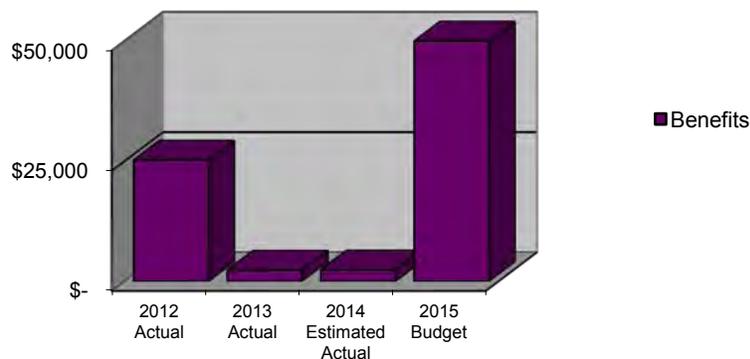
None

2015 Budget All Funds



Uses of Funds:	2012	2013	2014	2015
	Actual	Actual	Estimated Actual	Budget
Benefits	\$ 25,220	\$ 2,362	\$ 2,400	\$ 50,000
Total Uses	<u>\$ 25,220</u>	<u>\$ 2,362</u>	<u>\$ 2,400</u>	<u>\$ 50,000</u>

Total Operating Expenditures by Year



**INTERNAL SERVICE
UNEMPLOYMENT INSURANCE BENEFIT**

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
501-000-517-70-21-04	Unemployment Compensation	\$ <u>50,000</u>
	Personnel Benefits	<u>50,000</u>
	Grand Total	\$ <u>50,000</u>



INTERNAL SERVICE EQUIPMENT REPLACEMENT

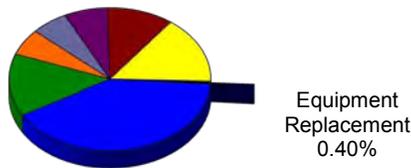
Fund Overview

The Equipment Replacement Fund provides the maintenance, repair, purchasing and records for the City vehicle and equipment fleet. This Fund is supported through internal user fees. All of the maintenance work is accomplished through contract services.

Major Activities

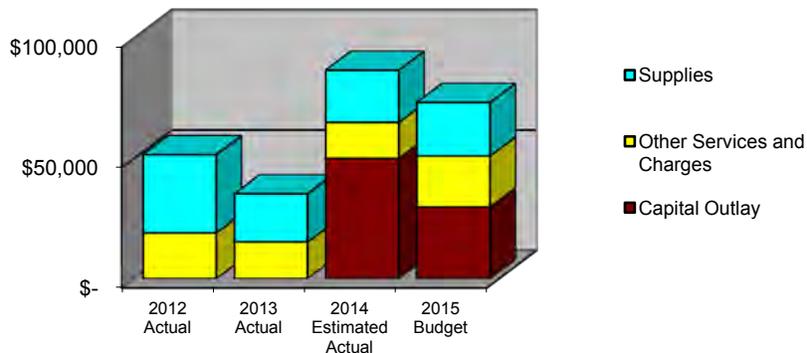
- Inspect, maintain, and repair of City fleet
- Maintain updated records for City fleet
- Complete a comprehensive Fleet Policy
- Purchase new and replacement vehicles as per schedule

2015 Budget All Funds



	2012 Actual	2013 Actual	2014 Estimated Actual	2015 Budget
Uses of Funds:				
Supplies	\$ 32,456	\$ 19,824	\$ 21,500	\$ 22,332
Other Services and Charges	19,083	15,353	15,000	21,294
Capital Outlay	-	-	50,000	29,682
Total Uses	<u>\$ 51,539</u>	<u>\$ 35,177</u>	<u>\$ 86,500</u>	<u>\$ 73,308</u>

Total Operating Expenditures by Year



INTERNAL SERVICE EQUIPMENT REPLACEMENT

Account Number	Description	Requested
502-000-548-60-31-05	Operating Supplies	\$ 4,440
502-000-548-60-32-00	Fuel	<u>17,892</u>
	Supplies	<u>22,332</u>
502-000-548-60-41-10	Professional Services	450
502-000-548-60-48-01	Repairs/Maintenance of Equip	<u>20,844</u>
	Other Services and Charges	<u>21,294</u>
502-000-594-18-64-06	Machinery/Equipment	<u>29,682</u>
	Capital Outlay	<u>29,682</u>
	Grand Total	<u>\$ 73,308</u>

**City of Covington
2015 Budget
Decision Cards**

General Fund

No.	Title/Description	Fund	Initiating Dept.	Amount Requested		Amount Funded		Notes/Comments
				One-Time	Ongoing	One-Time	Ongoing	
1	Cost of living adjustment cut	GF	Exec	-	(35,578)	-	-	Total cost is \$(92,756) allocated as follows: General Fund \$(35,578), Street Fund \$(7,636), Development Services Fund \$(12,485), Parks Fund \$(23,184), SWM Fund \$(13,873)
2	Transfer-out to Development Services Fund	GF	Council	3,000	-	-	-	
3	Transfer-out to CIP Fund for Aquatic Center rental room remodel	GF	Council	100,000	-	100,000	-	
4	Transfer-out to CIP Fund for CCP Phase I sales tax liability	GF	Council	100,000	-	100,000	-	
5	Transfer-out to CIP Fund for CCP Phase II Commerce grant liability	GF	Council	264,000	-	-	-	
6	Transfer-out to CIP fund for 164th Ave SE pedestrian project	GF	Council	90,000	-	90,000	-	
7	Transfer-out to CIP Fund for Gerry Crick Skate Park renovation	GF	Council	60,000	-	60,000	-	
8	Transfer-out to Parks Fund for demolition of Cedar Creek houses	GF	Council	40,000	-	40,000	-	
9	Additional human services funding	GF	Personnel	-	10,000	-	10,000	
10	Council Chambers conference tables	GF	Central	1,950	-	1,950	-	
11	Email archiver	GF	Central	5,060	2,450	5,060	2,450	
12	ITS Network - Traffic Signals with iNet Service	GF	Central	-	(2,580)	-	(2,580)	Total cost is \$6,920 allocated as follows: General Fund \$(2,580), Street Fund \$9,500
13	Carpet replacement	GF	Central	13,890	1,400	-	-	
14	Helpdesk position (0.5 FTE)	GF	Central	150	11,070	150	11,070	
15	Microsoft Office Software Upgrade	GF	Central	-	5,000	-	5,000	
16	Equipment replacement funds for server	GF	Central	5,000	5,000	5,000	5,000	Total cost is \$0 allocated as follows: General Fund \$10,000, ER Fund \$(10,000)
17	Comprehensive Emergency Management Plan Update carryover	GF	Central	40,000	-	40,000	-	
18	Police Officer (1.0 FTE)	GF	Law Enf	2,100	179,980	-	-	
19	Code Publishing Comprehensive Plan Hosting	GF	Planning	2,000	-	2,000	-	
20	Carry-over for Comprehensive Plan Update	GF	Planning	60,000	-	60,000	-	
	Net Total General Fund			787,150	176,742	504,160	30,940	
	Summary:							
	Total Expenditures			130,150	176,742	114,160	30,940	
	Total Related Revenue			-	-	-	-	
	Total Transfers-in			-	-	-	-	
	Total Transfers-out			657,000	-	390,000	-	
	Total Interfund Loan Receipts			-	-	-	-	
	Total Interfund Loan Disbursements			-	-	-	-	
	Debt Proceeds			-	-	-	-	
	Net Total General Fund			787,150	176,742	504,160	30,940	

Street Fund

No.	Title/Description	Fund	Initiating Dept.	Amount Requested		Amount Funded		Notes/Comments
				One-Time	Ongoing	One-Time	Ongoing	
1	Cost of living adjustment cut	ST	ST	-	(7,636)	-	-	Total cost is \$(92,756) allocated as follows: General Fund \$(35,578), Street Fund \$(7,636), Development Services Fund \$(12,485), Parks Fund \$(23,184), SWM Fund \$(13,873)
2	Additional funds for replacement of backhoe	ST	ST	-	3,600	-	-	Total cost is \$0 allocated as follows: Street Fund \$3,600, Parks Fund \$1,800, SWM Fund \$3,600, ER Fund \$(9,000)
3	Additional funds for replacement of maintenance vehicles	ST	ST	-	11,980	-	-	Total cost is \$0 allocated as follows: Street Fund \$11,980, Parks Fund \$5,990, SWM Fund \$11,980, ER Fund \$(29,950)
4	Two Seasonal maintenance workers (9-month) Reduction to maintenance contract	ST	ST	-	55,935 (50,600)	-	55,935 (50,600)	Total cost is \$6,980 allocated as follows: Street Fund \$5,335, Parks Fund \$1,645
5	ITS Network - Traffic signals with iNet service	ST	ST	5,000	4,500	5,000	4,500	Total cost is \$6,920 allocated as follows: General Fund \$(2,580), Street Fund \$9,500
	Net Total Street Fund			5,000	17,779	5,000	9,835	
	Summary:							
	Total Expenditures			5,000	17,779	5,000	9,835	
	Total Related Revenue			-	-	-	-	
	Total Transfers-in			-	-	-	-	
	Total Transfers-out			-	-	-	-	
	Total Interfund Loan Receipts			-	-	-	-	
	Total Interfund Loan Disbursements			-	-	-	-	
	Debt Proceeds			-	-	-	-	
	Net Total Street Fund			5,000	17,779	5,000	9,835	

Development Services Fund

No.	Title/Description	Fund	Initiating Dept.	Amount Requested		Amount Funded		Notes/Comments
				One-Time	Ongoing	One-Time	Ongoing	
1	Cost of living adjustment cut	DS	Dev Svcs	-	(12,485)	-	-	Total cost is \$(92,756) allocated as follows: General Fund \$(35,578), Street Fund \$(7,636), Development Services Fund \$(12,485), Parks Fund \$(23,184), SWM Fund \$(13,873)
2	Electronic Plan Review Transfer-in from General Fund	DS	Dev Svcs	3,000 (3,000)	-	-	-	
	Net Total Development Services			-	(12,485)	-	-	
	Summary:							
	Total Expenditures			3,000	(12,485)	-	-	
	Total Related Revenue			-	-	-	-	
	Total Transfers-in			(3,000)	-	-	-	
	Total Transfers-out			-	-	-	-	
	Total Interfund Loan Receipts			-	-	-	-	
	Total Interfund Loan Disbursements			-	-	-	-	
	Debt Proceeds			-	-	-	-	
	Net Total Development Services			-	(12,485)	-	-	

City of Covington
2015 Budget
Decision Cards

Parks Fund

No.	Title/Description	Fund	Initiating Dept.	Amount Requested		Amount Funded		Notes/Comments
				One-Time	Ongoing	One-Time	Ongoing	
1	Cost of living adjustment cut	Parks		-	(23,184)	-	-	Total cost is \$(92,756) allocated as follows: General Fund \$(35,578), Street Fund \$(7,636), Development Services Fund \$(12,485), Parks Fund \$(23,184), SWM Fund \$(13,873)
2	Two Seasonal maintenance workers (9-month) Reduction to maintenance contract	Parks	Pk Maint	-	18,645 (17,000)	-	18,645 (17,000)	Total cost is \$6,980 allocated as follows: Street Fund \$5,335, Parks Fund \$1,645
3	Additional funds for replacement of backhoe	Parks	Pk Maint	-	1,800	-	-	Total cost is \$0 allocated as follows: Street Fund \$3,600, Parks Fund \$1,800, SWM Fund \$3,600, ER Fund \$(9,000)
4	Additional funds for replacement of maintenance vehicles	Parks	Pks Maint	-	5,990	-	-	Total cost is \$0 allocated as follows: Street Fund \$11,980, Parks Fund \$5,990, SWM Fund \$11,980, ER Fund \$(29,950)
5	Program audio equipment replacement	Parks	Aquatics	1,500	-	1,500	-	
6	Aquatic Center printer/copier replacements	Parks	Aquatics	4,000	-	4,000	-	
7	Aquatic Center staff locker replacement	Parks	Aquatics	5,000	-	5,000	-	
8	Increase lifeguarded programs (all user groups)	Parks	Aquatics	-	29,110	-	-	
9	Baseball field preparation	Parks	Athletics	-	3,050	-	-	
10	Aquatic Center art project continuation	Parks	Recreation	-	3,500	-	3,500	
11	Sponsorship marketing program	Parks	Recreation	-	14,295	-	14,295	
12	Covington Daves partner program	Parks	Recreation	-	7,150	-	-	Only if sponsorship marketing program is not approved
13	Gerry Crick Skate Park - public art	Parks	Recreation	900	-	900	-	
14	Update and expand community event signs	Parks	Recreation	3,000	-	3,000	-	
15	Increase special event programming	Parks	Recreation	-	5,000	-	5,000	
16	Covington Daves generator	Parks	Recreation	1,200	-	1,200	-	
17	Credit card PIN pads	Parks	Multiple	1,200	-	1,200	-	Total cost is \$1,200 allocated as follows: Aquatics \$400, Athletics \$400, Recreation \$400
18	Mobile registration	Parks	Multiple	3,495	-	-	-	Total cost is \$3,495 allocated as follows: Aquatics \$1,747, Athletics \$874, Recreation \$874
19	ACTIVENet training	Parks	Multiple	2,550	-	2,550	-	Total cost is \$2,550 allocated as follows: Aquatics \$850, Athletics \$850, Recreation \$850
20	Demolition of Cedar Creek Park houses Transfer-in from General Fund Reduction of management/maintenance fees Loss of rental revenue	Parks	Parks	40,000 (40,000) - -	- - (6,600) 32,292	40,000 (40,000) -	- - (6,600) 32,292	
21	PROS plan update	Parks	Parks	80,000	-	40,000	-	
22	CPTED training for Parks Planner	Parks	Parks	1,800	-	1,800	-	
	Net Total Parks Fund			104,645	74,048	61,150	50,132	
	Summary:							
	Total Expenditures			144,645	41,756	101,150	17,840	
	Total Related Revenue			-	32,292	-	32,292	
	Total Transfers-in			(40,000)	-	(40,000)	-	
	Total Transfers-out			-	-	-	-	
	Total Interfund Loan Receipts			-	-	-	-	
	Total Interfund Loan Disbursements			-	-	-	-	
	Debt Proceeds			-	-	-	-	
	Net Total Parks Fund			104,645	74,048	61,150	50,132	

