

City of Covington Washington



2016 Budget



**CITY OF COVINGTON
2016 BUDGET
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INTRODUCTORY



City of Covington
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October 13, 2015

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

It is my pleasure to present the 2016 Preliminary Operating and Capital Budget. This budget encompasses and implements council policies and conforms to state law.

As the city approaches the end of its second decade of existence, new and exciting projects are beginning to take shape. The Town Center, the Hawk property, CCP Phase 2, and SoCo Park are just a few projects the city has lined up.

While this list is impressive for a city our size and age, tough decisions are going to be needed in the near future on the city's priorities as limited resources become more of an issue. Currently the city is enjoying record sales tax revenues even exceeding those from 2013. These revenues and others however, can only stretch so far in supporting ongoing operational services. The large capital projects need an infusion from other sources whether it be from grants, levies or bonds or a combination of all three.

The intent of government is to provide services to the public in the most efficient manner possible while keeping taxes at a reasonable level. My overarching goal for 2016 and beyond is to meet the city's ongoing demands by aligning appropriate levels of service within city resources. The following levels of service illustrate how to achieve this:

- Provide a responsive and efficient internal permitting and development process.
- Continue to build on the successful aquatics, recreation and athletic programs.
- Build staff levels to maintain city parks.
- Continue to maintain our streets at the highest level we can while considering the voters disapproval of street maintenance funds.
- Maintain a sufficiently staffed police department.
- Continue work towards a Town Center.
- Maintain a 20% general fund fund balance and a 15% fund balance in development services, parks and streets.
- Help foster a sense of unity by focusing on goals established by the city council:
 - economic development
 - town center
 - youth and families
 - neighborhoods
 - municipal services
 - customer service

These service levels represent a commitment to the community on behalf of council and staff.

Economic Outlook¹

The stock market is the big story. China's Yuan has been fluctuating since 2010 and the stock market has reacted inversely to those changes. Currently the Yuan is rising and the stock market is dropping. Third quarter 2015 was the worst quarter in four years for the Dow. On the national front, the Federal Reserve is debating whether to raise the fed funds rate that has been near zero percent since 2008. The national economy shows continued strength in areas such as residential construction and existing home sales. However, factors on a global scale continue to bring potential risk to the national economy and the State including the slowing of the Chinese economy and ongoing instability in the Middle East and Eastern Europe.

Washington's economy continues to slow after a torrid pace earlier in the year. The new pace is more sustainable and is on track to continued modest growth. Employment grew almost as expected through July while housing permits declined from the beginning of the year when mild weather and the strong multi-family housing market were driving higher than normal permits.

In the Puget Sound region, retail sales are expected to hit a 4.4 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 2016 retail sales are expected to remain almost even at 4.5 percent. The City is projecting a 2.3 percent increase in sales tax revenue over 2015 estimated actuals.

The consumer price index for the Puget Sound is forecast to remain virtually unchanged from 2015 to 2106.

Budget Process

The 2016 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 2016, directors were encouraged to be thoughtful with the number of decision cards they submit. Beginning in August, I met with individual directors to review base budgets and decision cards. Once these meetings were completed and the preliminary forecast was reviewed, the finance team and I met to discuss which decision cards would move forward.

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

- Critical need versus non-critical need
- Increase fund balance percentage
- Prioritize based on council discussions and the annual council summit
- Maintain levels of service

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

2016 Budget Strategies

- Use fund balance only in cases where funds have deficits to cover (for 2016 that would be the general fund, street fund, development services fund, surface water management fund, and capital investment program fund).
- Merge the parks fund with the general fund.
- Implement new revenue for the street fund and eliminate the general fund subsidy.

¹ Economic information is supplied by the *Puget Sound Economic Forecaster*, Volume 22 Number 3 September 2015

Funds Overview

It should be noted prior to the individual funds discussion that overall increases to salaries and benefits include a COLA of 1.6072% and health benefit increases ranging from 0 – 10%. A 2% wellness discount applies to overall health benefits which equates to \$13,000.

General Fund

The general fund is the largest city fund and provides for the day-to-day operations of city government. Revenues are unrestricted and are available to use for any government purpose.

For 2016, we are forecasting a 3.9 percent total increase in revenues over 2015 estimates for the entire fund.

- Property tax for 2016 is estimated to be \$2.5 million. This includes a one percent increase plus new construction.
- Sales tax revenue for 2016 is expected to increase by 2.3 percent over 2015 estimated collections. Retail sales and construction have had a strong year. Total sales tax collections for 2016 are estimated to be \$3.6 million, with the general fund receiving 84 percent (\$3.0 million) and the parks fund 16 percent (\$570,600).
- Utility tax collections for 2016 are estimated at \$2.1 million, 2.0 percent below budget due mostly to the behavioral change in cell phone usage – less phone usage and more data usage which isn't taxable. For 2016, the forecast is basically even.
- Other sources of revenue total \$2.3 million with \$1.1 million being reimbursed to the general fund through interfund payments from other funds.

On the operating base budget expenditure side (excludes transfers), the budget is 4.8 percent, or \$342,650 higher than estimated actuals for 2015. This is primarily intergovernmental expense such as an additional police officer, a three percent increase in the police contract, increase in Animal Control, audit costs, voter registration, and jail and court services. There is a substantial reduction in transfers to other funds. The one-time capital was removed for 2016.

I am recommending nine decision cards totaling \$116,810 – \$106,100 in one-time costs and \$10,710 in ongoing costs. The decision cards are:

<u>Title/Description</u>	<u>Fund</u>	<u>Initiating Dept.</u>	<u>Amount Funded</u>	
			<u>One-Time</u>	<u>Ongoing</u>
Cost of living adjustment cut	GF	Exec	-	-
Chamber of Commerce membership	GF	Council	-	4,510
Desktop replacement cycle update	GF	Central	-	1,650
Full Office 365 online migration	GF	Central	-	-
Improved City Hall firewall	GF	Central	1,000	200
Mobile Smartboard lease	GF	Central	300	2,650
Network storage replacement	GF	Central	11,300	1,700
Server Room A/C unit replacement	GF	Central	12,000	-
Sharepoint Consultant	GF	Central	-	-
Budget Transparency	GF	Central	-	-
Conference Room Upgrade	GF	Central	-	-
Window blinds cleaning and repair	GF	Central	-	-
DSLR camera kit	GF	Central	1,500	-
Comp Plan implementation	GF	Comm Dev	20,000	-
Transfer-out to CIP for Gerry Crick Skate Park	CIP	CIP	60,000	-
Net Total General Fund			106,100	10,710

Street Fund

There are two main dedicated sources of revenue for this fund: Comcast franchise fees and motor vehicle fuel tax. Franchise fees are forecasted to stay even while the fuel tax is forecasted to decrease slightly for 2016. Base budget expenditures before decision cards are \$1.2 million which is an increase from expected expenditures in 2015 of 7.5 percent, which is due to an increase in maintenance and interfund service payments to the general fund.

I am recommending two decision cards totaling \$11,000 in one-time costs. The decision cards are:

Title/Description	Fund	Initiating Dept.	Amount Funded	
			One-Time	Ongoing
Cost of living adjustment cut	ST	ST	-	-
Fence installation for maintenance storage	ST	ST	6,000	-
Additional storage sheds for maintenance facility	ST	ST	5,000	-
Net Total Street Fund			11,000	-

I've authorized staff to remove the general fund subsidy from the street fund for 2016. There are high priority needs in the general fund that need those dollars. The street fund needs to be self-reliant. I'm asking council to support the street fund by implementing a \$20 motor vehicle license fee. Unless council approves this additional funding source for the street fund, the fund will be insolvent by the end of 2016 and services will have to be re-prioritized.

Development Services Fund

In 2016, we are forecasting a 40.8 percent reduction in revenues over 2015 budget due to the majority of anticipated projects being submitted in 2015 instead of 2016. Base budget expenditures are \$1.3 million, which is an increase from expected expenditures in 2015 of 4.6 percent.

I am recommending four decision cards for this fund totaling \$144,020 - \$26,550 in one-time costs and \$117,470 in ongoing costs.

Title/Description	Fund	Initiating Dept.	Amount Funded	
			One-Time	Ongoing
Cost of living adjustment cut	DS	Dev Svcs	-	-
Permit/Planning Technician (1.0 FTE)	DS	Dev Svcs	3,050	112,470
Critical area survey and maintenance program	DS	Dev Svcs	8,000	3,000
Electronic plan review	DS	Dev Svcs	11,900	1,600
Impact fee deferral system	DS	Dev Svcs	3,600	400
Net Total Development Services			26,550	117,470

Parks Fund

Operating revenues in the parks fund for 2016 are expected to increase by 5.2 percent over 2015 adopted budget. Base budget expenditures show a decrease of 2.2 percent as a result of bringing the maintenance function for Covington Community Park in-house.

I am recommending 15 decision cards totaling \$190,425 - \$102,420 in one-time costs and \$88,005 in ongoing costs. The decision cards are:

Title/Description	Fund	Initiating Dept.	Amount Funded	
			One-Time	Ongoing
Cost of living adjustment cut	Parks		-	-
Vehicle #3383 replacement	Parks	Maint	37,500	1,020
Fence installation for maintenance storage	Parks	Maint	4,500	-
Additional storage sheds for maintenance facility	Parks	Maint	5,000	-
Fall protection for pool maintenance	Parks	Aquatics	12,000	2,500
Fall prevention for roof	Parks	Aquatics	11,000	-
Fall protection for interior signage maintenance	Parks	Aquatics	1,100	-
Furnishings for Aquatic Center new room	Parks	Aquatics	10,000	-
Inflatable Octopus replacement cycle	Parks	Aquatics	5,000	-
Increase program supplies	Parks	Aquatics	2,000	-
Automatic pool vacuum replacement	Parks	Aquatics	3,500	-
Recreation Specialist	Parks	Recreation	3,100	80,275
Adobe licenses	Parks	Parks	-	2,550
Absorb online registration fees	Parks	Parks	-	-
Canopy cover replacement and branding	Parks	Parks	-	-
Mobile registration	Parks	Parks	1,500	400
Marketing banners/signs	Parks	Parks	2,220	1,260
Park Planner training - CPTED certification	Parks	Parks	-	-
PROS Plan update	Parks	Parks	4,000	-
Net Total General Fund			102,420	88,005

Surface Water Management Fund (SWM)

Revenues for SWM are increasing 13.3 percent over 2015 estimates. This reflects an increase in drainage fee revenues. Staff is projecting deficit spending. This was intentional to draw down fund balance for capital and one-time uses. Base budget expenditures are increasing by 8.3 percent over 2015 estimates. Again, this is due to capital and one-time uses.

I am recommending four decision cards totaling \$66,550 - \$17,500 in one-time costs for additional seasonal maintenance workers and \$49,050 in ongoing costs.

Title/Description	Fund	Initiating Dept.	Amount Funded	
			One-Time	Ongoing
Cost of living adjustment cut	SWM	SWM	-	-
Critical area survey and maintenance program	DS	Dev Svcs	8,000	-
Fence installation for maintenance storage	SWM	SWM	4,500	-
Additional storage sheds for maintenance facility	SWM	SWM	5,000	-
Seasonal SWM maintenance workers (2)	SWM	SWM	-	49,050
Net Total Surface Water Management Fund			17,500	49,050

Capital Investment Program Fund

For 2016, I am recommending four decision cards as follows:

Title/Description	Fund	Initiating Dept.	Amount Funded	
			One-Time	Ongoing
Covington Community Parks Phase II	CIP	CIP	1,177,000	-
RCO LWCF grant			(250,000)	-
RCO - WWRP-LP grant			(250,000)	-
Department of Commerce grant			(500,000)	-
Gerry Crick Skate Park renovation	CIP	CIP	120,000	-
KC Youth Sports Facilities grant			(30,000)	-
Donations			(8,500)	-
Parks fee-in-lieu			(21,500)	-
Transfer-in from General Fund			(60,000)	-
Public Art - Gerry Crick Skate Park renovation	CIP	CIP	900	-
Aquatic Center Room Renovations	CIP	CIP	250,000	-
Department of Commerce grant			(242,107)	-
Net Capital Investment Program Fund			185,793	-

Summary

With the recommended changes, the 2016 budget reflects a city coming of age. There are structural changes as well as new revenues, and personnel and programs being requested. While not all of the requests have been funded, staff remains committed to the vision established by the council.

It is my intent through responsible budgeting to ensure a smooth transition from a young city to a maturing city that still maintains a connection to its roots but looks to the future. Thank you for your confidence in me to lead the city on its next great adventure.

George Elliot said "Great things are not done by impulse, but by a series of small things brought together." This council has proven over the years that by doing the small things great things will happen. Thank you council - for your vision and determination to make Covington great!

I would like to acknowledge the efforts of the directors and employees who stand by and support this city. Finance staff deserves extra thanks for their efforts in coordinating the budget process and making an immense amount of information understandable.

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

Sincerely,



Regan Bolli

City Manager



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March 7, 2016

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

It is my pleasure to present the 2016 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 27, 2015. On October 31, 2015, the council held their annual budget retreat to review individual department recommendations and begin budget deliberations.

In addition to the preliminary budget recommendations the following decision card changes were added for 2016:

- Council voted in a 2% utility tax increase for Surface Water Management, Cable TV, and Solid Waste
- Added a \$20 vehicle license tab fee
- Added a police officer
- Added canopy cover replacement
- Increased funding for fall protection (safety)
- Added mandatory garbage service within the city
- Branding
- Added a maintenance worker
- Southeast Precinct Task Force
- Authorized a funds transfer from the General Fund to the Street Fund

The main thrust of my first budget is to provide increased service levels. This has been accomplished through the addition of a recreation specialist, the new police officer along with a partnership with the Southeast Precinct Task Force, and a maintenance worker.

This budget wraps up my first year here in Covington. Both staff and the council have been very supportive. Small steps have been made for 2016 on the way to fulfilling the council's vision of an unmatched quality of life.

I look forward to building on the excellent progress that's been started. Thank you Council, for your thoughtfulness and vision and for giving me the opportunity to be part of this city as it continues *Growing Toward Greatness!*

Sincerely,

Regan Bolli

City Manager



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 2016 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 2016 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 2015 year end fund balances, as well as FY 2016 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 2016 budget for each Department within each Fund. Each Department includes a mission statement, department overview, major activities, significant budget issues, 2015 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 2016 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 eleven governmental funds: the General Fund, the Street Fund, the Development Services 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.

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, 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.

2016 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 7th. NO EXCEPTIONS.
7/10	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 2016-2021 revenue forecast.
7/1 – 8/31	Fin/HR	Develop Personnel Budget.
9/8	CM/Finance/Directors	Management meeting on final decision card list.
8/10 – 9/30	Finance	Prepare 2016 preliminary budget document. Preliminary budget message to the CM the week of 9/14 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.
10/13*	CM/Fin	Preliminary budget presented to City Council and copies made available to the public. CM presents budget message.
10/24	CM/Council/Departments	Budget workshop for department presentations and budget discussions.
10/27*	CM/Council/Departments	First public hearing on revenue sources including consideration of possible increases in the property tax (prior to setting property tax levy).
11-10/11-24*	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.
11/24*	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.
12/1	City Council	Budget deliberations continue (if needed).
12/8*	City Council	Final budget deliberations. Budget Adoption.

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

CITY OF COVINGTON CITY COUNCIL



Mayor Jeff Wagner
Position 3
Term Expiration 12/31/19



Marlla Mhoon
Position 1
Term Expiration 12/31/19



Mark Lanza
Position 2
Term Expiration 12/31/17



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



Mayor Pro Tem Sean Smith
Position 5
Term Expiration 12/31/19



Jim Scott
Position 6
Term Expiration 12/31/17



Margaret Harto
Position 7
Term Expiration 12/31/19

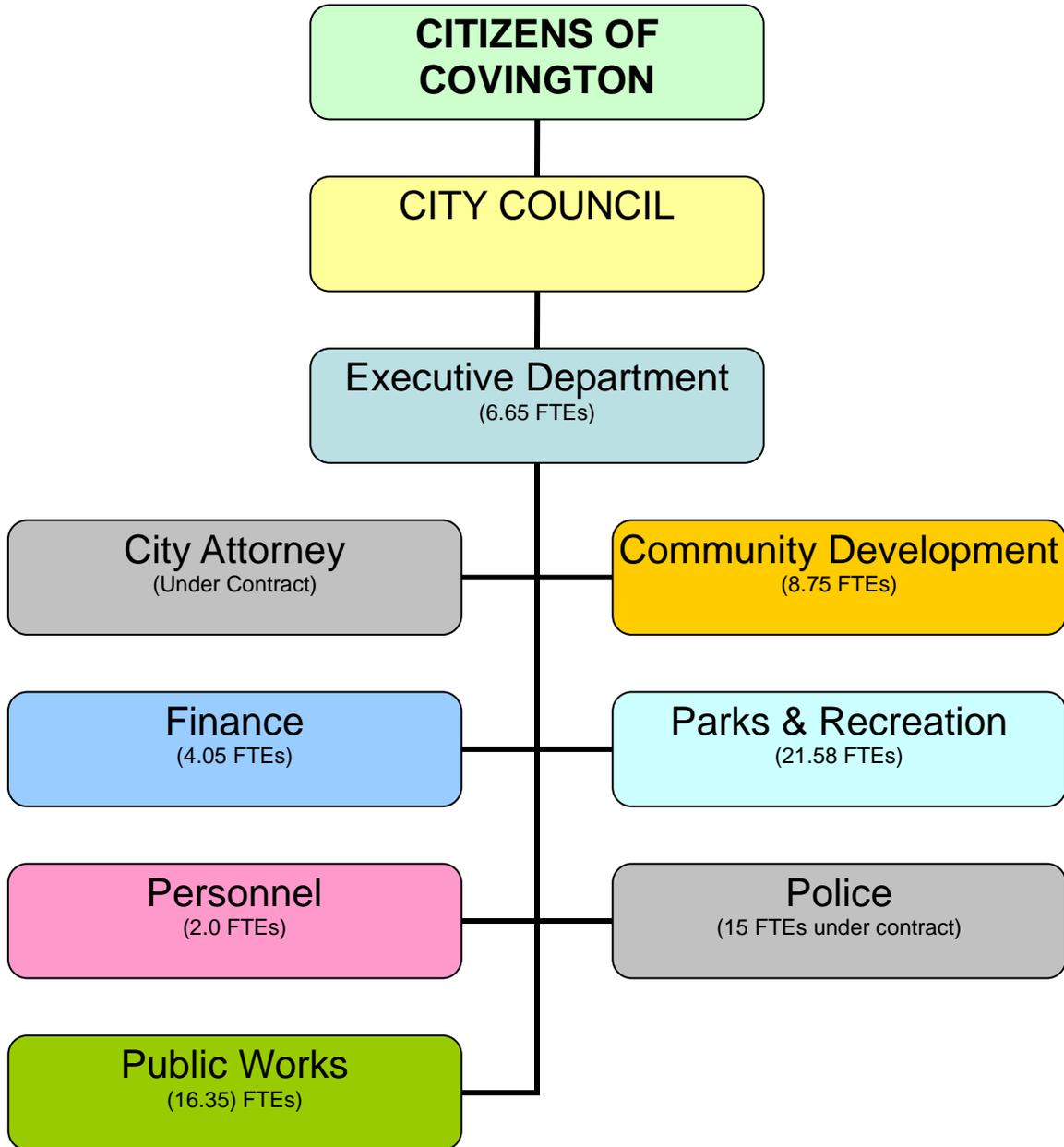
CITY MANAGER Regan Bolli

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 2016





ARTS COMMISSION 2016

Position	Name	Term Exp Date
1	Tyler Bykonen	05/31/2016
2	Leslie Spero	05/31/2016
3	Vacant	05/31/2017
4	Jennifer Harjehausen	05/31/2017
5	Ed White	05/31/2018
6	Virginia (Gini) Cook	05/31/2018
7	Lesli Cohan	05/31/2018

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 2016

Position	Name	Term Exp Date
1	Lisa Agron	07/31/2016
2	Krista Bates	07/31/2017
3	Kevin Holland	07/31/2016
4	Josh Lyons	07/31/2017
5	Zach Steele	07/31/2017
6	Ed Cook	07/31/2016
7	Kathy Fosjord	07/31/2017
8	Steven Pand	07/31/2017
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: Regan Bolli 253-480-2405
rbolli@covingtonwa.gov



PARKS AND RECREATION COMMISSION 2016

Position	Name	Term Exp Date
1	Zbigniew Tomalik	01/31/2017
2	Conni Elliot	01/31/2017
3	Bryan Higgins	01/31/2018
4	Lisa Knapton	01/31/2018
5	Laura Morrissey	01/31/2019
6	Justin Reed	01/31/2019
7	Troy McIntyre	01/31/2019

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: Ethan Newton 253-480-2481
enewton@covingtonwa.gov



PLANNING COMMISSION 2016

Name	Term Exp Date
Chele Dimmett	08/31/2019
Jennifer Gilbert-Smith	08/31/2019
Bill Judd	08/31/2017
Jim Langehough	08/31/2017
Paul Max	08/31/2019
Krista Bates	08/31/2017
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 2016

Position	Name	Term Exp Date
1	Leslie Hamada	03/31/2017
2	Brian Lord	03/31/2017
3	Joyce Bowling	03/31/2016
4	Josh Max	03/31/2016
5	Nia Dhillon	03/31/2016
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. 20-15

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, ADOPTING THE CY2016 OPERATING AND CAPITAL BUDGET AND IMPLEMENTING THE CY2016 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 2016 was prepared and filed with the City Clerk; and

WHEREAS, public hearings were scheduled and properly noticed for October 27, 2015, at 7:00 pm and November 24, 2015, at 7:00 pm for the purpose of making and adopting the final budget for the year 2016; 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 2016 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 2016 is hereby adopted at the fund level in its final form and content as set forth in the document entitled "City of Covington 2016 Budget" dated December 8, 2015, 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 2016, 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 2016 as set forth below:

<u>FUND</u>		<u>AMOUNT</u>
General Fund	\$	15,344,516
Street Fund		1,577,571
Development Services Fund		4,052,507
Surface Water Management Fund		10,282,456
Capital Investment Program Fund		5,262,759
Cumulative Reserve Fund		1,429,679
Contingency Fund		421,746
Real Estate Excise Tax Fund 1 st Qtr		200,000
Real Estate Excise Tax Fund 2 nd Qtr		200,000
Local Improvement District Fund		34,350
LID Guaranty Fund		34,350
Long-Term Debt Service Fund		1,278,465
Unemployment Reserve Fund		329,968
Equipment Replacement Fund		<u>1,121,547</u>
Total All Funds	\$	<u>41,569,914</u>

Section 3. The 2016 budget provides funding for and it is hereby authorized that a 1.6072% Cost of Living Adjustment (COLA) for all regular (non-contract) city employees is to take effect on January 1, 2016.

Section 4. The 2016 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 2016 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 Department, Aquatics Division, is allowed to increase or decrease FTE's based on program demand.

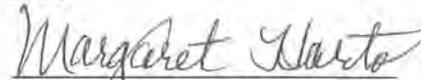
Section 8. A complete copy of the final budget as adopted herein shall be transmitted to the Division of Municipal Corporations in the office of the State Auditor and to the Municipal Research and Services Center of Washington. Three copies of the final budget as adopted herein shall be filed with the 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.

Passed by the Council on this 8th day of December, 2015.


Mayor Margaret Harto

ATTESTED:


Sharon Scott, City Clerk

PUBLISHED: December 11, 2015

EFFECTIVE: December 16, 2015

APPROVED AS TO FORM ONLY:


Sara Springer, City Attorney

2015

City of Covington
 Estimated Actuals - 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 (Actuals), January 1, 2015	\$ 4,482,656	\$ 514,491	\$ 1,912,002	\$ 214,256	\$ 8,531,590	\$ 1,770,029	\$ 1,401,351
Projected Revenues:	9,538,756	656,681	2,126,422	1,461,298	1,950,781	2,641,493	9,723
Projected Expenditures:	<u>(7,169,652)</u>	<u>(1,081,810)</u>	<u>(1,244,147)</u>	<u>(2,795,222)</u>	<u>(2,073,529)</u>	<u>(2,452,481)</u>	<u>-</u>
2015 Decision Packages Expenditures:	-	-	-	-	-	-	-
Fund Transfers In:	34,349	479,828	-	1,426,674	-	810,745	12,600
Fund Transfers (Out):	(3,015,470)	(12,600)	-	(27,484)	(336,386)	-	(3,195)
Excess (Deficiency) of Revenues Over Expenditures	<u>(612,017)</u>	<u>42,099</u>	<u>882,275</u>	<u>65,266</u>	<u>(459,134)</u>	<u>999,757</u>	<u>19,128</u>
Assigned Ending Fund Balance	2,147,768	-	-	-	-	152,876	-
Projected Adjusted Ending Fund Balances, December 31, 2015	\$ <u>1,722,871</u>	\$ <u>556,590</u>	\$ <u>2,794,277</u>	\$ <u>279,522</u>	\$ <u>8,072,456</u>	\$ <u>2,616,910</u>	\$ <u>1,420,479</u>

2015

City of Covington
 Estimated Actuals - 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
\$ 421,576	\$ 15,320	\$ 15,320	\$ -	\$ -	\$ -	\$ 234,395	\$ 859,506
170	290,040	290,040	34,349	-	-	49,859	163,097
-	-	-	-	-	(1,276,008)	(6,000)	(68,600)
-	-	-	-	-	-	-	-
-	(305,360)	(305,360)	(34,349)	34,349	1,276,008	-	-
-	-	-	-	(34,349)	-	-	-
170	(15,320)	(15,320)	-	-	-	43,859	94,497
-	-	-	-	-	-	-	-
\$ 421,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,254	\$ 954,003

2016
City of Covington
 Budget Summary - All Funds
 For the Fiscal Year 2016

	General Fund	Street Fund	Development Services Fund	Surface Water Management Fund	Capital Investment Program Fund	Other Funds
RESOURCES						
<u>Beginning Fund Balance</u>	\$ 4,150,161	\$ 556,590	\$ 2,794,277	\$ 8,072,456	\$ 2,769,786	\$ 3,074,482
<u>Operating Revenues</u>						
Taxes	8,880,700	-	-	-	-	400,000
Licenses and Permits	76,980	242,000	699,655	-	-	-
Intergovernmental	356,597	375,770	-	176,000	1,045,866	-
Charges for Goods and Services	1,569,016	16,000	556,575	2,029,000	83,000	219,258
Fines and Forfeitures	102,500	-	-	-	-	-
Miscellaneous	174,212	400	2,000	5,000	2,000	37,550
Total Operating Revenues	11,160,005	634,170	1,258,230	2,210,000	1,130,866	656,808
<u>Transfers</u>						
Fund Transfer In	34,350	211,686	-	-	-	1,318,815
<u>Decision Cards</u>						
Related Revenues	-	-	-	-	1,302,107	-
Fund Transfer In	-	-	-	-	60,000	-
Debt Proceeds	-	-	-	-	-	-
Total Decision Card Revenues	-	-	-	-	1,362,107	-
TOTAL RESOURCES	\$ 15,344,516	\$ 1,402,446	\$ 4,052,507	\$ 10,282,456	\$ 5,262,759	\$ 5,050,105
USES						
<u>General Fund</u>						
City Council	\$ 201,134	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	50,000	-	-	-	-	-
Municipal Court	480,400	-	-	-	-	-
Executive	1,044,187	-	-	-	-	-
Finance	614,235	-	-	-	-	-
Legal	96,000	-	-	-	-	-
Personnel	416,605	-	-	-	-	-
Central Services	464,208	-	-	-	-	-
Police	3,757,420	-	-	-	-	-
Community Development	388,116	-	-	-	-	-
Street	-	1,162,589	-	-	-	-
Development Services Fund	-	-	1,301,699	-	-	-
Surface Water Management Fund	-	-	-	2,648,594	-	-
Capital Investment Program Fund	-	-	-	-	1,386,832	-
L.I.D. 99.01 Fund	-	-	-	-	-	-
Long-Term Debt Service Fund	-	-	-	-	-	1,278,465
Unemployment Insurance Reserve Fund	-	-	-	-	-	50,000
Equipment Replacement Fund	-	-	-	-	-	106,508
Total Operating Expenses	7,512,305	1,162,589	1,301,699	2,648,594	1,386,832	1,434,973
<u>Transfers</u>						
Fund Transfer Out	1,090,151	6,000	-	-	-	468,700
<u>Decision Cards</u>						
Decision Packages Expenditures	512,145	81,664	144,020	113,660	1,547,900	-
Fund Transfer Out	60,000	-	-	-	-	-
Total Decision Card Expenditures	572,145	81,664	144,020	113,660	1,547,900	-
<u>Assigned Fund Balance</u>	1,969,637	-	-	-	152,876	-
<u>Adjusted Ending Fund Balance</u>	4,200,278	152,193	2,606,788	7,520,202	2,175,151	3,146,432
<u>Total Ending Fund Balance</u>	6,169,915	152,193	2,606,788	7,520,202	2,328,027	3,146,432
TOTAL USES	\$ 15,344,516	\$ 1,402,446	\$ 4,052,507	\$ 10,282,456	\$ 5,262,759	\$ 5,050,105

2016

City of Covington
Adopted Budget - By Fund
For the Fiscal Year 2016

	<u>General Fund</u>	<u>Street Fund</u>	<u>Development Services 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, 2016	\$ 4,150,161	\$ 556,590	\$ 2,794,277	\$ 8,072,456	\$ 2,769,786	\$ 1,420,479
Projected Revenues:	11,160,005	809,295	1,258,230	2,210,000	1,130,866	3,200
Projected Expenditures:	<u>(9,675,128)</u>	<u>(1,162,589)</u>	<u>(1,301,699)</u>	<u>(2,648,594)</u>	<u>(1,386,832)</u>	-
Fund Transfers In:	34,350	211,686	-	-	-	6,000
Fund Transfers (Out):	(1,090,151)	(6,000)	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	<u>429,076</u>	<u>(147,608)</u>	<u>(43,469)</u>	<u>(438,594)</u>	<u>(255,966)</u>	<u>9,200</u>
Base Budget Projected Ending Fund Balances, December 31, 2016	<u>\$ 4,579,237</u>	<u>\$ 408,982</u>	<u>\$ 2,750,808</u>	<u>\$ 7,633,862</u>	<u>\$ 2,513,820</u>	<u>\$ 1,429,679</u>
Decision Packages:						
Decision Packages Expenditures:	(512,145)	(81,664)	(144,020)	(113,660)	(1,547,900)	-
Related Revenues	-	-	-	-	1,302,107	-
Fund Transfers In:	-	-	-	-	60,000	-
Fund Transfers (Out):	(60,000)	-	-	-	-	-
Debt Proceeds:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Decision Packages	<u>(572,145)</u>	<u>(81,664)</u>	<u>(144,020)</u>	<u>(113,660)</u>	<u>(185,793)</u>	<u>-</u>
Assigned Ending Fund Balance	1,969,637	-	-	-	152,876	-
Adjusted Ending Fund Balances, December 31, 2016	<u>\$ 2,037,455</u>	<u>\$ 327,318</u>	<u>\$ 2,606,788</u>	<u>\$ 7,520,202</u>	<u>\$ 2,175,151</u>	<u>\$ 1,429,679</u>



DESCRIPTION OF 2016 REVENUE SOURCES

This summary describes each of the major revenue sources that appear in the 2016 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 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. Minimum fund balance availability is governed by City policy.

