

City of **S**ammamish

2015-2016 Budget - in - Brief

Investing in our Community



Sammamish Community and Aquatics Center

2015 - 2016 Budget Message

Since self-governance began in 1999, your elected representatives on the City Council have consistently made prudent financial choices on behalf of the entire community. That's why the city of Sammamish, despite having to rebound from the Great Recession like other cities, boasts the lowest General Fund expenditures per capita of cities on the Eastside, is free of bonded debt, and has not raised property taxes for six years.

This solid financial footing has been achieved even though the city has made impressive investments in new roads, parks, ball fields and other vital infrastructure over the past decade. As other cities struggle with their budgets, how has Sammamish managed to transform itself while remaining fiscally sound? The answer is simple: Sammamish City Councils have lived within their means. This simple approach, complemented by high performing city staff that continues to deliver an array of excellent government services both efficiently and cost effectively has proven to be a great formula for success.



As this "Budget in Brief" makes clear, the City will continue this mode of operation in the 2015-2016 biennium. While the Great Recession forced us to make tough decisions and to focus on cost cutting measures, we are now experiencing a strong recovery in the local economy and the demand for our services continues to grow. Even so, we will continue to closely monitor our expenditures and continue to explore ways to maximize our resources.

Total expenditures of \$122 million are \$27 million higher than in 2013-2014, reflecting the construction of several large, transformational capital projects. At the same time, our total revenues have increased by \$10 million in the 2015-2016 biennium due to the continuation of the strong development activity in the Puget Sound Region and closer to home in Sammamish.

The city has, for the 2015-2016 biennium, added 5.0 positions bringing our total FTE count to 80.5. These positions will allow us to meet our obligation of providing quality services in support of responsible development throughout the City, ensure our technology systems are reliable and secure, and to leverage the social services available in our City making sure they are available to all citizens.

The City will continue to invest in projects that have been planned and supported by the community, address needed improvements to our infrastructure, and position us for the future. Highlights for the upcoming two years include:

- \$23.0 million for final construction of the 69,000 square foot Community and Aquatics Center amenity featuring swimming, exercise and many other recreational opportunities for our residents set to open in 2016.
- \$9.0 million for the stabilization of Snake Hill Road (212th Way Southeast).
- \$2.7 million for design and initial construction to widen Sahalee Way from 220th Avenue Northeast to the northern city limits.

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

Respectfully,

A handwritten signature in black ink that reads "Ben Guinasso". The signature is written in a cursive, flowing style.

SUMMARY OF SAMMAMISH'S 2015-2016 OPERATING AND CAPITAL BUDGETS

City of Sammamish 2015-2016 Budget Highlights

Public Safety

Provide a safe environment for people and property:

- Replace Fire Station 81 generator

Streets and Transportation

Create efficient movement of people and vehicles throughout the city:

- Convert streetlights to LED
- Retrofit ADA sidewalk access
- Repave streets to maintain surfaces
- Reconstruct 212th Way
- Widen Sahalee Way from 220th to city limits

Economic Planning and Development

Foster high quality residential neighborhoods and a welcoming business climate

- Complete the Comprehensive Plan rewrite
- Economic Development investments
- Prepare for potential annexation of Klahanie

Parks and Recreation

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

- Complete Community Center construction
- YMCA opens the Community Center
- Lower Commons reforestation
- Complete construction - Big Rock Park phase I
- Complete Trails, Bikeways, and Paths Plan update

Natural Environment

Promote and protect a healthy environment:

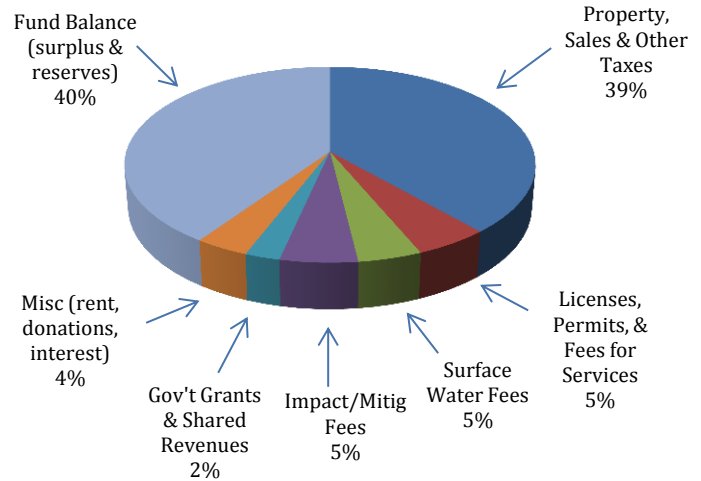
- Continue work on Inglewood drainage
- Increase stormwater facility maintenance to comply with federal requirements