Surface Water Management Fund

No.	Title/Description	Fund	Initiating Dept.	Amount Requested		Amount Funded		Notes/Comments
				One-Time	Ongoing	One-Time	Ongoing	
1	Cost of living adjustment cut	SWM	SWM	-	(13,873)	-	-	Total cost is \$(92,756) allocated as follows: General Fund \$(35,578), Street Fund \$(7,636), Development Services Fund \$(12,485), Parks Fund \$(23,184), SWM Fund \$(13,873)
2	Additional funds for replacement of backhoe	SWM	SWM	-	3,600	-	-	Total cost is \$0 allocated as follows: Street Fund \$3,600, Parks Fund \$1,800, SWM Fund \$3,600, ER Fund \$(9,000)
3	Additional funds for replacement of maintenance vehicles	SWM	SWM	-	11,980	-	-	Total cost is \$0 allocated as follows: Street Fund \$11,980, Parks Fund \$5,990, SWM Fund \$11,980, ER Fund \$(29,950)
4	Seasonal maintenance workers	SWM	SWM	45,515	-	45,515	-	
	Net Total Surface Water Management Fund			45,515	1,707	45,515	-	
	Summary:							
	Total Expenditures			45,515	1,707	45,515	-	
	Total Related Revenue			-	-	-	-	
	Total Transfers-in			-	-	-	-	
	Total Transfers-out			-	-	-	-	
	Total Interfund Loan Receipts			-	-	-	-	
	Total Interfund Loan Disbursements			-	-	-	-	
	Debt Proceeds			-	-	-	-	
	Net Total Surface Water Management Fund			45,515	1,707	45,515	-	

Equipment Replacement Fund

No.	Title/Description	Fund	Initiating Dept.	Amount Requested		Amount Funded		Notes/Comments
				One-Time	Ongoing	One-Time	Ongoing	
1	Additional funds for replacement of backhoe	ER	ER	-	(9,000)	-	-	Total cost is \$0 allocated as follows: Street Fund \$3,600, Parks Fund \$1,800, SWM Fund \$3,600, ER Fund \$(9,000)
2	Additional funds for replacement of maintenance vehicles	ER	ER	-	(29,950)	-	-	Total cost is \$0 allocated as follows: Street Fund \$11,980, Parks Fund \$5,990, SWM Fund \$11,980, ER Fund \$(29,950)
3	Replacement funds for new servers	ER	ER	(5,000)	(5,000)	(5,000)	(5,000)	Total cost is \$0 allocated as follows: General Fund \$10,000, ER Fund \$(10,000)
	Net Capital Investment Program Fund			(5,000)	(43,950)	(5,000)	(5,000)	
	Summary:							
	Total Expenditures			-	-	-	-	
	Total Related Revenue			(5,000)	(43,950)	(5,000)	(5,000)	
	Total Transfers-in			-	-	-	-	
	Total Transfers-out			-	-	-	-	
	Total Interfund Loan Receipts			-	-	-	-	
	Total Interfund Loan Disbursements			-	-	-	-	
	Debt Proceeds			-	-	-	-	
	Net Capital Investment Program Fund			(5,000)	(43,950)	(5,000)	(5,000)	

City of Covington
2015 Budget
Decision Cards

Capital Investment Program Fund

No.	Title/Description	Fund	Initiating Dept.	Amount Requested		Amount Funded		Notes/Comments
				One-Time	Ongoing	One-Time	Ongoing	
1	Design funds for 164th Ave SE pedestrian improvement project Transfer-in from General Fund	CIP	CIP	90,000 (90,000)	-	90,000 (90,000)	-	
2	Covington Community Park Phase 1 sales tax liability Transfer-in from General Fund	CIP	CIP	100,000 (100,000)	-	100,000 (100,000)	-	
3	Covington Community Park Phase II Commerce grant liability Transfer-in from General Fund	CIP	CIP	264,000 (264,000)	-	-	-	
4	Aquatic Center rental room remodel Department of Commerce grant Transfer-in from General Fund	CIP	CIP	351,640 (251,640) (100,000)	-	324,650 (224,650) (100,000)	-	
5	Gerry Crick Skate Park renovation Transfer-in from General Fund	CIP	CIP	60,000 (60,000)	-	60,000 (60,000)	-	
6	Jenkins Creek Park concept level master plan Parks fee-in-lieu	CIP	CIP	50,000 (50,000)	-	50,000 (50,000)	-	
7	Tri-parks concept level master plans Parks fee-in-lieu	CIP	CIP	60,000 (60,000)	-	60,000 (60,000)	-	
Net Capital Investment Program Fund				-	-	-	-	
Summary:								
Total Expenditures				975,640	-	684,650	-	
Total Related Revenue				(361,640)	-	(334,650)	-	
Total Transfers-in				(614,000)	-	(350,000)	-	
Total Transfers-out				-	-	-	-	
Total Interfund Loan Receipts				-	-	-	-	
Total Interfund Loan Disbursements				-	-	-	-	
Debt Proceeds				-	-	-	-	
Net Capital Investment Program Fund				-	-	-	-	

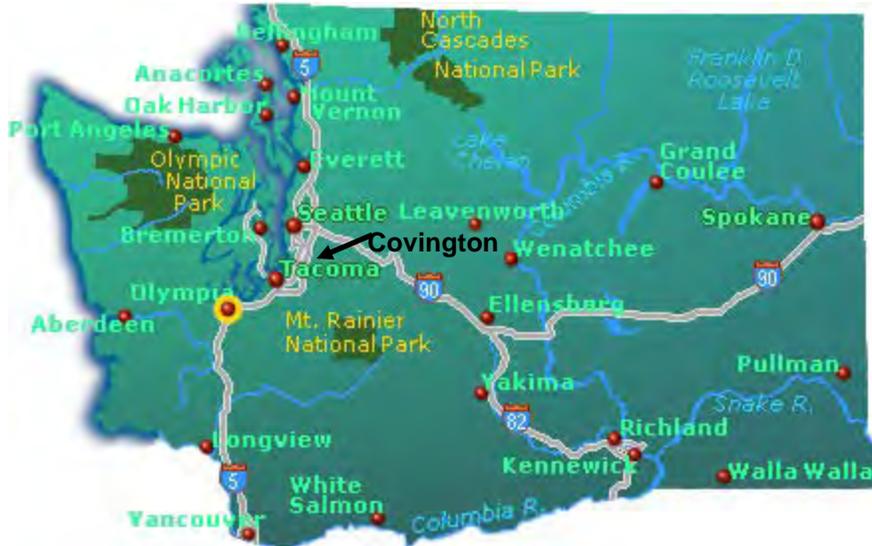
Net Total Decision Cards For All Funds 937,310 213,841 610,825 85,907

Summary of Decision Cards For All Funds

Total Expenditures			1,303,950	225,499	950,475	58,615	
Total Related Revenue			(366,640)	(11,658)	(339,650)	27,292	
Total Transfers-in			(657,000)	-	(390,000)	-	
Total Transfers-out			657,000	-	390,000	-	
Total Interfund Loan Receipts			-	-	-	-	
Total Interfund Loan Disbursements			-	-	-	-	
Debt Proceeds			-	-	-	-	
Net Total Decision Cards for all Funds:			<u>937,310</u>	<u>213,841</u>	<u>610,825</u>	<u>85,907</u>	

STATISTICAL

Covington's place in the State of Washington



Overview

- Incorporated 1997
- Type of Government: Council-Manager
- 56 full-time equivalent employees
- Located at the intersection of Highway 18 and State Route 516 - 30 miles Southeast of Seattle
- Services include: police, parks, streets, planning and general administration, aquatics, stormwater, and human services
- Population growth of 48% since 1997 to current 18,480
- Ranked 56 out of 281 cities in population
- Economy based on diverse mixture of retail, healthcare and residential development

Quality of Life

- A great place to live, work, shop and play
- Parks have grown from 0 in 2000 to 5 in 2013. Number of acres has increased from 12 acres in 2000 to 135 in 2004

City of Covington
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	<u>2015 (Note 3)</u>	<u>2014</u>	<u>2013 (Note 2)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Function										
General Government	14	14	13	13	13	13	13	13	12	12
Community Development	8	7	7	8	6	10	16	16	15	15
Public Safety (Note 1)	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	21	14	11	11	10	10	9	9	8	8
Streets and Highways	5	4	4	12	10	13	14	14	11	11
Surface Water Management	<u>8</u>	<u>8</u>	<u>8</u>	<u>-</u>						
Total	<u>56</u>	<u>47</u>	<u>43</u>	<u>44</u>	<u>39</u>	<u>46</u>	<u>52</u>	<u>52</u>	<u>46</u>	<u>46</u>

Note 1: The City contracts with King County for police officers.

Note 2: In 2013, the City began reporting Surface Water Management separately. Prior to this it was reported in Streets and Highways.

Note 3: Mid-way through 2014, the City began administering athletics programs. This increased our Culture and Recreation staff for 2015.

City of Covington
Employee Positions/Salary Range Schedule
For the Fiscal Year 2015

Position	Salary Range		
	Annual		
City Manager	\$ 146,672	-	\$ 175,133
Community Development Director	\$ 116,180	-	\$ 138,726
Finance Director	\$ 116,180	-	\$ 138,726
Parks & Recreation Director	\$ 116,180	-	\$ 138,726
Public Works Director	\$ 116,180	-	\$ 138,726
Chief Building Official	\$ 100,387	-	\$ 119,868
City Engineer	\$ 94,705	-	\$ 113,083
Deputy Finance Director	\$ 94,705	-	\$ 113,083
Development Review Engineer	\$ 84,288	-	\$ 100,645
Senior Information Systems Administrator	\$ 81,902	-	\$ 97,795
City Clerk/Executive Assistant	\$ 79,516	-	\$ 94,946
Personnel Manager	\$ 77,267	-	\$ 92,261
Principal Planner	\$ 77,267	-	\$ 92,261
Senior Accountant	\$ 75,016	-	\$ 89,573
Maintenance Supervisor	\$ 75,016	-	\$ 89,573
Communications & Marketing Manager	\$ 75,016	-	\$ 89,573
Plans Examiner/Building Inspector	\$ 75,016	-	\$ 89,573
Recreation Manager	\$ 75,016	-	\$ 89,573
Senior Planner	\$ 72,892	-	\$ 87,037
Aquatic Supervisor	\$ 70,769	-	\$ 84,502
Surface Water Management Program Coordinator	\$ 68,725	-	\$ 82,062
Permit Center Coordinator	\$ 66,764	-	\$ 79,720
Construction Inspector	\$ 66,764	-	\$ 79,720
Parks Planner	\$ 66,764	-	\$ 79,720
Associate Planner/Code Enforcement Officer	\$ 64,873	-	\$ 77,462
Programs Supervisor/Public Works	\$ 64,873	-	\$ 77,462
Accountant I	\$ 62,984	-	\$ 75,208
Engineering Technician/GIS Coordinator	\$ 62,984	-	\$ 75,208
Personnel & Human Services Analyst	\$ 61,201	-	\$ 73,076
Senior Deputy City Clerk	\$ 61,201	-	\$ 73,076
Maintenance Worker	\$ 59,420	-	\$ 70,951
Accounting Clerk	\$ 52,883	-	\$ 63,145
Aquatics Specialist	\$ 52,883	-	\$ 63,145
Athletics Specialist	\$ 52,883	-	\$ 63,145
Executive Department Assistant/Receptionist	\$ 48,478	-	\$ 57,885
Customer Service Specialist	\$ 45,733	-	\$ 54,608
Office Technician II/Executive Office	\$ 45,733	-	\$ 54,608
Management Assistant	\$ 40,702	-	\$ 48,600
Water Safety Instructor II	\$ 35,400	-	\$ 42,269
Specialty Instructor	\$ 33,396	-	\$ 39,877
Water Safety Instructor	\$ 33,396	-	\$ 39,877

City of Covington
Employee Positions/Salary Range Schedule
For the Fiscal Year 2015

Position	Salary Range	
	Annual	
Recreation Assistant	\$ 33,396	- \$ 39,877
Helpdesk Technician I	\$ 29,777	- \$ 35,555
Engineering/GIS Intern	\$ 29,555	- \$ 35,291
Finance Assistant	\$ 29,555	- \$ 35,291
Aquatics Lead	\$ 28,145	- \$ 33,607
Lifeguard II	\$ 28,145	- \$ 33,607
Maintenance Worker (Seasonal)	\$ 27,858	- \$ 33,265
Lifeguard	\$ 26,552	- \$ 31,704
Referee	\$ 21,370	- \$ 25,517
Recreation Aide	\$12/hr flat rate	
Office Assistant	\$12/hr flat rate	