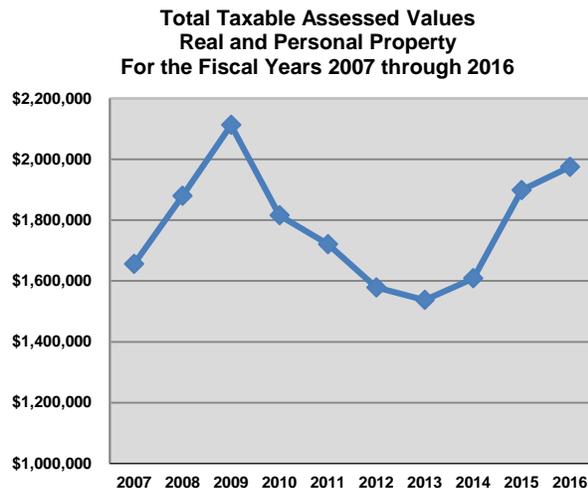
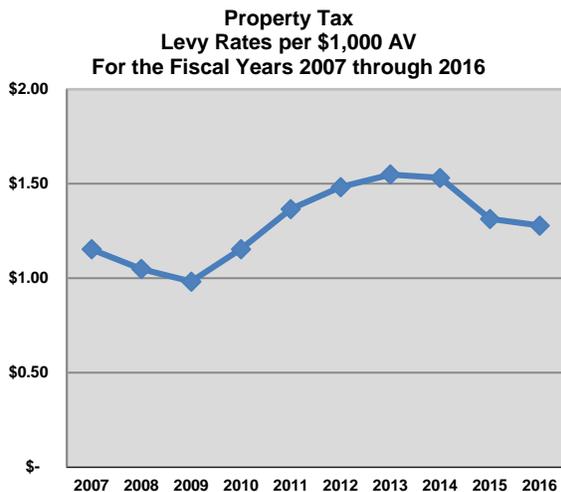
TAXES

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% or 100% plus inflation. RCW defines inflation as the percentage change in the implicit price deflator (IPD) for personal consumption. The IPD for this year is a negative 0.25% resulting in a limiting factor of 99.75%. To increase the limit factor to a maximum of 101%, a declaration of substantial need must be adopted. An increment for new construction is also added to this amount. The levy for 2016 is \$2,524,876. The taxable assessed valuation (AV) is \$1,975,306,486 which includes \$12,873,905 in new construction. The levy rate is \$1.27822/\$1,000 AV.

Total assessed value has increased 4% from 2015 to 2016.



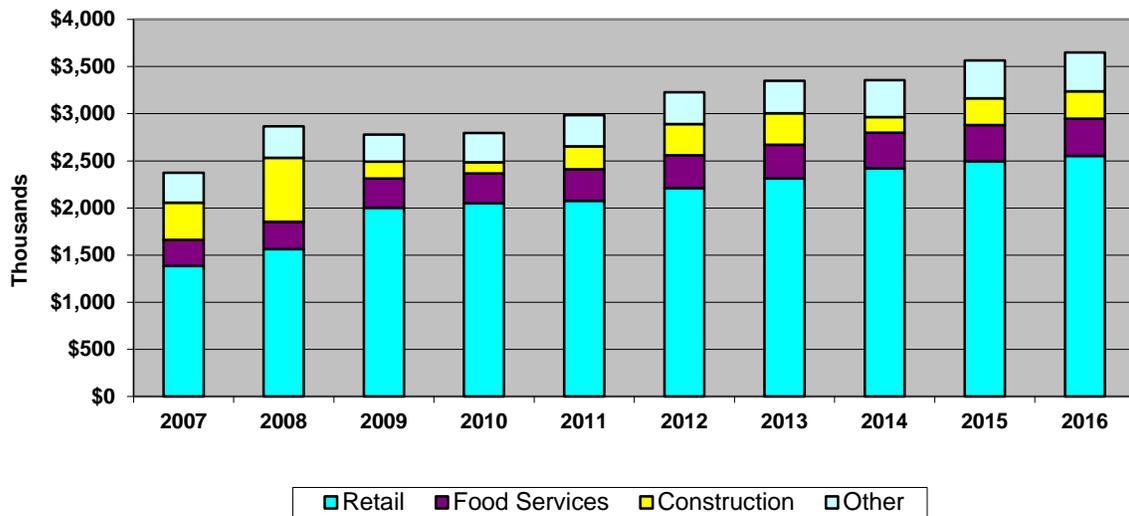
Sales Taxes

General 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 to the City and is based on sales from two months previous. Revenues for 2016 are estimated at \$3,650,000 which is an increase of 7.6% from the 2015 budget. 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 2007 through 2016**



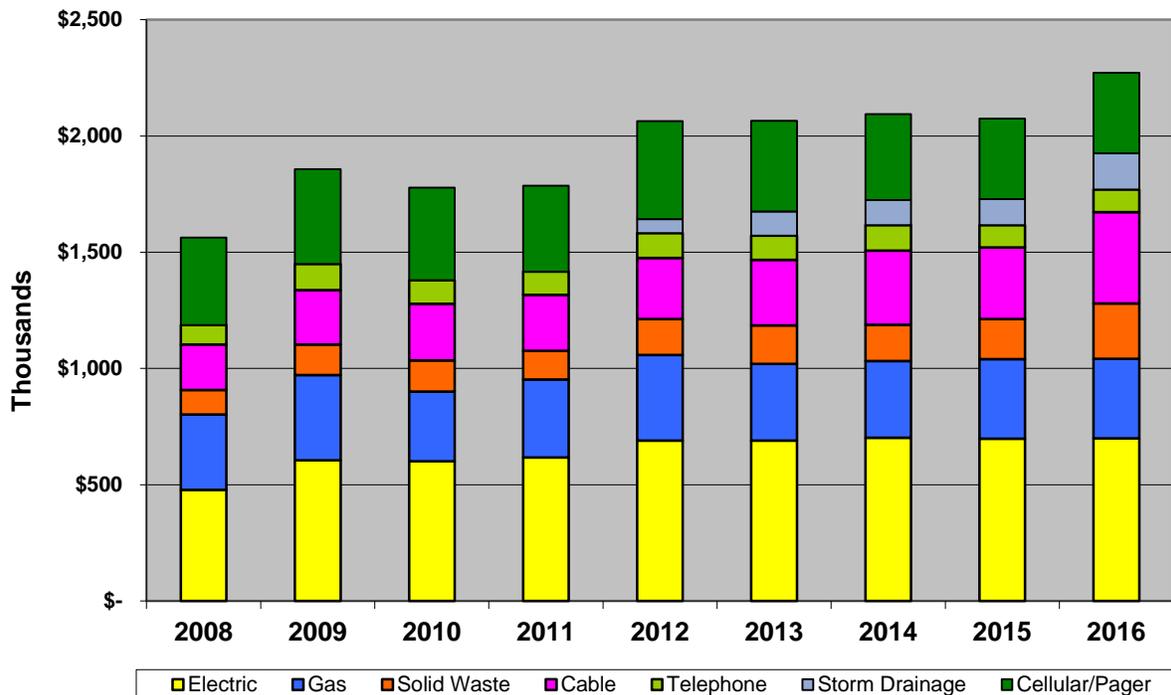
2007 - 2014 - Actuals 2015 - Estimated Actuals 2016 - Budget

Utility Taxes

General Fund/Street Fund

Utility taxes are imposed on utilities such as electricity, natural gas, solid waste, cable, telephones, storm drainage, and cellular phones at a rate of 6%. In 2016 the City increased the rate for solid waste, cable, and storm drainage to 8%. The new rate took effect March 1, 2016. Revenues for 2016 are estimated at \$2,271,940. Utility tax revenues are allocated between the General Fund and Street Fund.

**Utility Tax by Classification
For the Fiscal Years 2008 Through 2016**



2008 – 2014 Actuals 2015 - Estimated Actuals 2016 - 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 2016 estimate of \$435,000 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. 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 2016 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 2016 revenue estimate is \$400,000.

Transportation Benefit District Vehicle Fee

Street Fund

In 2016 the City adopted a \$20 vehicle license fee. The sole purpose of the funds are to provide, construct, and fund transportation improvements within the City. The fee will take effect in May 2016. The 2016 revenue estimate is \$175,125.

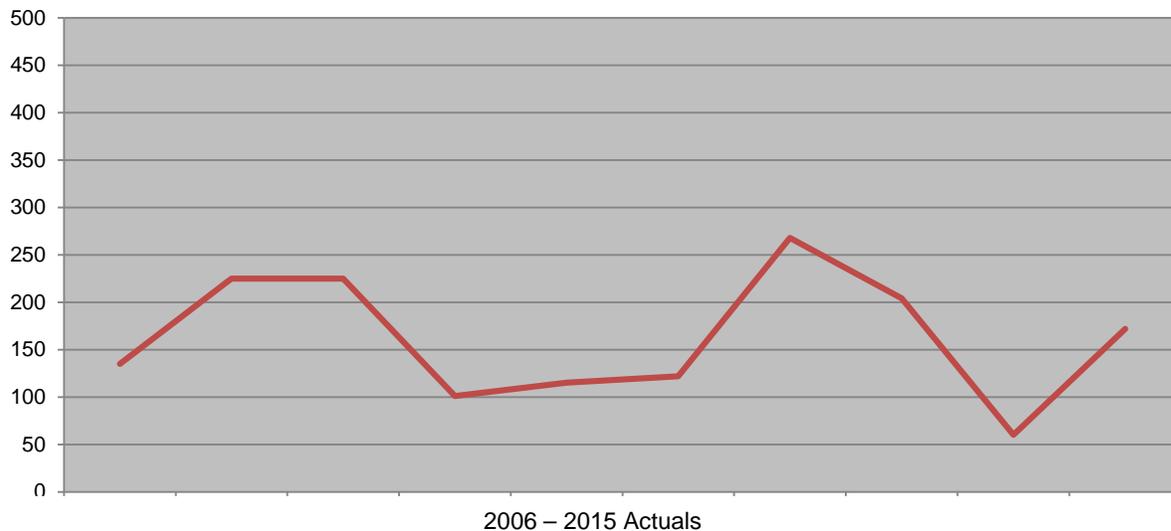
LICENSES AND PERMITS

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 2016, \$597,715 is estimated based on 86 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 2016 revenue estimate for this license fee is \$95,000. For 2016, all other permits and licenses such as sign permits and peddler’s permits are estimated at \$6,940.

**Number of Building Permits Issued
For Fiscal Years 2006 Through 2015**



Cable TV Franchise

Street Fund

Cable TV franchise fees, which are applied to the Street Fund, are based on population growth. For 2016, the estimated fees are \$242,000.

Solid Waste Administration

General Fund

In 2013, the City entered into a contract with Republic Services. For 2016 the estimated revenue is \$76,980.

INTERGOVERNMENTAL/STATE SHARED REVENUE

Liquor Excise Tax

General Fund

The 2016 estimate of \$82,040 is based on the City's population and per capita estimates provided by Municipal Research Services Center. For 2016, the state general fund receives 65 percent of liquor tax collections and 35 percent of collections will go into the liquor excise tax fund for distribution to counties, cities and towns, less the permanent transfer to the state general fund.

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. 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 2016 estimate of \$159,460 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 2016, we are estimating \$375,770. This distribution also accounts for the increase in fuel tax that went into effect August 1, 2015.

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 2016, we are estimating \$54,145.

Recycling Grants

General Fund

The City partners 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 2016, we estimate being awarded \$35,452.

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 allocated to every fund excluding the General Fund based on the number of full-time equivalents. Each fund pays their proportional share of the Central Services Department which consists of things such as the building lease, office supplies, and IT. The central services overhead payments are a direct reduction to the City's Central Services Department base budget, therefore no revenue is recorded.

The interfund service payment is for each fund's share of the assistance they receive from the Executive, Finance, Legal, and Human Resource offices. The 2016 budget is estimated at \$684,524.

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 2016 budget for these fees is estimated at \$556,575.

Parks User Fees

General Fund

These fees are collected for services related to the Aquatic Center, Athletics, and Recreation programs. Athletics includes programs such as baseball, soccer, flag football, and volleyball. The 2016 revenues are estimated at \$747,083. In 2016, the Parks Fund has been dissolved and is now being reported in the General Fund.

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 dedicated fees provide for things such as maintenance, repair, and construction of storm water facilities. The 2016 budget is estimated at \$1,977,050.

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 \$102,500 in revenue for 2016. In 2016 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 which offset providing the City 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 2016 is \$34,000.

Parks User Fees

General Fund

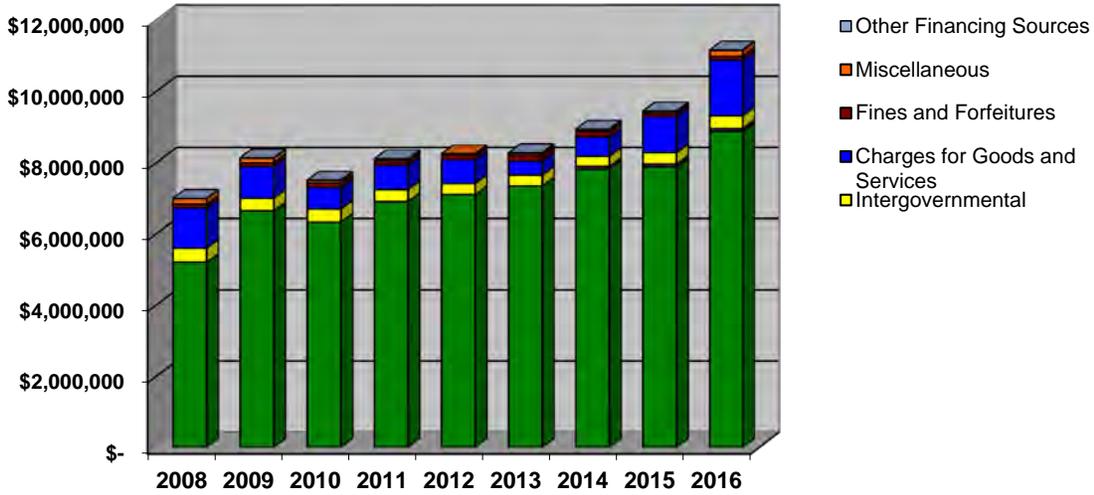
These miscellaneous fees are collected for locker rentals, pool rentals, concessions, etc. The 2016 revenues are estimated at \$105,662.

Interest Income

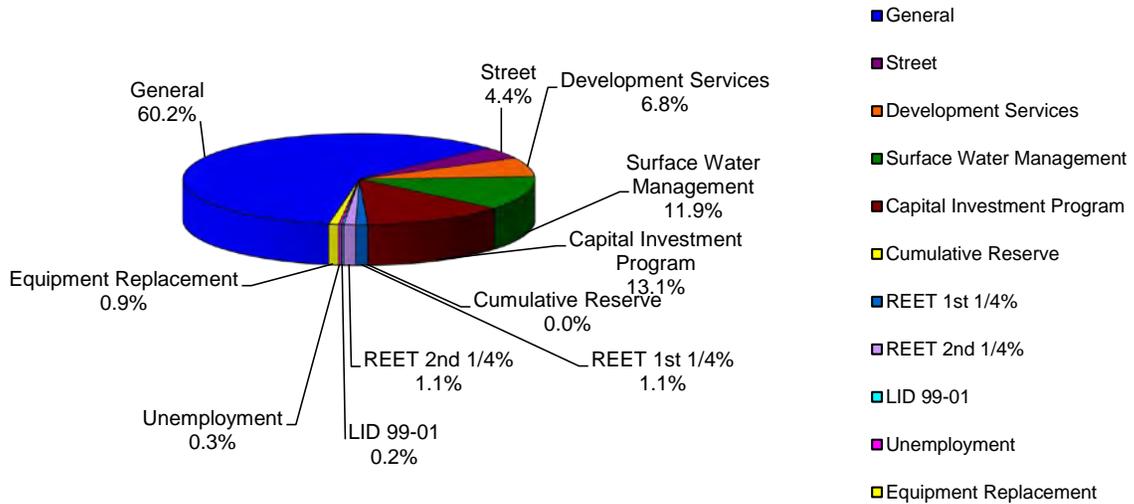
All Funds

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 2016 estimate of \$23,000 is based on annualized 2015 data, economic outlook, and the assumption that fund balances available for investing will be at 2015 levels.

General Fund Revenues



2016 Revenues All Funds



City of Covington
 Summary of Revenues - All Funds (Note 1)
 For the Fiscal Years 2014 through 2016

	2014	2015		2016		
	Actual	Total Adopted Budget	Estimated Actuals	Requested Budget	Decision Cards	Total Budget
General Fund						
Taxes	\$ 7,807,545	\$ 7,883,860	\$ 7,947,575	\$ 8,880,700	\$ -	\$ 8,880,700
Licenses and Permits	75,165	75,000	76,812	76,980	-	76,980
Intergovernmental	346,373	326,035	330,334	356,597	-	356,597
Charges for Goods and Services	677,909	1,008,040	1,009,580	1,569,016	-	1,569,016
Fines and Forfeitures	98,536	94,700	107,191	102,500	-	102,500
Miscellaneous	98,503	56,350	67,264	174,212	-	174,212
Other Financing Sources	-	-	-	-	-	-
Total General Fund	<u>\$ 9,104,031</u>	<u>\$ 9,443,985</u>	<u>\$ 9,538,756</u>	<u>\$11,160,005</u>	<u>\$ -</u>	<u>\$11,160,005</u>
Street Fund						
Taxes	\$ -	\$ -	\$ -	\$ 175,125	\$ -	\$ 175,125
Licenses and Permits	234,726	233,500	241,725	242,000	-	242,000
Intergovernmental	374,019	367,250	380,956	375,770	-	375,770
Charges for Goods and Services	74,888	6,000	33,600	16,000	-	16,000
Miscellaneous	421	400	400	400	-	400
Other Financing Sources	2,325	-	-	-	-	-
Total Street Fund	<u>\$ 686,379</u>	<u>\$ 607,150</u>	<u>\$ 656,681</u>	<u>\$ 809,295</u>	<u>\$ -</u>	<u>\$ 809,295</u>
Development Services Fund						
Licenses and Permits	\$ 341,924	\$ 1,017,230	\$ 1,201,983	\$ 699,655	\$ -	\$ 699,655
Intergovernmental	-	-	-	-	-	-
Charges for Goods and Services	727,567	233,933	916,633	556,575	-	556,575
Fines and Forfeitures	138	-	-	-	-	-
Miscellaneous	1,900	4,000	7,806	2,000	-	2,000
Total Development Services Fund	<u>\$ 1,071,529</u>	<u>\$ 1,255,163</u>	<u>\$ 2,126,422</u>	<u>\$ 1,258,230</u>	<u>\$ -</u>	<u>\$ 1,258,230</u>
Parks Fund						
Taxes	\$ 536,854	\$ 542,690	\$ 570,720	\$ -	\$ -	\$ -
Intergovernmental	130,919	-	2,348	-	-	-
Charges for Goods and Services	692,495	720,764	776,624	-	-	-
Miscellaneous	151,417	103,088	111,606	-	-	-
Other Financing Sources	1,037	-	-	-	-	-
Total Parks Fund	<u>\$ 1,512,722</u>	<u>\$ 1,366,542</u>	<u>\$ 1,461,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Surface Water Management Fund						
Charges for Goods and Services	\$ 1,844,813	\$ 1,918,630	\$ 1,934,020	\$ 2,029,000	\$ -	\$ 2,029,000
Miscellaneous	3,992	5,000	5,220	5,000	-	5,000
Proprietary Income (Grants)	116,348	-	11,541	176,000	-	176,000
Other Financing Sources	-	-	-	-	-	-
Total Surface Water Management Fund	<u>\$ 1,965,153</u>	<u>\$ 1,923,630</u>	<u>\$ 1,950,781</u>	<u>\$ 2,210,000</u>	<u>\$ -</u>	<u>\$ 2,210,000</u>
Capital Investment Program Fund						
Taxes	\$ 34,534	\$ -	\$ 60,000	\$ -	\$ -	\$ -
Intergovernmental	966,073	1,476,690	1,697,353	1,045,866	1,272,107	2,317,973
Charges for Goods and Services	46,907	110,000	687,624	83,000	21,500	104,500
Miscellaneous	2,040	-	2,000	2,000	8,500	10,500
Other Financing Sources	-	-	194,516	-	-	-
Total Capital Investment Program Fund	<u>\$ 1,049,554</u>	<u>\$ 1,586,690</u>	<u>\$ 2,641,493</u>	<u>\$ 1,130,866</u>	<u>\$ 1,302,107</u>	<u>\$ 2,432,973</u>
Cumulative Reserve Fund						
Miscellaneous	\$ 3,234	\$ 8,600	\$ 9,723	\$ 3,200	\$ -	\$ 3,200
Total Cumulative Reserve Fund	<u>\$ 3,234</u>	<u>\$ 8,600</u>	<u>\$ 9,723</u>	<u>\$ 3,200</u>	<u>\$ -</u>	<u>\$ 3,200</u>
Contingency Fund						
Miscellaneous	\$ 3,216	\$ -	\$ 170	\$ -	\$ -	\$ -
Total Contingency Fund	<u>\$ 3,216</u>	<u>\$ -</u>	<u>\$ 170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Covington
 Summary of Revenues - All Funds (Note 1)
 For the Fiscal Years 2014 through 2016

	2014	2015		2016		
	Actual	Total Adopted Budget	Estimated Actuals	Requested Budget	Decision Cards	Total Budget
<u>Real Estate Excise Tax Fund- 1st Qtr%</u>						
Taxes	\$ 212,148	\$ 175,000	\$ 290,000	\$ 200,000	\$ -	\$ 200,000
Miscellaneous	36	40	40	-	-	-
Total Real Estate Excise Tax-1st Qtr% Fund	<u>\$ 212,184</u>	<u>\$ 175,040</u>	<u>\$ 290,040</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>
<u>Real Estate Excise Tax Fund-2nd Qtr%</u>						
Taxes	\$ 206,554	\$ 175,000	\$ 290,000	\$ 200,000	\$ -	\$ 200,000
Miscellaneous	36	40	40	-	-	-
Total Real Estate Excise Tax-2nd Qtr% Fund	<u>\$ 206,590</u>	<u>\$ 175,040</u>	<u>\$ 290,040</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>
<u>L.I.D. 99-01 Fund</u>						
Miscellaneous	\$ 35,671	\$ 35,665	\$ 34,349	\$ 34,350	\$ -	\$ 34,350
Total L.I.D. 99-01 Fund	<u>\$ 35,671</u>	<u>\$ 35,665</u>	<u>\$ 34,349</u>	<u>\$ 34,350</u>	<u>\$ -</u>	<u>\$ 34,350</u>
<u>Unemployment Insurance Reserve Fund</u>						
Charges for Goods and Services	\$ 45,573	\$ 48,032	\$ 49,459	\$ 51,714	\$ -	\$ 51,714
Miscellaneous	198	-	400	-	-	-
Total Unemployment Insurance Reserve Fund	<u>\$ 45,771</u>	<u>\$ 48,032</u>	<u>\$ 49,859</u>	<u>\$ 51,714</u>	<u>\$ -</u>	<u>\$ 51,714</u>
<u>Equipment Replacement Fund</u>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Goods and Services	152,691	170,896	162,697	167,544	-	167,544
Miscellaneous	306	-	400	-	-	-
Proprietary Income (Grants)	584	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-
Total Equipment Replacement Fund	<u>\$ 153,581</u>	<u>\$ 170,896</u>	<u>\$ 163,097</u>	<u>\$ 167,544</u>	<u>\$ -</u>	<u>\$ 167,544</u>
Total All Funds	<u>\$16,049,615</u>	<u>\$16,796,433</u>	<u>\$19,212,709</u>	<u>\$17,225,204</u>	<u>\$ 1,302,107</u>	<u>\$18,527,311</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 2014 through 2016

