



CITY OF EVERETT

Annexation Study

FINAL REPORT: October 2008



| BERK & ASSOCIATES |



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CITY OF EVERETT FISCAL ANALYSIS OF ANNEXATION

Executive Summary

BACKGROUND

This report documents the results of an annexation study conducted by Berk & Associates on behalf of the City of Everett to assess the fiscal, governance and strategic implications of potential large-scale annexations. The annexation analysis was conducted by looking at how each potential annexation might fit within the broader context of the City's long-term fiscal situation, and the economic development opportunities.

The study included an assessment of six primary annexation areas in the City's Municipal Urban Growth Area (MUGA) and three optional areas (gap areas) that go beyond the primary areas but are contiguous to the City's MUGA:

- Emander (MUGA)
- North Creek (MUGA)
- Eastmont (MUGA)
- Hilton Lake (MUGA)
- Rugg's Lake (MUGA)
- Larimer (MUGA)
- Lake Stickney (gap area)
- Cathcart (gap area)
- Silver Firs (gap area)

The nine contemplated annexation areas were combined into seven annexation "scenarios," based on the following criteria: (1) the areas under consideration must have logical geographical boundaries and be contiguous; and (2) the scenarios must have at least 10,000 population, to ensure receipt of the State sales tax credit:

- **Scenario 1:** Emander and North Creek
- **Scenario 2:** Emander, North Creek, and Lake Stickney (all areas west of City boundary)
- **Scenario 3:** Eastmont, Hilton Lake, and Rugg's Lake
- **Scenario 4:** Eastmont, Hilton Lake, Rugg's Lake, and Larimer
- **Scenario 5:** Eastmont, Hilton Lake, Rugg's Lake, Larimer, Cathcart, and Silver Firs (all areas east of City boundary)
- **Scenario 6:** Emander, North Creek, Eastmont, Hilton Lake, Rugg's Lake, Larimer, and Cathcart (all areas within the UGA)
- **Scenario 7:** All nine study areas

SCREENING OF SCENARIOS

The analysis of annexation scenarios was conducted in a two step process: (1) an initial screening of all seven annexation scenarios to assess the relative fiscal impacts of each; and (2) a more detailed feasibility assessment of the most promising options, which included additional work with several departments to determine the most cost-effective service delivery approaches. Based on this process, we concluded that there are two scenarios with the best opportunity to offer a reasonably balanced annexation that would make use of the temporary opportunity presented by the availability of the State sales tax credit for large annexations:

- **Scenario 3:** Eastmont, Hilton Lake, Rugg's Lake
- **Scenario 4:** Eastmont, Hilton Lake, Rugg's Lake, Larimer

SUMMARY OF ANALYSIS FINDINGS

Assuming no annexation, the City of Everett is estimated to experience a balanced budget with some modest revenue surplus in later years (**Exhibit ES-1**).

Exhibit ES-1
Estimated Core Revenues and Expenditures for City of Everett,
No Annexation (2008-2027)

Current City	2010	2015	2020	2025
Core Expenditures	125,536,465	156,339,909	192,900,954	236,354,460
Subtotal Expenditures	125,536,465	156,339,909	192,900,954	236,354,460
Core Resources	123,808,221	156,529,435	192,951,715	240,527,463
State Sales Tax Credit	0	0	0	0
Subtotal Revenues	123,808,221	156,529,435	192,951,715	240,527,463
Net Resources (000's)	(1,728,244)	189,526	50,761	4,173,003
Deficit/Surplus as % of Expenditures	-1%	0%	0%	2%

Increment from Annexation Areas	2010	2015	2020	2025
Core Expenditures	0	0	0	0
Facility Debt Service	0	0	0	0
Subtotal Expenditures	0	0	0	0
Core Resources	0	0	0	0
State Sales Tax Credit	0	0	0	0
Subtotal Revenues	0	0	0	0
Net Resources (000's)	0	0	0	0
Deficit/Surplus as % of Expenditures	0%	0%	0%	0%

Entire City with Annexation	2010	2015	2020	2025
Core Expenditures	125,536,465	156,339,909	192,900,954	236,354,460
Subtotal Expenditures	125,536,465	156,339,909	192,900,954	236,354,460
Core Resources	123,808,221	156,529,435	192,951,715	240,527,463
State Sales Tax Credit	0	0	0	0
Subtotal Revenues	123,808,221	156,529,435	192,951,715	240,527,463
Net Resources (000's)	(1,728,244)	189,526	50,761	4,173,003
Deficit/Surplus as % of Core Expenditures	-1%	0%	0%	2%

Source: Berk & Associates Analysis, 2007-08

All cities across the State are different in terms of tax bases, mixes of commercial and residential land uses, and fiscal policies; however, many have been experiencing the trend where municipal service costs are growing at faster rates than revenues. Everett, despite the impact of 1% property tax growth limit, has built a solid foundation for fiscal balance through its current revenue and level of service policy framework. The projected *surplus* in 2025 for the City without annexation is 2% of the estimated core expenditures.