City of Covington
Assessed Values of Real and Personal Property
Last Ten Fiscal Years

Fiscal Year	Real Property				Personal Property			Total Assessed Value	New Construction (Note 2)
	Locally Assessed Land	Locally Assessed Improvements	State Assessed Public Utility	Omitted Assessments (Note 1)	Locally Assessed	State Assessed Public Utility	Omitted Assessments (Note 1)		
2006	492,723,430	959,956,197	161,743	325,000	22,262,261	14,301,377	13,174	1,489,743,182	53,849,875
2007	554,745,330	1,066,275,211	163,924	-	27,525,295	13,324,094	3,808,485	1,665,842,339	28,278,992
2008	640,650,490	1,197,306,300	159,219	-	32,183,863	15,773,682	-	1,886,073,554	36,727,701
2009	706,781,218	1,363,213,711	521,551	-	33,644,893	14,943,721	-	2,119,105,094	63,613,630
2010	655,790,432	1,109,425,992	587,076	21,000	31,776,955	25,120,957	151,556	1,822,873,968	28,133,198
2011	666,600,332	1,019,431,097	761,334	-	28,248,339	13,854,937	-	1,728,896,039	3,838,928
2012	616,578,144	930,283,814	762,510	-	25,032,370	13,500,701	-	1,586,157,539	12,531,950
2013	566,151,464	929,017,114	747,801	-	25,245,781	16,292,495	-	1,537,454,655	25,957,902
2014	595,322,736	984,665,314	738,141	-	26,629,589	18,047,054	208,803	1,625,611,637	30,588,960
2015	709,738,515	1,142,830,314	775,095	-	25,714,444	18,122,557	-	1,897,180,925	9,164,339

Note 1: An omitted assessment is property value that should have been included on a prior's roll but will be included in the current roll. Omits are assessed and taxed at the rate in effect for the year omitted.

Note 2: New construction is already included in other values shown. This column is provided for information only.

City of Covington
Property Tax Rates Per \$1,000 of Assessed Value
For the City and all Overlapping Governments
Last Ten Fiscal Years

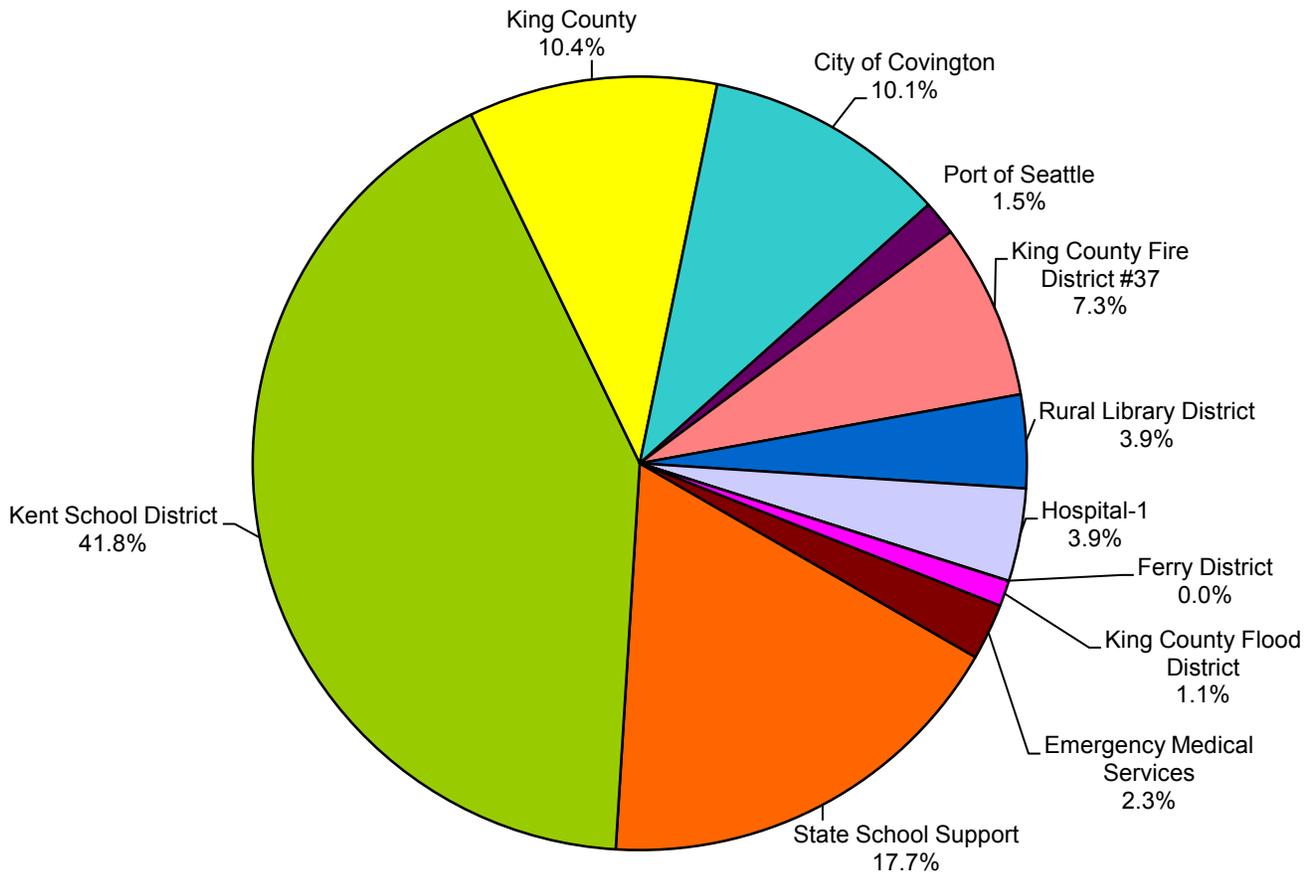
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
State School Fund	\$ 2.49787	\$ 2.32535	\$ 2.13233	\$ 1.96268	\$ 2.22253	\$ 2.27990	\$ 2.42266	\$ 2.56720	\$ 2.47044	\$ 2.28514
Kent School District										
Special Levy	2.65755	2.58756	2.39044	2.30024	2.80694	3.25368	3.55234	3.84665	3.74406	3.62851
Bond Levy	1.73553	1.28303	1.73225	1.52691	1.72361	1.84496	1.74641	1.86073	1.68425	1.40649
Building Fund Levy	0.20026	0.30500	0.27067	0.24237	0.27800	0.28828	0.30111	0.32081	0.30622	0.37867
King County										
Regular Levies										
Current Expense	0.89604	0.84558	0.76686	0.69697	0.80597	0.84638	0.89508	1.00051	0.94477	0.84772
County River Improvement	0.00986	0.00922	-	-	-	-	-	-	-	-
Inter-county River	0.00019	0.00017	0.00015	0.00013	0.00015	0.00015	0.00016	0.00016	0.00015	0.00013
Veteran's Aid	0.00834	0.00780	0.00706	0.00643	0.00746	0.00778	0.00819	0.00846	0.00798	0.00714
Mental Health	0.01854	0.01733	0.01570	0.01430	0.01657	0.01746	0.01838	0.01899	0.01790	0.01603
Transportation	-	-	-	-	0.06501	0.06884	0.07500	0.07500	0.07500	0.06792
Councilmanic Bond Redemption	0.07076	0.06208	0.05923	0.05661	0.06714	0.07479	0.08150	-	-	-
AFIS (voted)	0.05000	0.05680	0.05146	0.04473	0.04571	0.03528	0.03530	0.05920	0.05588	0.05069
Children/Family Justice Center	-	-	-	-	-	-	-	0.07000	0.06597	0.05971
Zoo/Open Space/Trails	-	-	0.05000	0.04749	0.05451	0.05821	0.06308	0.06595	-	-
Veterans/Human Services	-	-	0.04232	0.03856	0.04468	0.04708	0.05000	0.05243	0.04948	0.04488
Parks (voted)	0.04542	0.04244	0.05000	0.04749	0.05451	0.05821	0.06308	0.06595	0.18770	0.17014
Conservation Futures	0.05488	0.05135	0.04641	0.04246	0.04918	0.05191	0.05483	0.05613	0.05296	0.04757
Bond Fund Unlimited	0.17466	0.15007	0.11851	0.10255	0.07410	0.07207	0.07128	0.06772	0.05826	0.03023
City of Covington	1.20452	1.15224	1.04814	0.98104	1.15290	1.36485	1.48090	1.54758	1.53016	1.31259
Port of Seattle										
General Fund	0.08259	0.09552	0.10447	0.19700	0.21597	0.10061	0.10278	0.10430	0.05646	0.11532
Bond Fund	0.15071	0.13606	0.11912	-	-	0.12305	0.12704	0.12894	0.15887	0.07353
King County Fire District #37	1.42180	1.35107	1.35000	1.35001	1.35000	1.00000	1.00000	1.00000	1.00000	0.94855
King County Fire District #37 Reserve	-	-	0.15000	0.14999	0.15000	-	-	-	-	-
Rural Library District	0.45884	0.43295	0.39186	0.36118	0.42188	0.50000	0.50000	0.50000	0.50000	0.44747
Rural Library District- G.O. Bonds	0.07540	0.06732	0.06150	0.05618	0.06338	0.06622	0.06992	0.06743	0.06175	0.05529
Hospital-1	0.05900	0.55652	0.50854	0.47141	0.53290	0.55753	0.50000	0.50000	0.50000	0.50000
Hospital-1 G.O. Bonds	-	-	-	-	-	-	-	-	-	-
Ferry District	-	-	0.05500	0.05018	0.00348	0.00360	0.00372	0.00378	0.00349	0.00306
King County Flood District	-	-	0.10000	0.09123	0.10514	0.10976	0.11616	0.13210	0.15369	0.13860
Emergency Medical Services	0.21982	0.20621	0.30000	0.27404	0.30000	0.30000	0.30000	0.30000	0.33500	0.30217
Total Levy Rate	\$ 12.09258	\$ 11.74167	\$ 11.92202	\$ 11.11218	\$ 12.61172	\$ 13.13060	\$ 13.63892	\$ 14.42002	\$ 14.02044	\$ 12.93755

**City of Covington
Property Tax Levy
Last Ten Fiscal Years**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
				Omits			Regular Levy				
Fiscal Year	Total Assessed Value	Assessed Value of Exempt Property	Assessed Value	Levy Rate Per \$1,000	Levy (3x4)	Assessed Value (1-2-3)	Levy Rate Per \$1,000	Regular Levy (6x7)	Total Property Tax Levy (5+8)	Less Exempt Property (Senior Citizen)	Net Assessed Value for Excess Levy (6-10)
2006	1,489,743,182	5,962,363	338,174	Note 1	422	1,483,442,645	1.20452	1,786,836	1,787,258	7,559,134	1,475,883,511
2007	1,665,842,339	6,040,907	3,808,485	Note 1	4,758	1,655,992,947	1.15224	1,908,101	1,912,859	7,527,754	1,648,465,193
2008	1,886,073,554	5,974,767	-	Note 1	-	1,880,098,787	1.04814	1,970,607	1,970,607	7,949,594	1,872,149,193
2009	2,119,105,094	6,396,197	-	Note 1	-	2,112,708,897	0.98104	2,072,652	2,072,652	9,527,564	2,103,181,333
2010	1,822,873,968	7,205,461	172,556	Note 1	171	1,815,495,951	1.15290	2,093,085	2,093,256	9,898,874	1,805,597,077
2011	1,728,896,039	7,959,822	-	Note 1	-	1,720,936,217	1.36485	2,348,820	2,348,820	11,016,024	1,709,920,193
2012	1,586,157,539	7,327,889	-	Note 1	-	1,578,829,650	1.48090	2,338,089	2,338,089	11,391,334	1,567,438,316
2013	1,537,454,655	7,221,230	-	Note 1	-	1,530,233,425	1.54758	2,368,159	2,368,159	10,356,404	1,519,877,021
2014	1,625,611,637	7,593,347	208,803	Note 1	306	1,617,809,487	1.53016	2,475,507	2,475,813	9,393,164	1,608,416,323
2015	1,897,180,925	7,934,126	-	Note 1	-	1,889,246,799	1.31259	2,479,806	2,479,806	9,590,064	1,879,656,735

Note 1: The levy rate for omits varies depending on the year the omit was for.