	2014	2015		2016		
	Actual	Total Adopted Budget	Estimated Actuals	Requested Budget	Decision Cards	Total Budget
<u>General Fund</u>						
Salaries and Wages	\$ 1,372,533	\$ 1,444,274	\$ 1,411,865	\$ 2,692,430	\$ 34,285	\$ 2,726,715
Personnel Benefits	494,710	533,049	516,388	921,076	32,950	954,026
Supplies	65,139	62,595	67,000	226,113	34,880	260,993
Other Services and Charges	1,834,015	1,870,866	1,853,986	2,013,761	41,030	2,054,791
Intergovernmental	3,761,900	4,027,573	3,814,247	4,132,905	231,300	4,364,205
Capital Outlay	16,108	5,060	5,000	-	137,700	137,700
Debt Service	-	-	-	-	-	-
Central Services Cost Allocation	(444,925)	(498,834)	(498,834)	(311,157)	-	(311,157)
Total General Fund	<u>\$ 7,099,480</u>	<u>\$ 7,444,583</u>	<u>\$ 7,169,652</u>	<u>\$ 9,675,128</u>	<u>\$ 512,145</u>	<u>\$ 10,187,273</u>
<u>Street Fund</u>						
Salaries and Wages	\$ 331,283	\$ 353,687	\$ 337,299	\$ 347,769	\$ 39,584	\$ 387,353
Personnel Benefits	126,126	135,051	130,461	137,980	24,000	161,980
Supplies	36,470	65,946	50,656	64,322	1,980	66,302
Other Services and Charges	279,961	437,629	472,594	513,023	5,100	518,123
Intergovernmental	88,724	98,000	90,800	99,495	-	99,495
Capital Outlay	35,475	-	-	-	11,000	11,000
Debt Service	-	-	-	-	-	-
Total Street Fund	<u>\$ 898,039</u>	<u>\$ 1,090,313</u>	<u>\$ 1,081,810</u>	<u>\$ 1,162,589</u>	<u>\$ 81,664</u>	<u>\$ 1,244,253</u>
<u>Development Services Fund</u>						
Salaries and Wages	\$ 496,888	\$ 494,394	\$ 523,260	\$ 560,667	\$ 52,255	\$ 612,922
Personnel Benefits	167,714	174,060	174,667	189,462	35,105	224,567
Supplies	6,914	9,679	10,564	12,079	13,100	25,179
Other Services and Charges	333,147	361,780	434,546	455,866	43,160	499,026
Intergovernmental	46,093	59,625	101,110	83,625	400	84,025
Total Development Services Fund	<u>\$ 1,050,756</u>	<u>\$ 1,099,538</u>	<u>\$ 1,244,147</u>	<u>\$ 1,301,699</u>	<u>\$ 144,020</u>	<u>\$ 1,445,719</u>
<u>Parks Fund</u>						
Salaries and Wages	\$ 947,071	\$ 1,051,073	\$ 1,148,966	\$ -	\$ -	\$ -
Personnel Benefits	274,119	312,371	329,050	-	-	-
Supplies	117,527	142,997	187,680	-	-	-
Other Services and Charges	722,953	1,061,098	1,050,106	-	-	-
Intergovernmental	10,612	11,960	21,710	-	-	-
Capital Outlay	70,274	-	57,710	-	-	-
Debt Service	-	-	-	-	-	-
Total Parks Fund	<u>\$ 2,142,556</u>	<u>\$ 2,579,499</u>	<u>\$ 2,795,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Surface Water Management Fund</u>						
Salaries and Wages	\$ 493,939	\$ 594,538	\$ 545,508	\$ 542,613	\$ 60,212	\$ 602,825
Personnel Benefits	208,106	238,599	222,490	221,308	23,358	244,666
Supplies	34,921	39,145	28,320	45,244	1,820	47,064
Other Services and Charges	811,175	1,056,917	995,400	1,124,035	18,770	1,142,805
Intergovernmental	52,160	61,944	50,000	63,119	-	63,119
Capital Outlay	-	402,190	198,974	619,438	9,500	628,938
Debt Service	32,849	32,837	32,837	32,837	-	32,837
Interfund Payment for Services	-	-	-	-	-	-
Total Surface Water Management Fund	<u>\$ 1,633,150</u>	<u>\$ 2,426,170</u>	<u>\$ 2,073,529</u>	<u>\$ 2,648,594</u>	<u>\$ 113,660</u>	<u>\$ 2,762,254</u>

City of Covington
 Summary of Expenditures - All Funds (Note 1)
 For the Fiscal Years 2014 through 2016

	2014	2015		2016		
	Actual	Total Adopted Budget	Estimated Actuals	Requested Budget	Decision Cards	Total Budget
<u>Capital Investment Program Fund</u>						
Salaries and Wages	\$ 47,333	\$ 24,960	\$ 13,402	\$ 24,960	\$ -	\$ 24,960
Personnel Benefits	10,922	2,475	1,985	2,475	-	2,475
Supplies	-	-	-	-	-	-
Other Services and Charges	609,025	901,980	338,294	-	-	-
Capital Outlay	672,614	1,864,070	2,098,800	1,359,397	1,547,900	2,907,297
Debt Service	-	-	-	-	-	-
Interfund Payment for Services	-	-	-	-	-	-
Total Capital Investment Program Fund	<u>\$ 1,339,894</u>	<u>\$ 2,793,485</u>	<u>\$ 2,452,481</u>	<u>\$ 1,386,832</u>	<u>\$ 1,547,900</u>	<u>\$ 2,934,732</u>
<u>L.I.D. 99-01 Fund</u>						
Other Services and Charges	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -
Debt Service	-	-	-	-	-	-
Total LID 99-01 Fund	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Long-Term Debt Service Fund</u>						
Debt Service	\$ 1,278,415	\$ 1,276,904	\$ 1,276,008	\$ 1,278,465	\$ -	\$ 1,278,465
Total Long-Term Debt Service Fund	<u>\$ 1,278,415</u>	<u>\$ 1,276,904</u>	<u>\$ 1,276,008</u>	<u>\$ 1,278,465</u>	<u>\$ -</u>	<u>\$ 1,278,465</u>
<u>Unemployment Insurance Reserve Fund</u>						
Personnel Benefits	\$ 1,189	\$ 50,000	\$ 6,000	\$ 50,000	\$ -	\$ 50,000
Total Unemployment Insurance Reserve Fund	<u>\$ 1,189</u>	<u>\$ 50,000</u>	<u>\$ 6,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>
<u>Equipment Replacement Fund</u>						
Supplies	\$ 19,585	\$ 22,332	\$ 14,600	\$ 21,948	\$ -	\$ 21,948
Other Services and Charges	24,278	21,294	21,000	21,798	-	21,798
Capital Outlay	-	29,682	33,000	62,762	-	62,762
Total Equipment Replacement Fund	<u>\$ 43,863</u>	<u>\$ 73,308</u>	<u>\$ 68,600</u>	<u>\$ 106,508</u>	<u>\$ -</u>	<u>\$ 106,508</u>
Total All Funds	<u>\$ 15,487,342</u>	<u>\$ 18,834,300</u>	<u>\$ 18,167,449</u>	<u>\$ 17,609,815</u>	<u>\$ 2,399,389</u>	<u>\$ 20,009,204</u>

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

City of Covington
 Summary of Interfund Transfers - All Funds
 For the Fiscal Years 2014 through 2016

	Transfer In/Out	2014	2015		2016		
		Actual	Total Adopted Budget	Estimated Actuals	Proposed Budget	Decision Cards	Total Budget
General Fund	In	\$ 35,931	\$ 35,165	\$ 34,349	\$ 34,350	\$ -	\$ 34,350
	Out	(1,584,631)	(3,000,286)	(3,015,470)	(1,090,151)	(60,000)	(1,150,151)
Net Total General Fund		\$ (1,548,700)	\$ (2,965,121)	\$ (2,981,121)	\$ (1,055,801)	\$ (60,000)	\$ (1,115,801)
Street Fund	In	\$ 281,774	\$ 476,633	\$ 479,828	\$ 211,686	\$ -	\$ 211,686
	Out	(23,489)	-	(12,600)	(6,000)	-	(6,000)
Net Total Street Fund		\$ 258,285	\$ 476,633	\$ 467,228	\$ 205,686	\$ -	\$ 205,686
Parks Fund	In	\$ 570,094	\$ 1,274,313	\$ 1,426,674	\$ -	\$ -	\$ -
	Out	(27,483)	(27,484)	(27,484)	-	-	-
Net Total Parks Fund		\$ 542,611	\$ 1,246,829	\$ 1,399,190	\$ -	\$ -	\$ -
Surface Water Management Fund	In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Out	-	-	(336,386)	-	-	-
Net Total Surface Water Management Fund		\$ -	\$ -	\$ (336,386)	\$ -	\$ -	\$ -
Capital Investment Program Fund	In	\$ -	\$ 350,000	\$ 810,745	\$ -	\$ 60,000	\$ 60,000
	Out	(33,070)	-	-	-	-	-
Net Total Capital Investment Program Fund		\$ (33,070)	\$ 350,000	\$ 810,745	\$ -	\$ 60,000	\$ 60,000
Cumulative Reserve Fund	In	\$ 23,489	\$ -	\$ 12,600	\$ 6,000	\$ -	\$ 6,000
	Out	(2,444)	-	(3,195)	-	-	-
Net Total Cumulative Reserve Fund		\$ 21,045	\$ -	\$ 9,405	\$ 6,000	\$ -	\$ 6,000
Real Estate Excise Tax Fund-1st Qtr%	In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Out	(244,471)	(175,040)	(305,360)	(200,000)	-	(200,000)
Net Total Real Estate Excise Tax Fund-1st Qtr%		\$ (244,471)	\$ (175,040)	\$ (305,360)	\$ (200,000)	\$ -	\$ (200,000)
Real Estate Excise Tax Fund-2nd Qtr%	In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Out	(238,184)	(175,040)	(305,360)	(200,000)	-	(200,000)
Net Total Real Estate Excise Tax Fund-2nd Qtr%		\$ (238,184)	\$ (175,040)	\$ (305,360)	\$ (200,000)	\$ -	\$ (200,000)
LID 99-01 Fund	In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Out	(35,931)	(35,165)	(34,349)	(34,350)	-	(34,350)
Net Total LID 99-01 Fund		\$ (35,931)	\$ (35,165)	\$ (34,349)	\$ (34,350)	\$ -	\$ (34,350)
LID Guaranty Fund	In	\$ 35,931	\$ 35,165	\$ 34,349	\$ 34,350	\$ -	\$ 34,350
	Out	(35,931)	(35,165)	(34,349)	(34,350)	-	(34,350)
Net Total LID Guaranty Fund		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long-Term Debt Service Fund	In	\$ 1,278,415	\$ 1,276,904	\$ 1,276,008	\$ 1,278,465	\$ -	\$ 1,278,465
	Out	-	-	-	-	-	-
Net Total Long-Term Debt Service Fund		\$ 1,278,415	\$ 1,276,904	\$ 1,276,008	\$ 1,278,465	\$ -	\$ 1,278,465
Total Interfund Transfers In		2,225,634	3,448,180	4,074,553	1,564,851	60,000	1,624,851
Total Interfund Transfers Out		(2,225,634)	(3,448,180)	(4,074,553)	(1,564,851)	(60,000)	(1,624,851)
Net Total Fund Transfers for all Funds		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City of Covington
 Summary of Interfund Transfers - All Funds
 For the Fiscal Year 2016

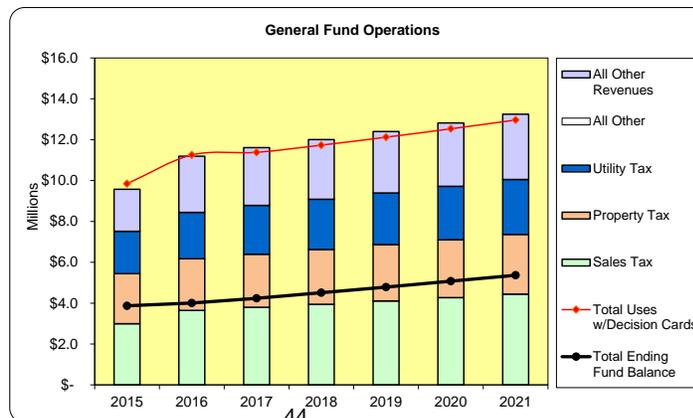
Transfer In:

	General Fund	Street Fund	Capital Investment Program Fund	Cumulative Reserve Fund	LID Guaranty Fund	Long-Term Debt Service Fund	Total
Transfer Out:							
General Fund	\$ -	\$211,686	\$ 60,000	\$ -	\$ -	\$ 878,465	\$ 1,150,151
Street Fund	-	-	-	6,000	-	-	6,000
Real Estate Excise Tax 1st Qtr % Fund	-	-	-	-	-	200,000	200,000
Real Estate Excise Tax 2nd Qtr % Fund	-	-	-	-	-	200,000	200,000
LID 99-01 Fund	-	-	-	-	34,350	-	34,350
LID Guaranty Fund	<u>34,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,350</u>
Total Transfers	<u>\$ 34,350</u>	<u>\$211,686</u>	<u>\$ 60,000</u>	<u>\$ 6,000</u>	<u>\$ 34,350</u>	<u>\$ 1,278,465</u>	<u>\$ 1,624,851</u>

* Includes Decision Cards

CITY OF COVINGTON
GENERAL FUND LONG RANGE FORECAST
 2015-2021 Analysis in 000s
 BASE BUDGET

	2015	2016	2017	2018	2019	2020	2021
BEGINNING FUND BALANCE	\$ 4,483	\$ 4,150	\$ 4,008	\$ 4,241	\$ 4,509	\$ 4,789	\$ 5,076
REVENUES							
Sales Tax ¹	2,996	3,650	3,796	3,948	4,106	4,270	4,441
Property Tax	2,446	2,524	2,599	2,677	2,758	2,841	2,926
Utility Tax ²	2,074	2,272	2,386	2,458	2,532	2,608	2,686
Local Criminal Justice	431	435	452	470	489	509	529
Licenses & Permits	77	77	77	77	77	77	77
Intergovernmental Revenue	330	357	367	378	390	401	413
Charges for Services	113	152	156	161	166	171	176
Fines & Forfeitures	107	103	108	113	119	125	131
Aquatics Fees	-	658	661	664	668	671	674
Athletic Fees	-	129	133	137	141	145	149
Recreation Fees	-	46	48	49	51	52	54
Miscellaneous	67	75	77	80	82	84	87
Interfund Payment	897	685	719	755	792	832	874
Operating Transfer In ³	34	34	34	34	34	34	34
BASE BUDGET REVENUES	9,573	11,195	11,614	12,001	12,403	12,819	13,251
OTHER FINANCING SOURCES							
Budget Strategies	-	-	-	-	-	-	-
TOTAL OTHER FINANCING USES	\$ -						
TOTAL SOURCES	\$ 9,573	\$ 11,195	\$ 11,614	\$ 12,001	\$ 12,403	\$ 12,819	\$ 13,251
EXPENDITURES							
Salaries and Wages	1,412	2,692	2,800	2,912	3,029	3,150	3,276
Personnel Benefits	516	921	990	1,064	1,144	1,230	1,322
Supplies	67	226	233	240	247	254	262
Other Services and Charges	1,517	1,930	1,987	2,047	2,108	2,172	2,237
Intergovernmental	3,814	4,133	4,278	4,427	4,582	4,743	4,909
Capital Outlay	5	-	-	-	-	-	-
Central Services Cost Allocation	(499)	(311)	(327)	(343)	(360)	(378)	(397)
Operating Transfer Out less debt service transfer ⁴	2,378	212	242	222	227	232	237
BASE BUDGET EXPENDITURES	9,210	9,803	10,203	10,570	10,977	11,402	11,846
Operating Surplus/Deficit by Year	\$ 363	\$ 1,392	\$ 1,410	\$ 1,432	\$ 1,426	\$ 1,417	\$ 1,405
OTHER FINANCING USES							
Decision Cards							
Ongoing	-	317	327	337	347	357	368
One-time	-	255	-	-	-	-	-
Budget Strategies	-	-	-	-	-	-	-
Debt Service Transfer	638	878	851	827	798	773	749
TOTAL OTHER FINANCING USES	638	1,451	1,178	1,164	1,145	1,131	1,117
Annual Surplus/Deficit	(275)	(58)	233	605	627	643	656
TOTAL USES	9,848	11,253	11,381	11,733	12,122	12,533	12,962
One-time Costco payout	337	84	-	-	-	-	-
Sources over Uses	(612)	(142)	233	268	281	286	288
TOTAL ENDING FUND BALANCE	\$ 3,871	\$ 4,008	\$ 4,241	\$ 4,509	\$ 4,789	\$ 5,076	\$ 5,364
Cumulative net amount available for debt service.	\$ 1,300						
Amount transferred to the debt service fund.	\$ 638	\$ 878	\$ 851	\$ 827	\$ 798	\$ 773	\$ 749
Remainder of debt service reserve.	\$ 662	\$ 422	\$ 449	\$ 473	\$ 502	\$ 527	\$ 551
COSTCO RESERVE	\$ 84	\$ (0)	\$ -				
REPUBLIC SERVICES RESERVE	\$ 189	\$ 266	\$ 341	\$ 416	\$ 491	\$ 491	\$ 566
UNRESERVED FUND BALANCE	\$ 2,935	\$ 3,320	\$ 3,450	\$ 3,619	\$ 3,796	\$ 4,057	\$ 4,246
TOTAL ENDING FUND BALANCE	\$ 3,871	\$ 4,008	\$ 4,241	\$ 4,509	\$ 4,789	\$ 5,076	\$ 5,364
20% fund balance target	\$ 1,367	\$ 1,918	\$ 1,992	\$ 2,070	\$ 2,150	\$ 2,234	\$ 2,322
Fund balance policy	Meets 20%						
Margin above/below the 20% threshold	\$ 1,568	\$ 1,402	\$ 1,458	\$ 1,549	\$ 1,646	\$ 1,823	\$ 1,925



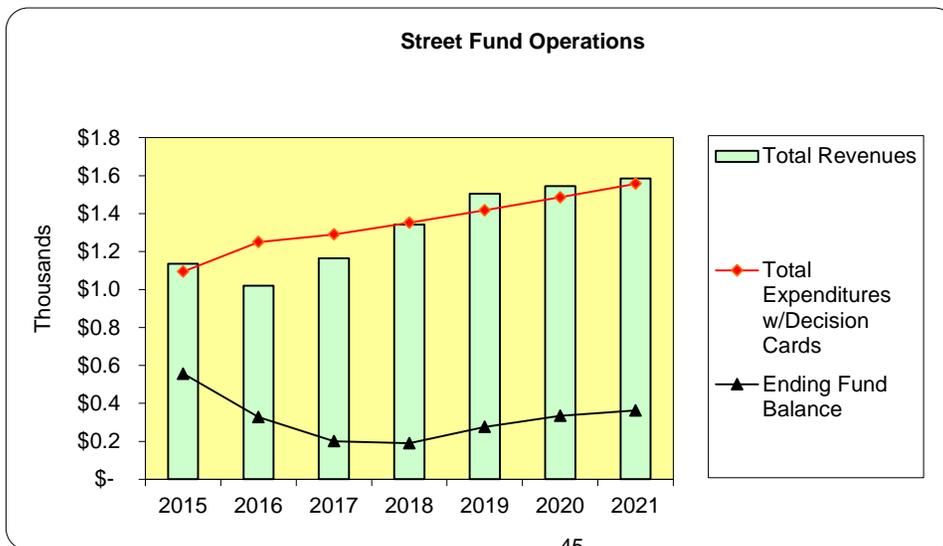
CITY OF COVINGTON STREET FUND LONG RANGE FORECAST

2015-2021 Analysis in 000s
BASE BUDGET

	2015	2016	2017	2018	2019	2020	2021
BEGINNING FUND BALANCE	\$ 514	\$ 557	\$ 327	\$ 201	\$ 190	\$ 276	\$ 335
REVENUES							
Comcast Cable Franchise Fee	242	242	248	254	261	267	274
Street Fuel Tax	381	376	385	395	405	415	425
TBD Vehicle License Fee	-	175	288	297	306	315	325
Charges for Goods and Services	34	16	-	-	-	-	-
Miscellaneous	0	0	-	-	-	-	-
BASE BUDGET REVENUES	657	809	922	946	971	997	1,024
Operating Transfers In	480	212	242	222	227	232	237
Revenue strategies	-	-	-	173	306	315	325
Insurance Recoveries	-	-	-	-	-	-	-
TOTAL REVENUES	1,137	1,021	1,164	1,341	1,504	1,544	1,585
EXPENDITURES							
Salaries and Wages	337	348	362	376	391	407	423
Personnel Benefits	130	138	148	159	171	184	198
Supplies	51	64	66	68	70	72	75
Other Services and Charges	473	513	539	566	594	624	655
Intergovernmental	91	99	104	110	115	121	127
Capital Outlay	-	-	-	-	-	-	-
Debt Service: Principal	-	-	-	-	-	-	-
Operating Transfer Out	13	6	-	-	-	-	-
BASE BUDGET EXPENDITURES	1,094	1,169	1,219	1,279	1,342	1,408	1,478
Decision Cards							
Ongoing	-	69	71	73	75	78	80
One-time	-	13	-	-	-	-	-
Budget Strategies	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,094	1,250	1,290	1,352	1,417	1,486	1,557
Operating Surplus/Deficit by Year	42	(229)	(127)	(11)	87	59	28
TOTAL ENDING FUND BALANCE	557	327	201	190	276	335	363
15% fund balance target	\$ 162	\$ 174	\$ 183	\$ 192	\$ 201	\$ 211	\$ 222
Fund balance policy	Meets 15%	Meets 15%	Meets 15%	Under 15%	Meets 15%	Meets 15%	Meets 15%
Margin above/below the 15% threshold	\$ 394	\$ 153	\$ 18	\$ (2)	\$ 75	\$ 124	\$ 141

Notes:

1) This worksheet makes no assumptions as to new programs and decision cards past 2016 other than ongoing costs.



**CITY OF COVINGTON
DEVELOPMENT SERVICES FUND LONG RANGE FORECAST**

2015-2021 Analysis in 000s
BASE BUDGET

	2015	2016	2017	2018	2019	2020	2021
BEGINNING FUND BALANCE	\$ 1,912	\$ 2,794					
REVENUES							
Licenses & Permits	\$ 1,202	\$ 700					
Intergovernmental Revenues	-	-					
Charges for Goods & Services	917	557					
Miscellaneous Revenues	8	2					
Operating Transfer In	-	-					
TOTAL REVENUES¹	2,126	1,258					
EXPENDITURES							
Salaries and Wages	523	561					
Personnel Benefits	175	189					
Supplies	11	12					
Other Services and Charges	435	456					
Intergovernmental	101	84					
Other Financing	-	-					
BASE EXPENDITURES	1,244	1,302					
Decision Cards							
<i>Ongoing</i>	-	117					
<i>One-time</i>	-	27					
TOTAL EXPENDITURES	1,244	1,446					
Operating Surplus/Deficit by Year	882	(187)					
Ending Fund Balance	\$ 2,794	\$ 2,607					
15% Fund balance target	\$ 319	\$ 189					
Fund balance policy	Meets 15%	Meets 15%					
Margin above/below the 15% threshold	\$ 2,475	\$ 2,418					

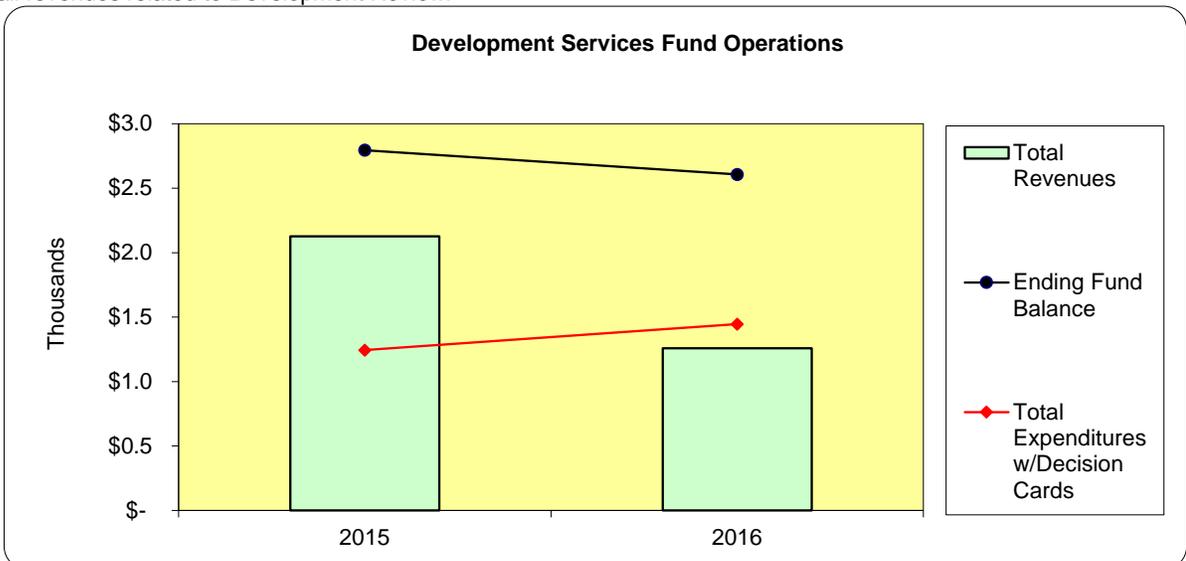
Due to the nature of Development Services being a working capital fund where projects cross years and the source of revenue is based solidly on economic cycles, accurate forecasting becomes speculative beyond 2016.

Notes:

1) This worksheet makes no assumptions as to new programs and decision cards past 2016 other than ongoing costs.

Footnotes:

¹ Reflects all revenues related to Development Review.



CITY OF COVINGTON

SURFACE WATER MANAGEMENT FUND LONG RANGE FORECAST

2014-2021 Analysis in 000s

BASE BUDGET

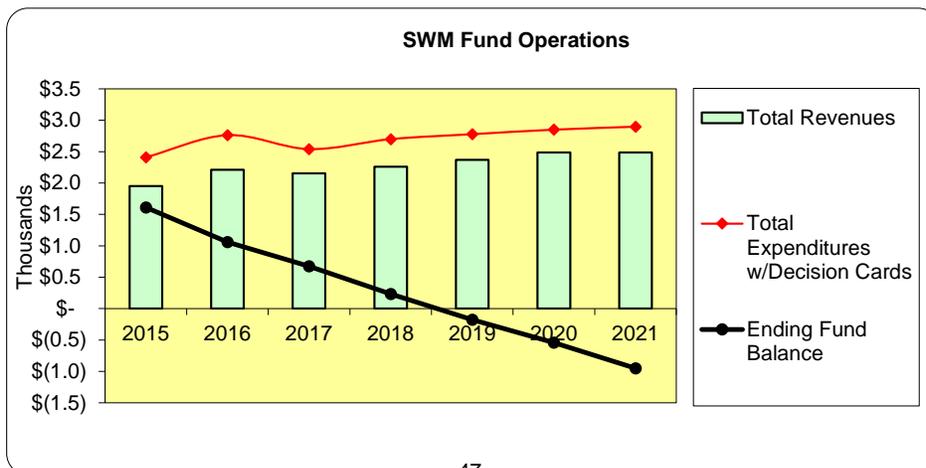
	2015	2016	2017	2018	2019	2020	2021
BEGINNING CASH BALANCE	\$ 2,071	\$ 1,612	\$ 1,060	\$ 674	\$ 234	\$ (175)	\$ (540)
REVENUES							
Customer Charges ¹	\$ 1,883	\$ 1,977	\$ 2,076	\$ 2,180	\$ 2,289	\$ 2,403	\$ 2,403
Charges for Goods & Services	51	52	53	54	55	56	57
Grant Revenue	12	176	20	20	20	20	20
Misc	5	5	5	5	5	6	6
TOTAL REVENUES	<u>1,951</u>	<u>2,210</u>	<u>2,154</u>	<u>2,259</u>	<u>2,369</u>	<u>2,485</u>	<u>2,486</u>
Transfers In	-	-	-	-	-	-	-
TOTAL SOURCES	<u>1,951</u>	<u>2,210</u>	<u>2,154</u>	<u>2,259</u>	<u>2,369</u>	<u>2,485</u>	<u>2,486</u>
EXPENDITURES							
Salaries and Wages	546	543	564	587	610	635	660
Personnel Benefits	222	221	238	256	275	296	318
Supplies	28	45	48	50	52	55	58
Other Services and Charges	995	1,124	1,180	1,239	1,301	1,366	1,435
Intergovernmental	50	63	66	70	73	77	81
Capital Outlay	199	619	443	497	465	421	346
Debt Service: Principal	-	-	-	-	-	-	-
Debt Service: Interest	33	33	1	1	1	0	0
Transfer Out	336	-	-	-	-	-	-
BASE BUDGET TOTAL	<u>2,410</u>	<u>2,649</u>	<u>2,540</u>	<u>2,699</u>	<u>2,778</u>	<u>2,850</u>	<u>2,897</u>
Decision Card							
<i>Ongoing</i>	-	95	101	107	113	120	127
<i>One-time</i>	-	19	-	-	-	-	-
Budget Strategies	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>2,410</u>	<u>2,762</u>	<u>2,540</u>	<u>2,699</u>	<u>2,778</u>	<u>2,850</u>	<u>2,897</u>
Operating Surplus/Deficit by Year	(459)	(552)	(386)	(440)	(409)	(365)	(411)
ENDING CASH BALANCE	<u>1,612</u>	<u>1,060</u>	<u>674</u>	<u>234</u>	<u>(175)</u>	<u>(540)</u>	<u>(950)</u>
10% fund balance target	\$ 204	\$ 262	\$ 254	\$ 270	\$ 278	\$ 285	\$ 290
Meets 10%	Meets 10%	Meets 10%	Meets 10%	Under 10%	Under 10%	Under 10%	Under 10%
Margin above the 10% threshold	\$ 1,408	\$ 798	\$ 420	\$ (36)	\$ (453)	\$ (825)	\$ (1,240)

Notes:

- 1) This worksheet makes no assumptions as to new programs and decision cards past 2016 other than ongoing costs.
- 2) As a reminder the deficit spending is planned to spend down the current cash balance.