Given the uncertainty involved in making long-term financial projections, it is useful to think of the estimated budget surplus or deficit in future years in terms of how it relates to estimated expenditures. City policy makers have the ability to reasonably manage the City's finances to address normal fluctuations in revenues and/or expenses. As a result, it is not uncommon for City's to be balancing budgets when expenditures and revenues are somewhat out of balance. Thus, a surplus or deficit that is within 2% or 3% of estimated expenditures can be considered to be balanced, since it is likely within a manageable range. More severe imbalances (5% or 10%) would be indicative of the likelihood that a City would be facing more significant financial challenges in the future that would require more fundamental policy solutions – either reducing levels-of-service or increasing taxes to balance the budget.

Exhibit ES-2 shows projected results for scenarios 3 and 4, including the estimated costs and revenues for Everett, annexation areas, and total combined area every five years over the study period. The analysis suggests that on an operating basis annexation could be considered feasible, resulting in the City's overall costs and revenues being close to balanced (i.e. within the plus or minus 3% threshold). While the overall City operating budget is reasonably balanced, the annexation actually yields a small net negative fiscal impact on the operations of the City of Everett in both scenarios, as the City is projected to show a small surplus in the no annexation scenario.

Scenario 3 Findings. Taken on its own, Scenario 3 is projected to be fairly balanced over the analysis time horizon. However, considering that the City will experience higher costs due to shared additional staff in Fire Department, the outcome is slightly worse off than the no-annexation projection (**Exhibit 7**). These shared costs are why the current City appears to be less balanced than the results in ES-1. A key factor in this result is the relatively low costs of extending fire services to this area, giving the City a significant economies-of-scale benefit. While this scenario is potentially feasible, there are some financial risks that need to also be considered, such as the potential magnitude of capital expenditures in the annexation area.

Scenario 4 Findings. This scenario is projected to be negative immediately after the sales tax credit ceases in 2018. Similarly to Scenario 3, the City will experience higher costs due to shared additional staff in Fire Department, and the outcome is worse off than the no-annexation projection. Scenario 4 would likely present somewhat higher risks as well given that it is a significantly larger annexation.

**Exhibit ES-2
Estimated Core Revenues and Expenditures, Scenario 3**

Current City	2010	2015	2020	2025
Core Expenditures	127,919,871	159,835,958	195,986,513	240,063,214
Subtotal Expenditures	127,919,871	159,835,958	195,986,513	240,063,214
Core Resources	123,949,658	156,629,690	193,081,867	240,674,224
State Sales Tax Credit	0	0	0	0
Subtotal Revenues	123,949,658	156,629,690	193,081,867	240,674,224
Net Resources (000's)	(3,970,213)	(3,206,268)	(2,904,646)	611,010
Deficit/Surplus as % of Expenditures	-3%	-2%	-1%	0%

Increment from Annexation Areas	2010	2015	2020	2025
Core Expenditures	6,026,490	6,022,708	8,228,489	11,012,468
Facility Debt Service	0	0	0	0
Subtotal Expenditures	6,026,490	6,022,708	8,228,489	11,012,468
Core Resources	5,859,147	7,080,882	8,715,417	10,784,626
State Sales Tax Credit	2,314,919	1,449,337	0	0
Subtotal Revenues	8,174,066	8,530,219	8,715,417	10,784,626
Net Resources (000's)	2,147,576	2,507,511	486,928	(227,842)
Deficit/Surplus as % of Expenditures	36%	42%	6%	-2%

Entire City with Annexation	2010	2015	2020	2025
Core Expenditures	133,946,361	165,858,666	204,215,001	251,075,682
Subtotal Expenditures	133,946,361	165,858,666	204,215,001	251,075,682
Core Resources	129,808,805	163,710,572	201,797,283	251,458,850
State Sales Tax Credit	2,314,919	1,449,337	0	0
Subtotal Revenues	132,123,724	165,159,909	201,797,283	251,458,850
Net Resources (000's)	(1,822,637)	(698,757)	(2,417,718)	383,168
Deficit/Surplus as % of Core Expenditures	-1%	0%	-1%	0%

Estimated Core Revenues and Expenditures, Scenario 4

Current City	2010	2015	2020	2025
Core Expenditures	127,694,211	159,624,322	195,385,639	239,745,601
Subtotal Expenditures	127,694,211	159,624,322	195,385,639	239,745,601
Core Resources	124,076,165	156,716,082	193,192,056	240,795,042
State Sales Tax Credit	0	0	0	0
Subtotal Revenues	124,076,165	156,716,082	193,192,056	240,795,042
Net Resources (000's)	(3,618,046)	(2,908,240)	(2,193,582)	1,049,440
Deficit/Surplus as % of Expenditures	-3%	-2%	-1%	0%

Increment from Annexation Areas	2010	2015	2020	2025
Core Expenditures	11,859,667	13,605,013	17,722,754	22,161,886
Facility Debt Service	0	0	0	0
Subtotal Expenditures	11,859,667	13,605,013	17,722,754	22,161,886
Core Resources	11,733,474	13,996,273	16,901,850	20,480,525
State Sales Tax Credit	3,864,037	3,930,498	0	0
Subtotal Revenues	15,597,511	17,926,771	16,901,850	20,480,525
Net Resources (000's)	3,737,844	4,321,758	(820,904)	(1,681,361)
Deficit/Surplus as % of Expenditures	32%	32%	-5%	-8%