**City of Covington
Property Tax Breakdown
for Properties Located Within the City**



**City of Covington
Schedule of Limit on Debt
(Debt Capacity)**

Total 2015 Assessed Value (A.V.) 1,889,246,799

Limit as % of A. V.	General Purpose Capacity			Special Purposes Capacity		Maximum Total Debt Capacity
	Non-Voted	Capital Lease Non-Voted	Voted/ Non-Voted	Parks and Open Space	Utility Purpose	
1.50%	\$ 28,338,702	\$ 28,338,702	\$ -	\$ -	\$ -	\$ -
2.50%	-	-	47,231,170	47,231,170	47,231,170	-
7.50%	-	-	-	-	-	141,693,510
Less Outstanding Debt	\$10,955,449	-	-	-	-	\$10,955,449
Remaining Debt Capacity	\$ 17,383,253	\$ 28,338,702	\$ 47,231,170	\$47,231,170	\$ 47,231,170	\$ 130,738,061

Notes:

- (1) The total indebtedness for general purposes with or without a vote cannot exceed 2.5% of the value of taxable property. General purpose indebtedness includes debt for capital leases, without a vote. The legal limit for capital lease debt is included in the 2.5% and does not constitute extra allowable debt.
- (2) The 1.5% of indebtedness available without a vote is proportionately reduced by capital lease debt or any indebtedness with a vote in excess of 1%.
- (3) Indebtedness for utility or open space and park facilities purposes, with a vote, may exceed 2.5% of the value of taxable property (up to 5%). Any excess will proportionately reduce the margin still available for general purposes.
- (4) The total indebtedness combined cannot exceed 7.5% of the value of taxable property.
- (5) Effective March 2000, capital facilities associated with economic development was an added allowable use in the debt limit category set for parks and open spaces.

**City of Covington
General Obligation Debt
as of December 31, 2014**

Series	Date of Issuance	Final Maturity	Original Par	Bonds Outstanding
2007T (Taxable)	6/5/2007	11/1/2015	\$ 2,505,000	\$ 740,000
2007A (Tax-Exempt)	6/5/2007	11/1/2027	\$10,000,000	\$ 10,000,000
2008 (Tax-Exempt)	6/10/2008	6/1/2023	\$ 308,068	\$ 215,449

Annual Debt Service Requirements to Maturity

Year	General Obligation		Special Assessment		Governmental Activities Other Debt		Total Annual Requirements
	Bonds Principal	Interest	Bonds Principal	Interest	Principal	Interest	
2015	607,660	431,438	214,896	10,745	1,264,738	-	2,529,477
2016	650,625	403,267	214,896	9,670	1,278,458	-	2,556,917
2017	676,458	375,659	214,896	8,596	1,275,609	-	2,551,218
2018	712,325	342,042			1,276,784	-	2,331,152
2019-2023	3,992,163	1,259,931	1,074,479	21,490	6,348,063	-	12,696,126
2024-2028	3,715,000	390,638	214,896	1,074	4,321,608	-	8,643,216
Total	\$ 10,943,285	\$ 3,665,622	\$ 2,148,958	\$ 63,394	\$ 17,043,676	\$ -	\$ 33,864,935

City Bond Ratings

On February 27, 2014 the City held the following bond ratings:

Bond Type	Moody's
Limited Tax General Obligation	Aa3
Overall City Rating	Aa2

**City of Covington
Population Statistics**

Sex and Age (1)			Race(1)		
	Number	Percent		Number	Percent
Total Population	17,575	100.0%	One Race	16,549	94.2%
Male	8,786	50.0%	White	13,378	76.1%
Female	8,789	50.0%	Black or African American	741	2.5%
Under 5 Years	1,194	6.8%	American Indian and Alaska Native	145	0.8%
5 to 9 Years	1,326	7.5%	Asian	1,491	8.5%
10 to 14 Years	1,481	8.4%	Asian Indian	257	1.5%
15 to 19 Years	1,621	9.2%	Chinese	160	0.9%
20 to 24 Years	969	5.5%	Filipino	467	2.7%
25 to 29 Years	1,023	5.8%	Japanese	101	0.6%
30 to 34 Years	1,264	7.2%	Korean	153	0.9%
35 to 39 Years	1,328	7.6%	Vietnamese	133	0.8%
40 to 44 Years	1,451	8.3%	Other Asian (2)	220	1.3%
45 to 49 Years	1,652	9.4%	Native Hawaiian and Other Pacific Islander	100	0.6%
50 to 54 Years	1,384	7.9%	Native Hawaiian	15	0.1%
55 to 59 Years	1,078	6.1%	Guamanian or Chamorro	5	-
60 to 64 Years	699	4.0%	Samoan	43	0.2%
65 to 69 Years	445	2.5%	Other Pacific Islander (3)	37	-
70 to 74 Years	258	1.5%	Some Other Race	694	3.9%
75 to 79 Years	179	1.0%	Two or More Races	1,026	5.8%
80 to 84 Years	118	0.7%	Race Alone or in Combination with One or More Other Races (4)		
85 Years and Over	105	0.6%	White	14,297	81.3%
Median Age (Years)	34.7	(X)	Black or African American	1,033	5.9%
18 Years and Over	12,555	71.4%	American Indian and Alaska Native	429	2.4%
Male	6,189	35.2%	Asian	1,938	11.0%
Female	6,366	36.2%	Native Hawaiian and Other Pacific Islander	192	1.1%
21 Years and Over	11,751	66.9%	Some Other Race	847	4.8%
62 Years and Over	1,492	8.5%	Hispanic or Latino and Race(1)		
65 Years and Over	515	2.9%		Number	Percent
Male	487	2.8%	Total Population	17,575	100.0%
Female	618	3.5%	Hispanic or Latino (of any Race)	1,634	9.3%
			Mexican	1,199	6.8%
			Puerto Rican	85	0.5%
			Cuban	17	0.1%
			Other Hispanic of Latino	333	1.9%
			Not Hispanic or Latino	15,941	90.7%
			White Alone	12,680	72.1%

Note 1: Data Taken From the U.S. Census Bureau, Census 2010

Note 2: Other Asian Alone, or Two or More Asian Categories.

Note 3: Other Pacific Islander Alone, or Two or More Native Hawaiian and Other Pacific Islander Categories.

Note 4: In Combination with One or More of the Other Races Listed. The Six Numbers May Add to More than the Total Population and the Six Percentages May Add to More Than 100 Percent Because Individuals May Report More Than One Race.

- Represents Zero or Rounds to Zero

(X) Not Applicable

**City of Covington
Housing Statistics**

Building Permits		
Fiscal Year	Number	Value
2005	207	36,350,287
2006	135	24,913,396
2007	225	72,000,837
2008	210	49,486,446
2009	131	8,389,520
2010	115	14,805,929
2011	122	32,878,442
2012	268	56,526,914
2013	204	22,309,004
2014	122	3,506,597

Household by Type (1)		
	Number	Percent
Total Households	5,817	100.0%
Family Household (families)	4,649	79.9%
With Own Children Under 18 Years	2,491	42.8%
Husband-Wife Family	3,678	63.2%
With Own Children Under 18 Years	1,905	32.7%
Female Householder, No Husband Present	639	11.0%
With Own Children Under 18 Years	399	6.9%
Nonfamily Households	1,168	20.1%
Householder Living Alone	838	14.4%
Male 65 Years and Over	59	1.0%
Female 65 Years and Over	179	3.1%
Households With Individuals Under 18 Years	2,703	46.5%
Household With Individuals 65 Years and Over	825	14.2%
Average Household Size	3.02	(X)
Average Family Size	3.31	(X)

Relationship (1)		
	Number	Percent
Total Population	17,575	100.0%
In Households	17,545	99.8%
Householder	5,817	33.1%
Spouse	3,678	20.9%
Child	6,103	34.7%
Own Child Under 18 Years	4,566	26.0%
Other Relatives	969	5.5%
Under 18 Years	350	2.0%
65 Years and Over	157	0.9%
Nonrelatives	978	5.6%
Unmarried Partner	437	2.5%
In Group Quarters	30	0.2%
Institutionalized Population	-	-
Noninstitutionalized Population	30	0.2%

Housing Occupancy (1)		
	Number	Percent
Total Housing Units	6,081	100.0%
Occupied Housing Units	5,817	95.7%
Vacant Housing Units	264	4.3%
For Seasonal, Recreational or Occasional Use	13	0.2%
Homeowner Vacancy Rate (percent)	1.9	(X)
Rental Vacancy Rate (percent)	5.0	(X)

Housing Tenure (1)		
	Number	Percent
Occupied Housing Units	5,817	100.0%
Owner Occupied Housing Units	4,807	82.6%
Renter-Occupies Housing Units	1,010	17.4%
Average Household Size of Owner-Occupied Units	3.02	(X)
Average House Size of Renter-Occupied Units	2.99	(X)

Note 1: Data Taken From the U.S. Census Bureau, Census 2010

- Represents Zero or Rounds to Zero

(X) Not Applicable.

City of Covington
Workload Indicators by Function
Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Function										
City Manager (Note 1)										
Citizen Action Requests	201	171	212	194	275	281	268	347	401	N/A
Community Room Rentals	351	221	181	141	160	295	283	230	232	N/A
Contacts by Citizens (Phone and Walk-in)	10,588	10,473	10,802	11,894	11,279	13,088	15,116	12,984	12,014	N/A
Finance (Note 1)										
AP Checks Processed	1,721	1,722	1,757	1,738	1,794	1,772	1,758	1,600	1,829	1,689
AP Invoices Processed	2,897	2,889	2,796	2,797	2,931	3,166	2,994	2,638	2,982	2,339
AP \$ (in Millions)	10	9	10	7	10	10	20	17	10	6
AR Invoices/Statements Processed	303	402	614	838	753	827	751	902	1,020	826
Payroll Checks Processed	2,497	2,361	2,194	2,007	1,976	2,161	2,201	1,950	1,900	1,787
City Clerk (Note 1)										
Public Disclosure Requests	109	110	97	85	88	97	255	288	255	205
Covington Connection E-mails Received	114	61	93	78	116	178	186	243	219	194
Media Pitches (fka Press Releases)	37	19	40	36	57	40	71	62	47	59
Contracts/Agreements	92	103	76	61	45	63	66	35	93	64
Ordinances/Resolutions Passed	37	22	30	32	49	38	49	65	130	113
Community Development										
No. of Permits Issued	122	204	268	122	115	131	209	225	135	207
Estimated Value (in Millions)	4	22	57	39	15	8	49	89	25	36
Public Safety										
No. of Calls for Service	4,581	4,421	4,289	3,803	4,196	4,135	4,026	3,837	4,098	3,982
Reported Crimes	1,459	1,303	1,417	1,418	1,638	1,311	1,631	1,591	1,385	1,338
Traffic Citations	913	1,257	1,055	5,925	1,170	1,470	1,451	1,795	1,956	1,776
No. of Arrests										
Adults	423	393	441	578	602	585	403	418	368	356
Juveniles	50	70	101	80	114	148	117	86	122	141
Culture and Recreation										
Number of Parks	5	5	5	5	5	5	5	5	5	4
Park Acreage	135	135	135	135	135	135	135	135	135	135
Participants at Recreation Swims	25,376	26,523	23,556	20,527	22,068	18,949	21,920	15,351	33,684	32,838
Participants in Aquatic Activities	50,545	51,459	43,343	36,135	37,657	37,235	36,437	35,576	39,064	33,787
Aquatic Center Rental Hours	1,768	1,625	1,302	1,227	1,395	1,271	1,235	1,125	1,211	1,229
Total Program Attendance	111,281	110,652	92,949	81,197	87,620	81,599	83,057	73,427	96,958	91,195
Public Works (Note 1)										
Catch Basins Cleaned	1,296	1,342	248	184	956	2,265	2,265	2,100	1,841	N/A
Slope Mowing Miles	12	12	20	24	37	210	96	48	71	N/A
Landscape Mowing Miles	30	95	80	78	100	71	65	86	22	N/A
Miles of Streets Swept	1,828	1,828	2,056	843	2,274	2,054	2,290	1,192	1,754	N/A
Tons of Asphalt Used	4	11	87	269	58	95	100	94	155	N/A
Work Orders Completed	710	1,066	1,367	1,460	1,519	1,461	1,368	1,267	656	N/A

Note 1: In previous years, some of these workload indicators were not tracked. These are shown as "N/A" (not available).

City of Covington
Sales Tax Revenue Payers by Industry

	Fiscal Year 2013*			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Unknown	3	0.1%	\$ 7,383	0.2%
Agriculture, Forestry, Fishing	15	0.3%	3,323	0.1%
Mining	5	0.1%	199	0.0%
Utilities	4	0.1%	360	0.0%
Construction	1,274	23.6%	332,114	9.9%
Manufacturing	312	5.8%	21,951	0.7%
Wholesale Trade	770	14.3%	53,542	1.6%
Retail Trade	1,478	27.4%	2,314,265	69.1%
Transportation and Warehousing	16	0.3%	862	0.0%
Information	206	3.8%	90,030	2.7%
Finance and Insurance	56	1.0%	6,937	0.2%
Real Estate, Rental, Leasing	144	2.7%	16,893	0.5%
Prof, Sci, Technical Svcs	238	4.4%	12,722	0.4%
Company Management	-	0.0%	-	0.0%
Admin, Supp, Remed Svcs	435	8.1%	31,431	0.9%
Educational Services	46	0.9%	613	0.0%
Health Care Social Assistance	32	0.6%	6,323	0.2%
Arts, Entertain, Recreation	32	0.6%	27,547	0.8%
Accommodation and Food Svcs	73	1.4%	357,098	10.7%
Other Services	241	4.5%	34,668	1.0%
Public Administration	9	0.2%	30,664	0.9%
	5,389	100.0%	\$ 3,348,925	100.0%

Source: Taxtools Database by Microflex, Inc.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not provided. The categories presented are intended to provide alternate information regarding the sources of the state's revenues.

* Data for 2014 was unavailable at the time of publication.