Footnotes:

¹ This reflects ongoing 5% increases thru 2020.



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.

2015 ACCOMPLISHMENTS

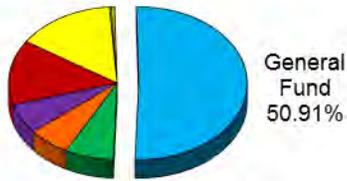
- ✓ Continued collaboration and involvement with neighboring cities, utility districts and regional associations
- ✓ Maintained strong, effective relationships with State Legislators
- ✓ Established a Sister City Program with Tatsuno Japan
- ✓ Seamless transition of the Covington Community Park maintenance contract to city management
- ✓ Completed major repairs to Jenkins Creek Park and re-opened park to the public
- ✓ Implemented city-wide mandatory solid waste collection

2016 GOALS

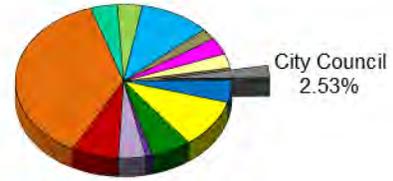
- ❖ Economic Development: Encourage and support a business community that is committed to Covington for the long-term and offers diverse products and services, family wage jobs, and a healthy tax base to support public services
- ❖ Town Center: Establish Covington Town Center as a vibrant residential, commercial, educational, social, and cultural gathering place that is safe, pedestrian-friendly, well-designed, and well-maintained
- ❖ Community: Provide city services, programs, and facilities 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

2016 Budget All Funds

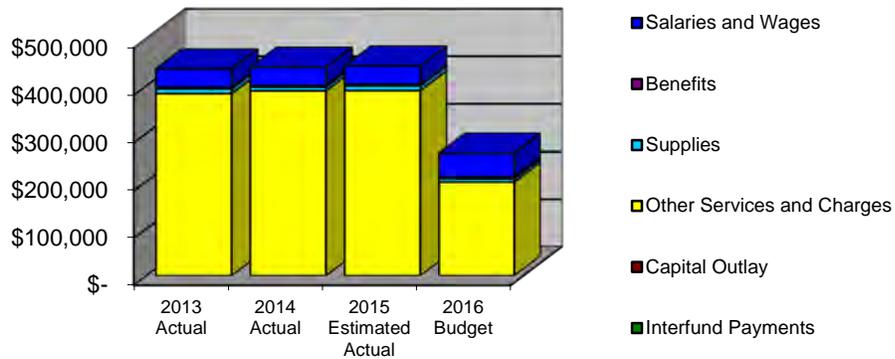


Total General Fund Budget



Uses of Funds:	2013	2014	2015	2016
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 38,400	\$ 38,400	\$ 38,327	\$ 48,863
Benefits	3,442	3,403	3,386	4,201
Supplies	10,151	7,864	10,051	6,870
Other Services and Charges	383,082	388,945	389,502	198,210
Capital Outlay	-	-	-	-
Interfund Payments	-	-	-	-
Total Operating Expenses	<u>435,075</u>	<u>438,612</u>	<u>441,266</u>	<u>258,144</u>
Operating Transfer Out	<u>1,243,219</u>	<u>1,584,631</u>	<u>3,015,470</u>	<u>1,150,151</u>
Total Uses	<u>\$ 1,678,294</u>	<u>\$ 2,023,243</u>	<u>\$ 3,456,736</u>	<u>\$ 1,408,295</u>

Total Operating Expenditures by Year



CITY COUNCIL

Account Number	Description	Requested
001-110-597-00-00-00	Operating Transfer Out Expenditure	\$ 1,150,151 <u>1,150,151</u>
001-110-511-60-11-00	Regular Wages Salaries and Wages	<u>48,863</u> <u>48,863</u>
001-110-511-60-21-01	Social Security Replacement	2,736
001-110-511-60-21-02	Medicare	709
001-110-511-60-21-05	Industrial Insurance	653
001-110-511-60-21-07	Life/LTD Insurance Personnel Benefits	<u>103</u> <u>4,201</u>
001-110-511-60-31-01	Office Supplies	400
001-110-511-60-31-08	Honorarium	4,470
001-110-511-60-31-11	Meeting Expenses Supplies	<u>2,000</u> <u>6,870</u>
001-110-511-60-41-10	Professional Services	9,300
001-110-511-60-43-01	Travel Expense (non-taxable)	2,800
001-110-511-60-43-03	Travel Expense (taxable)	250
001-110-511-60-49-01	Dues/Memberships	45,760
001-110-511-60-49-02	Subscriptions/Publications	375
001-110-511-60-49-05	Training/Workshops	3,000
001-110-511-60-49-10	Contingency	50,000
001-110-558-70-49-01	Dues/Memberships - ED	2,500
001-110-558-70-49-23	Traffic Mitigation Fee Exempt Other Services and Charges	<u>84,225</u> <u>198,210</u>
	Grand Total	\$ <u>1,408,295</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.

2015 ACCOMPLISHMENTS

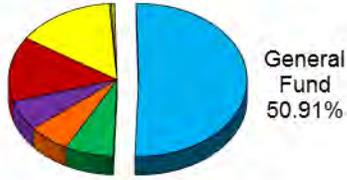
- ✓ Continued to explore alternatives to reduce court service costs
- ✓ Continued to monitor jail service contract and research cost saving measures

2016 GOALS

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

MUNICIPAL COURT

2016 Budget All Funds

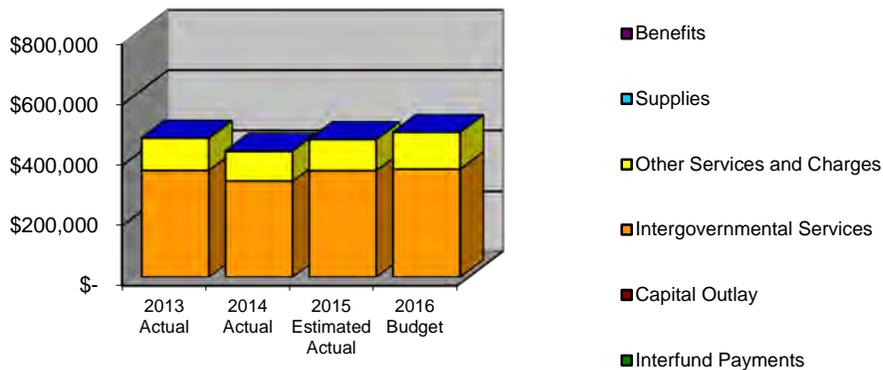


Total General Fund Budget



Uses of Funds:	2013 Actual	2014 Actual	2015 Estimated Actual	2016 Budget
Salaries and Wages	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-
Supplies	272	-	-	-
Other Services and Charges	104,807	97,800	101,500	120,400
Intergovernmental Services	356,017	320,682	355,000	360,000
Capital Outlay	-	-	-	-
Interfund Payments	-	-	-	-
Total Uses	<u>\$ 461,096</u>	<u>\$ 418,482</u>	<u>\$ 456,500</u>	<u>\$ 480,400</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	\$ 55,000
001-120-515-91-41-10	Public Defender	65,400
	Other Services and Charges	<u>120,400</u>
001-120-512-50-51-02	Court Services	150,000
001-120-523-60-51-03	Jail Costs	<u>210,000</u>
	Intergovernmental Services	<u>360,000</u>
	Grand Total	<u>\$ 480,400</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

2015 ACCOMPLISHMENTS

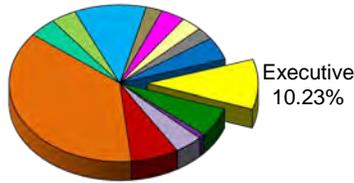
- ✓ Proposed a 2016 budget that maintained service and staffing levels and directed funds to one-time projects
- ✓ Implemented Parks and Recreation Priorities Advisory Committee
- ✓ Established successful Sausage and Cider community event
- ✓ Facilitated annexation of Hawk Property
- ✓ Hired new Police Chief

2016 GOALS

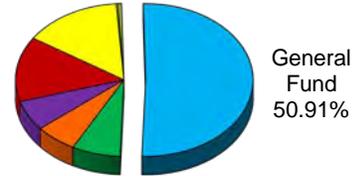
- ❖ Implement direction from the 2016 City Council Summit
- ❖ Continue to lobby Congress and the Legislature per the City's 2016 Legislative agenda

EXECUTIVE

Total General Fund Budget

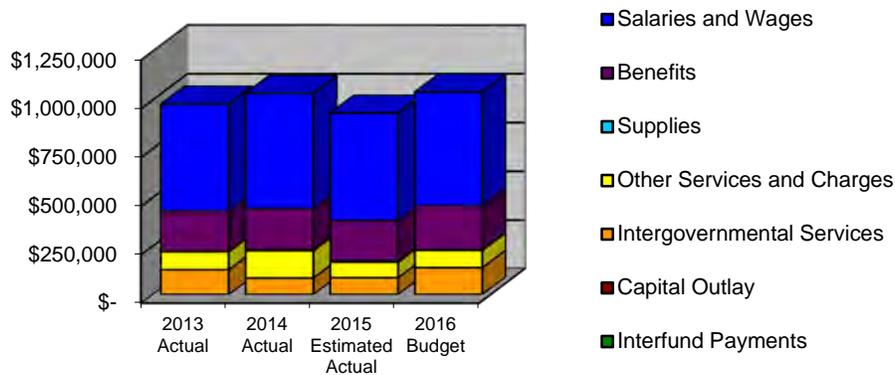


2016 Budget All Funds



Uses of Funds:	2013	2014	2015	2016
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 546,150	\$ 589,295	\$ 550,761	\$ 582,576
Benefits	209,451	212,046	209,597	227,571
Supplies	2,618	6,410	4,971	3,310
Other Services and Charges	92,499	140,920	80,386	89,065
Intergovernmental Services	128,622	85,428	87,103	139,165
Capital Outlay	-	-	-	-
Interfund Payments	-	-	-	-
Total Uses	<u>\$ 979,340</u>	<u>\$ 1,034,099</u>	<u>\$ 932,818</u>	<u>\$ 1,041,687</u>

Total Operating Expenditures by Year



EXECUTIVE

Account Number	Description	Requested
001-130-513-10-11-00	Regular Wages	\$ 582,576
	Salaries and Wages	<u>582,576</u>
001-130-513-10-21-01	Social Security Replacement	32,893
001-130-513-10-21-02	Medicare	8,518
001-130-513-10-21-03	PERS Replacement	43,694
001-130-513-10-21-04	Unemployment Compensation	7,283
001-130-513-10-21-05	Industrial Insurance	2,482
001-130-513-10-21-06	Medical/Dental/Vision	106,676
001-130-513-10-21-07	Life/LTD Insurance	7,675
001-130-513-10-21-10	Car Allowance	4,800
001-130-513-10-21-12	457 Employer Contributions	9,770
001-130-513-10-21-14	VEBA Contributions	<u>3,780</u>
	Personnel Benefits	<u>227,571</u>
001-130-513-10-31-01	Office Supplies	1,480
001-130-513-10-31-11	Meeting Expenses	650
001-130-513-10-31-13	Uniforms	250
001-130-513-10-35-00	Small Tools/Minor Equipment	<u>930</u>
	Supplies	<u>3,310</u>
001-130-511-30-42-09	Advertising/Legal Notices	8,200
001-130-513-10-41-10	Professional Services	58,640
001-130-513-10-42-01	Communications	1,200
001-130-513-10-42-06	Postage	500
001-130-513-10-43-01	Travel Expense (non-taxable)	5,400
001-130-513-10-43-03	Travel Expense (taxable)	1,100
001-130-513-10-49-01	Dues/Memberships	2,855
001-130-513-10-49-02	Subscriptions/Publications	980
001-130-513-10-49-04	Printing/Binding	850
001-130-513-10-49-05	Training/Workshops	7,340
001-130-558-70-41-10	Professional Services - ED	<u>2,000</u>
	Other Services and Charges	<u>89,065</u>
001-130-514-40-51-01	Election Costs	16,950
001-130-514-90-51-01	Voter Registration	30,800
001-130-554-30-51-01	Animal Control Services	<u>91,415</u>
	Intergovernmental Services	<u>139,165</u>
	Grand Total	<u>\$ 1,041,687</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

2015 ACCOMPLISHMENTS

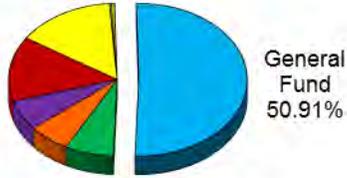
- ✓ Provided timely and accurate financial reporting
- ✓ Performed long- and short-range financial analysis and modeling
- ✓ Received 2014 CAFR award from GFOA
- ✓ Supported special events
- ✓ Implemented new health care requirements for Affordable Care Act

2016 GOALS

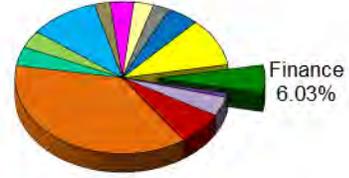
- ❖ Submit 2015 CAFR for GFOA award
- ❖ Provide timely and accurate financial reporting
- ❖ Review and amend fiscal policies and procedures as needed
- ❖ Implement biennial budget
- ❖ Refinance transportation bonds

FINANCE

2016 Budget All Funds

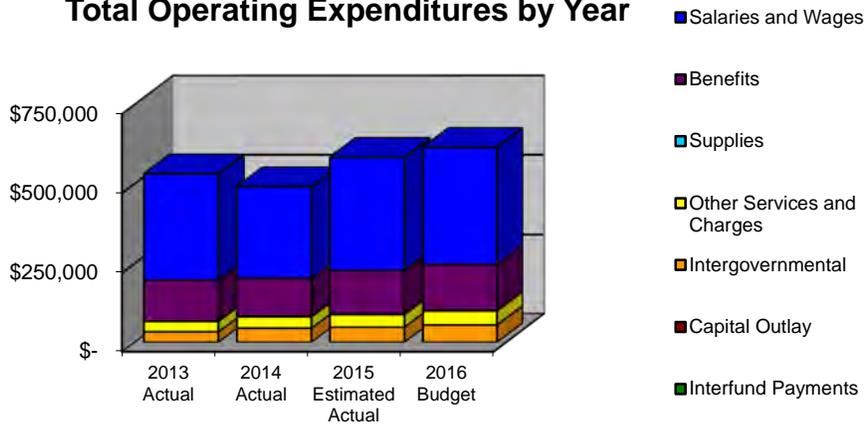


Total General Fund Budget



Uses of Funds:	2013	2014	2015	2016
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 333,385	\$ 287,040	\$ 354,980	\$ 366,735
Benefits	130,255	120,078	138,294	146,550
Supplies	790	2,353	1,659	1,635
Other Services and Charges	33,142	36,120	40,092	44,315
Intergovernmental	33,147	44,794	48,000	55,000
Capital Outlay	-	-	-	-
Interfund Payments	-	-	-	-
Total Operating Expenses	<u>530,719</u>	<u>490,385</u>	<u>583,025</u>	<u>614,235</u>
Operating Transfer Out	-	-	-	-
Total Uses	<u>\$ 530,719</u>	<u>\$ 490,385</u>	<u>\$ 583,025</u>	<u>\$ 614,235</u>

Total Operating Expenditures by Year



FINANCE

Account Number	Description	Requested
001-140-514-20-11-00	Regular Wages	\$ 366,735
	Salaries and Wages	<u>366,735</u>
001-140-514-20-21-01	Social Security Replacement	20,673
001-140-514-20-21-02	Medicare	5,353
001-140-514-20-21-03	PERS Replacement	27,505
001-140-514-20-21-04	Unemployment Compensation	4,584
001-140-514-20-21-05	Industrial Insurance	1,512
001-140-514-20-21-06	Medical/Dental/Vision	77,762
001-140-514-20-21-07	Life/LTD Insurance	4,601
001-140-514-20-21-10	Car Allowance	2,400
001-140-514-20-21-14	VEBA Contributions	<u>2,160</u>
	Personnel Benefits	<u>146,550</u>
001-140-514-20-31-01	Office Supplies	1,050
001-140-514-20-31-11	Meeting Expenses	85
001-140-514-20-35-00	Small Tools/Minor Equipment	<u>500</u>
	Supplies	<u>1,635</u>
001-140-514-20-41-01	Accounting Services	16,950
001-140-514-20-42-06	Postage	1,500
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	15,455
001-140-514-20-49-01	Dues/Memberships	715
001-140-514-20-49-02	Subscriptions/Publications	1,375
001-140-514-20-49-05	Training/Workshops	<u>2,775</u>
	Other Services and Charges	<u>44,315</u>
001-140-514-20-51-01	State Examiner - Audit Fees	<u>55,000</u>
	Intergovernmental Services	<u>55,000</u>
	Grand Total	\$ 614,235

LEGAL SERVICES

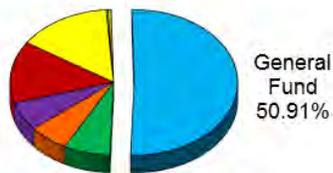
Department Overview

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.

Significant Budget Issues

None

2016 Budget All Funds

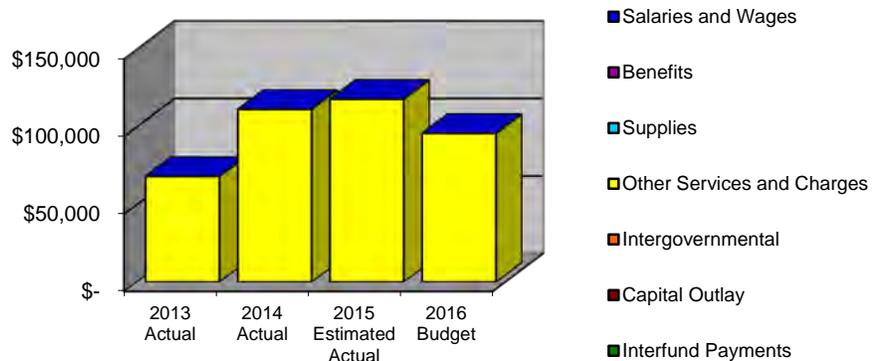


Total General Fund Budget



Uses of Funds:	2013	2014	2015	2016
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-
Supplies	-	-	-	-
Other Services and Charges	68,289	111,436	118,000	96,000
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
Interfund Payments	-	-	-	-
Total Uses	\$ 68,289	\$ 111,436	\$ 118,000	\$ 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	<u>96,000</u>
	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

2015 ACCOMPLISHMENTS

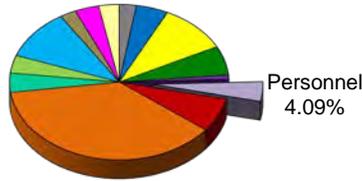
- ✓ Coordinated recruitment with King County for city’s new Police Chief
- ✓ Recruited additional 51 full- and part-time employees and 117 volunteers
- ✓ Acquired AWC’s annual WellCity award
- ✓ Hosted annual Regional DV Task Force meeting featuring KC Prosecuting Attorney
- ✓ Provided Minor Home Repair Program services to 13 households
- ✓ Completed service audits and site visits for 1/3 of city-funded human service agencies

2016 GOALS

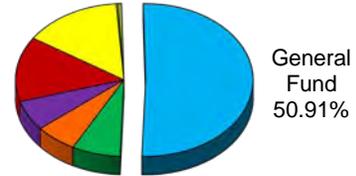
- ❖ Issue revised city Safety Handbook
- ❖ Research and recommend revised Employee Evaluation Program
- ❖ Develop citywide Leadership Training Program
- ❖ Revise and consolidate city’s volunteer procedures, applications, and forms
- ❖ Coordinate Human Services application process for the biennial funding cycle
- ❖ Host annual Regional Domestic Violence Task Force for First Responder reports
- ❖ Coordinate Minor Home Repair Program

PERSONNEL

Total General Fund Budget

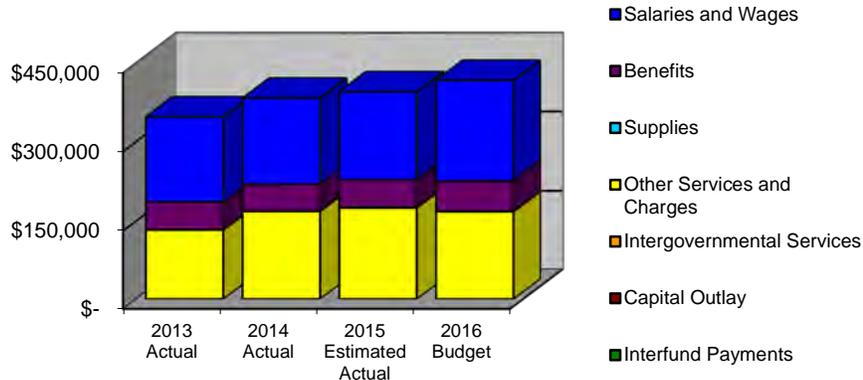


2016 Budget All Funds



Uses of Funds:	2013	2014	2015	2016
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 160,603	\$ 162,430	\$ 166,519	\$ 190,315
Benefits	53,697	50,659	52,227	57,569
Supplies	367	1,461	1,253	1,100
Other Services and Charges	132,195	168,073	174,736	167,621
Intergovernmental Services	-	-	-	-
Capital Outlay	-	-	-	-
Interfund Payments	-	-	-	-
Total Uses	<u>\$ 346,862</u>	<u>\$ 382,623</u>	<u>\$ 394,735</u>	<u>\$ 416,605</u>

Total Operating Expenditures by Year



PERSONNEL

Account Number	Description	Requested
001-165-518-10-11-00	Regular Wages	\$ 190,315
	Salaries and Wages	<u>190,315</u>
001-165-518-10-21-01	Social Security Replacement	10,658
001-165-518-10-21-02	Medicare	2,760
001-165-518-10-21-03	PERS Replacement	14,274
001-165-518-10-21-04	Unemployment Compensation	2,379
001-165-518-10-21-05	Industrial Insurance	750
001-165-518-10-21-06	Medical/Dental/Vision	23,427
001-165-518-10-21-07	Life/LTD Insurance	2,241
001-165-518-10-21-14	VEBA Contributions	<u>1,080</u>
	Personnel Benefits	<u>57,569</u>
001-165-518-10-31-01	Office Supplies	250
001-165-518-10-31-11	Meeting Expenses	<u>850</u>
	Supplies	<u>1,100</u>
001-165-517-90-49-17	Employee Wellness Program	400
001-165-518-10-41-10	Professional Services	8,700
001-165-518-10-41-16	Human Services	126,551
001-165-518-10-42-06	Postage	400
001-165-518-10-42-09	Advertising/Legal Notices	1,200
001-165-518-10-43-01	Travel Expense (non-taxable)	3,700
001-165-518-10-43-03	Travel Expense (taxable)	300
001-165-518-10-48-02	Minor Housing Repair Services	23,000
001-165-518-10-49-01	Dues/Memberships	775
001-165-518-10-49-02	Subscriptions/Publications	695
001-165-518-10-49-05	Training/Workshops	1,600
001-165-518-10-49-19	Human Services Commission	<u>300</u>
	Other Services and Charges	<u>167,621</u>
	Grand Total	\$ <u>416,605</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

2015 ACCOMPLISHMENTS

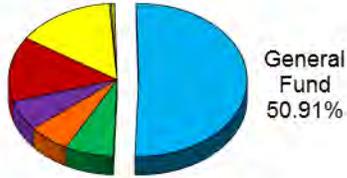
- ✓ Adopted Comprehensive Emergency Management Plan Fourth Edition
- ✓ Prepared Hazard Mitigation Plan Annual Progress Report
- ✓ Public Works staff completed NIMS training (3 levels)
- ✓ Submitted 2015 NIMS Compliance Report
- ✓ Conducted an emergency management table top exercise
- ✓ Updated emergency kit supplies
- ✓ Hired part-time work-study Desktop Technician
- ✓ Migrated to Office 2013
- ✓ Implemented email records controls

2016 GOALS

- ❖ Apply for Hazard Mitigation Grant Program funding
- ❖ Prepare Hazard Mitigation Plan Annual Progress Report
- ❖ Develop and conduct an emergency management tabletop exercise
- ❖ Attend regional trainings and meetings
- ❖ Encourage staff to take CERT training
- ❖ Update emergency kit supplies
- ❖ Meet PCI compliance standards required for online credit card processing
- ❖ City smartboard implementation
- ❖ Windows 10 migration
- ❖ City firewall evaluation and replacement
- ❖ Updates and improvements to city network storage

CENTRAL SERVICES

2016 Budget All Funds

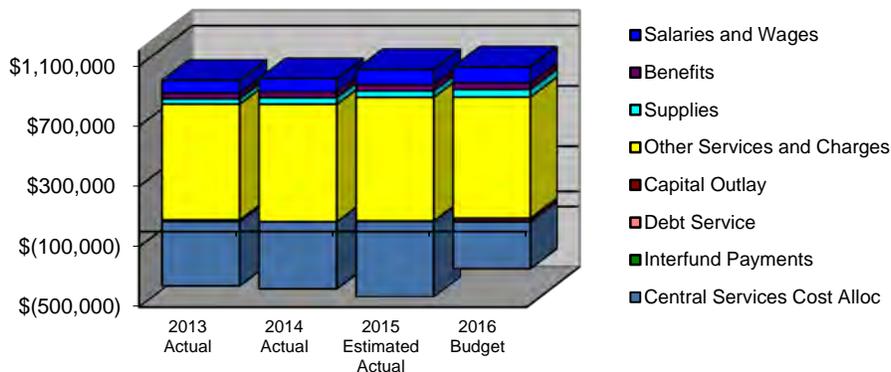


Total General Fund Budget



Uses of Funds:	2013	2014	2015	2016
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 84,526	\$ 87,822	\$ 100,723	\$ 106,297
Benefits	37,698	38,228	41,254	43,241
Supplies	35,210	43,844	42,795	50,482
Other Services and Charges	767,083	778,690	819,700	802,791
Capital Outlay	12,442	-	5,000	23,300
Debt Service	-	-	-	-
Interfund Payments	-	-	-	-
Central Services Cost Alloc	<u>(424,861)</u>	<u>(444,925)</u>	<u>(498,834)</u>	<u>(311,157)</u>
Total Uses	<u>\$ 512,098</u>	<u>\$ 503,659</u>	<u>\$ 510,638</u>	<u>\$ 714,954</u>