Entire City with Annexation	2010	2015	2020	2025
Core Expenditures	139,553,878	173,229,335	213,108,392	261,907,487
Subtotal Expenditures	139,553,878	173,229,335	213,108,392	261,907,487
Core Resources	135,809,639	170,712,355	210,093,906	261,275,567
State Sales Tax Credit	3,864,037	3,930,498	0	0
Subtotal Revenues	139,673,676	174,642,853	210,093,906	261,275,567
Net Resources (000's)	119,799	1,413,518	(3,014,486)	(631,921)
Deficit/Surplus as % of Core Expenditures	0%	1%	-1%	0%

Source: Berk & Associates analysis, 2008.

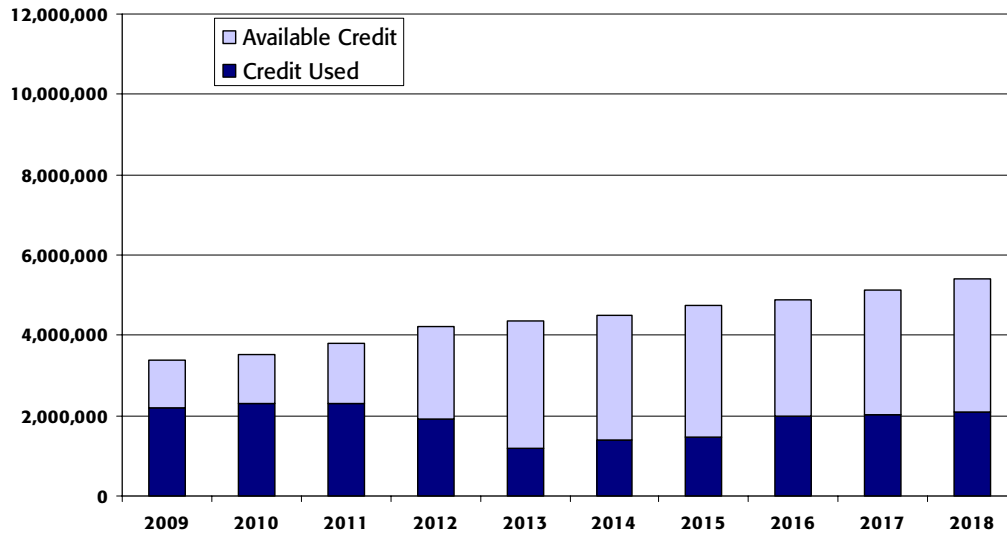


SALES TAX CREDIT

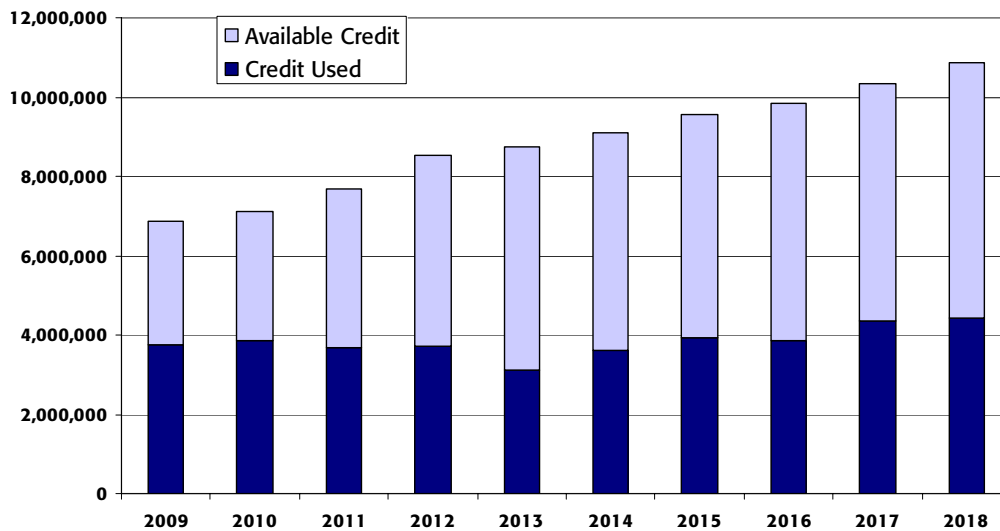
Since Everett is located in a county with a population of more than 600,000, the City would qualify for the State sales and use tax credit. Scenario 3 (including Eastmont, Hilton Lake, and Rugg’s Lake) is estimated to contain approximately 10,500 people, over the 10,000 person limit to qualify for 0.1% sales tax credit. Scenario 4 (including all areas in Scenario 3 plus Larimer) contains approximately 20,800 people, over the 20,000 limit to qualify for the 0.2% credit.