Municipal Services and Facilities

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

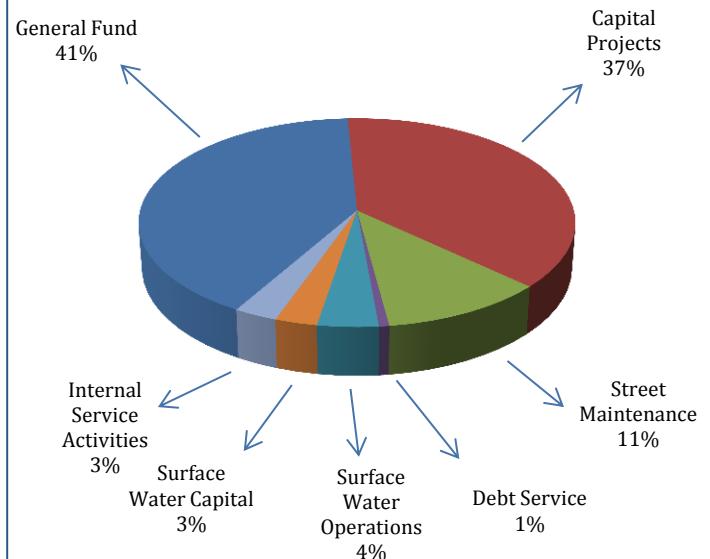
- Replace kitchen and Police area floors
- Replace Beaver Lake Shop roof
- Replace 3 trailers, 1 groomer, 2 spreader/sanders, 1 Gator
- Upgrade to an automated Human Resources System
- Replace 2 servers
- Backup HVAC for server room

**Where the Money Comes From... Estimated Sources of Revenue: \$162,178,472



** Excluding interfund transactions

**Where the Money Goes... Approved Budget \$162,178,472



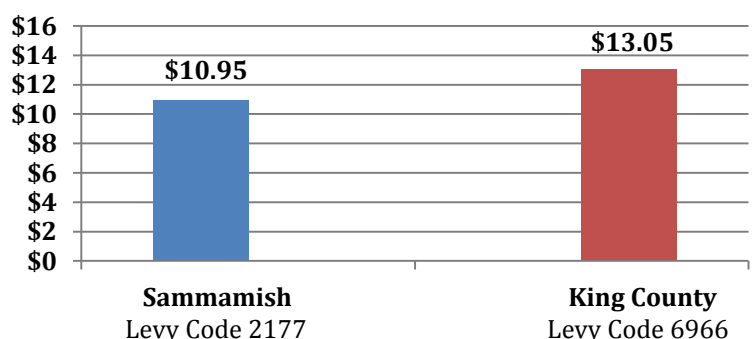
Revenues by Source-All Funds	2013-2014 Budget	2015-2016 Budget	Avg. Annual \$ Change
Property, Sales, REET, and other Taxes	\$ 57,735,000	\$ 62,382,990	\$ 1,549,330
Licenses & Permits	3,701,700	4,301,800	200,033
Gov't. Grants & Shared Revenues	3,945,200	3,957,500	4,100
Direct Charges for Services Provided	15,624,721	20,018,547	1,464,609
Development & Court Fines	236,500	510,300	91,267
Interest Income, Rent, & Miscellaneous	5,436,480	5,567,730	43,750
Total Revenues (Sources)	\$ 86,679,601	\$ 96,738,867	\$ 3,353,089
<i>Interfund Transfers</i>	<i>21,713,588</i>	<i>30,856,799</i>	
<i>Beginning Fund Balance</i>	<i>61,661,617</i>	<i>65,439,605</i>	
Total Available Funds	\$170,054,806	\$193,035,271	
Expenditures (Uses) by Category-All Funds	2013-2014 Budget	2015-2016 Budget	Avg. Annual \$ Change
Police Services (King Co. Sheriff)	\$ 10,262,113	\$ 10,643,957	\$ 127,281
Fire Services (Eastside Fire & Rescue)	12,355,715	12,455,113	33,133
Public Works & Street Maintenance	11,554,275	12,939,685	461,803
Parks, Recreation, & Culture	6,615,100	7,386,730	257,210
Community Development	6,021,600	5,927,961	(31,213)
Surface Water Management	5,228,350	5,176,500	(17,283)
Central Services	13,501,462	14,857,696	452,078
Total Operating Expenditures	\$ 65,538,615	\$ 69,387,642	\$ 1,283,009
General Gov. Capital Projects	3,620,000	3,530,000	(30,000)
Parks Capital Projects	15,025,643	27,410,500	4,128,286
Transportation Capital Projects	7,504,745	17,820,000	3,438,418
Surface Water Capital Projects	3,384,968	3,609,968	75,000
Total Capital Expenditures	\$ 29,535,356	\$ 52,370,468	\$ 7,611,704
Total Expenditures (Uses)	\$ 95,073,971	\$121,758,110	\$ 8,894,713
<i>Interfund Transfers & Contingencies</i>	<i>29,865,488</i>	<i>36,898,799</i>	
<i>Ending Fund Balance</i>	<i>45,115,347</i>	<i>34,378,362</i>	
Total Budgeted Uses	\$170,054,806	\$193,035,271	