Total Operating Expenditures by Year



CENTRAL SERVICES

Account Number	Description	Requested
001-180-500-00-00-00	Central Services Interfund Pym Expenditure	\$ (311,157) <u>(311,157)</u>
001-180-518-80-11-00	Regular Wages - IT Salaries and Wages	<u>106,297</u> <u>106,297</u>
001-180-518-80-21-01	Social Security Replacement-IT	5,952
001-180-518-80-21-02	Medicare - IT	1,542
001-180-518-80-21-03	PERS Replacement - IT	7,229
001-180-518-80-21-04	Unemployment Compensation - IT	1,329
001-180-518-80-21-05	Industrial Insurance - IT	485
001-180-518-80-21-06	Medical/Dental/Vision - IT	24,974
001-180-518-80-21-07	Life/LTD Insurance - IT	1,190
001-180-518-80-21-14	VEBA Contributions - IT Personnel Benefits	<u>540</u> <u>43,241</u>
001-180-518-40-31-01	Office Supplies	13,815
001-180-518-40-31-05	Operating Supplies	14,795
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	708
001-180-518-40-35-00	Small Tools/Minor Equipment	3,640
001-180-518-80-31-05	Operating Supplies - IT	1,000
001-180-518-80-35-00	Small Tools/Minor Equipment-IT	13,720
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>50,482</u>
001-180-518-30-41-10	Professional Services	162,400
001-180-518-30-45-05	Furnishings Replacement	7,800
001-180-518-30-46-01	Property Insurance	14,474
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	15,185
001-180-518-40-41-10	Professional Services	3,930
001-180-518-40-42-01	Communications	20,760
001-180-518-40-42-06	Postage	70
001-180-518-40-45-01	Building Lease	362,121
001-180-518-40-45-02	Office Equipment Lease	11,665
001-180-518-40-45-52	Equipment Replacement Cost	15,960
001-180-518-40-47-01	Utility Services	23,500
001-180-518-40-48-52	ER Repairs/Maintenance	2,304
001-180-518-40-49-01	Dues/Memberships	6,075
001-180-518-40-49-21	Annual Permits	485
001-180-518-80-41-10	Professional Services - IT	6,330

CENTRAL SERVICES

Account Number	Description	Requested
001-180-518-80-42-01	Communications - IT	600
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	5,500
001-180-518-80-48-01	Repairs/Maintenance Equip - IT	2,670
001-180-518-80-48-05	Equip/Software Maint Agmt - IT	6,570
001-180-518-80-49-01	Dues/Memberships - IT	155
001-180-518-80-49-02	Subscriptions/Publications -IT	5,550
001-180-518-80-49-05	Training/Workshops - IT	2,910
001-180-518-90-46-01	Liability Insurance	74,950
001-180-525-60-41-10	Professional Services - EM	5,500
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	1,050
001-180-554-90-41-10	Recycling Promotion	<u>35,452</u>
	Other Services and Charges	<u>802,791</u>
001-180-594-18-63-01	Leasehold Improvements	12,000
001-180-594-18-64-06	Machinery/Equipment	<u>11,300</u>
	Capital Outlay	<u>23,300</u>
	Grand Total	<u>\$ 714,954</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
- 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
- Problem solving and crime prevention support for residents and businesses
- 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

2015 ACCOMPLISHMENTS

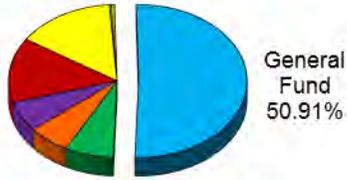
- ✓ Partnered with City and Civic groups for Covington Days Festival and Parade
- ✓ Participated in the annual Shop With a Cop program at the Covington Wal-Mart
- ✓ Partnered with other area law enforcement agencies for DUI Emphasis Patrols, Seatbelt Violation Patrols and Speed Enforcement Emphasis Patrols
- ✓ Expanded activities and responsibilities of “Citizen Police Volunteer” Program
- ✓ Expanded responsibilities of School Resource Officer partnership with Kent Schools
- ✓ Nine National Night Out locations
- ✓ Added an additional officer and joined SET Task Force for 2016 budget
- ✓ Lowered number of burglaries by targeting high risk offenders

2016 GOALS

- ❖ Continue acquiring Active Shooter equipment and obtain additional training
- ❖ Apply problem solving strategies to address fraud, shoplifting, and retail theft
- ❖ Apply problem solving strategies to address burglary and theft in residential areas
- ❖ Recruit citizens for joint Covington/Maple Valley/King County Sheriff’s Office Citizen Academy
- ❖ Continue expansion of National Night Out activities
- ❖ Provide personal safety and crime prevention training to HOA’s, residents, businesses, and city employees
- ❖ Collaborate with educators and treatment providers to address heroin use and abuse in the area

LAW ENFORCEMENT

2016 Budget All Funds

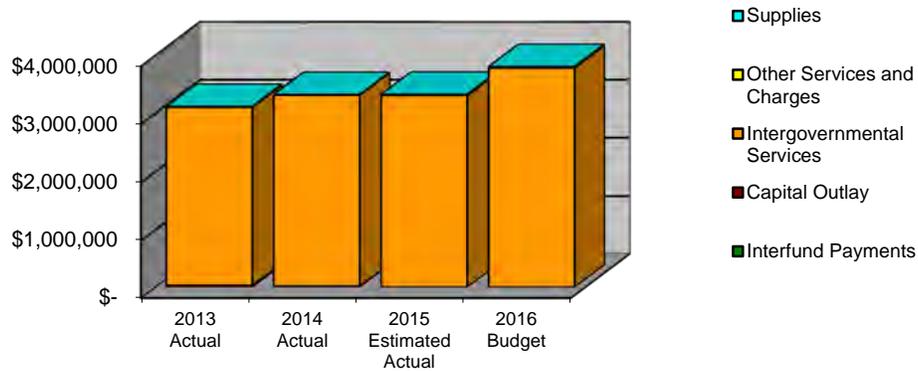


Total General Fund Budget



Uses of Funds:	2013	2014	2015	2016
	Actual	Actual	Estimated Actual	Budget
Supplies	\$ 3,962	\$ 1,361	\$ 4,653	\$ 7,378
Other Services and Charges	6,529	7,014	11,337	11,792
Intergovernmental Services	3,071,508	3,293,327	3,305,372	3,780,550
Capital Outlay	29,383	16,108	-	-
Interfund Payments	-	-	-	-
Total Uses	<u>\$3,111,382</u>	<u>\$3,317,810</u>	<u>\$3,321,362</u>	<u>\$3,799,720</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 Supplies	<u>5,200</u> <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	360
001-210-521-20-42-06	Postage	125
001-210-521-20-43-01	Travel Expense (non-taxable)	500
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>11,792</u>
001-210-521-20-51-01	Police Services Contract	<u>3,780,550</u>
	Intergovernmental Services	<u>3,780,550</u>
	Grand Total	<u>\$ 3,799,720</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

2015 ACCOMPLISHMENTS

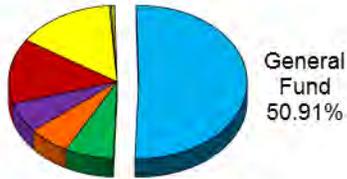
- ✓ Completed Hawk Subarea Plan Annexation
- ✓ Amended the temporary sign regulations for banners, A-frame, and special event signs
- ✓ Amended the residential zoning code to address quality of life issues such as keeping of fowl in residential zones; storage of and living in RV's on single-family lots; and setbacks for sheds and other accessory structures on single-family lots
- ✓ Completed the 2015 Comprehensive Plan updated, as mandated by the State Growth Management Act (GMA)
- ✓ Developed user guide information for the shoreline development and permitting process

2016 GOALS

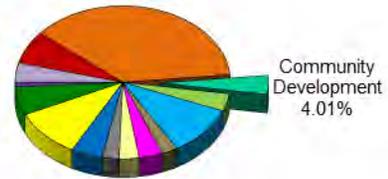
- ❖ Rewrite the sign code for both temporary and permanent signs to comply with the recent Supreme Court decision on Reed v. Chandler AZ
- ❖ Complete the Hawk Subarea (Lakepointe) Development Agreement and rezoning
- ❖ Develop permanent zoning regulations governing recreational and medical marijuana production, sales, and distribution to comply with I-502 and state guidelines
- ❖ Work with the Kent Regional Fire Authority (RFA) to implement a Fire Impact Fee ordinance for their capital needs
- ❖ Work with the City's Park and Recreation Department to implement a Park Impact Fee ordinance for their capital needs
- ❖ Amend the City's Critical Areas Ordinance to address shorelines and new Federal Emergency Management Act (FEMA) floodplain regulations

COMMUNITY DEVELOPMENT

2016 Budget All Funds

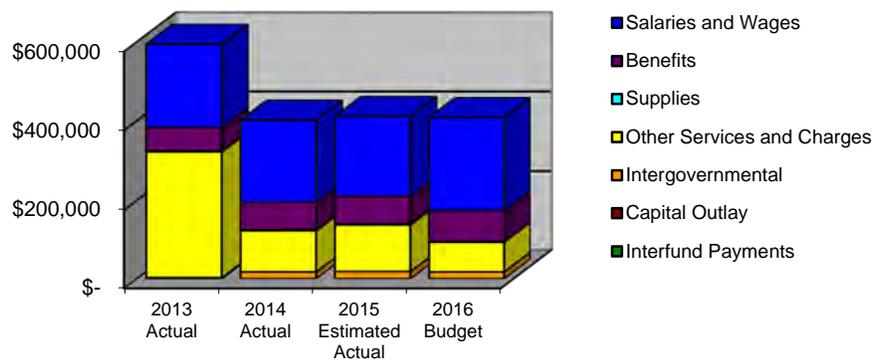


Total General Fund Budget



Uses of Funds:	2013	2014	2015	2016
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 210,688	\$ 206,688	\$ 200,050	\$ 234,100
Benefits	59,659	70,157	71,549	78,667
Supplies	1,905	1,846	1,618	1,765
Other Services and Charges	318,296	105,017	118,733	76,054
Intergovernmental	3,039	17,668	18,772	17,530
Capital Outlay	-	-	-	-
Interfund Payments	-	-	-	-
Total Uses	\$ 593,587	\$ 401,376	\$ 410,722	\$ 408,116

Total Operating Expenditures by Year



COMMUNITY DEVELOPMENT

Account Number	Description	Requested
001-250-524-60-11-00	Regular Wages - CE	\$ 38,205
001-250-558-60-11-00	Regular Wages - PL	195,895
	Salaries and Wages	<u>234,100</u>
001-250-524-60-21-01	Social Security Replacement-CE	2,139
001-250-524-60-21-02	Medicare - CE	554
001-250-524-60-21-03	PERS Replacement - CE	2,865
001-250-524-60-21-04	Unemployment Compensation - CE	478
001-250-524-60-21-05	Industrial Insurance - CE	1,008
001-250-524-60-21-06	Medical/Dental/Vision - CE	5,660
001-250-524-60-21-07	Life/LTD Insurance - CE	539
001-250-524-60-21-14	VEBA Contributions - CE	270
001-250-558-60-21-01	Social Security Replacement-PL	11,111
001-250-558-60-21-02	Medicare - PL	2,877
001-250-558-60-21-03	PERS Replacement - PL	14,692
001-250-558-60-21-04	Unemployment Compensation - PL	2,448
001-250-558-60-21-05	Industrial Insurance - PL	392
001-250-558-60-21-06	Medical/Dental/Vision - PL	27,577
001-250-558-60-21-07	Life/LTD Insurance - PL	2,430
001-250-558-60-21-10	Car Allowance - PL	2,520
001-250-558-60-21-14	VEBA Contributions - PL	1,107
	Personnel Benefits	<u>78,667</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	70
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>1,765</u>
001-250-524-60-41-02	Engineering Services - CE	500
001-250-524-60-41-10	Professional Services - CE	3,840
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	60
001-250-524-60-49-01	Dues/Memberships - CE	260
001-250-524-60-49-04	Printing/Binding - CE	250
001-250-524-60-49-05	Training/Workshops - CE	380
001-250-558-60-41-10	Professional Services - PL	57,000
001-250-558-60-42-06	Postage - PL	750
001-250-558-60-43-01	Travel Expense (non-tax) - PL	3,120
001-250-558-60-43-03	Travel Expense (taxable) - PL	350
001-250-558-60-45-52	Equipment Replacement Cost	3,000
001-250-558-60-48-05	Equipment/Software Maint Agmt	380

COMMUNITY DEVELOPMENT

Account Number	Description	Requested
001-250-558-60-48-52	ER Repairs/Maintenance	300
001-250-558-60-49-01	Dues/Memberships - PL	1,106
001-250-558-60-49-02	Subscriptions/Publications -PL	658
001-250-558-60-49-04	Printing/Binding - PL	400
001-250-558-60-49-05	Training/Workshops - PL	2,490
001-250-558-60-49-19	Planning Commission - PL	400
	Other Services and Charges	<u>76,054</u>
001-250-522-30-51-01	Fire Investigation Services	14,100
001-250-558-60-51-01	Professional Services - PL	<u>3,430</u>
	Intergovernmental Services	<u>17,530</u>
	Grand Total	<u>\$ 408,116</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 General 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
- Support the park sponsorship and adopt-a-park citizen involvement programs
- Support for special events such as Covington Days, cider festival, Kidsfest, concerts, and the tree lighting Ceremonies
- Support City special events such as the Arbor Day celebration and Make a Difference Day
- Complete special projects such as repair and enhancement of park and recreation facilities
- Support the Tree City USA certification and growth award programs

Significant Budget Issues

Beginning in 2016, this department was moved into the General Fund.

2015 ACCOMPLISHMENTS

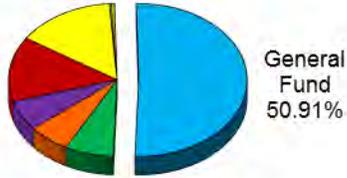
- ✓ In-house maintenance of CCP (from contractor)
- ✓ Support of recreation programs at multiple facilities: baseball (Mattson Jr High), Soccer (Kentwood HS), and all sports at CCP
- ✓ Hired one 9-month seasonal employee to assist with parks maintenance
- ✓ Continued management of volunteers in parks
- ✓ Provided support for city events: concerts, Covington Days, Cider Festival, and tree lightings
- ✓ Installed rain bucket at CCP
- ✓ Installed automatic gate at CCP
- ✓ Removed dead/dying trees at CCP

2016 GOALS

- ❖ Maintain a high level of service of parks facilities, recreation programs and events
- ❖ Continue management of volunteers in parks for maintenance
- ❖ Assist in the next phase of CCP design
- ❖ Purchase new parks truck
- ❖ Support new signage projects in park system
- ❖ Support skate park renovation

PARKS MAINTENANCE

2016 Budget All Funds

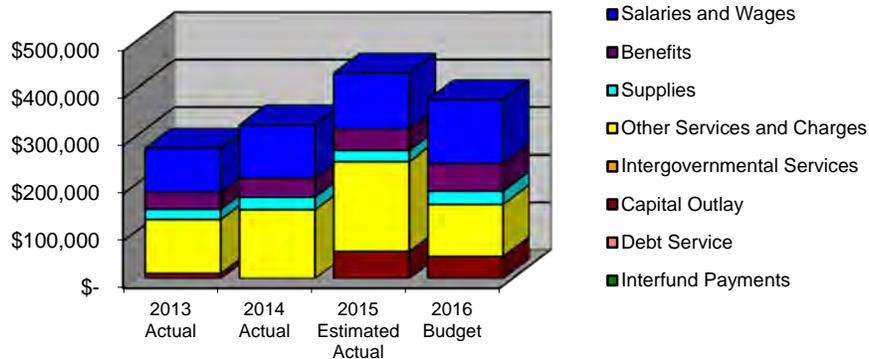


Total General Fund Budget



Uses of Funds:	2013	2014	2015	2016
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 91,608	\$ 110,650	\$ 117,787	\$ 133,349
Benefits	35,714	39,987	44,942	57,977
Supplies	21,816	26,604	22,662	28,011
Other Services and Charges	114,430	146,407	189,907	110,572
Intergovernmental Services	-	-	-	-
Capital Outlay	11,016	-	57,710	47,000
Debt Service	-	-	-	-
Interfund Payments	-	-	-	-
Total Operating Expenses	<u>274,584</u>	<u>323,648</u>	<u>433,008</u>	<u>376,909</u>
 Operating Transfer Out	 <u>70,659</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Total Uses	 <u>\$ 345,243</u>	 <u>\$ 323,648</u>	 <u>\$ 433,008</u>	 <u>\$ 376,909</u>

Total Operating Expenditures by Year



PARKS MAINTENANCE

Account Number	Description	Requested
001-270-576-80-11-00	Regular Wages	\$ 129,349
001-270-576-80-12-00	Overtime Wages	4,000
	Salaries and Wages	<u>133,349</u>
001-270-576-80-21-01	Social Security Replacement	7,467
001-270-576-80-21-02	Medicare	1,934
001-270-576-80-21-03	PERS Replacement	8,101
001-270-576-80-21-04	Unemployment Compensation	1,666
001-270-576-80-21-05	Industrial Insurance	4,216
001-270-576-80-21-06	Medical/Dental/Vision	32,491
001-270-576-80-21-07	Life/LTD Insurance	1,400
001-270-576-80-21-14	VEBA Contributions	702
	Personnel Benefits	<u>57,977</u>
001-270-576-80-31-01	Office Supplies	400
001-270-576-80-31-05	Operating Supplies	16,000
001-270-576-80-31-11	Meeting Expenses	250
001-270-576-80-31-13	Uniforms	575
001-270-576-80-31-52	ER Supplies	1,164
001-270-576-80-32-00	Fuel	750
001-270-576-80-32-52	ER Fuel	3,792
001-270-576-80-35-00	Small Tools/Minor Equipment	5,080
	Supplies	<u>28,011</u>
001-270-576-80-41-10	Professional Services	30,450
001-270-576-80-42-01	Communications	3,434
001-270-576-80-43-01	Travel Expense (non-taxable)	650
001-270-576-80-43-03	Travel Expense (taxable)	150
001-270-576-80-45-01	Building Lease	5,130
001-270-576-80-45-04	Equipment Rental	6,000
001-270-576-80-45-52	Equipment Replacement Cost	20,976
001-270-576-80-47-01	Utility Services	19,050
001-270-576-80-47-03	Waste Disposal	1,000
001-270-576-80-48-01	Repairs/Maintenance of Equip	385
001-270-576-80-48-02	Repairs/Maintenance of Bldg	900
001-270-576-80-48-11	Park Maintenance	16,000
001-270-576-80-48-52	ER Repairs/Maintenance	4,824
001-270-576-80-49-01	Dues/Memberships	583
001-270-576-80-49-05	Training/Workshops	1,040
	Other Services and Charges	<u>110,572</u>
001-270-594-76-62-00	Buildings and Structures	5,000
001-270-594-76-63-00	Other Improvements	4,500
001-270-594-76-64-06	Machinery/Equipment	37,500
	Capital Outlay	<u>47,000</u>
	Grand Total	<u>\$ 376,909</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 2016, this department was moved into the General Fund.

2015 ACCOMPLISHMENTS

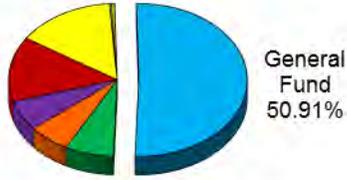
- ✓ Provided a safe environment for diverse aquatic programs
- ✓ Record-breaking program participation
- ✓ Updated the Covington Aquatic Center sign
- ✓ Updated staff uniforms to the new City of Covington brand and logo
- ✓ Began a summer league recreation swim team – the Covington SeaHorses!
- ✓ Expanded and improved our WaterX Program, including WaterX Stretch and WaterX Bootcamp
- ✓ Replaced pool filter grid covers

2016 GOALS

- ❖ Continue to provide a safe aquatic environment
- ❖ Strategically schedule programs to meet the community’s aquatic needs
- ❖ Enhance community outreach
- ❖ Manage Covington Aquatic Center room addition project
- ❖ Implement EMV credit card pin pad upgrade
- ❖ Repair damaged spectator area steps at the Covington Aquatic Center
- ❖ Complete LED lighting retrofit project at the Covington Aquatic Center

AQUATICS

2016 Budget All Funds

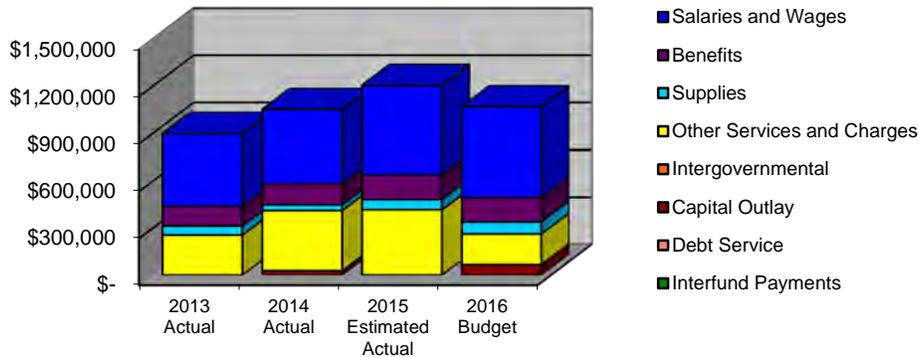


Total General Fund Budget



	2013 Actual	2014 Actual	2015 Estimated Actual	2016 Budget
Uses of Funds:				
Salaries and Wages	\$ 460,156	\$ 469,468	\$ 566,798	\$ 574,311
Benefits	126,140	133,542	155,391	155,225
Supplies	57,916	36,596	65,530	77,540
Other Services and Charges	256,554	385,303	418,601	195,799
Intergovernmental	-	-	-	-
Capital Outlay	-	27,979	-	67,400
Debt Service	-	-	-	-
Interfund Payments	-	-	-	-
Total Operating Expenses	<u>900,766</u>	<u>1,052,888</u>	<u>1,206,320</u>	<u>1,070,275</u>
Operating Transfer Out	<u>27,483</u>	<u>27,483</u>	<u>27,484</u>	-
Total Uses	<u>\$ 928,249</u>	<u>\$ 1,080,371</u>	<u>\$ 1,233,804</u>	<u>\$ 1,070,275</u>

Total Operating Expenditures by Year



AQUATICS

Account Number	Description	Requested
001-271-576-20-11-00	Regular Wages	\$ 574,311
	Salaries and Wages	<u>574,311</u>
001-271-576-20-21-01	Social Security Replacement	32,162
001-271-576-20-21-02	Medicare	8,326
001-271-576-20-21-03	PERS Replacement	43,074
001-271-576-20-21-04	Unemployment Compensation	7,180
001-271-576-20-21-05	Industrial Insurance	27,267
001-271-576-20-21-06	Medical/Dental/Vision	32,020
001-271-576-20-21-07	Life/LTD Insurance	3,306
001-271-576-20-21-14	VEBA Contributions	1,890
	Personnel Benefits	<u>155,225</u>
001-271-576-20-31-01	Office Supplies	1,200
001-271-576-20-31-05	Operating Supplies	32,000
001-271-576-20-31-08	Honorarium	1,260
001-271-576-20-31-10	Program Supplies	6,960
001-271-576-20-31-11	Meeting Expenses	50
001-271-576-20-31-13	Uniforms	2,400
001-271-576-20-34-03	Items for Resale	6,000
001-271-576-20-35-00	Small Tools/Minor Equipment	27,670
	Supplies	<u>77,540</u>
001-271-576-20-41-01	Accounting Services	29,000
001-271-576-20-41-10	Professional Services	7,220
001-271-576-20-42-01	Communications	5,054
001-271-576-20-42-06	Postage	300
001-271-576-20-42-09	Advertising/Legal Notices	2,330
001-271-576-20-43-01	Travel Expense (non-taxable)	5,250
001-271-576-20-43-03	Travel Expense (taxable)	200
001-271-576-20-44-05	Taxes and Operating Assessment	7,750
001-271-576-20-45-01	Building Lease	1,020
001-271-576-20-45-02	Office Equipment Lease	1,340
001-271-576-20-45-04	Equipment Rental	2,600
001-271-576-20-47-01	Utility Services	87,210
001-271-576-20-48-01	Repairs/Maintenance of Equip	19,340
001-271-576-20-48-02	Repairs/Maintenance of Bldg	18,000
001-271-576-20-48-05	Equipment/Software Maint Agmt	2,660
001-271-576-20-49-01	Dues/Memberships	340
001-271-576-20-49-02	Subscriptions/Publications	1,700
001-271-576-20-49-05	Training/Workshops	3,475
001-271-576-20-49-21	Annual Permits	1,010
	Other Services and Charges	<u>195,799</u>
001-271-594-76-63-00	Other Improvements	62,400
001-271-594-76-64-06	Machinery/Equipment	5,000
	Capital Outlay	<u>67,400</u>
	Grand Total	<u>\$ 1,070,275</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

- Promote 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 referees and volunteer coaches through education and skills development

Significant Budget Issues

Beginning in 2016, this department was moved into the General Fund.

2015 ACCOMPLISHMENTS

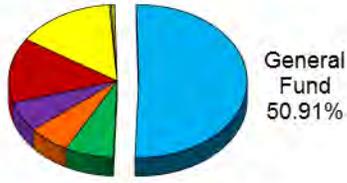
- ✓ Increased the number of participants and coach volunteers in each sport
- ✓ Obtained corporate sponsorships
- ✓ Increased the number of youth athletics sponsorships by local businesses
- ✓ Transitioned from age divisions to grade divisions for organizing youth athletics leagues
- ✓ Reorganized and expanded youth athletics to offer flag football and sports camps during the summer

2016 GOALS

- ❖ Increase the number of participants and coach volunteers in each sport
- ❖ Increase the number of youth athletics sponsorships by local businesses
- ❖ Offer NFL Punt, Pass & Kick (PPK) program
- ❖ Offer Major League Baseball Pitch Hit & Run (PHR) program
- ❖ Implement a coaching fee scholarship to help increase volunteer participation

ATHLETICS

2016 Budget All Funds

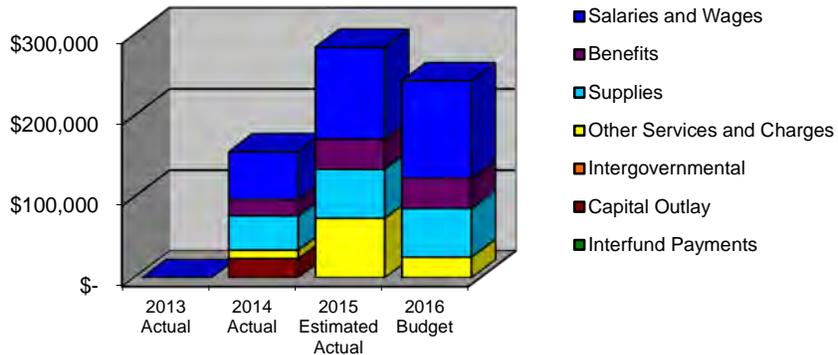


Total General Fund Budget



Uses of Funds:	2013 Actual	2014 Actual	2015 Estimated Actual	2016 Budget
Salaries and Wages	\$ -	\$ 58,707	\$ 112,871	\$ 119,768
Benefits	-	20,252	36,895	37,144
Supplies	-	42,621	60,593	60,512
Other Services and Charges	-	10,451	74,089	25,674
Intergovernmental	-	-	-	-
Capital Outlay	-	23,917	-	-
Debt Service	-	-	-	-
Interfund Payments	-	-	-	-
Total Uses	\$ -	\$ 155,948	\$ 284,448	\$ 243,098

Total Operating Expenditures by Year



ATHLETICS

Account Number	Description	Requested
001-272-573-60-11-00	Regular Wages	\$ 110,008
001-272-573-60-12-00	Overtime Wages	9,760
	Salaries and Wages	<u>119,768</u>
001-272-573-60-21-01	Social Security Replacement	6,708
001-272-573-60-21-02	Medicare	1,878
001-272-573-60-21-03	PERS Replacement	7,825
001-272-573-60-21-04	Unemployment Compensation	1,620
001-272-573-60-21-05	Industrial Insurance	2,661
001-272-573-60-21-06	Medical/Dental/Vision	14,381
001-272-573-60-21-07	Life/LTD Insurance	1,261
001-272-573-60-21-14	VEBA Contributions	810
	Personnel Benefits	<u>37,144</u>
001-272-573-60-31-01	Office Supplies	610
001-272-573-60-31-05	Operating Supplies	420
001-272-573-60-31-10	Program Supplies	53,960
001-272-573-60-31-13	Uniforms	610
001-272-573-60-31-52	ER Supplies	156
001-272-573-60-32-52	ER Fuel	996
001-272-573-60-35-00	Small Tools/Minor Equipment	3,760
	Supplies	<u>60,512</u>
001-272-573-60-41-01	Accounting Services	3,000
001-272-573-60-41-10	Professional Services	650
001-272-573-60-42-01	Communications	783
001-272-573-60-42-06	Postage	91
001-272-573-60-43-01	Travel Expense (non-taxable)	150
001-272-573-60-43-03	Travel Expense (taxable)	50
001-272-573-60-44-05	Taxes and Operating Assessment	1,710
001-272-573-60-45-01	Building Lease	10,800
001-272-573-60-45-04	Equipment Rental	4,200
001-272-573-60-45-52	Equipment Replacement Cost	3,000
001-272-573-60-48-52	ER Repairs/Maintenance	300
001-272-573-60-49-01	Dues/Memberships	340
001-272-573-60-49-05	Training/Workshops	600
	Other Services and Charges	<u>25,674</u>
	Grand Total	<u>\$ 243,098</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 2016, this department was moved into the General Fund.