City of Covington
Principal Property Tax Payers
2015 (Note 1,2)

<u>Taxpayer</u>	<u>Type of Business/Property</u>	<u>2015 Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>
Multicare Health Systems	Healthcare	\$ 35,013,100	1	2.15%
TRC MM, LLC	Shopping Center	30,528,700	2	1.88%
Covington Esplanade, LLC	Shopping Center	27,344,200	3	1.68%
South Adagio Apartments, LLC	Apartments	27,110,000	4	1.67%
Covington Group, LLC	Shopping Center	22,073,500	5	1.36%
Fred Meyer Inc.	Department Store	20,721,700	6	1.27%
Costco Wholesale Corp	Commercial	18,315,900	7	1.13%
Wal-Mart Stores, Inc.	Department Store	16,169,000	8	0.99%
Covington Commercial II, LLC	Shopping Center	15,574,600	9	0.96%
Covington Retail Associates, LLC	Shopping Center	<u>13,761,700</u>	10	<u>0.85%</u>
Total Assessed Value of 10 Largest Taxpayers		<u>\$ 226,612,400</u>		<u>13.94%</u>

Note 1: The assessed value does not include personal property.

Note 2: Information for the current period was unavailable at this time.

**City of Covington
Miscellaneous Statistics**

Date of Incorporation - August 31, 1997		City Facilities and Services:	
Form of Government - Council/Manager		Miles of Paved Streets:	Approx. 65
7 Member Elected City Councilmembers Mayor Appointed From Within the Council		Fire Protection: Annexed Into Fire District #37	
Number of Employees	47	Police Protection: Contracted Through King County	
Population (1)	18,480	Number of Police Personnel and Officers	13
Area in Square Miles (1)	6.43	Gas & Electric System: Provided by Puget Sound Energy	
<u>Elections</u>		Water System Provided by: Covington Water District Water District #111	
Registered Voters	10,544	Sewer System: Provided by Soos Creek Sewer District	
Number of Votes Cast Last City Election	4,981		
Percentage Voting Last City Election November 2014	47%		

Note 1: Data Taken From the Office of Financial Management

APPENDIX



city of
covington
growing toward greatness

→ *Vision*

Covington: Unmatched quality of life

→ *Mission*

Covington is a destination community where citizens, businesses and civic leaders collaborate to preserve and foster a strong sense of unity.

→ *Goals*

Economic Development: Encourage and support a business community that is committed to Covington for the long-term and offers diverse products and services, family wage jobs, and a healthy tax base to support public services.

Town Center: Establish Covington Town Center as a vibrant residential, commercial, educational, social, and cultural gathering place that is safe, pedestrian-friendly, well-designed, and well-maintained.

Youth and Families: Provide city services, programs and facilities such as parks and recreation and human services that emphasize and meet the needs of Covington's youth and families.

Neighborhoods: Foster community cohesiveness, communications, and cooperation, and maintain neighborhoods that offer a variety of housing options that are diverse, safe, accessible, and well-designed.

Municipal Services: Plan, develop, implement, and maintain high quality capital infrastructure and services that reflect the needs of a growing community.

Customer Service: Recruit, support, and retain a professional team of employees, volunteers, and stakeholders who offer outstanding customer service, ensure stewardship of the public's money, and promote the City.



City of Covington Financial Management Policies

Purpose

Good stewardship of public funds and assets is the hallmark of sound financial policies. The following policies provide the guidelines necessary to stay in legal compliance and meet the needs of the community both now and in the future.

A. GENERAL BUDGET POLICIES

- A-1 Department directors have primary responsibility for formulating budget proposals in line with City Council and City Manager priority direction, and for implementing, monitoring, and reporting them once they are approved.
- A-2 The Finance Department is responsible for coordinating the overall preparation and administration of the City's budget and Capital Investment Program Plan. This function is fulfilled in compliance with applicable State of Washington statutes governing local government budgeting practices.
- A-3 The Finance Department assists department staff in identifying budget problems, formulating solutions and alternatives, and implementing any necessary corrective actions.
- A-4 The City Council shall adopt the budget by ordinance at the fund level.
- A-5 Interfund charges will be based on recovery of the direct costs associated with providing those services.
- A-6 Regular employee positions will normally be budgeted only in the City's operating funds.
- A-7 Quarterly financial reports, including a review of budgeted expenditures and revenues, will be prepared and reported to the Council at regular meetings. Included will be provisions for amending the budget during the year in order to address unanticipated needs, emergencies, or compliance with State of Washington budgetary statutes. Budget adjustments requiring City Council approval will occur through a process coordinated by the Finance Department and will occur prior to fiscal year end.
- A-8 The Finance Department will review agenda items with potential fiscal impact submitted for City Council action. The objective of these reviews will be to ensure compliance with the budget and disclosure of all fiscal issues to the Council. This information will be presented in the fiscal impact section of each agenda bill.
- A-9 Revenues derived from fees associated with development will be designated for the support of the development activities in the Development Services Fund.
- A-10 The City's budget presentation will be directed at displaying the City's services plan in a Council/constituent-friendly format.
- A-11 Fund Balance – See most recently adopted City of Covington Fund Balance Policy

- A-12 The City will maintain equipment replacement funds that will receive annually budgeted contributions from the operating expenses of departments owning the capital equipment in an amount necessary to replace the equipment at the end of its useful life. Life cycle assumptions and required contributions will be reviewed annually as part of the budget process. Monies collected from the sale of assets carried on the equipment replacement schedules will be receipted to equipment replacement funds. (See most recently adopted City of Covington Equipment Replacement Fund Policies and Procedures.)
- A-13 Interfund loans will be permissible if practical. Interest rates will be computed based on a rolling 12-month average of the State Investment Pool earnings rate.

B. REVENUE POLICIES

The City shall be sensitive to the balance between the need for services and the City's ability to raise fees, charges, and taxes to support those services.

- B-1 The City should strive to maintain a diversified mix of revenues in order to maintain needed services during periods of declining economic activity.
 - a. A base of property taxes and other stable revenues should be developed and maintained to provide a reliable base of revenues during periods of economic downturn.
 - b. The City's overall revenue structure should be designed to recapture for the City some of the financial benefits resulting from City economic and community development investments.
- B-2 The following factors will be considered when the City's taxes are increased, extended, changed, or reduced:
 - a. Stability of the tax source over its expected life.
 - b. Suitability for a pledge against future debt, if that is part of the City Council's long-range intent for the new tax.
 - c. Spread the tax burden throughout the City's tax base by utilizing a broad array of the tax sources available and by investigating mitigation of inequities and hardships where appropriate (e.g., property tax rebates for low-income elderly). Legislative remedies for harmful tax impacts should be sought where appropriate.
 - d. Apply the tax impact information for both residential and business taxpayers against a future vision of what the tax policy decision is intended to foster, in addition to the raising of revenues.
- B-3 As much as is reasonably possible, City services that provide private benefit should be supported by fees and charges in order to provide maximum flexibility in use of general City taxes to meet the cost of services of broader public benefit. Charges for services that benefit specific users should be fully recovered, including all direct and indirect costs including but not limited to, capital costs, department overhead, and Citywide overhead. Departments that impose fees or service charges should prepare and periodically update cost-of-service studies for such service. When consistent with legal requirements, other City interests such as remaining competitive within the region or meeting other City objectives, may dictate a subsidy of a portion of the costs of such services.
- B-4 Sales tax revenues are designed to support general government operations. As such, they will be allocated between the General Fund and the Parks Fund at a level to be determined during each budget cycle.
- B-5 All regular property tax revenues will be allocated to support General Fund services unless there is a ballot measure approved by the voters that directs a certain amount of the property tax capacity be used for other City services.

- B-6 Revenue estimates should be prepared on a conservative basis to minimize the economic fluctuations that could imperil ongoing service programs during the upcoming budget cycle. Revenue increases greater than inflation will require additional documentation. Major revenue sources will require explanation.
- B-7 The Surface Water Management Fund will be reviewed annually and it must have a rate structure adequate to meet its operations and maintenance and long-term capital requirements.
- B-8 Rate increases should be small and applied frequently to avoid an overly burdensome future increase.

C. OPERATING POLICIES

- C-1 Ongoing resources should be equal to or exceed ongoing expenditures. Each City fund budget shall identify ongoing resources that at least match expected ongoing annual requirements. One-time cash transfers and non-recurring ending fund balances will be applied to reserves or to fund one-time expenditures; they will not be used to fund ongoing programs.
- C-2 Unless otherwise stated explicitly by the City Council, the City will not earmark unrestricted revenues for specific purposes in the General Fund. This will preserve the ability of the Council to determine the best use of available revenues to meet changing service requirements.
- C-3 The City will seek to optimize the efficiency and effectiveness of its services to reduce costs and improve service quality.
- C-4 Accurate inventories of all physical assets, their condition, life span, and cost will be maintained. (See most recently adopted City of Covington Capital Asset Policies and Procedures)
- C-5 The Finance Department will develop, maintain, and constantly seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets. All cash received by City departments will be deposited the same business day. The Finance Director has oversight and final authority over cash handling policies and procedures.

D. PURCHASING AND EXPENDITURE CONTROL

- D-1 It is the general policy of the City that all expenditures be rationally related to some public purpose and is reasonable in the amount and nature.
- D-2 Primary responsibility and authority for the expenditure of monies according to the adopted budget will be vested by the City Manager in the department heads.
- D-3 In addition to the primary responsibilities in Policy A-1, the Finance Director will exercise a secondary oversight responsibility for ALL budget expenditures. This includes responsibility for both technical errors and errors of judgment, which should be brought immediately to the attention of the responsible department head and the City Manager. However, unilateral changes may be made in line item expenditures by the Finance Director if deemed necessary in order to expedite the accounts payable process.
- D-4 All purchase orders and/or invoices will be signed by the responsible department head or his/her designee (or City Manager), and reviewed by the appropriate personnel in Finance for budget authority and proper coding.
- D-5 Invoices for the costs of public utilities, telephone, postage, copy machine expenses, and others shared by more than one department will be reviewed and approved by the Finance Director or his/her designee.

- D-6 All expenditures/expenses shall be pre-audited and certified by the Finance Director or his/her designee prior to submitting them to the City Council.
- D-7 The accounts payable process will occur every other week opposite payroll. City Council approval will occur at the following Council meeting. The execution of checks in advance of City Council approval will occur under the following condition:

Members of the City Council's Finance Committee will review and approve the supporting documentation of such disbursement before the next regularly scheduled meeting.

If the City Council at the subsequent Council meeting (after review), disapproves any such checks, the disapproved claims will be recognized as a receivable of the City and collections of said receivable will be diligently pursued until the amounts disapproved are collected or until the Council is satisfied and approves the claims.
- D-8 All significant purchases should be made only after an effort to compare prices and alternatives from more than one vendor.
- D-9 Credit cards may be issued to the City Manager, Department Heads, and employees for travel and other business related expenses. (see Ordinance 03-06)
- D-10 Non-employees such as volunteers are required to get prior authorization from staff before making purchases.

E. CONTRACT MANAGEMENT

- E-1 When a project is presented to the Council for consideration, a preliminary budget estimate will be included. This estimate will show separate costs for the various phases of the project, including preliminary design, construction, and administration costs. Preliminary budget estimates may also provide for additional contract cost contingencies with the amount dependent upon the type of project and degree of uncertainties. When the Council approves a project they are also authorizing the budget in each contract category including the contingencies budget.
- E-2 Prior to formal bidding for construction services, an engineer's estimate will be approved by the Council. Once the bids are opened, a revised budget may be brought back to the Council for approval, with the request to award the bid. When the Council awards the bid, it will also approve a revised budget or confirm the original budget as it finds to be in the best interest of the City.
- E-3 When awarding professional service contracts the Council will authorize the City Manager to enter into a contract for a written scope-of-work on a cost plus basis with a stated "not-to-exceed" contract total cost. The dollar total will be broken down by major tasks, including a contingency budget if necessary.
- E-4 The City will comply with RCW 39.80.010 when negotiating contracts for architectural and engineering services.
- E-5 Professional service contracts may be authorized with a single consultant for several phases of work on the same project. The contract may be approved by Council, and subsequent phases may be authorized by the Council in the form of contract amendments.
- E-6 The Public Works Director will have the authority to authorize payments up to the total contract only. If the scope-of-work does not change and the total cost is not violated, different amounts may be spent among the tasks within project budget categories. Changes in either the scope-of-work or the authorized budget shall be approved by the City Council as an amendment to the original contract.
- E-7 After the award of contract only the City Manager or his/her designee will have the authority to approve change orders per the [purchasing policy](#). The process for handling change orders will be spelled out in the construction contract.

- E-8 The City Manager will report all change orders to the City Council including the dollar amount.
- E-9 Any proposed change orders that exceed the budget amount will be submitted to Council for approval.
- E-10 All contract and lease agreements will be reviewed by the Finance Director and City Attorney prior to final approval.

F. GENERAL LEDGER ACCOUNTS

- F-1 A Petty Cash Fund is hereby authorized in the amount of \$600 for minor disbursements. It will be periodically restored by a check drawn and charged to applicable accounts. The amount of the check should equal the aggregate of the disbursements.

Petty Cash purchases are limited to expenditures of \$50 or less, and shall be approved by the appropriate Department Head or his/her designee, using a Petty Cash Request Form, prior to receipt of cash.

Individuals receiving Petty Cash shall immediately return to the Finance Department the receipt, any change due, and sign a verifying receipt of cash.

The Finance Director will delegate the custodian of the Petty Cash, and this individual will be independent of cashiering and check signing duties.