Taxes Lower; Services Higher

Property taxes are over 19% higher in unincorporated King County than in Sammamish. For a \$600,000 home that equals \$1,260 more per year. At the same time Sammamish residents have seen their services increase due to Council's direction to keep city government "lean". This has been accomplished by contracting with other agencies for services such as fire and police protection. Our many accomplishments include road and park improvements and completion of city-wide comprehensive planning documents.

Total Property Tax Levy Rate (All Jurisdictions) Comparison for 2015

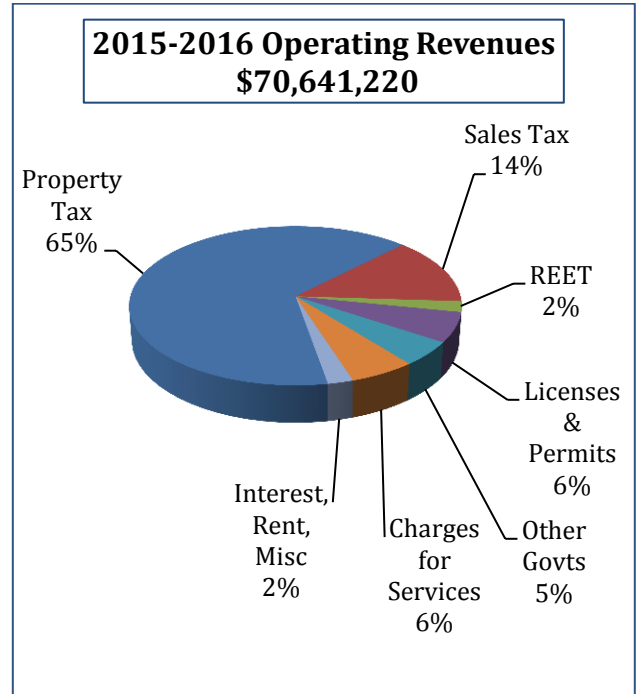
(Rate per \$1000 Assessed Valuation
Difference = \$2.10/\$1000 AV)



GENERAL AND STREET FUND REVENUES & SERVICES

General and Street fund revenues pay for basic city services such as police, fire, street and landscape maintenance, parks and recreation, and community development. The \$11.7 million ending fund balance in the General Fund finances capital improvements and/or provides a reserve for future emergencies. The \$6.6 million ending fund balance in the Street Fund is retained for future street maintenance.

- **Property Taxes = \$46.0 million**
Sammamish receives about 21 cents of every tax dollar collected. A home with an assessed value of \$600,000 generates \$1,230 in annual revenue to the city
- **Sales Taxes = \$9.6 million**
Sammamish receives 8 ½ cents of every tax dollar collected within the city
- **Charges for Services = \$4.1 million**
Development fees, traffic concurrency test fees, field use fees
- **Licenses & Permits = \$4.3 million**
Building permits, franchise fees, right of way permits
- **Other Governments = \$3.5 million**
State shared revenue/federal, state, and county grants
- **Real Estate Excise Tax (REET) = \$1.5 million**
35% of the .5% REET on each property sale in the city may be used for maintenance. The rest must be used for capital.
- **Interest, rent, court fines, miscellaneous = \$1.6 million**