2015 ACCOMPLISHMENTS

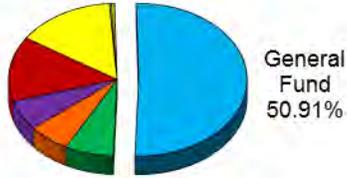
- ✓ Increased participation in recreation classes
- ✓ Expanded events to include one children's concert, one outdoor family movie, Daddy-Daughter Dance, and HallowTeen Dance
- ✓ Expanded entertainment at Covington Days, Concerts in the Park, and KidsFest
- ✓ Continued to develop and implement the city's public art plan and policy
- ✓ Developed and implement a fundraising campaign for public art
- ✓ Developed a funding plan for the continued display of the sculpture "SeaHorse" at the Covington Aquatic Center

2016 GOALS

- ✓ Implement Parks, Recreation and Open Space (PROS) Plan recommendations into recreation and arts planning
- ✓ Pursue grant funding opportunities
- ✓ Increase program marketing through use of street banners
- ✓ Update art policy and call to artists procedure
- ✓ Expand recreation programs and classes
- ✓ Expand partnerships with businesses and service clubs
- ✓ Incorporate volunteer recognition and celebration into the Summer Concerts in the Park Series

RECREATION AND SPECIAL EVENTS

2016 Budget All Funds

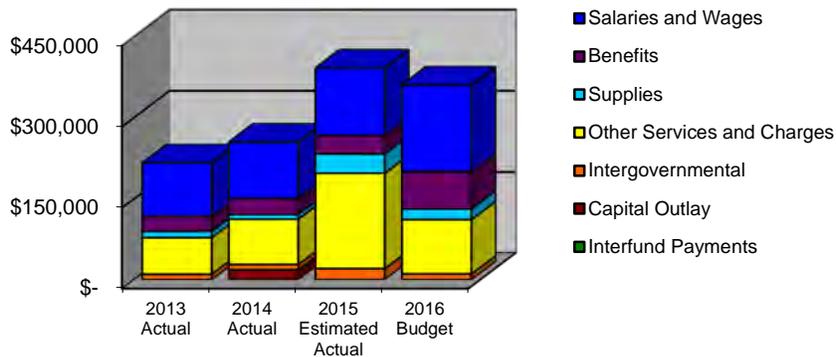


Total General Fund Budget



Uses of Funds:	2013	2014	2015	2016
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 98,832	\$ 104,074	\$ 124,480	\$ 159,781
Benefits	28,271	29,871	33,889	69,505
Supplies	11,461	8,763	36,020	19,690
Other Services and Charges	67,984	84,069	176,944	100,888
Intergovernmental	10,308	10,086	20,750	11,000
Capital Outlay	-	18,378	-	-
Debt Service	-	-	-	-
Interfund Payments	-	-	-	-
Total Uses	\$ 216,856	\$ 255,241	\$ 392,083	\$ 360,864

Total Operating Expenditures by Year



RECREATION AND SPECIAL EVENTS

Account Number	Description	Requested
001-274-573-90-11-00	Regular Wages	\$ 147,281
001-274-573-90-12-00	Overtime Wages	12,500
	Salaries and Wages	<u>159,781</u>
001-274-573-90-21-01	Social Security Replacement	8,948
001-274-573-90-21-02	Medicare	2,498
001-274-573-90-21-03	PERS Replacement	12,921
001-274-573-90-21-04	Unemployment Compensation	2,155
001-274-573-90-21-05	Industrial Insurance	4,495
001-274-573-90-21-06	Medical/Dental/Vision	35,297
001-274-573-90-21-07	Life/LTD Insurance	2,111
001-274-573-90-21-14	VEBA Contributions	1,080
	Personnel Benefits	<u>69,505</u>
001-274-573-90-31-01	Office Supplies	160
001-274-573-90-31-05	Operating Supplies	20
001-274-573-90-31-10	Program Supplies	12,160
001-274-573-90-31-11	Meeting Expenses	50
001-274-573-90-31-13	Uniforms	500
001-274-573-90-35-00	Small Tools/Minor Equipment	6,800
	Supplies	<u>19,690</u>
001-274-573-90-41-01	Accounting Services	2,000
001-274-573-90-41-10	Professional Services	51,500
001-274-573-90-41-14	Instructor Services	31,800
001-274-573-90-42-01	Communications	133
001-274-573-90-42-06	Postage	1,100
001-274-573-90-43-01	Travel Expense (non-taxable)	570
001-274-573-90-43-03	Travel Expense (taxable)	340
001-274-573-90-45-01	Building Lease	1,845
001-274-573-90-45-04	Equipment Rental	6,500
001-274-573-90-47-01	Utility Services	250
001-274-573-90-49-01	Dues/Memberships	840
001-274-573-90-49-04	Printing/Binding	160
001-274-573-90-49-05	Training/Workshops	1,550
001-274-573-90-49-19	Arts Commission	100
001-274-573-90-49-21	Annual Permits	2,200
	Other Services and Charges	<u>100,888</u>
001-274-573-90-51-01	Intergovernmental Services	11,000
	Intergovernmental Services	<u>11,000</u>
	Grand Total	<u>\$ 360,864</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 including grants and partnerships
- Provide staff support for the Parks and Recreation Commission
- Manage City's Arbor Day Celebration
- Manage City's Tree City USA certification

Significant Budget Issues

Beginning in 2016, this department was moved into the General Fund.

2015 ACCOMPLISHMENTS

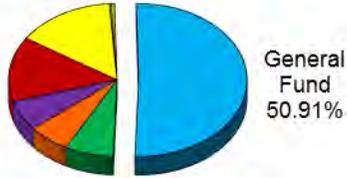
- ✓ Managed the Parks, Recreation and Open Space (PROS) plan update project
- ✓ Expanded phase 2 of Covington Community Park in response to increased funding
- ✓ Successful State grant funding for Covington Community Park Phase 2 construction and South Covington (SoCo) Park Phase 1 acquisition
- ✓ Updated the six-year Parks Capital Improvement Plan (CIP)
- ✓ Supported planning and development of the Town Center
- ✓ Collaborated with and supported other departments' projects including the Jenkins Creek Park bridge/trail remodel and the city's Comprehensive Plan update

2016 GOALS

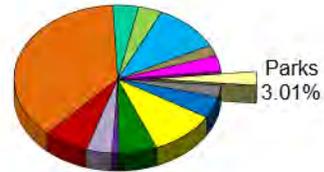
- ❖ Update the department's strategic plan
- ❖ Support the Park Impact Fee (PIF) program implementation
- ❖ Manage the development of 90% design and construction drawings for Covington Community Park Phase 2
- ❖ Complete SoCo Park Phase 1 acquisition
- ❖ Submit grant applications for SoCo Park Phase 2 acquisition (RCO and CFT)
- ❖ Manage the Gerry Crick Skate Park renovation design and installation
- ❖ Complete Covington Community Park Phase 1 interpretive signage installation
- ❖ Amend the parks element of the city's Comprehensive Plan

PARKS

2016 Budget All Funds

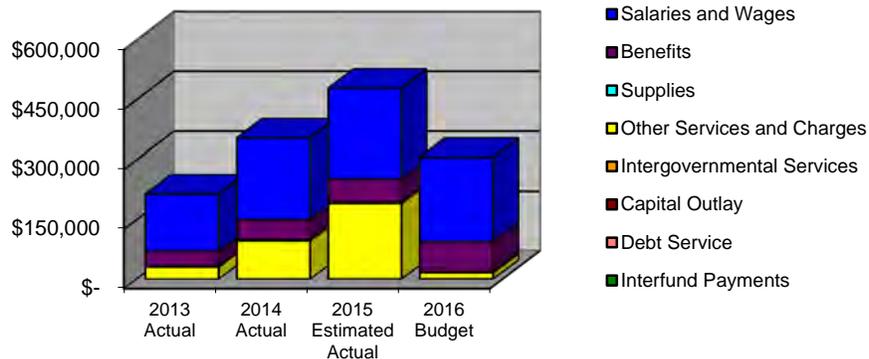


Total General Fund Budget



Uses of Funds:	2013	2014	2015	2016
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 143,966	\$ 204,172	\$ 227,030	\$ 210,620
Benefits	37,856	50,467	57,933	76,376
Supplies	2,021	2,942	2,875	2,700
Other Services and Charges	30,783	96,723	190,565	15,610
Intergovernmental Services	322	526	960	960
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Interfund Payments	-	-	-	-
Total Uses	\$ 214,948	\$ 354,830	\$ 479,363	\$ 306,266

Total Operating Expenditures by Year



PARKS

Account Number	Description	Requested
001-275-518-20-11-00	Regular Wages	\$ 210,620
	Salaries and Wages	<u>210,620</u>
001-275-518-20-21-01	Social Security Replacement	11,929
001-275-518-20-21-02	Medicare	3,089
001-275-518-20-21-03	PERS Replacement	15,796
001-275-518-20-21-04	Unemployment Compensation	2,633
001-275-518-20-21-05	Industrial Insurance	2,389
001-275-518-20-21-06	Medical/Dental/Vision	34,580
001-275-518-20-21-07	Life/LTD Insurance	2,480
001-275-518-20-21-10	Car Allowance	2,400
001-275-518-20-21-14	VEBA Contributions	<u>1,080</u>
	Personnel Benefits	<u>76,376</u>
001-275-518-20-31-01	Office Supplies	300
001-275-518-20-31-05	Operating Supplies	200
001-275-518-20-31-11	Meeting Expenses	1,500
001-275-518-20-31-13	Uniforms	300
001-275-518-20-35-00	Small Tools/Minor Equipment	<u>400</u>
	Supplies	<u>2,700</u>
001-275-518-20-41-10	Professional Services	10,000
001-275-518-20-42-06	Postage	50
001-275-518-20-43-01	Travel Expense (non-taxable)	1,450
001-275-518-20-43-03	Travel Expense (taxable)	50
001-275-518-20-48-05	Equipment/Software Maint Agmt	502
001-275-518-20-49-01	Dues/Memberships	720
001-275-518-20-49-02	Subscriptions/Publications	1,008
001-275-518-20-49-05	Training/Workshops	1,350
001-275-518-20-49-19	Parks Commission	<u>480</u>
	Other Services and Charges	<u>15,610</u>
001-275-518-20-51-01	Intergovernmental Services	<u>960</u>
	Intergovernmental Services	<u>960</u>
	Grand Total	\$ <u>306,266</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 a separate 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

None

2015 ACCOMPLISHMENTS

- ✓ New banner pole installation on SE 272nd
- ✓ Real time traffic observation capability (through WSDOT)
- ✓ DNR/city joint street tree pruning
- ✓ Joint asphalt sealing with Maple Valley (ILA)
- ✓ Continued Adopt-A-Street program
- ✓ Street landscaping contract management
- ✓ Fleet replacements/upgrades including new de-icer for snow and ice
- ✓ Street sweeping contract management
- ✓ Snow/ice and wind events response

2016 GOALS

- ❖ In-house banner installations
- ❖ Snow/ice preparedness and response
- ❖ Continue with fleet upgrades
- ❖ Continue to provide high level of landscape maintenance
- ❖ Continued ILA partnership with Maple Valley and Black Diamond

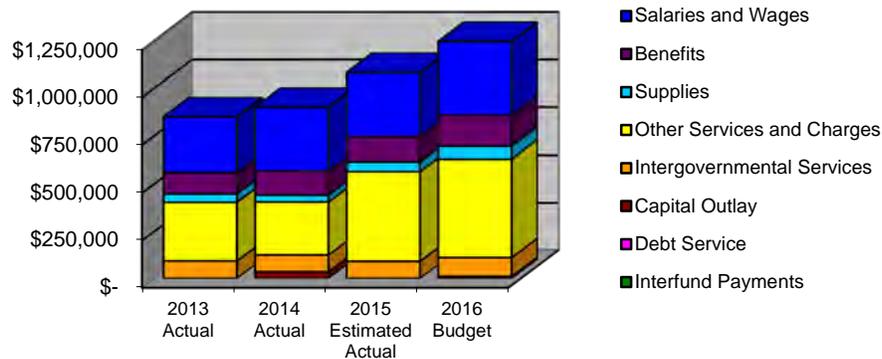
STREET

2016 Budget All Funds



Uses of Funds:	2013 Actual	2014 Actual	2015 Estimated Actual	2016 Budget
Salaries and Wages	\$ 289,859	\$ 331,283	\$ 337,299	\$ 387,353
Benefits	111,541	126,126	130,461	161,980
Supplies	44,153	36,470	50,656	66,302
Other Services and Charges	310,372	279,961	472,594	518,123
Intergovernmental Services	92,212	88,724	90,800	99,495
Capital Outlay	-	35,475	-	11,000
Debt Service	-	-	-	-
Interfund Payments	-	-	-	-
Total Operating Expenses	<u>848,137</u>	<u>898,039</u>	<u>1,081,810</u>	<u>1,244,253</u>
 Operating Transfer Out	 <u>4,446</u>	 <u>23,489</u>	 <u>12,600</u>	 <u>6,000</u>
 Total Uses	 <u><u>\$ 852,583</u></u>	 <u><u>\$ 921,528</u></u>	 <u><u>\$ 1,094,410</u></u>	 <u><u>\$ 1,250,253</u></u>

Total Operating Expenditures by Year



STREET

Account Number	Description	Requested
101-000-597-00-00-00	Operating Transfer Out Expenditure	\$ 6,000 <u>6,000</u>
101-000-543-10-11-00	Regular Wages	378,353
101-000-543-10-12-00	Overtime Wages	<u>9,000</u>
	Salaries and Wages	<u>387,353</u>
101-000-543-10-21-01	Social Security Replacement	21,760
101-000-543-10-21-02	Medicare	5,635
101-000-543-10-21-03	PERS Replacement	27,531
101-000-543-10-21-04	Unemployment Compensation	4,843
101-000-543-10-21-05	Industrial Insurance	9,042
101-000-543-10-21-06	Medical/Dental/Vision	85,003
101-000-543-10-21-07	Life/LTD Insurance	4,698
101-000-543-10-21-10	Car Allowance	1,200
101-000-543-10-21-14	VEBA Contributions	<u>2,268</u>
	Personnel Benefits	<u>161,980</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	1,405
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	2,300
101-000-543-30-31-52	ER Supplies	1,272
101-000-543-30-32-00	Fuel	1,400
101-000-543-30-32-52	ER Fuel	4,560
101-000-543-30-35-00	Small Tools/Minor Equipment Supplies	<u>8,680</u> <u>66,302</u>
101-000-542-30-45-04	Equipment Rental Maintenance	4,000
101-000-542-63-47-01	Street Lighting Electricity	107,000
101-000-542-64-47-01	Traffic Signal Electricity	5,000
101-000-542-70-47-01	Roadside Water Services	700
101-000-542-70-48-16	Roadway Maintenance	66,500
101-000-543-30-41-10	Professional Services	12,550
101-000-543-30-41-20	Interfund Service Payment	161,686
101-000-543-30-41-21	Cent Svcs Overhead Allocation	56,697
101-000-543-30-42-01	Communications	5,284
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)	2,450
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	22,656
101-000-543-30-47-03	Waste Disposal General	1,500

STREET

Account Number	Description	Requested
101-000-543-30-48-01	Repairs/Maintenance of Equip	720
101-000-543-30-48-05	Equipment/Software Maint Agmt	2,605
101-000-543-30-48-52	ER Repairs/Maintenance	6,264
101-000-543-30-49-01	Dues/Memberships	1,981
101-000-543-30-49-02	Subscriptions/Publications	80
101-000-543-30-49-04	Printing/Binding	250
101-000-543-30-49-05	Training/Workshops	5,690
101-000-543-50-41-10	Professional Services Facility	2,160
101-000-543-50-45-01	Building Lease	6,840
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	10,000
	Other Services and Charges	<u>518,123</u>
101-000-542-50-51-01	Structure Maintenance-Bridges	2,000
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>7,145</u>
	Intergovernmental Services	<u>99,495</u>
101-000-594-44-62-00	Buildings and Structures	5,000
101-000-594-44-63-00	Other Improvements	<u>6,000</u>
	Capital Outlay	<u>11,000</u>
	Grand Total	<u>\$ 1,250,253</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

2015 ACCOMPLISHMENTS

- ✓ Provided ongoing SEPA administration and monitoring impacts in adjacent cities through the SEPA notification process
- ✓ Issued the Notice to Proceed with Construction for Cedar Springs Apartments, Covington Way Retail Center, Maple Hills Subdivision Phase II (56 lots), Victorian Meadows Subdivision (29 lots), and MultiCare Hospital expansion
- ✓ 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 Development Agreement and Annexation planning process
- ✓ Renewed our Tri-City (Covington, Maple Valley, Black Diamond) Interlocal Agreement for building administration, plans examiner, and inspection services between the three cities for two years

2016 GOALS

- ❖ Develop new consultant service contracts for Parametrix, Walker/Macy, BERK, and Jennifer Barnes for various architectural, transportation, economic analysis, and critical area review services
- ❖ 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 Property (Lakepointe) development agreement process
- ❖ Evaluate and develop electronic plan review program
- ❖ Develop impact fee deferral system per state legislative mandate

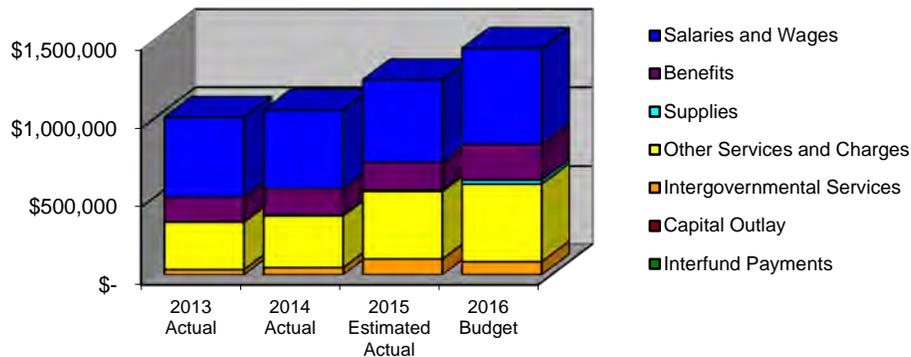
DEVELOPMENT SERVICES

2016 Budget All Funds



Uses of Funds:	2013	2014	2015	2016
	Actual	Actual	Estimated Actual	Budget
Salaries and Wages	\$ 504,861	\$ 496,888	\$ 523,260	\$ 612,922
Benefits	159,455	167,714	174,667	224,567
Supplies	2,163	6,914	10,564	25,179
Other Services and Charges	304,652	333,147	434,546	499,026
Intergovernmental Services	33,609	46,093	101,110	84,025
Capital Outlay	-	-	-	-
Interfund Payments	-	-	-	-
Total Uses	<u>\$ 1,004,740</u>	<u>\$ 1,050,756</u>	<u>\$ 1,244,147</u>	<u>\$ 1,445,719</u>

Total Operating Expenditures by Year



DEVELOPMENT SERVICES

Account Number	Description	Requested
130-260-558-50-11-00	Regular Wages	\$ 612,922
	Salaries and Wages	<u>612,922</u>
130-260-558-50-21-01	Social Security Replacement	34,384
130-260-558-50-21-02	Medicare	8,903
130-260-558-50-21-03	PERS Replacement	45,970
130-260-558-50-21-04	Unemployment Compensation	7,662
130-260-558-50-21-05	Industrial Insurance	7,991
130-260-558-50-21-06	Medical/Dental/Vision	107,711
130-260-558-50-21-07	Life/LTD Insurance	7,437
130-260-558-50-21-10	Car Allowance	1,080
130-260-558-50-21-14	VEBA Contributions	<u>3,429</u>
	Personnel Benefits	<u>224,567</u>
130-260-558-50-31-01	Office Supplies	3,650
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	468
130-260-558-50-32-52	ER Fuel	1,296
130-260-558-50-35-00	Small Tools/Minor Equipment	<u>18,950</u>
	Supplies	<u>25,179</u>
130-260-558-50-41-01	Accounting Services	60,120
130-260-558-50-41-10	Professional Services	79,400
130-260-558-50-41-20	Interfund Service Payment	163,054
130-260-558-50-41-21	Cent Svcs Overhead Allocation	156,156
130-260-558-50-42-01	Communications	2,490
130-260-558-50-42-06	Postage	850
130-260-558-50-43-01	Travel Expense (non-taxable)	2,730
130-260-558-50-43-03	Travel Expense (taxable)	150
130-260-558-50-45-52	Equipment Replacement Cost	13,116
130-260-558-50-48-05	Equipment/Software Maint Agmt	9,505
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	864
130-260-558-50-49-05	Training/Workshops	<u>7,760</u>
	Other Services and Charges	<u>499,026</u>
130-260-522-30-51-01	Fire Services	55,000
130-260-558-50-51-01	Intergovernmental Services	<u>29,025</u>
	Intergovernmental Services	<u>84,025</u>
	Grand Total	<u>\$ 1,445,719</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

None

2015 ACCOMPLISHMENTS

- ✓ NPDES compliance
- ✓ Continued ILA management of joint sweeping contract with Maple Valley
- ✓ Managed vector contract and cleaned 980 catch basins and cleaned all (12) pre-settling tanks
- ✓ Rehab of two SWM ponds by King County
- ✓ Contracted maintenance of ditch lines

2016 GOALS

- ❖ Continue NPDES compliance
- ❖ Continue annual ditch maintenance program
- ❖ Continue catch basin/filter cleaning
- ❖ Utilize new mini excavator mower head for maintenance operations

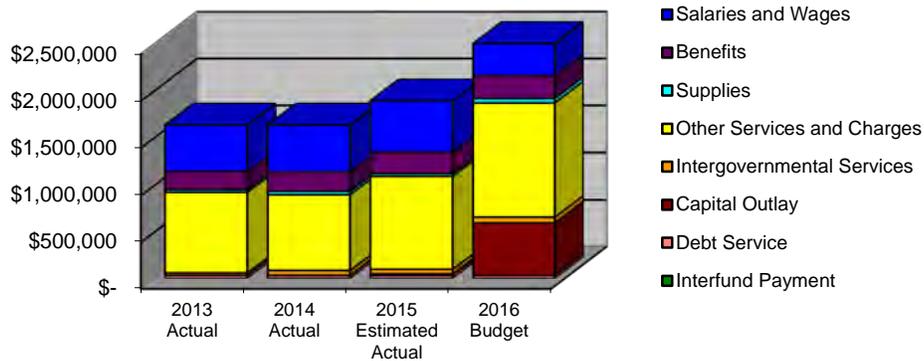
SURFACE WATER MANAGEMENT

2016 Budget All Funds



Uses of Funds:	2013 Actual	2014 Actual	2015 Estimated Actual	2016 Budget
Salaries and Wages	\$ 487,413	\$ 493,939	\$ 545,508	\$ 602,825
Benefits	194,260	208,106	222,490	244,666
Supplies	28,528	34,921	28,320	47,064
Other Services and Charges	861,690	811,175	995,400	1,210,805
Intergovernmental Services	27,180	52,160	50,000	63,119
Capital Outlay	-	-	15,000	560,938
Debt Service	32,837	32,849	32,837	32,837
Interfund Payment	-	-	-	-
Total Operating Expenses	<u>1,631,908</u>	<u>1,633,150</u>	<u>1,889,555</u>	<u>2,762,254</u>
 Transfer Out	 <u>174,629</u>	 <u>-</u>	 <u>336,386</u>	 <u>-</u>
 Total Uses	 <u><u>\$ 1,806,537</u></u>	 <u><u>\$ 1,633,150</u></u>	 <u><u>\$ 2,225,941</u></u>	 <u><u>\$ 2,762,254</u></u>

Total Operating Expenditures by Year



SURFACE WATER MANAGEMENT

Account Number	Description	Requested
411-000-531-30-11-00	Regular Wages	\$ 594,525
411-000-531-30-12-00	Overtime Wages	8,300
	Salaries and Wages	<u>602,825</u>
411-000-531-30-21-01	Social Security Replacement	33,825
411-000-531-30-21-02	Medicare	8,758
411-000-531-30-21-03	PERS Replacement	44,199
411-000-531-30-21-04	Unemployment Compensation	7,534
411-000-531-30-21-05	Industrial Insurance	15,480
411-000-531-30-21-06	Medical/Dental/Vision	122,779
411-000-531-30-21-07	Life/LTD Insurance	7,327
411-000-531-30-21-10	Car Allowance	1,200
411-000-531-30-21-14	VEBA Contributions	<u>3,564</u>
	Personnel Benefits	<u>244,666</u>
411-000-531-30-31-01	Office Supplies	2,475
411-000-531-30-31-05	Operating Supplies	23,900
411-000-531-30-31-11	Meeting Expenses	250
411-000-531-30-31-13	Uniforms	3,825
411-000-531-30-31-52	ER Supplies	1,500
411-000-531-30-32-00	Fuel	1,350
411-000-531-30-32-52	ER Fuel	4,644
411-000-531-30-35-00	Small Tools/Minor Equipment	<u>9,120</u>
	Supplies	<u>47,064</u>
411-000-531-30-41-02	Engineering Services	5,000
411-000-531-30-41-10	Professional Services	22,640
411-000-531-30-41-20	Interfund Service Payment	359,784
411-000-531-30-41-21	Cent Svcs Overhead Allocation	135,924
411-000-531-30-42-01	Communications	5,162
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)	2,200
411-000-531-30-43-03	Travel Expense (taxable)	500
411-000-531-30-44-05	Taxes and Operating Assessment	198,008
411-000-531-30-45-01	Building Lease	5,130
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	33,756
411-000-531-30-47-01	Utility Services	1,350
411-000-531-30-47-03	Waste Disposal	2,300
411-000-531-30-48-01	Repairs/Maintenance of Equip	695
411-000-531-30-48-02	Repairs/Maintenance of Bldg	900
411-000-531-30-48-05	Equipment/Software Maint Agmt	2,905
411-000-531-30-48-17	SWM Maintenance	211,098
411-000-531-30-48-52	ER Repairs/Maintenance	5,904
411-000-531-30-49-01	Dues/Memberships	1,059

SURFACE WATER MANAGEMENT

Account Number	Description	Requested
411-000-531-30-49-02	Subscriptions/Publications	80
411-000-531-30-49-04	Printing/Binding	400
411-000-531-30-49-05	Training/Workshops	7,770
411-000-542-67-41-10	Street Cleaning	<u>123,450</u>
	Other Services and Charges	<u>1,142,805</u>
411-000-531-30-51-01	Intergovernmental Services	<u>63,119</u>
	Intergovernmental Services	<u>63,119</u>
411-000-594-31-62-00	Buildings and Structures	5,000
411-000-594-31-63-00	Other Improvements	4,500
411-000-594-31-64-06	Machinery/Equipment	<u>26,438</u>
	Capital Outlay	<u>35,938</u>
411-000-592-31-83-05	SWM Debt Service Interest	<u>32,837</u>
	Debt Service: Interest	<u>32,837</u>
411-202-595-90-41-04	Construction Administration	<u>33,000</u>
	Other Services and Charges	<u>33,000</u>
411-202-595-40-63-00	Storm Drainage Improvements	<u>225,000</u>
	Capital Outlay	<u>225,000</u>
411-203-595-20-41-10	ROW Professional Services	5,000
411-203-595-90-41-04	Construction Administration	30,000
	Other Services and Charges	<u>35,000</u>
411-203-595-40-63-00	Storm Drainage Improvements	<u>300,000</u>
	Capital Outlay	<u>300,000</u>
	Grand Total	<u>\$ 2,762,254</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 Plan, Capital Investment Program, Parks Capital Improvement Plan 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, architects and professionals
- 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

Grant acquisition and legislative appropriations continue to support SWM, Transportation and Park CIP projects and remains vital for the Capital Investment Program. Covington Community Park Phase 2 project funding is with five different sources and South Covington (SoCo) Park acquisition is utilizing three funding sources.