The statute allows the City to recoup the loss due to annexation up to the maximum 0.1% or 0.2% of sales tax revenues. However, considering Everett’s large sales tax base, estimates show that in both Scenarios 3 and 4, the City would not be taking advantage of the full possible credit in any year (as City losses are estimated to be less than the potential credit). **Exhibit ES-3** shows the estimate of the maximum state sales tax credit available for both scenarios and the portion that is estimated to be used during the ten-year transition period.

Exhibit ES-3
Scenario 3: Sales Tax Credit



Scenario 4: Sales Tax Credit



Source: Berk & Associates analysis, 2008

Substitute Senate Bill 6686 includes limits on how revenues from the sales tax credit can be used. According to the statute:

“All revenue collected under this section shall be used solely to provide, maintain, and operate municipal services for the annexation area.”

Based on this language,, a general consensus among a number of cities around the region has emerged that the following costs are likely eligible for sales tax credit support: (1) direct operating impacts from annexation, (2) allocation of a portion of fixed costs (such as Fire Chief’s salary) as these are directly related to providing services in the annexation area, (3) annexation-related equipment costs, and (4) annexation-related additional facility costs, to the extent these are related to housing annexation-related staff or to otherwise support annexation-related services. To be conservative in estimating potential sales tax credit revenues, capital infrastructure costs (road construction, surface water management, etc.) are assumed to not be eligible, as these costs are less directly tied to providing municipal services.

As **Exhibit ES-3** demonstrates, Everett would likely not need the full amount of sales tax credit available in all years. It is best to think of the potential availability of additional state sales tax credit as an added level of insurance to mitigate potential financial risks associated with annexation. For instance, police facilities are currently at or exceeding capacity and would require additional investment, and there may be additional significant transition costs that are not modeled in this analysis. The City may want to use the sales tax credit capacity to mitigate these annexation costs.

POLICY OPTIONS AND CONSIDERATIONS

Facilities

Based on the annexation analysis, it is estimated that approximately 37 FTEs will be added for Scenario 3 and 79 FTEs for Scenario 4 (detailed break-down of these estimates is presented in section 6.4, *Operating Cost Analysis*). Based on discussions with the City staff, there appears to be adequate capacity within the current City Hall to house the portion of these additional FTE's related to general government functions. Some departments are currently housed in the City's Service Center, but could be moved to the City Hall if needed.

In Scenario 3 the Fire Department would serve the additional area from the existing City Fire Station 7, while in Scenario 4 Hilton Lake Fire Station will be acquired from Fire District 1 as part of the asset transfer.

According to the Everett Police Department, the police facilities are currently operating at capacity at both the main headquarters building as well as the South Precinct in terms of parking, locker space, and office space. In Scenario 3 the addition of police officers will require leasing additional space likely either within the current headquarters building or the South Precinct, while Scenario 4 may require an additional facility be added on the east side of I-5. The cost of additional police facilities is not included in the analysis. If the City were to pursue the larger Scenario 4 annexation, it would be necessary to more fully assess the police facility needs and identify the options and potential costs for meeting these needs.

Library

Annexation of Eastmont, Hilton Lake, and Rugg's Lake (Scenario 3) would add just over 10,000 potential patrons, while annexation of Scenario 4 (Eastmont, Hilton Lake, Rugg's Lake, and Larimer) would add about 20,000 additional patrons. Due to the distances involved, new residents might find existing Everett libraries to be relatively inaccessible. In discussions with Library staff, a potential storefront satellite facility might be necessary to provide adequate library services to this area (particularly in Scenario 4).

As provision of library services is a policy choice for the City, the annexation analysis does not include any additional capital or operating costs for library services, besides an initial investment of an estimated \$100,000 for Scenario 3 and \$200,000 for Scenario 4.

Parks

If one compares current park facilities in Everett with current park facilities in the annexation area, one can argue that the annexation area is under-served. The City currently has about 0.7 acres of neighborhood parks per 1,000 city residents. Scenarios 3 and 4, in contrast, have only about 0.3 and 0.1 acres per 1,000 residents, respectively. Community parks have an even larger discrepancy.

Given the deficiencies in parks, for Scenarios 3 and 4, the City would need to procure a significant amount of parks land to bring these areas up to both the City's current and adopted levels of service. As the area is mostly residential, there are very few large acre parcels that could be available for park land purchase.

Potential parks acquisition and development in these annexation areas presents a policy-level question for the City, especially considering the neighborhood and community parks deficiencies within the current City boundaries. These policy decisions would have capital and operating implications of bringing the annexation areas up to the higher level of service. Depending on how the City might choose to address these parks deficiencies, an annexation of the magnitude envisioned in either Scenario 3 or 4 could significantly increase the costs of achieving a given level-of-service goal. The potential for higher capital expenditures for initial parkland purchase are not included in this analysis.

Transit

Based on a review of Community Transit services, it appears that there is currently no significant bus service in Eastmont, Hilton Lake, Rugg's Lake, and Larimer. Upon annexation of these areas, the City of Everett would face a policy choice of where and how much transit service it would provide.