Cost of General & Street Fund Services				
Operating Expenditures	2015-2016 Budget	% of Total 15/16 Operating Costs	2015 FTE's	**Avg Annual Per Capita Cost
Police Services (King Co. Sheriff-contract)	\$ 10,643,957	16.9%	1.00	\$ 108.04
Fire Services (Eastside Fire & Rescue-interlocal agreement)	12,455,113	19.8%	-	126.42
Public Works & Street Maintenance	12,939,685	20.5%	13.43	131.34
Parks, Recreation, & Culture	7,386,730	11.7%	15.20	74.98
Community Development	5,927,961	9.4%	21.52	60.17
Administrative, Internal Support, & Legal Services	13,628,646	21.6%	14.47	138.33
Totals	\$ 62,982,092		65.62	\$ 639.28
Transfers-Capital	18,000,000			
Contingencies	6,100,000			
Ending Fund Balance (reserves & surplus)	18,256,408			
Total Expenditures	\$ 105,338,500			

** Per capita cost = budget amount/population

WHAT DO THESE SERVICES DO FOR THE CITIZENS?

Police Services-Police services are provided in Sammamish through a contract with the King County Sheriff's Office. For the 2015-2016 biennium there are 14 patrol officers assigned to the city allowing the city to work towards having 3 officers on patrol at all times. In addition the city has 2 School Resource Officers who spend a significant amount of time at the local schools participating in school activities and getting to know the students. The city directly employs one Administrative Assistant to support the Sammamish Police Department.

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

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

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

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

Administrative, Internal Support, and Legal Services-These are services that provide city departments with the means to operate efficiently and effectively in a safe and sustainable manner. They include city administration and legislative activities, financial services, human resource management, legal services, vehicles, equipment, information technology, and risk management.

WHERE DO MY TAX DOLLARS GO?

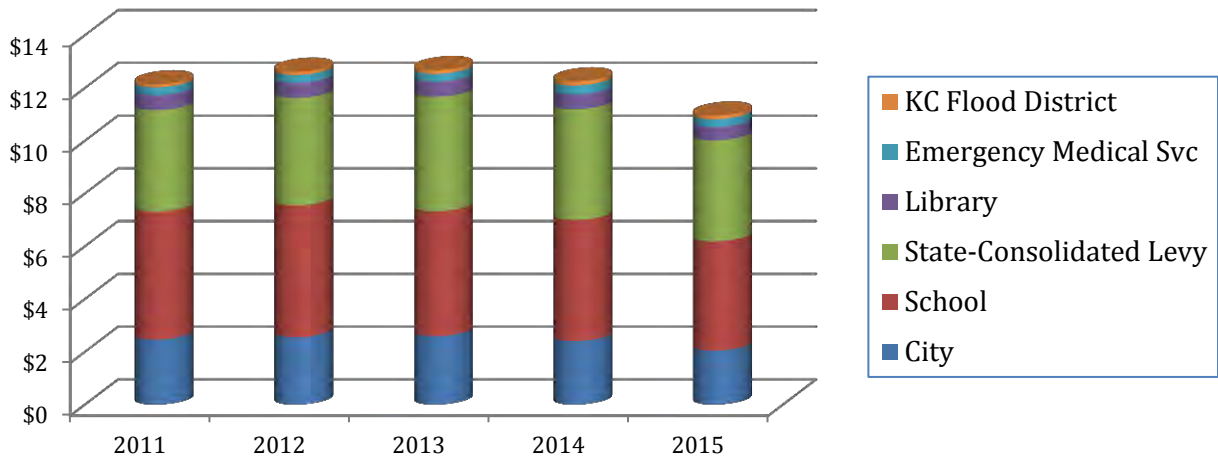
Property Tax

Property tax is the city's primary source of funding for general city services. In 2015 the city expects to receive \$22.86 million in property tax revenue. All real and personal property (except where exempt by law) is assessed by the King County Assessor at 100% of the property's fair market value. Although property taxes represent the city's largest source of revenue at about 69% of general fund revenue, the portion of the city's property tax levy compared to each property owner's total bill is relatively small (approximately 19%).