The Petty Cash Fund will be periodically audited by a person other than the custodian, usually the Finance Director or his/her designee

- F-2 New revenue and expenditure accounts can only be authorized by the Finance Director or his/her designee and will only be set up if it's in the best interest of the accounting system. Finance will limit the number of new accounts.

G. DEBT POLICY

Background

The City of Covington (City) maintains conservative financial policies to assure strong financial health both in the short- and long-term. The City is an infrequent issuer of debt with debt primarily used as a tool to finance large capital investments.

Achieving and maintaining a solid bond rating is an important objective of the City's financial policies. To this end, the City is constantly working to improve its financial policies, budgets, forecasts, and financial health.

Purpose

This policy sets forth the criteria for issuance and repayment of debt. The primary objective of the Debt Policy is to establish criteria that will protect the City's financial integrity while providing a funding mechanism to meet the City's capital needs. All debt issued will be in compliance with this policy, Chapter 35A.40 Revised Code of Washington (RCW) - Fiscal Provisions Applicable to Code Cities and Chapter 43.80 RCW - Fiscal Agencies along with all other City, State, and Federal laws, rules, and regulations.

Scope

This Policy provides general guidance for the issuance and management of all City debt.

Responsibility

Authority to issue and manage debt is derived from titles 35 and 35A RCW (including without limitation RCW 35A.40.080-.090, chapter 35.37 RCW and chapter 35.41 RCW). This section gives the Finance Director authority to act in the capacity of City Treasurer, which includes the duties of debt management.

The Finance Director is responsible for assuring that the activities related to the issuance and payment of bonds or other obligations not jeopardize the bond rating.

G-1 Budgeting and Capital Planning

The City shall develop and maintain a capital planning process such as the annual Capital Investment Program for consideration and adoption by the City Council as part of the City's budget process. The Finance Department is responsible for coordinating and analyzing the debt requirements. This will include timing of debt, calculation of outstanding debt, debt limitation calculations and compliance, impact on future debt burdens, and current revenue requirements.

Prior to issuance of debt, the City will prepare revenue projections, such as the annual budget or the Financial Forecast, to ensure that there is adequate revenue to make principal and interest payments.

G-2 Types of Long-Term Debt

The following is a description of the types of long-term debt the City may issue:

1. General Obligation

This debt is backed by the full faith and credit of the City. State law limits this debt to 2.5% of the value of taxable property within the City for each of three purposes:

a. General Purposes

Debt issued in this category can be used for any purpose allowed by law.

Non-Voted

The City Council may authorize the issuance of general obligation debt up to 1.5% of the City's assessed value without a vote of the public as long as there is an available source of funding to pay the debt service. This funding source can be the diversion of an existing revenue source or a new revenue coming from the enactment of a new tax or other revenue source. The debt can take the form of bonds, lease-purchase agreements, conditional sales contracts, certificates of participation, or other forms of installment debt.

Voted

The City Council may place any general obligation debt issue before the electorate. According to State law, if a debt issue is placed before the City's electorate, it must receive a 60% or greater yes vote and have a turnout of at least 40% of those voting at the previous general election. Voted issues are limited to capital purposes only.

b. Open Space and Parks

Debt issued in this category must be used for park and open space and/or recreation facilities. All debt in this category must be approved by the voters, and if so approved, the City is provided with an additional amount of debt capacity up to 2.5% of the value of taxable property within the City.

c. Local Option Capital Asset Lending (LOCAL) Program Debt

The City Council may authorize a financing contract with the Office of the State Treasurer under chapter 39.94 RCW. LOCAL borrowings count against the City's non-voted debt limit.

2. Revenue Debt

Revenue bonds are generally payable from a designated source of revenue generated by the project which was financed. No taxing power or general fund pledge is provided as security. Unlike general obligation bonds, revenue bonds are not subject to constitutional or statutory debt limitations nor is voter approval required.

3. Local Improvement District (LID) Debt

LID bonds are payable solely from assessments of property owners within the local improvement district. Similar to revenue debt, no taxing power or general fund pledge is provided as security, and LID bonds are not subject to statutory debt limitations.

The debt is backed by the value of the property within the district and an LID Guaranty Fund. The LID Guaranty Fund is required by State law.

Assessment Debt (LID) is preferred to General Debt to fund improvements that specially benefit specific properties

G-3 Short-Term Debt and Interim Financing

The City may utilize short-term borrowing in anticipation of long-term bond issuance or to fund cash flow needs in anticipation of tax or other revenue sources.

The Finance Director is authorized to make loans from one City fund to another City fund for periods not exceeding three months. The Finance Director or designee is required to assure that the lending fund will have adequate cash balances to continue to meet current expenses after the loan is made and until repayment from the receiving fund.

Interim Financing of Major Capital Projects

Interim financing of major capital projects may be arranged by Bond Anticipation Notes (BANS), interfund loans, or lines of credit with a major financial institution.

a. General Guidelines:

1. To the extent possible the City will utilize interfund loans for interim financing of capital projects, either in whole or in part. Interfund loans provide the lowest borrowing cost to the City as the interest expense to the borrowing fund is offset by interest income to the lending fund. Available funds consist of cash, State Investment Pool balances or other relatively liquid investments. The decision to sell long-term investments to provide funds for interfund loans will be made by the City Council based on applicable policies.
2. The decision to use the City's line of credit or the issuance of BANS should employ a cost/cash flow analysis comparing the two financing options. The administrative costs for bond counsel, underwriter and other fees will be taken into account for the costs of BANS. Other factors impacting the decision, such as the capacity of the line of credit, the timing of issuing permanent financing for paying down the line of credit prior to its maturity date, anticipated interest rate changes and arbitrage regulations will also be considered.

b. Line of Credit: If a line of credit is used the following policies will apply:

1. The line of credit is restricted to use for interim financing of capital projects for which long term-bonds are expected to be issued within two years of adoption of the ordinance or for which reimbursable grant monies are expected.

2. Upon sale of bonds for permanent financing of a project or receipt of grant funds, such funds will be used to immediately pay off the amount of the line of credit utilized by each project, including interest charged for use of the line of credit.
 3. Each authorization of the line of credit will identify the particular project eligible and contain a specific not-to-exceed amount for each project.
 4. Use of the line of credit for normal operating expenditures is prohibited.
 5. The outstanding general obligation line of credit amount in conjunction with the City's other general obligations may not at anytime exceed the City's statutory debt limit.
- c. Bond Anticipation Notes (Bond Anticipation Notes). If BANs are used the following policies will apply:
1. The BANs will have a maximum maturity of two years from their issue date.
 2. BANs can only be issued after a formally adopted bond ordinance by City Council.
 3. The bond ordinance for the BANs will set a specific principal amount and identify the specific project(s) for which the proceeds are to be used.
 4. Bond counsel charges, underwriter fees and other issuance costs may be included and paid from the BAN proceeds.
 5. BANs will be subordinate to any outstanding bonds of the City.
- d. Tax Anticipation Notes (TANs). If TANs are used the following policies will apply:
1. TANs will be used only where there is a significant misalignment between the timing of City tax receipts and City cash needs.
 2. TANs will be structured to conform to federal tax requirements, i.e. no longer than 13 month maturities and state law where they must mature within six months after the end of the fiscal year in which the TANs are issued.
- e. Grant Anticipation Notes (GANs) If GANs are used the following policies will apply:
1. GANs will be used only to assist with City cash flow needs on projects and programs where federal and/or state grants have been committed, but where there is a lag between City expenditures and reimbursement but the granting agency.
 2. GANs will be structured to conform to federal tax requirements.
- f. If an interfund loan is used the following policies will apply.
1. Interfund loans may only be made upon formal adoption of a resolution by the City Council.
 2. The resolution for the interfund loan will set forth the term and amount of the loan, a schedule of repayment including interest; and set a current market rate of interest for loans of similar maturity and amount.
 3. Interfund loans for interim financing of major capital projects made in anticipation of the issuance of long term bonds shall be repaid in full (including accrued interest) upon receipt of the bond proceeds.

The loaning fund shall have adequate funds to make the loan and to meet its anticipated operating needs over the life of the loan.

G-4 Limitation of Indebtedness

In addition to the limitations required by the RCW, the City's indebtedness is further limited by this policy to assure strong financial health. The limitations are applied to the assessed value of the City to arrive at a dollar value of indebtedness. For example, the 2005 assessed valuation used to determine the 2006 property tax levy was \$1.5 billion, and the statutory limitation for general obligation debt is 2.5%. Therefore, the City's statutory debt limitation is \$37.5 million. The following matrix shows the general limitation by type of debt. These limitations may be modified by the City Council up to the statutory limitation at the Council's discretion.

Type of Debt	Statutory Limitations	Policy Limitations	2006 Covington Actual
General Obligation:	2.5%	2.5%	0.0%
General Purpose			
Non-Voted	1.5%	1.5%	0.0%
Voted	1.0%	1.00%	0.0%
Parks, Open Space and Economic Development	2.5%	1.75%	0.0%
Utilities	2.5%	1.75%	0.0%
Revenue	no limit	no limit *	NA
Local Improvement District	no limit	no-limit *	NA

* Revenue and LID debt is not limited because no taxing power or general fund pledge is provided as security.

G-5 Structure and Term of Debt

1. Debt Repayment

The City shall pay all interest and repay all debt in accordance with the terms of the bond ordinance. The maturity of bonds issued should be the same or less than the expected life of the applicable project for which the bonds were issued. To the extent possible, the City will seek level or declining debt repayment schedules.

2. Variable-Rate Securities

When appropriate, the City may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of the securities. However, other than for short-term lines of credit and BANS, the City will avoid over use of variable-rate debt due to the potential volatility of such instruments

G-6 Professional Services

The City's Finance Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt program.

1. Bond Counsel

All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt. The City's Finance Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt program.

2. Financial Advisor

A Financial Advisor(s) will be used to assist in the issuance of the City's debt. The Financial Advisor will provide the City with objective advice and analysis on debt issuance. This includes, but is not limited to, monitoring market opportunities, structuring and pricing debt, and preparing official statements of disclosure.

3. Underwriters

An Underwriter(s) will be used for all debt issued in a negotiated or private placement sale method. The Underwriter is responsible for purchasing negotiated or private placement debt and reselling the debt to investors.

4. Fiscal Agent

A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders. In accordance with Chapter 43.80 RCW, the City will use the Fiscal Agent that is appointed by the State.

G-7 Method of Sale

Presumption of Competitive Sale — The City will generally issue its debt through a competitive process but may use a negotiated process under the following conditions:

- The bond issue is, or contains, a refinancing that is dependent on market/interest rate timing.
- At the time of issuance, the interest rate environment or economic factors that affect the bond issue are volatile.
- The nature of the debt is unique and requires particular skills from the underwriter(s) involved.
- The debt issued is bound by a compressed time line due to extenuating circumstances such that time is of the essence and a competitive process cannot be accomplished.

Competitive Bid Method — any competitive sale of the City of Covington debt will require approval of the City Council. City of Covington debt issued on a competitive bid basis will be sold to the bidder proposing the lowest true interest cost (TIC) to the City. Such bid may take the form of hand-delivered or electronically transmitted offers to purchase the bonds.

Negotiated Bid Method — when deemed appropriate to minimize the costs and risks of the City of Covington's debt issue, the Finance Director will submit to the City Council a request to sell the debt issue on a negotiated basis. If debt is sold on a negotiated basis, the negotiations of terms and conditions shall include, but not be limited to, prices, interest rates, underwriting or remarking fees and commissions.

The City of Covington, with assistance of its Financial Advisor, shall evaluate the terms offered by the underwriting team. Evaluations of prices, interest rates, fees and commissions shall include prevailing terms and conditions in the marketplace for comparable issuers.

The City of Covington shall, with assistance of its Financial Advisor, oversee the bond allocation process. The bond allocation process shall be managed by the lead underwriter, with the following requirements:

- ✓ The bonds are allocated fairly among members of the underwriting team, consistent with the previously negotiated terms and conditions;
- ✓ The allocation process complies with all Municipal Securities Rulemaking Board regulations governing order priorities and allocations; and
- ✓ The lead underwriter shall submit to the Finance Director a complete and timely account of all orders, allocations, and underwriting activities.

The Finance Director shall require a post-sale analysis and reporting for each negotiated bond sale. The independent Financial Advisor shall perform such analysis and provide a final pricing book by the day of the closing. A post-sale analysis will include, but not be limited to:

- ✓ Summary of the pricing, including copies of the actual pricing wires;
- ✓ Results of comparable bond sales in the market at the time of the City's pricing;
- ✓ Detailed information on a) orders and allocation of bonds, by underwriting firm, b) detailed information on final designations earned by each underwriter, and c) a summary of total compensation received by each underwriter; and
- ✓ Historic comparisons to Municipal Market Data indexes — day of sale basis.

No debt issue will be sold on a negotiated basis without an independent Financial Advisor.

G-8 Credit Ratings

The City will maintain good communication with bond rating agencies about its financial condition. This effort will include providing periodic updates on the City's general financial condition, coordinating meetings, and presentations in conjunction with a new issuance. The City will continually strive to maintain its bond rating by improving financial policies, budgets, forecasts and the financial health of the City.

Credit enhancements may be used to improve or establish a credit rating on a City debt obligation. Credit enhancements should only be used if cost effective.