According to Everett's Transit Department, sales tax revenue is a major funding source for its services. Snohomish County now levies 0.9% sales tax for Community Transit, while Everett levies a 0.6% sales tax for transit. Annexation would shift the sales tax revenues collected in these areas from Community Transit to Everett, with taxpayers paying less in sales taxes.

Assuming annexation under Scenario 3, the City is likely to receive an estimated \$256,000 in sales tax revenue for transit in 2009. Under Scenario 4, the estimated increase in tax revenue is approximately \$448,000.

CAPITAL IMPACTS

The capital impacts from annexation are somewhat more difficult to discern. While this analysis does estimate the equipment costs associated with new staff, it only addresses infrastructure costs on a qualitative basis. The annexation analysis does estimate the additional capital revenues available after annexation. The analysis provides estimates of the revenues from the Real Estate Excise Tax and the capital portion of the Gas Tax, which are held aside as available funding for capital infrastructure needs in the contemplated annexation areas.

These revenues for Scenarios 3 and 4 are displayed in **Exhibit 25** below. Scenario 3 amounts to an estimated \$207 million over the next 20 years in present value terms and Scenario 4 results in an estimated \$224 million. Upon annexation, as capital costs are fully fleshed out, there likely to be more needs than there are resources coming from the annexation area. This situation is comparable to the base City situation, which has unfunded portions of its current capital needs, and unless there are significant immediate capital infrastructure needs in the annexation areas, the long-term funding situation is unlikely to be dramatically different than the status quo.

Exhibit 1
Estimated Capital Revenues for Everett (millions), Scenario 3

	Current	2010	2015	2020	2025
REET	6.04	8.04	11.08	14.99	20.66
Gas Tax	0.80	0.96	1.21	1.50	1.85
Total	6.84	9.00	12.30	16.49	22.51

Estimated Capital Revenues for Everett (millions), Scenario 4

	Current	2010	2015	2020	2025
REET	6.04	8.74	12.02	16.24	22.32
Gas Tax	0.80	1.05	1.32	1.63	2.01
Total	6.84	9.79	13.34	17.87	24.33

Source: Berk & Associates analysis, 2008

CITY OF EVERETT

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CITY OF EVERETT

FISCAL ANALYSIS OF ANNEXATION

1.0 INTRODUCTION

1.1 Study Purpose

This report documents the results of an annexation study conducted by Berk & Associates on behalf of the City of Everett to assess the fiscal, governance and strategic implications of potential large-scale annexations. The annexation analysis was conducted by looking at how each potential annexation might fit within the broader context of the City's long-term fiscal situation, and the economic development opportunities.

The study included an assessment of six primary annexation areas in the City's Municipal Urban Growth Area (MUGA) and three optional areas that go beyond the MUGA's but are contiguous to the City's MUGA. The areas within the City's UGA include:

- Emander
- North Creek
- Eastmont
- Hilton Lake
- Rugg's Lake
- Larimer

The following are the optional "gap" areas, included in this analysis:

- Lake Stickney
- Cathcart
- Silver Firs

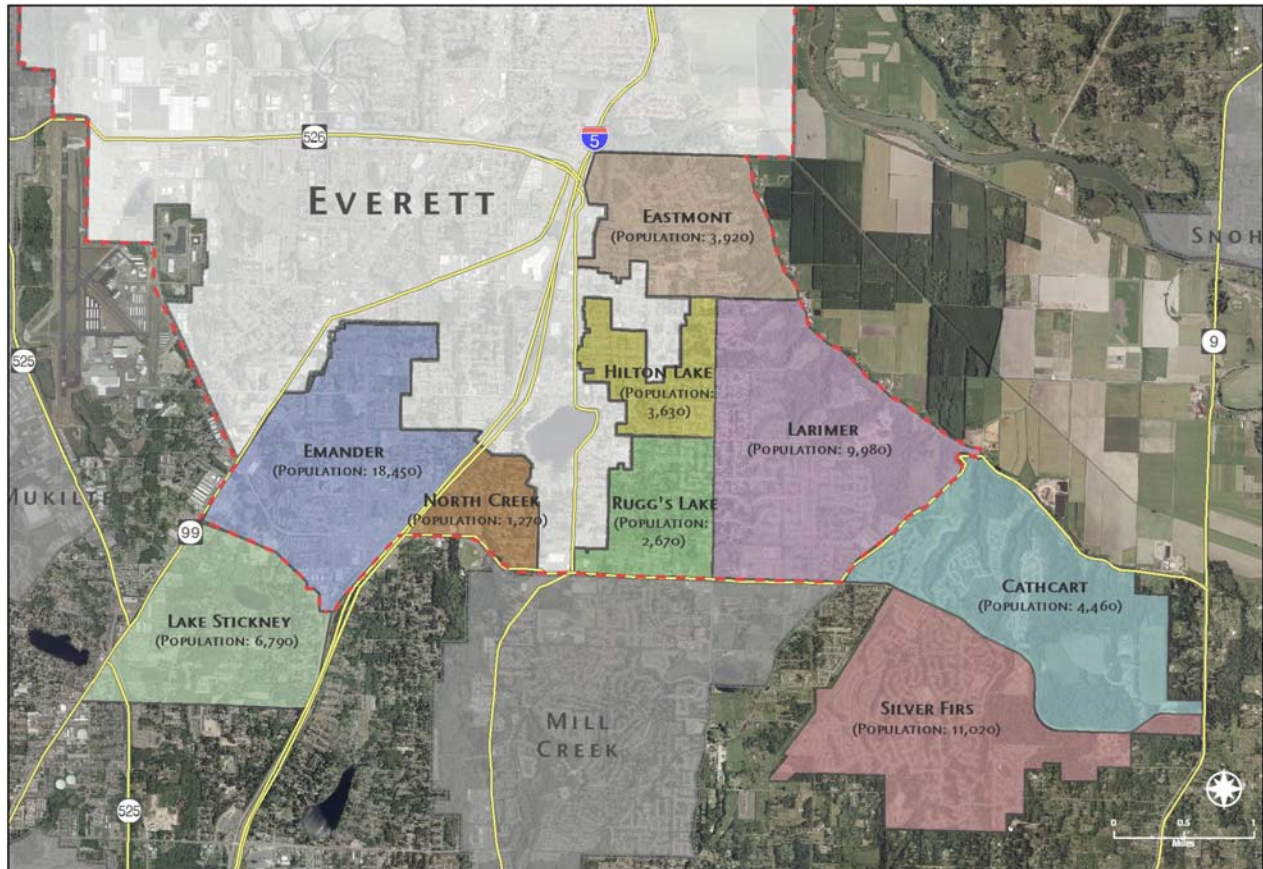
The analysis explores different annexation scenarios, including full annexation of all areas and partial annexation options that are based on logical combinations of the areas. The goal of the analysis is to provide decision-makers at the City and key stakeholders including current Everett residents, residents of the annexation area and other affected jurisdictions, with a more complete understanding of the fiscal implications of annexation, both in terms of the costs the City would bear immediately upon annexation and in the longer term.