Sammamish home-Iss. School District Assessed Valuation - \$527,000

Tax District	Dollars	Percent
School	\$ 2,179.67	38%
City	1,081.04	19%
State	1,204.27	21%
King County	708.93	12%
Library	264.95	5%
Port	99.52	2%
EMS	159.24	3%
Flood District	73.04	1%
Total	\$ 5,770.67	

2011-2015 Property Tax Levy Rate Per \$1,000 of Assessed Value



Sales Tax Distribution Breakdown

Tax Jurisdiction	Percentage
State	6.50%
City	0.85%
King Co/Metro	0.90%
Sound Transit	0.90%
King County	0.25%
Criminal Justice	0.10%
Total	9.50%

Sales Tax

The sales tax within the City of Sammamish is 9.5% of which 0.85% is returned to the city. The remainder goes to the State and other public agencies. About 30% of the city's sales tax revenue comes from construction activity. In 2015 the city expects to receive \$4.7 million in sales tax and criminal justice sales tax.

CAPITAL IMPROVEMENT PROGRAM PROJECT HIGHLIGHTS 2015-2016 Biennium

The Capital Improvement Program (CIP) is a long-term plan with specific projects identified for the next six years. It is differentiated from the Operating Budget in that it involves property acquisition, public works, city infrastructure improvements, and construction of public buildings that will serve the city far beyond the 2 year budget timeframe. The City Council reviews and updates the CIP every two years and, as needed, re-establishes project priorities which may change during the life of the CIP plan. Funding is provided by transfers from the General Fund, Real Estate Excise Taxes, Impact Fees, and federal/state grants. CIP projects in progress or set to begin in the 2015-2016 biennium are highlighted below.

Parks and Recreation

- *Community and Aquatics Center:* Construction began in 2014 on a \$34.5 million Community and Aquatics Center being built adjacent to City Hall on land owned by the city. \$29.5 million of the cost is funded by city reserves. The YMCA will pay the remaining cost of \$5 million and operate the Center which is scheduled to open in early 2016.
- *Field Turf Replacement:* In cooperation with the local school districts the city converted several school sports fields to artificial turf for year-round use by the city and the schools. Field #1 at Eastlake High School is scheduled for replacement in 2015 after ten years of use. Funding for the replacement will come from monies set aside for field turf replacements.
- *Trail Connections Design/Construction:* Lower Commons trail ADA improvements, internal trail system and habitat improvements, Sammamish Commons to Big Rock Park.
- *Sammamish Landing Park:* Restroom building with outdoor shower facilities.

Transportation

- *212th Way SE:* Reconstruct the roadway to address stability and maintenance concerns.
- *SE 4th St.:* Design the widening of SE 4th Street to provide a gateway to Town Center.
- *Sahalee Way-220th to the City limits:* Widen to 3 lanes and add curbs, gutters, sidewalks with planter strips and a raised median.
- *228th Ave. SE-SE 32nd to Issaquah Pine Lake Road:* Add a southbound through lane.
- *Intelligent Transportation System:* Install signal control equipment on 228th Avenue to allow signal timing to adjust to real time to accommodate changing traffic patterns. Carried forward from 2014.
- *Ongoing programs:* Intersection improvements, neighborhood projects, sidewalk program, local improvements match support.

Surface Water Management

- *Drainage Capital Resolutions:* Biennial small repairs and improvements.
- *Inglewood Neighborhood Drainage:* Design pipe network to accommodate existing use and future growth.
- *Surface Water Components of Transportation Projects:* Annual sidewalk program, 212th Way, Sahalee Way, 228th Ave. SE, SE 4th Street, future non-motorized projects.

General Capital Improvements

- *Generator Replacement:* Replace the generator at Fire Station 81, including utility hook-ups.

CAPITAL IMPROVEMENTS AND ACCOMPLISHMENTS

2013-2014 Biennium

Parks and Recreation

Community and Aquatics Center: Completed the design and began construction of the Community and Aquatics Center. Citizen surveys for several years have rated a Community and Aquatics Center as a high priority.

Community Garden: Opened the very popular 58 plot community garden in the Lower Commons in 2013. Plots were assigned to the many applicants by a drawing. The garden shed was designed and built by city staff.

Sammamish Landing Park: Completed construction on the only park in the city with public access to Lake Sammamish. Two replacement docks, a large lawn and picnic area have made this a very popular spot with residents.



Sammamish Landing Park

Stormwater

Ponds: Inspected and restored stormwater ponds after taking over this task from King County. Updated signs.

Catch Basin Location & Cleaning: Took over responsibility for cleaning catch basins previously cleaned by King County on a contract basis.