2015 ACCOMPLISHMENTS

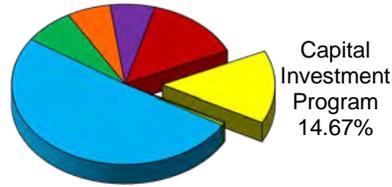
- ✓ Construct Jenkins Creek Park bridge project
- ✓ Construct Timberlane Drainage Phase 5
- ✓ Ribbon Cutting for Jenkins Creek Park Bridge and Trail Project
- ✓ Design for Clements Drainage Project
- ✓ TIB Grant for 180th/256th Overlay
- ✓ Acquired Funding for Covington Community Park and SoCo Park
- ✓ Acquired Funding for the SR 516:Jenkins Creek to 185th Project and the Covington Connector Project

2016 GOALS

- ❖ Complete Covington Community Park Phase 2 90% design and construction drawings
- ❖ Construct Citywide Safety project
- ❖ Complete environmental phase for CIP 1127/transition to ROW phase
- ❖ Design 164th Ave SE pedestrian project
- ❖ Complete Covington Aquatic Center room addition
- ❖ Complete Gerry Crick Skate Park renovation design and installation
- ❖ Complete SoCo Park acquisition

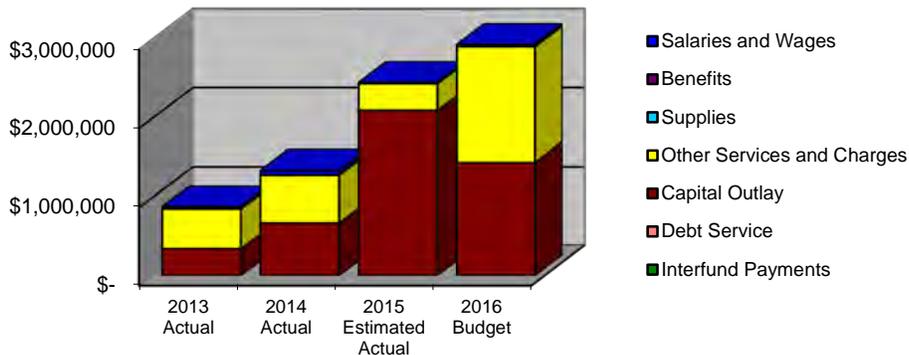
CAPITAL INVESTMENT PROGRAM

2016 Budget All Funds



Uses of Funds:	2013 Actual	2014 Actual	2015 Estimated Actual	2016 Budget
Salaries and Wages	\$ 22,456	\$ 47,333	\$ 13,402	\$ 24,960
Benefits	4,418	10,922	1,985	2,475
Supplies	-	-	-	-
Other Services and Charges	508,400	609,025	338,294	1,465,830
Capital Outlay	344,867	672,614	2,098,800	1,441,467
Debt Service	-	-	-	-
Interfund Payments	-	-	-	-
Total Operating Expenses	<u>880,141</u>	<u>1,339,894</u>	<u>2,452,481</u>	<u>2,934,732</u>
 Operating Transfer Out	 <u>23,953</u>	 <u>33,070</u>	 <u>-</u>	 <u>-</u>
 Total Uses	 <u>\$ 904,094</u>	 <u>\$ 1,372,964</u>	 <u>\$ 2,452,481</u>	 <u>\$ 2,934,732</u>

Total Operating Expenditures by Year



CAPITAL INVESTMENT PROGRAM PROJECTS

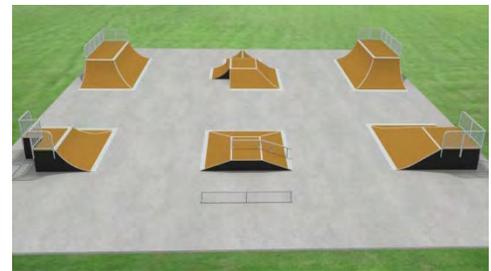
1. CIP 1010 Covington Community Park Phase 2

Phase 2 includes a playground, a performance stage and lawn seating area, picnic shelters, tennis court, outdoor exercise equipment, completing the trail system, concessions/comfort station building, parking, entry way and street improvements on 180th Avenue and related infrastructure. Next steps include completing construction drawings and permitting in 2016, then bidding and construction of Phase 2, slated for 2017.



2. 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 repair of facility fencing and other minor improvements.



3. CIP 1019 South Covington (SoCo) Park

Acquisition is the first phase developing three adjacent parcels totaling 5.65 acres to create SoCo Park. It is located on Wax Road directly across from Covington Elementary and the planned 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 creek.



4. **CIP 1029 Annual Traffic Safety Projects**

This project is part of the WSDOT City Safety Program that is focused on intersection safety. The project will do safety improvements to nine locations throughout the city. These improvements vary at each location but may include rechannelization, adding warning beacons and pavement markings; improving sight distance, and crosswalks; upgrading signs, sidewalks and ADA access points.

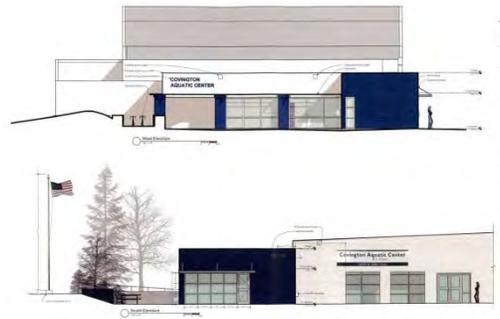
5. **CIP 1127 SE 272nd Street between Jenkins Creek and 185th Place SE**

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.



6. **CIP 2010 Covington Aquatic Center Renovation**

Remodel the Aquatic Center to add a meeting/exercise room on the south side of the existing building. It will provide space for recreation classes, meetings and rental groups. Design is up to completion of construction documents. Construction slated for 2016.



CIP 1010 - COVINGTON COMMUNITY PARK

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
810-000-594-76-63-00	Other Improvements	\$ 30,866
	Capital Outlay	<u>30,866</u>
810-200-594-76-41-02	Engineering Services	<u>1,177,000</u>
	Other Services and Charges	<u>1,177,000</u>
	Grand Total	<u>\$ 1,207,866</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	\$ 5,600
813-000-594-76-49-21	Permits	<u>2,500</u>
	Other Services and Charges	<u>8,100</u>
813-000-594-76-63-00	Other Improvements	<u>112,800</u>
	Capital Outlay	<u>112,800</u>
	Grand Total	<u>\$ 120,900</u>

CIP 1019 - SOUTH COVINGTON PARK

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
815-000-594-76-61-00	Land	\$ 72,075
815-000-594-76-63-00	Other Improvements	<u>21,456</u>
	Capital Outlay	<u>93,531</u>
	Grand Total	<u>\$ 93,531</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

Account Number	Description	Requested
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	<u>403</u>
	Personnel Benefits	<u>2,475</u>
865-000-595-10-41-02	Engineering Services	110,000
865-000-595-20-41-10	ROW Professional Services	<u>110,000</u>
	Other Services and Charges	<u>220,000</u>
865-000-595-20-61-00	Land	<u>800,000</u>
	Capital Outlay	<u>800,000</u>
	Grand Total	<u>\$ 1,047,435</u>

CIP 2010 - AQUATIC CENTER

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
880-000-594-76-41-04	Construction Administration	\$ 41,880
880-000-594-76-42-09	Advertising/Legal Notices	1,000
880-000-594-76-49-21	Permits	<u>2,850</u>
	Other Services and Charges	<u>45,730</u>
880-000-594-76-63-00	Other Improvements	<u>204,270</u>
	Capital Outlay	<u>204,270</u>
	Grand Total	<u>\$ 250,000</u>



LOCAL IMPROVEMENT DISTRICT NO. 99-01

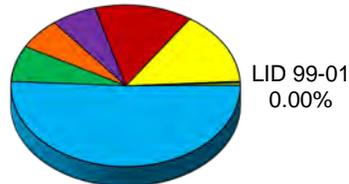
Fund Overview

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

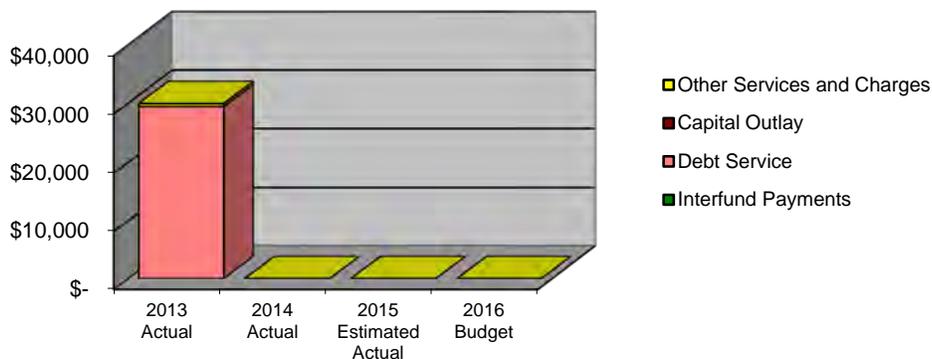
None

2016 Budget All Funds



Uses of Funds:	2013	2014	2015	2016
	Actual	Actual	Estimated Actual	Budget
Other Services and Charges	\$ 494	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
Debt Service	29,421	-	-	-
Interfund Payments	-	-	-	-
Total Operating Expenses	<u>29,915</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Transfer Out	<u>7,094</u>	<u>35,931</u>	<u>34,349</u>	<u>34,350</u>
Total Uses	<u>\$ 37,009</u>	<u>\$ 35,931</u>	<u>\$ 34,349</u>	<u>\$ 34,350</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	\$ 34,350 <u>34,350</u>
	Grand Total	\$ <u>34,350</u>



LONG-TERM DEBT SERVICE

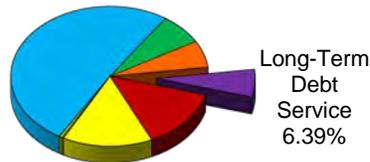
Fund Overview

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

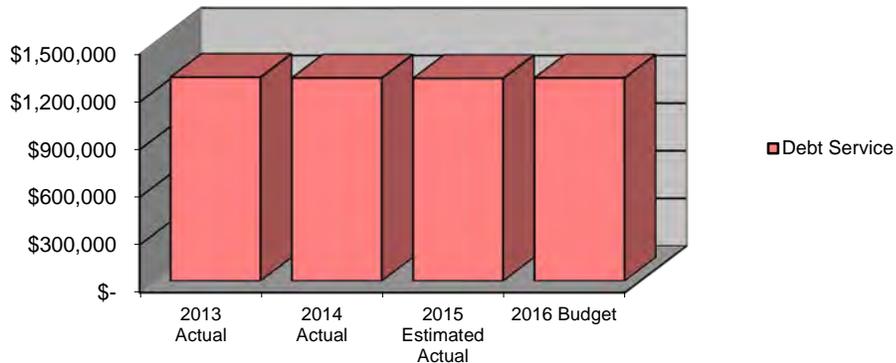
None

2016 Budget All Funds



	2013 Actual	2014 Actual	2015 Estimated Actual	2016 Budget
Uses of Funds: Debt Service	<u>\$1,283,211</u>	<u>\$1,278,415</u>	<u>\$1,276,008</u>	<u>\$1,278,465</u>
Total Uses	<u>\$1,283,211</u>	<u>\$1,278,415</u>	<u>\$1,276,008</u>	<u>\$1,278,465</u>

Total Operating Expenditures by Year



LONG-TERM DEBT SERVICE

<u>Account Number</u>	<u>Description</u>	<u>Requested</u>
202-000-591-95-71-02	2007A GO Bond Principal	\$ 630,000
202-000-591-95-71-03	2008 GO Bond Principal	20,625
202-000-591-95-78-00	PWTF Principal	<u>214,900</u>
	Debt Service: Principal	<u>865,525</u>
202-000-592-95-83-02	2007A Interest Payment	396,410
202-000-592-95-83-03	2008 GO Interest Payment	6,860
202-000-592-95-83-04	PWTF Interest	<u>9,670</u>
	Debt Service: Interest	<u>412,940</u>
	Grand Total	<u>\$ 1,278,465</u>



INTERNAL SERVICE UNEMPLOYMENT INSURANCE BENEFIT

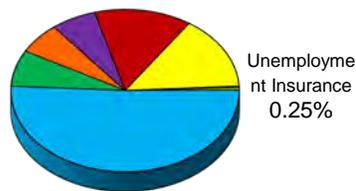
Fund Overview

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

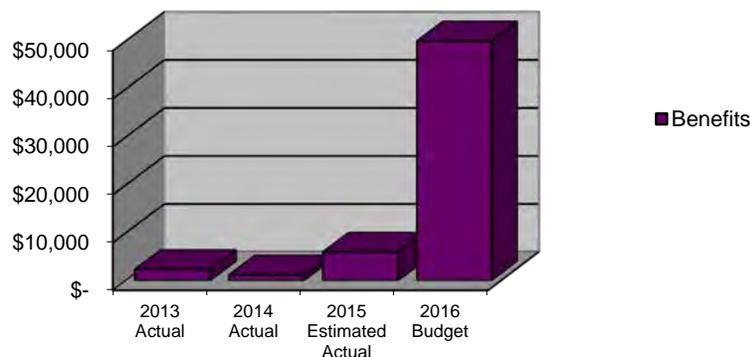
None

2016 Budget All Funds



	2013 Actual	2014 Actual	2015 Estimated Actual	2016 Budget
Uses of Funds: Benefits	\$ 2,362	\$ 1,189	\$ 6,000	\$ 50,000
Total Uses	<u>\$ 2,362</u>	<u>\$ 1,189</u>	<u>\$ 6,000</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

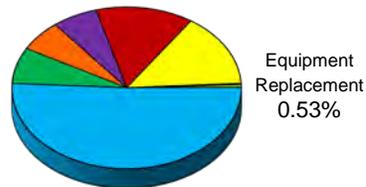
Fund Overview

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

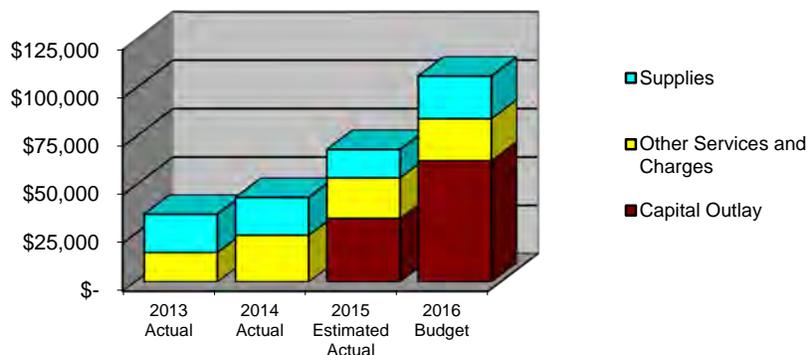
- Inspect, maintain, and repair of City fleet
- Maintain updated records for City fleet
- Complete a comprehensive Fleet Policy
- Purchase new and replacement vehicles as per schedule

2016 Budget All Funds



Uses of Funds:	2013 Actual	2014 Actual	2015 Estimated Actual	2016 Budget
Supplies	\$ 19,824	\$ 19,585	\$ 14,600	\$ 21,948
Other Services and Charges	15,353	24,278	21,000	21,798
Capital Outlay	-	-	33,000	62,762
Total Uses	\$ 35,177	\$ 43,863	\$ 68,600	\$ 106,508

Total Operating Expenditures by Year



INTERNAL SERVICE EQUIPMENT REPLACEMENT

Account Number	Description	Requested
502-000-548-60-31-05	Operating Supplies	\$ 5,100
502-000-548-60-32-00	Fuel	<u>16,848</u>
	Supplies	<u>21,948</u>
502-000-548-60-41-10	Professional Services	450
502-000-548-60-48-01	Repairs/Maintenance of Equip	<u>21,348</u>
	Other Services and Charges	<u>21,798</u>
502-000-594-18-64-06	Machinery/Equipment	<u>62,762</u>
	Capital Outlay	<u>62,762</u>
Grand Total		<u>\$ 106,508</u>

**City of Covington
2016 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	-	(27,902)	-	-	Total cost is \$(74,984) allocated as follows: General Fund \$(27,902), Street Fund \$(6,087), Development Services Fund \$(10,319), Parks Fund \$(20,946), SWM Fund \$(9,730)
2	Chamber of Commerce membership	GF	Council	-	4,510	-	4,510	
3	Desktop replacement cycle update	GF	Central	-	1,650	-	1,650	
4	Full Office 365 online migration	GF	Central	11,800	6,200	-	-	
5	Improved City Hall firewall	GF	Central	1,000	200	1,000	200	
6	Mobile Smartboard lease	GF	Central	300	2,650	300	2,650	
7	Network storage replacement	GF	Central	11,300	1,700	11,300	1,700	
8	Server Room A/C unit replacement	GF	Central	12,000	-	12,000	-	
9	Sharepoint Consultant	GF	Central	-	3,750	-	-	
10	Budget Transparency	GF	Central	-	8,000	-	-	
11	Conference Room Upgrade	GF	Central	7,000	-	-	-	
12	Window blinds cleaning and repair	GF	Central	1,200	4,000	-	-	
35	DSLR camera kit	GF	Central	1,500	-	1,500	-	
42	Branding	GF	Central	5,000	-	5,000	-	
43	Police Officer	GF	Police	-	189,000	-	189,000	
44	Southeast Precinct TaskForce	GF	Police	-	42,300	-	42,300	
13	Comp Plan implementation	GF	Comm Dev	20,000	-	20,000	-	
1	Cost of living adjustment cut	Parks		-	(20,946)	-	-	Total cost is \$(74,984) allocated as follows: General Fund \$(27,902), Street Fund \$(6,087), Development Services Fund \$(10,319), Parks Fund \$(20,946), SWM Fund \$(9,730)
22	Vehicle #3383 replacement	Parks	Maint	37,500	1,020	37,500	1,020	
16	Fence installation for maintenance storage	Parks	Maint	4,500	-	4,500	-	Total cost is \$15,000 allocated as follows: Street \$6,000; SWM \$4,500; Parks Maintenance \$4,500
17	Additional storage sheds for maintenance facility	Parks	Maint	5,000	-	5,000	-	Total cost is \$15,000 allocated as follows: Street \$5,000; SWM \$5,000; Parks Maintenance \$5,000
23	Fall protection for pool maintenance	Parks	Aquatics	12,000	2,500	12,000	2,500	
24	Fall prevention for roof	Parks	Aquatics	11,000	-	50,400	-	
25	Fall protection for interior signage maintenance	Parks	Aquatics	1,100	-	1,100	-	
26	Furnishings for Aquatic Center new room	Parks	Aquatics	10,000	-	10,000	-	
27	Inflatable Octopus replacement cycle	Parks	Aquatics	5,000	1,000	5,000	-	
28	Increase program supplies	Parks	Aquatics	-	5,000	2,000	-	
29	Automatic pool vacuum replacement	Parks	Aquatics	-	3,500	3,500	-	
30	Recreation Specialist	Parks	Recreation	3,100	80,275	3,100	67,685	
31	Adobe licenses	Parks	Parks	-	2,550	-	2,550	Cost is allocated as follows: Aquatics \$1,700; Parks \$850
32	Absorb online registration fees	Parks	Parks	-	11,000	-	-	Cost is allocated as follows: Aquatics \$7,000; Athletics \$3,000; Recreation \$1,000
33	Canopy cover replacement and branding	Parks	Parks	1,800	-	1,800	-	Cost is allocated as follows: Aquatics \$600; Athletics \$600; Recreation \$600
34	Mobile registration	Parks	Parks	1,500	400	1,500	400	Cost is allocated as follows: Aquatics \$634; Athletics \$633; Recreation \$633
36	Marketing banners/signs	Parks	Parks	2,220	1,260	2,220	1,260	Cost is allocated as follows: Aquatics \$1,160; Athletics \$1,160; Recreation \$1,160
37	Park Planner training - CPTED certification	Parks	Parks	2,200	-	-	-	
38	PROS Plan update	Parks	Parks	4,000	-	4,000	-	Carryover from 2015
15	Transfer-out to CIP for Gerry Crick Skate Park	CIP	CIP	60,000	-	60,000	-	
	Net Total General Fund			232,020	323,617	254,720	317,425	
	Summary:							
	Total Expenditures			172,020	323,617	194,720	317,425	
	Total Related Revenue			-	-	-	-	
	Total Transfers-in			-	-	-	-	
	Total Transfers-out			60,000	-	60,000	-	
	Total Interfund Loan Receipts			-	-	-	-	
	Total Interfund Loan Disbursements			-	-	-	-	
	Debt Proceeds			-	-	-	-	
	Net Total General Fund			232,020	323,617	254,720	317,425	

**City of Covington
2016 Budget
Decision Cards**

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	-	(6,087)	-	-	Total cost is \$(74,984) allocated as follows: General Fund \$(27,902), Street Fund \$(6,087), Development Services Fund \$(10,319), Parks Fund \$(20,946), SWM Fund \$(9,730)
16	Fence installation for maintenance storage	ST	ST	6,000	-	6,000	-	Total cost is \$15,000 allocated as follows: Street \$6,000; SWM \$4,500; Parks Maintenance \$4,500
17	Additional storage sheds for maintenance facility	ST	ST	5,000	-	5,000	-	Total cost is \$15,000 allocated as follows: Street \$5,000; SWM \$5,000; Parks Maintenance \$5,000
45	Maintenance Worker	ST	ST	1,680	68,984	1,680	68,984	Total cost is \$117,774 allocated as follows:
	Net Total Street Fund			12,680	62,897	12,680	68,984	
	Summary:							
	Total Expenditures			12,680	62,897	12,680	68,984	
	Total Related Revenue			-	-	-	-	
	Total Transfers-in			-	-	-	-	
	Total Transfers-out			-	-	-	-	
	Total Interfund Loan Receipts			-	-	-	-	
	Total Interfund Loan Disbursements			-	-	-	-	
	Debt Proceeds			-	-	-	-	
	Net Total Street Fund			12,680	62,897	12,680	68,984	

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	-	(10,319)	-	-	Total cost is \$(74,984) allocated as follows: General Fund \$(27,902), Street Fund \$(6,087), Development Services Fund \$(10,319), Parks Fund \$(20,946), SWM Fund \$(9,730)
18	Permit/Planning Technician (1.0 FTE)	DS	Dev Svcs	3,050	112,470	3,050	112,470	
19	Critical area survey and maintenance program	DS	Dev Svcs	8,000	3,000	8,000	3,000	Total cost is \$19,000 allocated as follows: Development Services Fund \$11,000; SWM Fund \$8,000
20	Electronic plan review	DS	Dev Svcs	11,900	1,600	11,900	1,600	
21	Impact fee deferral system	DS	Dev Svcs	3,600	400	3,600	400	
	Net Total Development Services			26,550	107,151	26,550	117,470	
	Summary:							
	Total Expenditures			26,550	107,151	26,550	117,470	
	Total Related Revenue			-	-	-	-	
	Total Transfers-in			-	-	-	-	
	Total Transfers-out			-	-	-	-	
	Total Interfund Loan Receipts			-	-	-	-	
	Total Interfund Loan Disbursements			-	-	-	-	
	Debt Proceeds			-	-	-	-	
	Net Total Development Services			26,550	107,151	26,550	117,470	

**City of Covington
2016 Budget
Decision Cards**

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	-	(9,730)	-	-	Total cost is \$(74,984) allocated as follows: General Fund \$(27,902), Street Fund \$(6,087), Development Services Fund \$(10,319), Parks Fund \$(20,946), SWM Fund \$(9,730)
16	Fence installation for maintenance storage	SWM	SWM	4,500	-	4,500	-	Total cost is \$15,000 allocated as follows: Street \$6,000; SWM \$4,500; Parks Maintenance \$4,500
17	Additional storage sheds for maintenance facility	SWM	SWM	5,000	-	5,000	-	Total cost is \$15,000 allocated as follows: Street \$5,000; SWM \$5,000; Parks Maintenance \$5,000
19	Critical area survey and maintenance program	DS	Dev Svcs	8,000	-	8,000	-	Total cost is \$19,000 allocated as follows: Development Services Fund \$11,000; SWM Fund \$8,000
39	Seasonal SWM maintenance workers (2)	SWM	SWM	-	49,050	-	49,050	
45	Maintenance Worker	ST	ST	1,120	45,990	1,120	45,990	Total cost is \$117,774 allocated as follows:
	Net Total Surface Water Management Fund			18,620	85,310	18,620	95,040	
	Summary:							
	Total Expenditures			18,620	85,310	18,620	95,040	
	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			18,620	85,310	18,620	95,040	

Equipment Replacement Fund

No.	Title/Description	Fund	Initiating Dept.	Amount Requested		Amount Funded		Notes/Comments
				One-Time	Ongoing	One-Time	Ongoing	
	Net Equipment Replacement Fund			-	-	-	-	
	Summary:							
	Total Expenditures			-	-	-	-	
	Total Related Revenue			-	-	-	-	
	Total Transfers-in			-	-	-	-	
	Total Transfers-out			-	-	-	-	
	Total Interfund Loan Receipts			-	-	-	-	
	Total Interfund Loan Disbursements			-	-	-	-	
	Debt Proceeds			-	-	-	-	
	Net Equipment Replacement Fund			-	-	-	-	