G-9 Refunding Debt

A debt refunding is a refinance of debt typically done to take advantage of lower interest rates. Unless otherwise justified, such as a desire to remove or change a bond covenant, a debt refunding will require a present value savings of three percent of the principal amount of the refunding debt being issued.

G-10 Arbitrage Rebate Monitoring and Reporting

The City will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond ordinance, contract, or other documents to avoid arbitrage. Arbitrage is the interest earned on the investment of the bond proceeds above the interest paid on the debt. If arbitrage occurs, the City will pay the amount of the arbitrage to the Federal Government as required by Internal Revenue Service Regulation 1.148-11.

The Finance Director shall, when deemed necessary or when required, procure the services of an arbitrage rebate calculation firm. The purpose of the arbitrage rebate calculation firm is to provide arbitrage rebate compliance services in accordance with the Internal Revenue Code of 1986, as amended ("Code").

The City will maintain a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirement of the IRS regulation. For each bond issue not used within the established time frame, the recordkeeping shall include tracking investment earnings on bond proceeds, calculating rebate payments, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the outstanding debt.

G-11 Covenant Compliance

The City will comply with all covenants stated in the bond ordinance, contract, etc.

G-12 Ongoing Disclosure

The Finance Director shall be responsible for providing annual disclosure information to established national information repositories and for maintaining compliance with disclosure statements as required by state and national regulatory bodies. Disclosure required by the Securities & Exchange Commission shall occur by the date designated in the bond ordinance, which is currently July 31 of each year. Disclosure shall take the form of the Comprehensive Annual Financial Report (CAFR) unless information is required by a particular bond issue that is not reasonably contained within the CAFR.

G-13 Structural Elements

Maturity — The City of Covington shall issue debt with an average life less than or equal to the average life of the assets being financed. Unless otherwise stated in law, the final maturity of the debt shall be no longer than 40 years (RCW 39.46.110).

Debt Service Structure — unless otherwise justified and deemed necessary, debt service should be structured on a level basis. Refunding bonds should be structured to produce equal savings by fiscal year. Unless otherwise justified and deemed necessary, debt shall not have capitalized interest. If appropriate, debt service reserve funds may be used for revenue bonds.

Maturity Structure — the City of Covington's long-term debt may include serial and term bonds. Unless otherwise justified, term bonds should be sold with mandatory sinking fund requirements.

Price Structure — the City of Covington's long-term debt may include par, discount, and premium bonds. Discount and premium bonds must be demonstrated to be advantageous relative to par bond structures, given applicable market conditions,

Coupon Type— unless otherwise justified and deemed necessary, long-term debt will be sold using current interest coupons. If justified and deemed necessary, capital appreciation bonds (zero coupon bonds) may be issued.

Redemption Features — for each transaction, the City of Covington shall evaluate the costs and benefits of call provisions.

Bond Insurance — for each transaction, the City of Covington shall evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the City of Covington shall be competitively procured.

Tax-exemption - Unless otherwise justified and deemed necessary, the City of Covington shall issue its debt on a tax-exempt basis.

G-14 **Pledge of revenues** — The City of Covington's pledge of revenues shall be determined for each debt issue depending upon the debt instrument:

- ✓ **Unlimited Tax General Obligation Bonds:** Unlimited Tax General Obligation Bonds of the City of Covington shall be repaid from voter- approved excess property taxes on property within the jurisdiction of the City of Covington.
- ✓ **Limited Tax General Obligation Bonds:** Limited Tax General Obligation Bonds of the City of Covington shall be repaid from regular property taxes on property within the jurisdiction of the City of Covington, together with other legally available sources such as sales tax, real estate excise tax, or reserve funds.
- ✓ **Revenue Bonds:** Revenue Bonds of the City of Covington shall be repaid from specified revenues, as defined in the authorizing ordinance.
- ✓ **Special Assessment Bonds:** Special Assessment Bonds of the City of Covington shall be repaid from assessments collected from within a special assessment district formed by the City of Covington pursuant to applicable law.
- ✓ **Local Option Capital Asset Lending (LOCAL) Program Debt:** (LOCAL) Program Debt of the City of Covington shall be repaid from property taxes on property within the jurisdiction of the City of Covington, together with other legally available sources.

- ✓ **Other Debt Instruments [if applicable]:** Other Debt Instruments of the City of Covington shall be repaid from revenues, as defined in the authorizing ordinance

G-15 Rating Agencies

The Finance Department shall manage relationships with the rating analysts assigned to the City of Covington's credit, using both informal and formal methods to disseminate information. Communication with the rating agencies shall include:

- ✓ Full disclosure, on an annual basis, of the financial condition of the City of Covington;
- ✓ A formal presentation, on a regular basis, to the rating agencies, covering economic, financial, operational and other issues that impact the City of Covington's credit;
- ✓ Timely disclosure of any financial events that may impact the City of Covington's credit;
- ✓ Timely dissemination of the Annual Financial Report, following its completion; and
- ✓ Complete and timely distribution of any documents pertaining to the sale of bonds.

Credit Objective - The City of Covington shall seek to maintain and improve its credit rating.

Bond Insurers

The Finance Director shall manage relationships with the analysts at the bond insurers assigned to the City of Covington's credit, using both informal and formal methods to disseminate information.

G-16 Investment of Proceeds

General — The City of Covington shall comply with all applicable Federal, State, and contractual restrictions regarding the investment of bond proceeds, including City of Covington's Investment Policy. This includes compliance with restrictions on the types of investment securities allowed, restrictions on the allowable yield of some invested funds as well as restrictions on the Time period over which some bond proceeds may be invested.

Refunding Escrow – Unless otherwise justified and deemed necessary City of Covington shall utilize State and Local Government Series (SLGS) for the refunding escrow. SLGS are special series of U.S. Treasury securities.

If open markets securities are deemed appropriate the City of Covington shall in consultation with bond counsel comply with each of the following:

- a. Make a bona fide solicitation for securities and, of the bids received, at least three are bona fide bids from sellers that have no involvement in the pricing of the issue; and
- b. Purchase securities from the bidder which made the highest yielding bid and such securities have a yield at least as high as such bid.

G-17 Bond Users Clearinghouse

The City of Covington shall ensure that the Bond Users Clearinghouse receives municipal bond information for all debt sold as provided by Chapters 39.44.200 through 39.44.240 RCW and Chapter 365-130 WAG. The information requested by RCW 39.44.210 includes but is not limited to:

- ✓ the par value of the bond issue;
- ✓ the effective interest rates;
- ✓ a schedule of maturities;
- ✓ the purposes of the bond issue;
- ✓ cost of issuance information; and
- ✓ the type of bonds that are issued.

G-18 Legal Covenants

The City of Covington shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering.

G-19 Refunding Savings Thresholds

Refundings will be conducted in accordance with the Refunding Bond Act, chapter 3953 RCW. Unless otherwise justified, City of Covington will refinance debt to achieve true savings as market opportunities arise.

Unless otherwise justified, an “advance refunding” transaction will require a present value savings of five percent of the principal amount of the refunding debt being issued.

Unless otherwise justified, a “current refunding” transaction will require graduated present value savings as follows:

Years Between Call and Final Redemption	Present Value Standard
1-2 years	1%
3-4 years	2%
5-6 years	3%
7-8 years	4%
9+ years	5%

Selection of maturities to be refunded — unless otherwise justified, all callable maturities of an issue will be included in a refunding.

G-20 Derivative Products

No derivative products will be utilized unless permitted by law, and not without prior City Council approval. No derivative products shall be utilized without an analysis by an independent financial advisor. No derivative products shall be used for the purpose of interest rate speculation.

G-21 Alternative Financings Schemes

The City of Covington shall not utilize alternative financing schemes to avoid restrictions imposed by law or to utilize tax loop-holes.

G-22 Evaluating Capital Improvement Program Spending

The City of Covington shall integrate its debt issuance with its Capital Improvement Program spending.

G-23 Modeling the Impact of Capital Program Needs

The City of Covington shall develop and maintain a capital finance model to evaluate the impact of capital program spending, operations and maintenance costs, and debt service on its financial condition. To that end, the Finance Department shall oversee the ongoing maintenance of quantitative modeling that includes, but is not limited to, the following:

- ✓ Historic and projected cash flows for capital and operating expenditures;
- ✓ Historic and projected fund balances;
- ✓ Historic and projected debt service coverage; and
- ✓ Projected revenue requirements.

G-24 Debt Database Management

The City of Covington shall maintain complete information on its outstanding debt portfolio, in a database format. The information in the database shall include, but not be limited to, the following:

- ✓ Issue Name
- ✓ Initial Par Amount of the Issue
- ✓ Dated Date and Sale Date of the Issue
- ✓ Purpose of the Issue
- ✓ Security Type (Fixed or Variable) of the Issue
- ✓ Issue Type (New Money or Refunding) of the Issue
- ✓ Sale type (Competitive or Negotiated) of the Issue
- ✓ TIC, Arbitrage Yield, Avg. Life, and Underwriters Discount of the Issue
- ✓ Underwriter(s) of the Issue
- ✓ Principal Amounts by Maturity
- ✓ Principal Amounts Outstanding by Maturity
- ✓ Coupon Rate and Coupon Type (Current Interest or Zeros) by Maturity
- ✓ Original Yield and Original Price by Maturity
- ✓ Interest Payment Frequency by Maturity
- ✓ First Interest Payment Date by Maturity
- ✓ Call Provisions by Maturity
- ✓ Sinking Provisions by Maturity
- ✓ Credit Enhancement, if any, by Maturity

The City of Covington shall use the debt database for the following purposes:

- ✓ Generate reports;
- ✓ Refunding Analyses; and
- ✓ Output to Fund Accounting System.

G-25 Accounting for the Issuance of Debt

The City of Covington shall account for the issuance of debt using general accepted accounting principals (“GAAP”) as established by the Governmental Accounting Standards Board (“GASB”). Cost of issuance shall be reported as an expenditure rather than netted against proceeds.

G-26 Debt Policy Review

The City of Covington shall review and update its debt policy every four years.

H. INVESTMENT

- H-1 The City's primary objective is to manage its total cash and cash equivalent assets in a manner that conforms completely to the constraints of this policy while maximizing the interest earnings of the portfolio. This will be done in a manner that supports the government's primary purpose of providing services to its citizens.

The primary purpose in determining a strategy for the City of Covington's investment activities is as follows:

Legality: The City's investments will be in compliance with all statutes governing the investment of public funds. This includes the Revised Code of Washington, the BARS manual, this investment policy and corresponding administrative procedures.

Safety: Safety of principal is of primary importance to the City. Investments of the City will be undertaken in a manner that seeks to guard the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from other investments.

Liquidity: The City's investments will remain sufficiently liquid to facilitate the City's need to meet all operating and debt requirements which might be reasonably anticipated.

Yield: The City's investments will be established with the objective of achieving a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow characteristics of the portfolio.

- H-2 The City has also determined to limit investment purchases to the following investment types, which the City has determined best meet their overall investment strategy. This authorization applies to all City funds.
- a. Investment deposits, including certificates of deposit, with qualified public depositories as defined in Chapter 39.58 RCW.
 - b. Certificates, notes, or bonds of the United States, or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States (such as the Government National Mortgage Association). However, this authorization will specifically exclude Collateralized Mortgage Obligations (CMOs), Real Estate Mortgage Investment Conduits (REMICs), and other Principal Only (POs) and Interest Only (IOs) obligations that are secured with mortgages issued by any federal agency, instrumentality or private firm.
 - c. Obligations of government-sponsored corporations which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System. (These include but are not limited to Federal Home Loan Bank notes and bonds, Federal Farm Credit Bank consolidated notes and bonds, Federal National Mortgage Association notes, debentures, and guaranteed certificates of participation.)
 - d. Washington State Local Government Investment Pool.
 - e. Bonds of the State of Washington and any local government in the State provided they carry a current debt rating in the top three categories of a nationally recognized rating agency at the time of investment.
 - f. Prime Banker's Acceptances purchased on the secondary market with ratings of A1/P1 by a nationally recognized rating agency.
 - g. Repurchase agreements for securities listed above, provided that the transaction is structured so that the City of Covington obtains control over the underlying securities and a Master Repurchase Agreement has been signed with the bank or dealer. Collateralization will be required on all repurchase agreements at a level of 102% of the market value of principal and accrued interest. This is to anticipate any market changes and to provide an adequate level of security for all funds. Collateral is limited to the types of investments detailed in this section.
- H-3 The Finance Director will consider all investments as common investments whose ownership is derived from each participating fund. Interest earned by the common investment portfolio will be applied in its entirety to each participating fund on the basis of its available cash balance. Unless specified by the Finance Director, all cash and cash equivalent assets of every fund will be considered available for investment. The only exception to the common investment portfolio will be investments made from the proceeds of bond sales and only to the extent necessary to provide a separate accounting of investment activity.
- H-4 Funds set aside to satisfy City debt in conjunction with an advance refunding agreement will be invested in accordance with appropriate bond documents and not necessarily in compliance with this policy. If bond covenants are more restrictive than this policy, funds will be invested in full compliance with those additional restrictions.