Community and Aquatics Center Rendering

Transportation

Pavement Preservation: Invested \$5.4 million in repaving streets to maintain smooth driving surfaces free of potholes.

228th left turn lane: Extended the left turn pocket at SE 24th Street to minimize back-ups in the through lanes.

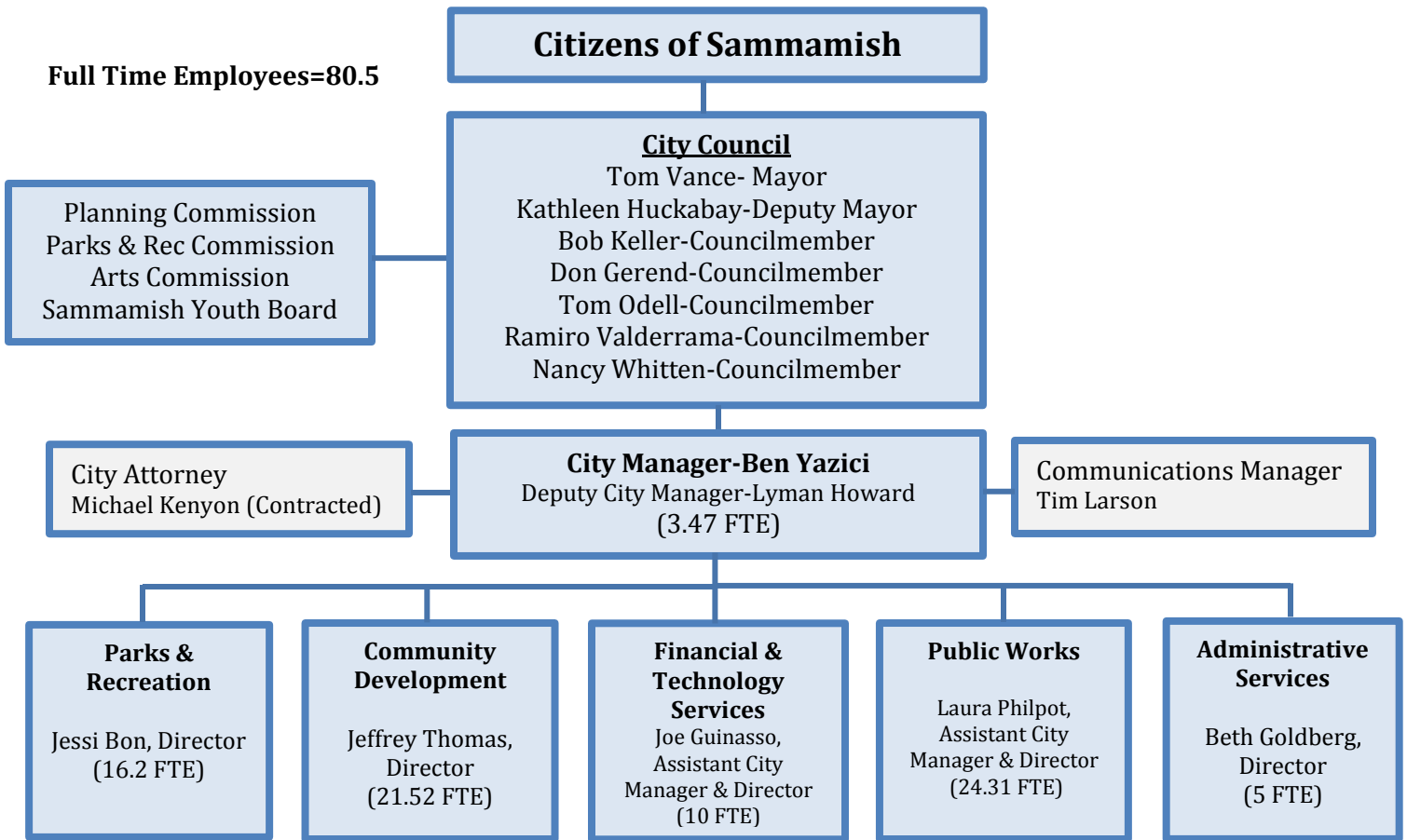
Flashing School Zone Beacons: Pine Lake Middle School and Sunny Hills Elementary