This report summarizes Berk & Associates' analysis of fiscal impacts. This assessment addresses the following key issues:

1. **Scenario combinations:** What annexation area or combinations of areas would make most sense to pursue in the near-term?
2. **Near-Term Operating Impacts:** What new operating costs and revenues would Everett face if it were to annex the study areas and provide levels of service similar to current services in existing City neighborhoods?
3. **Long-Term Fiscal Outlook:** How would the City's fiscal future look with and without annexation?
4. **State Sales Tax Credit Potential:** What role might the state sales tax credit play in the decision about annexation and the long-term fiscal implications?

The map in **Exhibit 2** shows the annexation areas included in the study, which lie to the southwest and southeast of the current city boundaries.

**Exhibit 2
Everett Potential Annexation Areas**



Source: City of Everett, 2007; Berk & Associates, 2008

1.2 Sales Tax Credit

Because of the fiscal challenges posed by most large annexations, in March 2006, the Washington State Legislature added a new funding mechanism to provide transitional funding to annexing cities. The Legislature passed a bill authorizing a local sales tax credit to assist the cities with negative revenue impacts resulting from annexations of with areas with a population of at least 10,000. The funding assists eligible cities by providing support for up to ten years and gives communities time to integrate the new areas and implement policies designed to address the long-term fiscal impacts of annexations. In addition to the revenues from existing City taxes and fees, the analysis considers the implications of alternative annexation scenarios in terms of eligibility for the state sales tax credit. It is important to explore different annexation scenarios, including full annexation of all areas and partial annexation options, based on logical combinations of the study areas.

Beginning July 1, 2007, a city with a population less than 400,000, located in a county with a population greater than 600,000 that annexes an area with a population of over 10,000 (prior to January 1, 2010) may impose a sales or use tax. The tax must be taken as a credit against the sales tax, so it is not an additional tax to a consumer. Key stipulations:

- **Net Deficit.** The tax may only be imposed if the City determines that the projected cost to provide services to the annexation area exceeds the projected revenue from the annexation area. All revenue from the tax must be used to provide, maintain, and operate municipal services for the annexation area.
- **Ten Year Limit.** The tax imposed must only be imposed at the beginning of a fiscal year and must continue for no more than ten years from the date it is imposed.
- **The Maximum Tax Rate.**
 - 0.1 percent for each annexation area with a population over 10,000 and
 - 0.2 percent for an annexation area over 20,000
- **Revenues May Not Exceed Deficit.** The revenues may not exceed the difference of that which the city deems necessary to provide services for the annexation area and the general revenue received from the annexation. If the revenues due exceed that which is needed to provide the services, the tax must be suspended for the remainder of the fiscal year.

1.3 Annexation Scenarios

It is generally not practical or reasonable to evaluate each of the potential annexation areas in isolation; there is a logical order of annexing the closest areas first and then the outlying ones. Moreover, there could be economies of scale benefits in annexing several areas at once. For these reasons, the nine contemplated annexation areas were rolled into the seven annexation “scenarios,” based on the following criteria: (1) the areas under consideration must have logical geographical boundaries and be contiguous; and (2) the scenarios must have at least 10,000 population, to ensure receipt of the State sales tax credit.