**City of Covington
2016 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	
14	Covington Community Parks Phase II	CIP	CIP	1,177,000	-	1,177,000	-	
	RCO LWCF grant			(250,000)	-	(250,000)	-	
	RCO - WWRP-LP grant			(250,000)	-	(250,000)	-	
	Department of Commerce grant			(500,000)	-	(500,000)	-	
15	Gerry Crick Skate Park renovation	CIP	CIP	120,000	-	120,000	-	
	KC Youth Sports Facilities grant			(30,000)	-	(30,000)	-	
	Donations			(8,500)	-	(8,500)	-	
	Parks fee-in-lieu			(21,500)	-	(21,500)	-	
	Transfer-in from General Fund			(60,000)	-	(60,000)	-	
40	Public Art - Gerry Crick Skate Park renovation	CIP	CIP	900	-	900	-	
41	Aquatic Center Room Renovations	CIP	CIP	250,000	-	250,000	-	
	Department of Commerce grant			(242,107)	-	(242,107)	-	
	Net Capital Investment Program Fund			185,793	-	185,793	-	
	Summary:							
	Total Expenditures			1,547,900	-	1,547,900	-	
	Total Related Revenue			(1,302,107)	-	(1,302,107)	-	
	Total Transfers-in			(60,000)	-	(60,000)	-	
	Total Transfers-out			-	-	-	-	
	Total Interfund Loan Receipts			-	-	-	-	
	Total Interfund Loan Disbursements			-	-	-	-	
	Debt Proceeds			-	-	-	-	
	Net Capital Investment Program Fund			185,793	-	185,793	-	

Net Total Decision Cards For All Funds

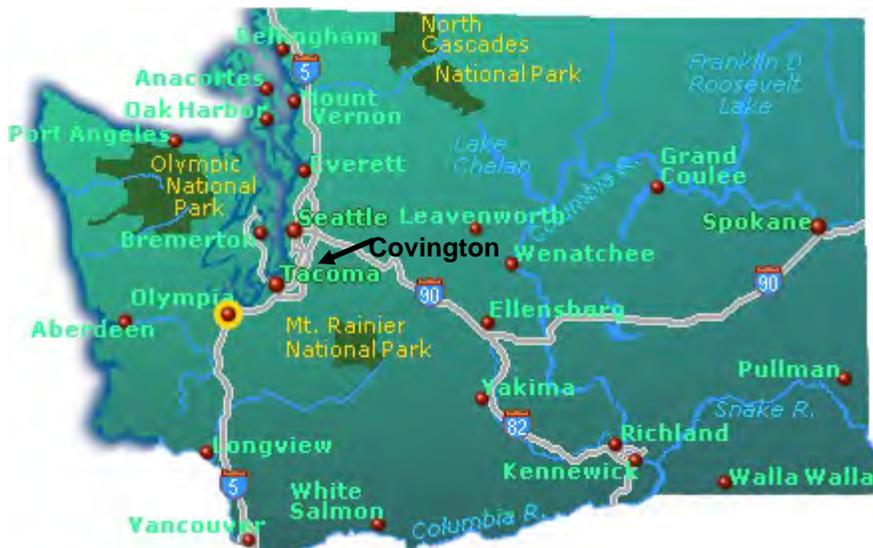
475,663 578,975 498,363 598,919

Summary of Decision Cards For All Funds

Total Expenditures			1,777,770	578,975	1,800,470	598,919	
Total Related Revenue			(1,302,107)	-	(1,302,107)	-	
Total Transfers-in			(60,000)	-	(60,000)	-	
Total Transfers-out			60,000	-	60,000	-	
Total Interfund Loan Receipts			-	-	-	-	
Total Interfund Loan Disbursements			-	-	-	-	
Debt Proceeds			-	-	-	-	
Net Total Decision Cards for all Funds:			475,663	578,975	498,363	598,919	

STATISTICAL

Covington's place in the State of Washington



Overview

- Incorporated 1997
- Type of Government: Council-Manager
- 60 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 18,520
- Ranked 57 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>2016</u>	<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>
Function										
General Government	14	14	14	13	13	13	13	13	13	12
Community Development	9	8	7	7	8	6	10	16	16	15
Public Safety (Note 1)	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	24	21	14	11	11	10	10	9	9	8
Streets and Highways	5	5	4	4	12	10	13	14	14	11
Surface Water Management	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>60</u>	<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>

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 2016

Position	Salary Range		Annual
City Manager	\$ 149,029	-	\$ 177,948
Community Development Director	\$ 118,047	-	\$ 140,954
Finance Director	\$ 118,047	-	\$ 140,954
Parks & Recreation Director	\$ 118,047	-	\$ 140,954
Public Works Director	\$ 118,047	-	\$ 140,954
Chief Building Official	\$ 102,000	-	\$ 121,793
Building Official	\$ 92,639	-	\$ 110,616
City Engineer	\$ 96,227	-	\$ 114,901
Development Review Engineer	\$ 85,643	-	\$ 102,263
Deputy Building Official	\$ 85,643	-	\$ 102,263
Senior Information Systems Administrator	\$ 83,218	-	\$ 99,367
City Clerk/Executive Assistant	\$ 80,794	-	\$ 96,473
Personnel Manager	\$ 78,509	-	\$ 93,744
Principal Planner	\$ 78,509	-	\$ 93,744
Senior Accountant	\$ 76,222	-	\$ 91,014
Maintenance Supervisor	\$ 76,222	-	\$ 91,014
Communications & Marketing Manager	\$ 76,222	-	\$ 91,014
Plans Examiner/Building Inspector	\$ 76,222	-	\$ 91,014
Recreation Manager	\$ 76,222	-	\$ 91,014
Senior Planner	\$ 74,064	-	\$ 88,437
Aquatic Supervisor	\$ 71,906	-	\$ 85,860
Surface Water Management Program Coordinator	\$ 69,830	-	\$ 83,381
Permit Center Coordinator	\$ 67,837	-	\$ 81,001
Construction Inspector	\$ 67,837	-	\$ 81,001
Parks Planner	\$ 67,837	-	\$ 81,001
Associate Planner/Code Enforcement Officer	\$ 65,916	-	\$ 78,707
Programs Supervisor/Public Works	\$ 65,916	-	\$ 78,707
Accountant I	\$ 63,996	-	\$ 76,415
Code Enforcement Officer	\$ 61,610	-	\$ 73,566
Engineering Technician/GIS Coordinator	\$ 63,996	-	\$ 76,415
Personnel & Human Services Analyst	\$ 62,185	-	\$ 74,254
Senior Deputy City Clerk	\$ 62,185	-	\$ 74,254
Finance Specialist	\$ 58,124	-	\$ 69,403
Maintenance Worker	\$ 60,375	-	\$ 72,092
Assistant Planner	\$ 54,834	-	\$ 65,474
Senior Accounting Clerk	\$ 56,958	-	\$ 68,011
Aquatics Specialist	\$ 53,733	-	\$ 64,159
Athletics Specialist	\$ 53,733	-	\$ 64,159
Recreation Specialist	\$ 53,733	-	\$ 64,159
Executive Department Assistant/Receptionist	\$ 49,257	-	\$ 58,816

City of Covington
Employee Positions/Salary Range Schedule
For the Fiscal Year 2016

Position	Salary Range	
	Annual	
Permit/Planning Technician	\$ 47,821	- \$ 57,102
Customer Service Specialist	\$ 46,468	- \$ 55,485
Office Technician II/Executive Office	\$ 46,468	- \$ 55,485
Management Assistant	\$ 41,356	- \$ 49,381
Water Safety Instructor II	\$ 35,969	- \$ 42,948
Specialty Instructor	\$ 33,933	- \$ 40,518
Water Safety Instructor	\$ 33,933	- \$ 40,518
Recreation Assistant	\$ 33,933	- \$ 40,518
Desktop Support Technician	\$ 30,256	- \$ 36,128
Engineering/GIS Intern	\$ 30,030	- \$ 35,857
Finance Assistant	\$ 30,030	- \$ 35,857
Aquatics Lead	\$ 28,597	- \$ 34,147
Lifeguard II	\$ 28,597	- \$ 34,147
Maintenance Worker (Seasonal)	\$ 28,306	- \$ 33,799
Lifeguard	\$ 26,979	- \$ 32,214
Recreation Lead	\$ 26,979	- \$ 32,214
Referee	\$ 21,713	- \$ 25,926
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)		
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
2016	732,634,300	1,203,262,314	832,623	-	25,830,555	21,197,943	300,000	1,984,057,735	12,873,905

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 Levy
Last Ten Fiscal Years**

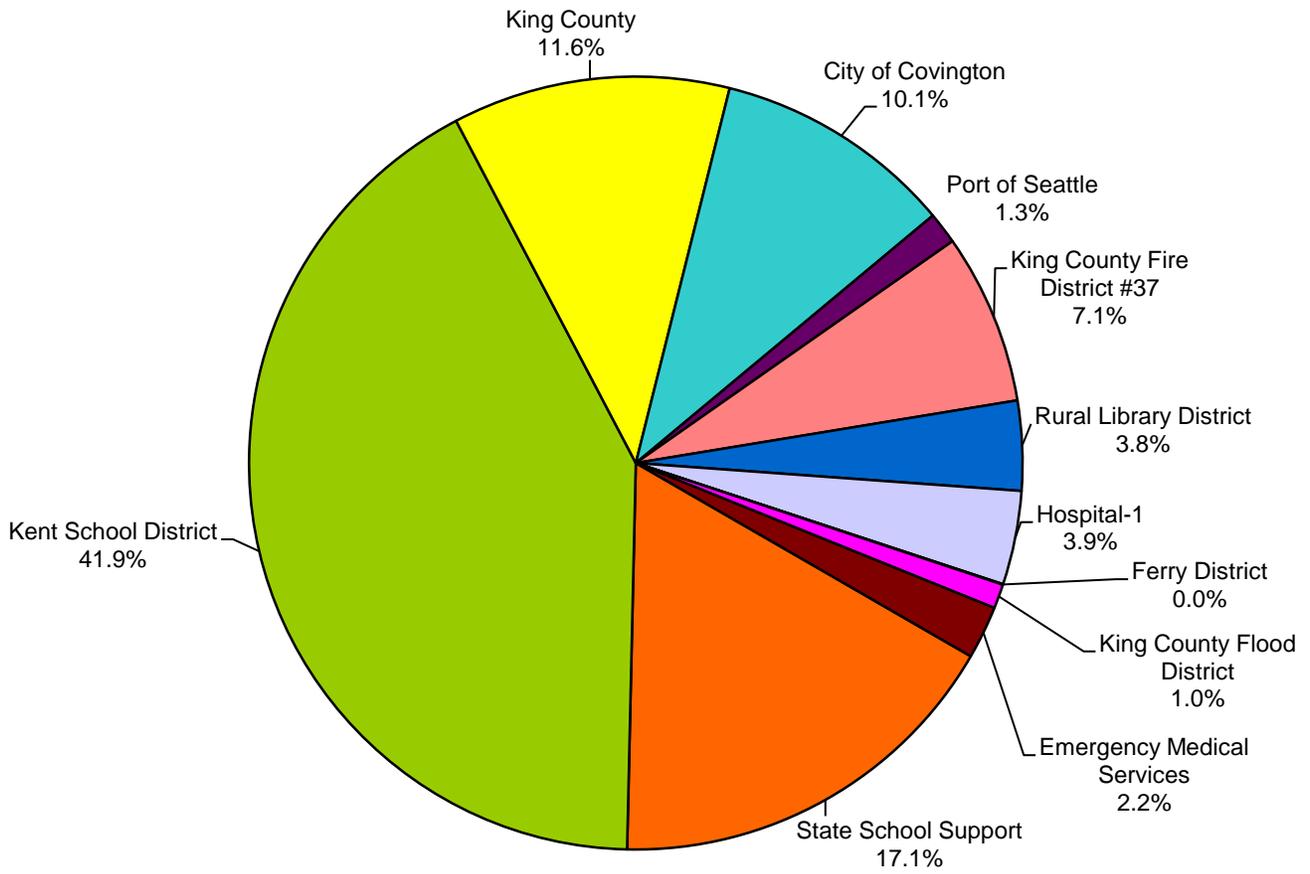
	(1)	(2)	(3)	(4) Omits	(5)	(6)	(7) Regular Levy	(8)	(9)	(10)	(11)
Fiscal Year	Total Assessed Value	Assessed Value of Exempt Property	Assessed Value	Levy Rate Per \$1,000	Levy (3x4)	Assessed Value (1-2-3)	Levy Rate Per \$1,000	Regular Levy (6x7)	Total Property Tax Levy (5+8)	Less Exempt Property (Senior Citizen)	Net Assessed Value for Excess Levy (6-10)
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
2016	1,984,057,735	8,451,249	300,000	Note 1	439	1,975,306,486	1.27822	2,524,876	2,525,315	10,780,114	1,964,526,372

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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
State School Fund	\$ 2.16898	\$ 2.28514	\$ 2.47044	\$ 2.56720	\$ 2.42266	\$ 2.27990	\$ 2.22253	\$ 1.96268	\$ 2.13233	\$ 2.32535
Kent School District										
Special Levy	3.59113	3.62851	3.74406	3.84665	3.55234	3.25368	2.80694	2.30024	2.39044	2.58756
Bond Levy	1.39763	1.40649	1.68425	1.86073	1.74641	1.84496	1.72361	1.52691	1.73225	1.28303
Building Fund Levy	0.35529	0.37867	0.30622	0.32081	0.30111	0.28828	0.27800	0.24237	0.27067	0.30500
King County										
Regular Levies										
Current Expense	0.79209	0.84772	0.94477	1.00051	0.89508	0.84638	0.80597	0.69697	0.76686	0.84558
County River Improvement	-	-	-	-	-	-	-	-	-	0.00922
Inter-county River	0.00012	0.00013	0.00015	0.00016	0.00016	0.00015	0.00015	0.00013	0.00015	0.00017
Veteran's Aid	0.00668	0.00714	0.00798	0.00846	0.00819	0.00778	0.00746	0.00643	0.00706	0.00780
Mental Health	0.01499	0.01603	0.01790	0.01899	0.01838	0.01746	0.01657	0.01430	0.01570	0.01733
Transportation	0.06346	0.06792	0.07500	0.07500	0.07500	0.06884	0.06501	-	-	-
Councilmanic Bond Redemption	-	-	-	-	0.08150	0.07479	0.06714	0.05661	0.05923	0.06208
AFIS (voted)	0.04765	0.05069	0.05588	0.05920	0.03530	0.03528	0.04571	0.04473	0.05146	0.05680
Children/Family Justice Center	0.05609	0.05971	0.06597	0.07000	-	-	-	-	-	-
Radio Communication	0.07000	-	-	-	-	-	-	-	-	-
Best Start for Kids	0.14000	-	-	-	-	-	-	-	-	-
Zoo/Open Space/Trails	-	-	-	0.06595	0.06308	0.05821	0.05451	0.04749	0.05000	-
Veterans/Human Services	0.04219	0.04488	0.04948	0.05243	0.05000	0.04708	0.04468	0.03856	0.04232	-
Parks (voted)	0.15995	0.17014	0.18770	0.06595	0.06308	0.05821	0.05451	0.04749	0.05000	0.04244
Conservation Futures	0.04445	0.04757	0.05296	0.05613	0.05483	0.05191	0.04918	0.04246	0.04641	0.05135
Bond Fund Unlimited	0.03981	0.03023	0.05826	0.06772	0.07128	0.07207	0.07410	0.10255	0.11851	0.15007
City of Covington	1.27822	1.31259	1.53016	1.54758	1.48090	1.36485	1.15290	0.98104	1.04814	1.15224
Port of Seattle										
General Fund	0.08824	0.11532	0.05646	0.10430	0.10278	0.10061	0.21597	0.19700	0.10447	0.09552
Bond Fund	0.08130	0.07353	0.15887	0.12894	0.12704	0.12305	-	-	0.11912	0.13606
King County Fire District #37	0.90920	0.94855	1.00000	1.00000	1.00000	1.00000	1.35000	1.35001	1.35000	1.35107
King County Fire District #37 Reserve	-	-	-	-	-	-	0.15000	0.14999	0.15000	-
Rural Library District	0.42439	0.44747	0.50000	0.50000	0.50000	0.50000	0.42188	0.36118	0.39186	0.43295
Rural Library District- G.O. Bonds	0.05275	0.05529	0.06175	0.06743	0.06992	0.06622	0.06338	0.05618	0.06150	0.06732
Hospital-1	0.50000	0.50000	0.50000	0.50000	0.50000	0.55753	0.53290	0.47141	0.50854	0.55652
Hospital-1 G.O. Bonds	-	-	-	-	-	-	-	-	-	-
Ferry District	0.00279	0.00306	0.00349	0.00378	0.00372	0.00360	0.00348	0.05018	0.05500	-
King County Flood District	0.12980	0.13860	0.15369	0.13210	0.11616	0.10976	0.10514	0.09123	0.10000	-
Emergency Medical Services	<u>0.28235</u>	<u>0.30217</u>	<u>0.33500</u>	<u>0.30000</u>	<u>0.30000</u>	<u>0.30000</u>	<u>0.30000</u>	<u>0.27404</u>	<u>0.30000</u>	<u>0.20621</u>
Total Levy Rate	\$12.73955	\$12.93755	\$14.02044	\$14.42002	\$13.63892	\$13.13060	\$12.61172	\$11.11218	\$11.92202	\$11.74167

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



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

Total 2016 Assessed Value (A.V.) 1,984,057,735 Waiting for worksheets from Hazel

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%	\$ 29,760,866	\$ 29,760,866	\$ -	\$ -	\$ -	\$ -
2.50%	-	-	49,601,443	49,601,443	49,601,443	-
7.50%	-	-	-	-	-	148,804,330
Less Outstanding Debt	\$ 9,746,571	-	-	-	-	\$ 9,746,571
Remaining Debt Capacity	\$ 20,014,295	\$ 29,760,866	\$ 49,601,443	\$ 49,601,443	\$ 49,601,443	\$ 139,057,759

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, 2015

Series	Date of Issuance	Final Maturity	Original Par	Bonds Outstanding
2007A (Tax-Exempt)	6/5/2007	11/1/2027	\$10,000,000	\$ 9,570,000
2008 (Tax-Exempt)	6/10/2008	6/1/2023	\$ 308,068	\$ 176,571

Annual Debt Service Requirements to Maturity

Year	General Obligation		Governmental Activities Other Debt		Total Annual Requirements
	Bonds Principal	Interest	Principal	Interest	
2016	650,625	403,267	214,896	9,670	1,278,458
2017	676,458	375,659	214,896	8,596	1,275,609
2018	712,325	342,042	214,896	7,521	1,276,784
2019	738,227	313,540	214,896	6,447	1,273,110
2020	769,165	284,002	214,896	5,372	1,273,435
2021-2025	4,269,771	932,783	859,582	10,744	6,072,880
2026-2030	1,930,000	120,243	-	-	2,050,243
Total	\$ 9,746,571	\$ 2,771,536	\$ 1,934,062	\$ 48,350	\$ 14,500,519

City Bond Ratings

On December 31, 2015 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)		
	Number	Percent
Total Population	17,575	100.0%
Male	8,786	50.0%
Female	8,789	50.0%
Under 5 Years	1,194	6.8%
5 to 9 Years	1,326	7.5%
10 to 14 Years	1,481	8.4%
15 to 19 Years	1,621	9.2%
20 to 24 Years	969	5.5%
25 to 29 Years	1,023	5.8%
30 to 34 Years	1,264	7.2%
35 to 39 Years	1,328	7.6%
40 to 44 Years	1,451	8.3%
45 to 49 Years	1,652	9.4%
50 to 54 Years	1,384	7.9%
55 to 59 Years	1,078	6.1%
60 to 64 Years	699	4.0%
65 to 69 Years	445	2.5%
70 to 74 Years	258	1.5%
75 to 79 Years	179	1.0%
80 to 84 Years	118	0.7%
85 Years and Over	105	0.6%
Median Age (Years)	34.7	(X)
18 Years and Over	12,555	71.4%
Male	6,189	35.2%
Female	6,366	36.2%
21 Years and Over	11,751	66.9%
62 Years and Over	1,492	8.5%
65 Years and Over	515	2.9%
Male	487	2.8%
Female	618	3.5%

Race(1)		
	Number	Percent
One Race	16,549	94.2%
White	13,378	76.1%
Black or African American	741	2.5%
American Indian and Alaska Native	145	0.8%
Asian	1,491	8.5%
Asian Indian	257	1.5%
Chinese	160	0.9%
Filipino	467	2.7%
Japanese	101	0.6%
Korean	153	0.9%
Vietnamese	133	0.8%
Other Asian (2)	220	1.3%
Native Hawaiian and Other Pacific Islander	100	0.6%
Native Hawaiian	15	0.1%
Guamanian or Chamorro	5	-
Samoaan	43	0.2%
Other Pacific Islander (3)	37	-
Some Other Race	694	3.9%
Two or More Races	1,026	5.8%
Race Alone or in Combination with One or More Other Races (4)		
White	14,297	81.3%
Black or African American	1,033	5.9%
American Indian and Alaska Native	429	2.4%
Asian	1,938	11.0%
Native Hawaiian and Other Pacific Islander	192	1.1%
Some Other Race	847	4.8%

Hispanic or Latino and Race(1)		
	Number	Percent
Total Population	17,575	100.0%
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
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
2015	172	80,434,348

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Function										
City Manager										
Citizen Action Requests	168	201	171	212	194	275	281	268	347	401
Community Room Rentals	458	351	221	181	141	160	295	283	230	232
Covington Connection E-mails Received	128	114	61	93	78	116	178	186	243	219
Finance										
AP Checks Processed	1,884	1,721	1,722	1,757	1,738	1,794	1,772	1,758	1,600	1,829
AP Invoices Processed	3,122	2,897	2,889	2,796	2,797	2,931	3,166	2,994	2,638	2,982
AP \$ (in Millions)	12	10	9	10	7	10	10	20	17	10
AR Invoices/Statements Processed	353	303	402	614	838	753	827	751	902	1,020
Payroll Checks Processed	2,924	2,497	2,361	2,194	2,007	1,976	2,161	2,201	1,950	1,900
City Clerk										
Public Disclosure Requests	133	109	110	97	85	88	97	255	288	255
Covington Connection E-mails Received	128	114	61	93	78	116	178	186	243	219
Contracts/Agreements	94	92	103	76	61	45	63	66	35	93
Ordinances/Resolutions Passed	28	37	22	30	32	49	38	49	65	130
Community Development										
No. of Permits Issued	172	122	204	268	122	115	131	209	225	135
Estimated Value (in Millions)	80	4	22	57	39	15	8	49	89	25
Public Safety										
No. of Calls for Service	4,843	4,581	4,421	4,289	3,803	4,196	4,135	4,026	3,837	4,098
Reported Crimes	1,556	1,459	1,303	1,417	1,418	1,638	1,311	1,631	1,591	1,385
Traffic Citations	1,273	913	1,257	1,055	5,925	1,170	1,470	1,451	1,795	1,956
No. of Arrests										
Adults	394	423	393	441	578	602	585	403	418	368
Juveniles	103	50	70	101	80	114	148	117	86	122
Culture and Recreation										
Number of Parks	5	5	5	5	5	5	5	5	5	5
Park Acreage	135	135	135	135	135	135	135	135	135	135
Participants at Recreation Swims	30,646	25,376	26,523	23,556	20,527	22,068	18,949	21,920	15,351	33,684
Participants in Aquatic Activities	63,928	50,545	51,459	43,343	36,135	37,657	37,235	36,437	35,576	39,064
Aquatic Center Rental Hours	1,567	1,768	1,625	1,302	1,227	1,395	1,271	1,235	1,125	1,211
Total Aquatic Program Attendance	125,909	111,281	110,652	92,949	81,197	87,620	81,599	83,057	73,427	96,958
Total Recreation Registrations (Note 1)	698	276	58	-	-	-	-	-	-	-
Total Athletic Registrations (Note 2)	2,109	662	-	-	-	-	-	-	-	-
Public Works (Note 1)										
Catch Basins Cleaned	980	1,296	1,342	248	184	956	2,265	2,265	2,100	1,841
Slope Mowing Miles	12	12	12	20	24	37	210	96	48	71
Landscape Mowing Hours (Note 3)	979	812	664	N/A						
Miles of Streets Swept	1,828	1,828	1,828	2,056	843	2,274	2,054	2,290	1,192	1,754
Tons of Asphalt Used	2	4	11	87	269	58	95	100	94	155
Work Orders Completed	662	710	1,066	1,367	1,460	1,519	1,461	1,368	1,267	656

Note 1: Recreation programs began in 2013, therefore there is no prior history

Note 2: Current Athletic programs began in 2014, therefore there is no prior history

Note 3: In previous years, 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 2015				
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Unknown	8	0.1%	\$ 10,928	0.3%
Agriculture, Forestry, Fishing	9	0.2%	372	0.0%
Mining	6	0.1%	166	0.0%
Utilities	3	0.1%	573	0.0%
Construction	1,280	21.4%	523,708	13.3%
Manufacturing	332	5.5%	13,875	0.4%
Wholesale Trade	843	14.1%	64,022	1.6%
Retail Trade	1,883	31.5%	2,585,445	65.7%
Transportation and Warehousing	21	0.4%	705	0.0%
Information	208	3.5%	130,571	3.3%
Finance and Insurance	64	1.1%	10,191	0.3%
Real Estate, Rental, Leasing	156	2.6%	19,212	0.5%
Prof, Sci, Technical Svcs	274	4.6%	14,440	0.4%
Company Management	-	0.0%	-	0.0%
Admin, Supp, Remed Svcs	446	7.4%	36,797	0.9%
Educational Services	46	0.8%	1,551	0.0%
Health Care Social Assistance	42	0.7%	8,210	0.2%
Arts, Entertain, Recreation	33	0.6%	30,498	0.8%
Accommodation and Food Svcs	70	1.2%	409,938	10.4%
Other Services	259	4.3%	39,111	1.0%
Public Administration	4	0.1%	37,553	1.0%
	<u>5,987</u>	<u>100.0%</u>	<u>\$ 3,937,866</u>	<u>100.0%</u>

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 Employers
2015 (Note 1)

		2015	
Employer	Service/Product	Number of Employees	Rank
Kent School District	Education K-12	555	1
Costco	Retail Warehouse	305	2
Multicare Health Systems	Health Care	300	3
Fred Meyer	Retail Variety	270	4
Wal-Mart Stores, Inc.	Retail Variety	195	5
Home Depot	Retail	130	6
Kohl's	Retail	100	7
Safeway	Retail Grocery	88	8
City of Covington	Municipal	56	9
Valley Medical	Health Care	49	10

Note 1: FY2016 data was not available at the time of publication.

Sources:

City of Covington Comprehensive Plan Update 2015-2035, Existing Conditions Report

City of Covington
Principal Property Tax Payers
2016 (Note 1)

<u>Taxpayer</u>	<u>Type of Business/Property</u>	<u>2016 Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>
Multicare Health Systems	Healthcare	\$ 42,662,100	1	2.15%
South Adagio Apartments, LLC	Apartments	32,945,000	2	1.66%
TRC MM, LLC	Shopping Center	30,528,700	3	1.54%
Covington Esplanade, LLC	Shopping Center	27,790,200	4	1.40%
Covington Group, LLC	Shopping Center	22,308,800	5	1.12%
Fred Meyer Inc.	Department Store	21,221,700	6	1.07%
Costco Wholesale Corp	Commercial	18,715,900	7	0.94%
Wal-Mart Stores, Inc.	Department Store	16,169,000	8	0.81%
Covington Commercial II, LLC	Shopping Center	15,721,600	9	0.79%
Covington Retail Associates, LLC	Shopping Center	<u>14,435,600</u>	10	<u>0.73%</u>
Total Assessed Value of 10 Largest Taxpayers		<u>\$ 242,498,600</u>		<u>12.22%</u>

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

**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 Full-Time Equivalent Employees	60	Police Protection: Contracted Through King County Number of Police Personnel and Officers	15
Population (1)	18,520	Gas & Electric System: Provided by Puget Sound Energy	
Area in Square Miles (1)	6.43	Water System Provided by: Covington Water District Water District #111	
<u>Elections</u>		Sewer System: Provided by Soos Creek Sewer District	
Registered Voters	10,646		
Number of Votes Cast Last City Election	2,821		
Percentage Voting Last City Election November 2015	26%		

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.