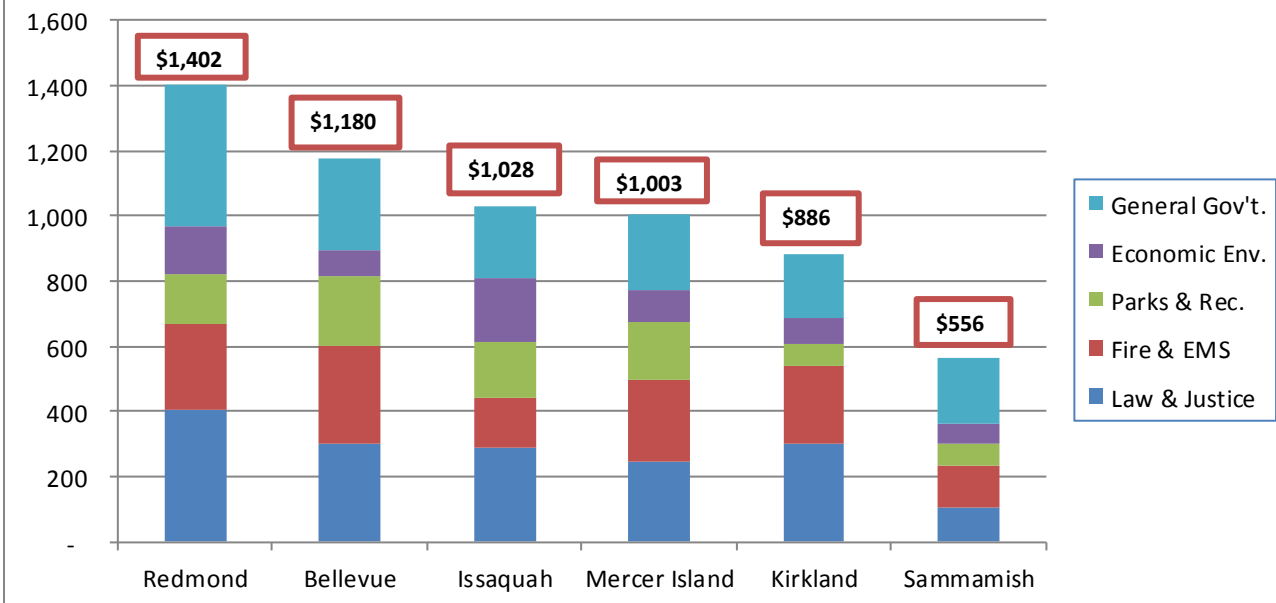
Pavement Preservation

ORGANIZATION CHART

Full Time Employees=80.5



General Fund Expenditures Per Capita Eastside Cities Comparison (2013)



Source: LGFRS-State Auditor's Office 2013. Excludes transfers and reserves.

ABOUT SAMMAMISH

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

The Mayor is a Council Member selected by the Council to chair meetings, authenticate documents and serves as the ceremonial head of the City. The Council is supported by several advisory boards and commissions. The Council appoints a full-time City Manager who is the head of the executive branch and serves as the professional administrator of the organization, coordinating day-to-day activities. The City employs 80.5 FTEs while providing a full range of municipal services including:

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

There are currently no bargaining units representing City employees.

Sammamish at a Glance

Population (2014 OFM estimate).....	49,260
Elevation	310 feet (average)
Land Area	22.03 square miles
Average Temperature	53 degrees
Average Annual Precipitation.....	35 inches
Average Snowfall.....	3 inches
Miles of City Streets	167
City Retail Sales Tax	9.5%
Fire Department Rating Class	4
City Employees (2015 Full-Time Equivalents)	80.5
Assessed Valuation (2015 Tax Roll).....	\$11,177,697,009
City Property Tax Rate	\$2.05 per \$1,000