The following are the annexation scenarios that have been analyzed:

- **Scenario 1:** Emander and North Creek
- **Scenario 2:** Emander, North Creek, and Lake Stickney (all areas west of City boundary)
- **Scenario 3:** Eastmont, Hilton Lake, and Rugg’s Lake
- **Scenario 4:** Eastmont, Hilton Lake, Rugg’s Lake, and Larimer
- **Scenario 5:** Eastmont, Hilton Lake, Rugg’s Lake, Larimer, Cathcart, and Silver Firs (all areas east of City boundary)
- **Scenario 6:** Emander, North Creek, Eastmont, Hilton Lake, Rugg’s Lake, Larimer, and Cathcart (all areas within the UGA)
- **Scenario 7:** All nine study areas

The Washington State Office of Financial Management (OFM) estimates the population of Everett at approximately 101,800 in 2007. In comparison, all contemplated annexation areas (including the City’s MUGAs and gap areas) contain approximately 62,190 people. **Exhibit 3** presents the 2007 estimates of housing units and other key statistics for Everett and each of the potential annexation scenarios.

Exhibit 3
Key Estimated Statistics for Contemplated Annexation Areas, 2007

	City of Everett	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7
		Emander, North Creek	Emander, North Creek and Lake Stickney	Eastmont, Hilton Lake, Rugg's Lake	Eastmont, Hilton Lake, Rugg's Lake, Larimer	All Areas east of I-5	All Areas within UGA	All Areas
Housing Units	43,580	8,980	11,781	3,586	6,961	12,041	15,941	23,822
Population	101,800	19,720	26,510	10,220	20,200	35,680	39,920	62,190
Land Area (Sq Miles)	34.16	2.5	4.1	2.6	5.1	9.7	7.6	13.7
Taxable AV (in millions)	\$10,531.7	\$1,259.8	\$1,932.9	\$1,072.3	\$2,217.9	\$4,037.3	\$3,477.8	\$5,970.2
Miles of roads	314	36	52	38	70	120	107	172

Source: Office of Financial Management, 2007; Snohomish County Assessor’s Office, 2007; Berk & Associates analysis, 2007

Note: The annexation area population figures are estimated by (1) allocating housing units at the block level from the 2000 census, (2) adding the new housing units permitted since the 2000 census (taken from residential permit database, annually updated by PSRC), (3) estimating the occupancy rate for single-family and multi-family, and (4) finally multiplying by the estimated average household size.

If Everett annexed all of the contemplated areas, it would add approximately 14 square miles to the City’s land area, 172 miles to City roads, and \$6 billion of taxable assessed value.

Estimates of current population, housing units, and assessed values in the annexation areas are based on Geographic Information System (GIS) analysis of Snohomish County Assessor’s data extracts, Puget Sound Regional Council’s housing permit data, and Snohomish County parcel shapefiles. Current retail sales tax estimates in the annexation area are based on Berk & Associates’ analysis of the Washington State Department of Revenue’s spatial assessment of taxpayers in the area. In addition to taxable sales generated on-site by businesses, Berk & Associates also estimated sales taxes on the construction activity anticipated in the area.

2.0 APPROACH

2.1 Land-Based Fiscal Model

An annexation fiscal model was developed for this project to estimate revenues and expenses for both the existing City and a post-annexation City under different development and policy assumptions. The analysis assumes annexation in January 2009 and examines costs and revenues in the annexation area through 2027. Taking the analysis out over time allows the City to see how the fiscal balance in the City might change over time and how annexation might affect the long-term fiscal outlook. **Exhibit 4** is a schematic representation of the model.

Another objective of the model is to factor in the new sales tax credit funding. Since this funding is designed to assist eligible cities that annex by 2010 by providing support for up to ten years, the model runs through 2027, several years past the last possible year of sales tax credit funding support. The model estimates the maximum sales tax credit and the eligible annexation deficit to determine the amount of potential revenue from this source, as well as providing information on the fiscal impact of annexation once the tax support is no longer available.

Development Assumptions

In the model, factors in the land base (such as population, employment, and commercial activity) drive both demand for services and the tax base. Depending on a jurisdiction's scope of services and choices regarding level of service, demand for services leads to costs, and depending on a jurisdiction's choices regarding fiscal and taxing policy (limited by tax laws), its tax base will lead to tax and fee revenues.

The Berk model is flexible and will capture anticipated development in the City and annexation areas over time and how these changes affect the underlying local tax base. In particular the following elements are explicitly specified: (1) development assumptions including type, scale and timing of new development, (2) type and mix of tenants, associated employment and business income levels, (3) housing mix (single-family and multi-family) and density, and (4) productivity of new retail activity.

Look at City With and Without Annexation

The model looks not just at the annexation areas alone, but instead analyzes the impacts of annexation by comparing the fiscal outlook for the City of Everett under two alternative futures: (1) the future of the current City with boundaries unchanged and (2) the future of a larger version of the City that includes one of the annexation scenarios. Analysis of these two alternative City futures provides a truly comprehensive look at the annexation impacts: it is possible that the City with annexation could be deemed "a net fiscal loser," but would actually improve the City's fiscal future by narrowing the potential fiscal deficit for the entire City when compared to no annexation.