- H-5 All investments of the City of Covington shall be made in compliance with Federal and State law and in accordance with those legal interpretations that apply. The investment of any tax-exempt borrowing proceeds and of any debt service funds shall comply with the 1986 Tax Reform Act if that Act applies to the debt issued.
- H-6 The Finance Director is the investment officer of the City. The Finance Director will develop written procedures for the operation of the investment program consistent with this investment policy and approved by the City Manager. These procedures will include a detailed delegation of authority to persons responsible for investment transactions. The Finance Director will be responsible for all transactions undertaken and will establish a system of controls to regulate the activities of subordinate employees. The Finance Director will ensure a periodic independent annual review of investment activities and internal controls are preformed by the external-auditing agency.
- H-7 The City Manager will provide investment oversight to the Finance Director. The Finance Director will report investment activity monthly to the City Manager and semi-annually to the City Council. The City Council will amend the Investment Policy, as needed, by Resolution.
- H-8 Investments will be made with judgment and care, in consideration of the circumstances then prevailing, which person(s) of prudence, discretion and intelligence would exercise in the management of their own affairs for investment purposes, not for speculation, taking into account the probable safety of their capital as well as the probable income expected to be derived.
- H-9 Officers and employees involved in the investment process will refrain from personal business activity that could conflict with the proper execution of the investment program or impair their ability to make impartial investment decisions. Employees and investment officials will disclose to the City Council any substantive financial interest in financial institutions that conduct business within this jurisdiction. They will also disclose any material personal financial or investment positions that could be related to the performance of the City's portfolio. Employees and Officers will subordinate their personal investment transactions to those of the City of Covington, particularly in regard to the timing of purchases and sales.
- H-10 The Finance Director will conduct investment transactions with several competing, reputable investment securities broker/dealers. A list will be maintained of approved security broker/dealers selected for their credit worthiness, industry reputation, knowledge of public sector investment practices, and who maintain an office in the State of Washington. The Finance Director has the authority to remove any broker/dealer from the list, with or without cause by written notice. Broker/dealers may appeal the Finance Director's action by written appeal to the City Manager.
- H-11 The Finance Director will maintain a list of financial institutions as required by the Public Deposit Commission (PDC), authorized to provide investment services as outlined in R.C.W. 39.58.080.
- H-12 All investment securities bought by the City, including collateral being held on repurchase agreements, will be held by the City or in safekeeping for the City by the City's custodian bank. A third party bank trust department may be appointed as agent for the City under the terms of a custody or trustee agreement signed by both the bank and the City. The primary agent of the custodian bank will provide a safekeeping receipt to the City listing the specific instrument, its rate and maturity, and any other pertinent information. All security transactions, including collateral for repurchase agreements, entered into by the City of Covington will be conducted on a delivery-versus-payment (DVP) basis.
- H-13 Repurchase Agreements may be entered into on a safekeeping basis only if a master agreement with the bank or trust department providing the safekeeping service is first obtained. This agreement shall very clearly establish that the bank/trust is acting as a third party agent for the Finance Director, not the broker/dealer arranging the repurchase agreements. Such third party safekeeping arrangements will be documented with a signed agreement between the Finance Director and the bank/trust involved assuring that the Finance Director has absolute control over the securities once they are delivered to safekeeping and that the dealer does not have access to them under any circumstances.

- H-14 Investment officials will be bonded to provide protection to the City against loss due to possible embezzlement or malfeasance.
- H-15 The City will assure that no single institution or security is invested to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency. With the exception of U.S. Treasury securities and the State Investment Pool, the City will invest no more than twenty-five percent (25%) of its total investment portfolio in a single security type or with a single financial institution.
- H-16 To the degree possible, the City will attempt to match its investments with anticipated cash flow requirements. Liquidity should be ensured through practices that include covering the next vendor disbursement and payroll dates through maturing investments. Unless specifically matched to a certain cash flow, or estimated to meet cash flow needs, the City will not directly invest in securities maturing more than three (3) years from the date of purchase.
- H-17 The City of Covington's investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs. The City will report investment yield benchmarked to the yield of the six-month Treasury Bill and/or the Average Fed Funds rate and/or the return provided by the State Investment Pool.
- H-18 The Finance Director will actively manage daily cash to the extent that transaction costs do not overcome interest earnings. The goal is to have ninety percent of the city's entire cash and cash equivalent assets invested.

I. INTERGOVERNMENTAL REVENUES AND RELATIONS POLICIES

Many service costs of the City are influenced by other governments, either because of service overlap or service mandates imposed by the county, state, or federal government. The City shall take advantage of opportunities to enhance service delivery through intergovernmental cooperation, shared revenues, and grants while aggressively opposing mandates that distort local service priorities.

- I-1 The City will refrain from using grants to meet ongoing service delivery needs. In the City's financial planning, grants will be treated in the same manner as all other temporary and uncertain resources and will not be used to fund ongoing, basic service needs.
- I-2 All grant agreements will be reviewed to ensure compliance with state, federal, and City regulations.
- I-3 The City will budget expenditures for grant-funded programs only after a grant award or letter of commitment, and only for the amount of grant award. City overhead or indirect costs for grant-funded programs will be included in all grant proposals, where permitted.
- I-4 The City will aggressively oppose state or federal actions that mandate expenditures which the City Council considers unnecessary. The City will pursue intergovernmental funding to support the incremental cost of those mandates.
- I-5 The City will work with other governments to identify the jurisdiction most capable and appropriate to provide specific public services. All intergovernmental agreements and contracts for service delivery will be brought forward to the City Council for approval.
- I-6 Capital grants with local matching requirements can only be accepted for with the express approval of the City Council regardless if indicated in the Capital Investment Program.

J. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

The City shall maintain a system of financial monitoring, control, and reporting for all operations and funds in order to provide effective means of ensuring that overall City goals and objectives will be met and to assure the City's partners and investors that the City is well managed and fiscally sound.

- J-1 The City will maintain its accounting records in accordance with state and federal law and regulations. Budgetary reporting will be in accordance with the state's budget laws and regulations. The City will report its financial condition and results of operations in accordance with state regulations and generally accepted accounting principles applicable to governments.
- J-2 The State Auditor will annually perform a financial and compliance audit of the City's financial statements. Their opinions will be contained in the City's Comprehensive Annual Financial Report (CAFR) and the Report on Compliance with the Single Audit Act of 1984 (if required).
- J-3 The City will minimize the number of funds. The funds will be categorized in accordance with generally accepted accounting principles (GAAP) for reporting purposes.
- J-4 Excellence in Financial Reporting: As an additional independent confirmation of the quality of the City's financial reporting, the City will annually seek to obtain the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The CAFR will be presented in a way designed to communicate with citizens about the financial affairs of the City.

K. CAPITAL ASSETS – See most recently adopted City of Covington Capital Asset Policies and Procedures

M. FINANCIAL PLANNING POLICIES

The City shall develop and maintain a six-year Financial Forecast that estimates resource and expenditure behavior for five years beyond the current budget period. This Forecast will provide the City's decision-makers with an indication of the long-term fiscal impact of current policies and budget decisions. This planning tool must recognize the effects of economic cycles on the demand for services and the City's resources. To this end, the Forecast should differentiate between revenue associated with one-time economic activities and revenues derived as a result of base economic growth. City financial planning should ensure the delivery of needed services (many of which become more critical during economic downturns) by assuring adequate reliance on ongoing resources in order to support continued City services during economic downturns.

M-1 Operational and Capital Funds:

- a. The Finance Department will prepare and maintain a Financial Forecast for Operational and Capital Funds based on current service levels and current funding sources. This forecast will include the upcoming year as well as five years beyond the current period (a total of six forecast years). This future-oriented look will provide insight into whether the current mix and level of resources are likely to continue to be sufficient to cover current service levels. The forecast also allows staff and City Council to test various "what-if" scenarios and examine the fiscal impact on future budget cycles.
- b. The City will periodically test both its planning methodology and use of planning tools in order to provide information that is timely, accurate, and widely disseminated to users throughout the City.
- c. Departments will forecast and monitor their respective revenues and expenditures with assistance from the Finance Department. The Finance Department will assist departments in developing appropriate systems for such monitoring and will retain overall fiscal oversight responsibility for the General Fund.

- M-2 Expenditure estimates should anticipate contingencies that are reasonably predictable and also differentiate between ongoing expenditures and those that are one-time activities.



Glossary

Account – A record of additions, deletions, and balances of individual assets, liabilities, equity, revenues, and expenses.

Accrual Basis – A method of accounting in which revenue is recorded in the period in which it is earned (whether or not it is collected in that period), and expenses are reported in the period when they are incurred (no matter when the disbursements are made). This method differs from the cash basis of accounting, in which income is considered earned when received and expenses are recorded when paid. All funds except the governmental funds are accounted on the accrual basis, and the governmental funds are accounted on a modified accrual basis.

Administrative Services Departments – Refers to organizational units or departments that primarily provide services to other departments or divisions. These include:

- Legislative—City Council and its functions;
- Financial Services—the accounting, financial reporting, customer service, and treasury functions;
- Personnel Services—provides centralized personnel services to all city operations; and
- Administrative Services—provides supervision of financial services and personnel services, as well as budget, fiscal planning, tax and license, data processing, risk management, and other general administrative services.

Appropriation – The legal spending level authorized by an ordinance of the city council. Spending should not exceed this level without prior approval of the council.

Assessed Valuation – The value assigned to properties within the city that is used in computing the property taxes to be paid by property owners.

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

Benefits – City-provided employee benefits, such as social security insurance, retirement, worker’s compensation, life insurance, medical insurance, vision insurance, and dental insurance.

Balanced Budget – Ongoing resources should be equal to or exceed ongoing expenditures. Each City fund budget shall identify ongoing resources that at least match expected ongoing annual requirements.

Base budget items – are items that are needed to maintain the current level of service.

Budget – A financial plan of operations for the city. It is a plan, not a list of accounts and amounts.

Budgetary Basis – This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: Generally Accepted Accounting Principles (GAAP), cash, or modified accrual.

CAFR – The acronym “CAFR” stands for Comprehensive Annual Financial Report, which is the City’s annual financial statement prepared by the Finance Department.

Capital Asset – Property that has an initial useful life longer than one year and costing more than \$5,000. The useful life of most capital assets extends well beyond one year. Includes land, infrastructure, buildings, renovations to buildings that increase their value, equipment, vehicles, and other tangible and intangible assets. Assets with a value or cost under \$5,000 are to be expensed in the year of acquisition.

Capital Expenditure – An outlay that results in or contributes to the acquisition or construction of a capital asset.

CIP – The acronym “CIP” stand for the City’s Capital Investment Program. The Capital Investment Program provides direction and administers the implementation of the adopted Comprehensive Plans, Capital Investment Program, and Transportation Improvement Plan (TIP) through the TIP annual update, budget development for projects, project development, and management.

Current Expense Fund – See “General Fund”

Debt Service – Interest and principle payments on debt.

Decision card items – represent items that would extend or increase existing service levels (base budgets), add new programs, or improve efficiency. Items could also include significant repair/replacement items.

Fund – A self-balancing group of accounts that includes revenues and expenditures.

Fund Balance – The difference between resources and expenditures.

FY – The acronym “FY” stand for Fiscal Year.

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

GASB – “Governmental Accounting Standards Board,” which determines the underlying principles to be used in accounting for Governmental activities.

General Fund – The fund of the city that accounts for all activity not specifically accounted for in other funds. Includes such operations as Police, fire, engineering, planning, parks, museums and administration.

General Obligation Bonds – This type of bond is backed by the full faith, credit, and taxing power of the government.

Governmental Fund Types - Funds that provide general government services. These include the general fund, special revenue funds, capital projects funds, and debt service funds.

GFOA – The acronym “GFOA” stands for the Government Finance Officer’s Association.

HOA – The acronym “HOA” stands for Home Owner’s Association.

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

Internal Controls – A system of controls established by the city that are designed to safeguard the assets of the city and provide reasonable assurances as to the accuracy of financial data.

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

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

Licenses and Permits – A revenue category of the city derived from business licenses and building or development permits.

LID – The acronym “LID” stands for Local Improvement District.

Modified Accrual Basis – The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplies that may be considered expenditures either when purchased or when used, and (2) prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

NPDES – National Pollutant Discharge Elimination System, a permit system administered by the United States Environmental Protection Agency.

Operating Budget – The annual appropriation to maintain the provision of city services to the public.

Performance Measure – An indicator which measures the degree of accomplishment of an activity. The three types used in the City of Covington are: Effectiveness - the degree to which performance objectives are being achieved; Efficiency - the relationship between work performed and the resources required to perform it and is typically presented as unit costs; and Workload - a quantity of work performed.

Policy – A policy is a guiding principle which defines the underlying rules which will direct subsequent decision-making processes.

Preliminary Budget – That budget which is proposed by staff to the council and has not yet been adopted by the council.

Public Hearing – A public hearing is a specifically designated time, place, and opportunity for citizens, community groups, businesses, and other stakeholders to address the City Council on a particular issue. It allows interested parties to express their opinions and the City Council and/or staff to hear their concerns and advice.

Public Safety – A term used to define the budget of the police department.

PWTF – The acronym “PWTF” stands for the State of Washington’s Public Works Trust Fund Loan program.

RCW – The acronym “RCW” stands for Revised Code of Washington which is Washington State Law.

REET – The acronym “REET” stands for Real Estate Excise Tax.

Reserve – An account used either to set aside budgeted resources that are not required for expenditure in the current budget or to earmark resources for a specific future purpose.

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

SWM – The acronym “SWM” stand for Surface Water Management Fund.

TBD – The acronym “TBD” stands for Transportation Benefit District.

Taxes – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

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