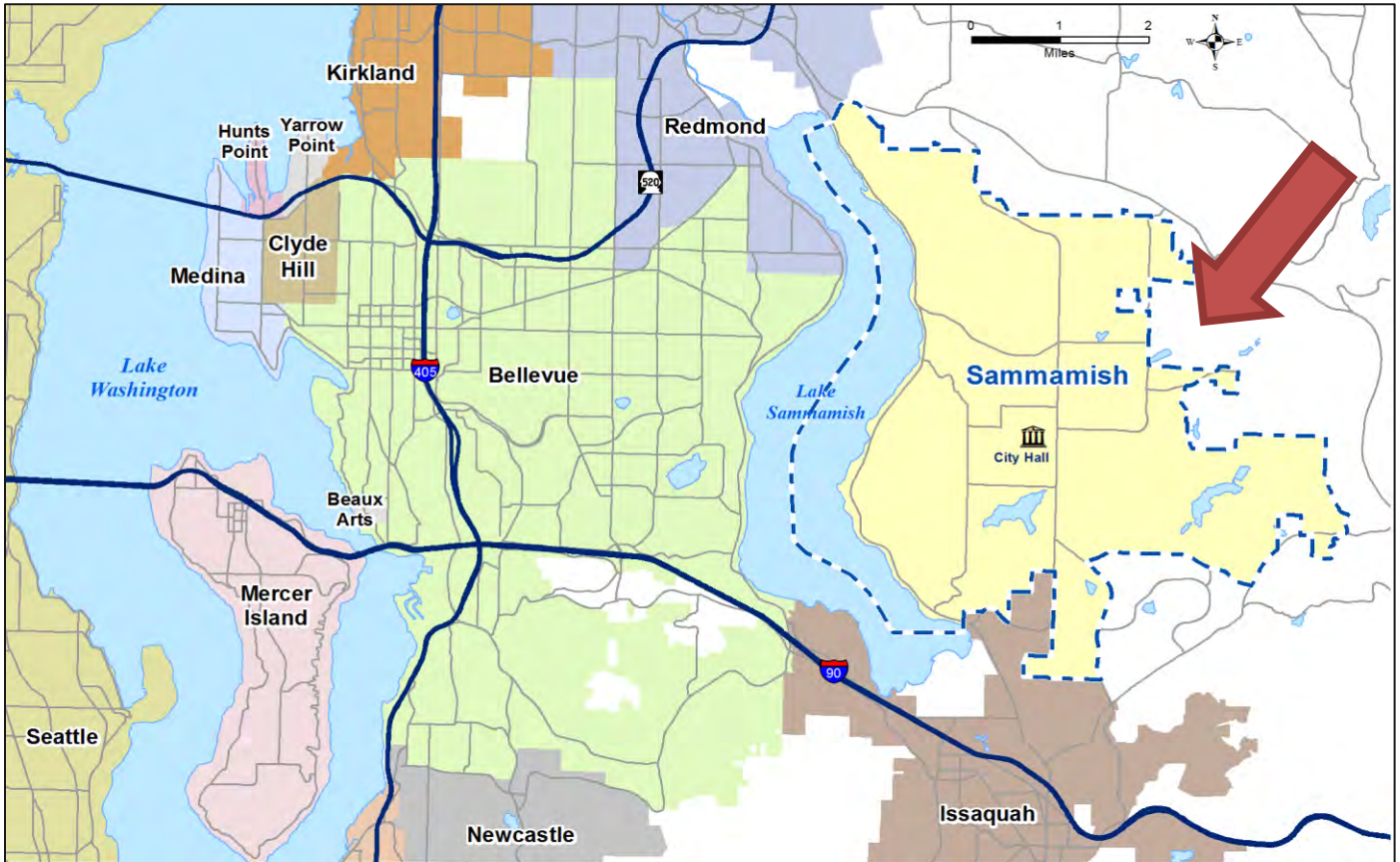
City Hall Entrance



Demographics: (from 2010 Census Data)

Male/Female.....	50.1% / 49.9%
Median Age.....	38.2 yrs.
% under 18.....	35.4%
Households.....	15,846
Owner Occupied Housing Units.....	88%
2014 Average Real Estate Sale value	\$745,900
Educational Attainment:	
B.A. or Higher.....	80.1%
H.S. or Higher.....	99.3%
Median Household Income (WA State OFM).....	\$169,859

Regional Area Map



City of Sammamish Management

- Ben Yazici, City Manager
- Lyman Howard, Deputy City Manager
- Laura Philpot, Public Works Director/Asst.City Mgr.
- Joe Guinasso, Finance Director/Asst. City Mgr.
- Jeffrey Thomas, DCD Director
- Beth Goldberg, Adm. Svcs. Director
- Michael Kenyon, City Attorney
- Nate Elledge, Police Chief
- Lee Soptich, Fire Chief
- Melonie Anderson, City Clerk
- Tim Larson, Communications Manager

Sammamish City Council

*Standing: Council Member Ramiro Valderrama, **Mayor Tom Vance**, Council Members Tom Odell & Don Gerend.*

*Seated: **Deputy Mayor Kathleen Huckabay**, Council Members Nancy Whitten and Bob Keller.*