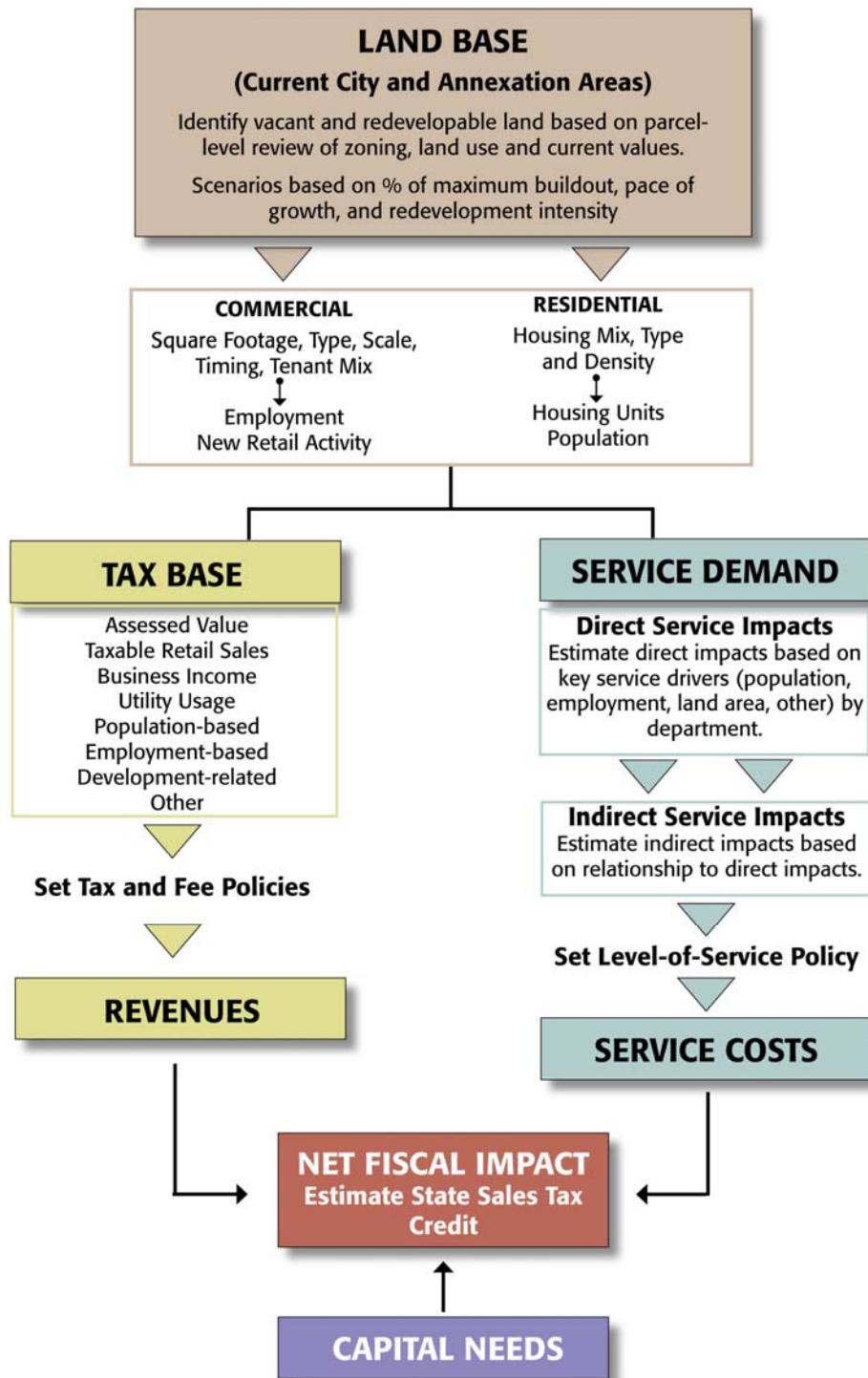
Economies of Scale

When thinking about annexation, it is likely that the City of Everett will enjoy certain economies of scale in delivering City services. The City will not be required, for example, to hire a second City Administrator, or a second Police or Fire Chief upon annexation. These savings mean that the average cost-per-resident of providing many city services will tend to decrease as the City of Everett becomes larger.

In practical terms, Berk & Associates' model reflects economies of scale in two ways:

- The model identifies positions that will not be affected by annexation (e.g. annexation will not trigger the need to hire a new Fire Chief).
- For certain direct positions (those positions that are directly affected by increased demand for services from annexation or growth) the "elasticity" of the position with regard to the new source of demand (demand-driver) may be less than 100%. Elasticities in relation to a given demand-driver may be set at, say, 60%, which means that for every 10% change in demand introduced by the annexation, the need to expand staffing for the position will increase 6%.

Exhibit 4 Long-Term Fiscal Model Schematic



Source: Berk & Associates

Budget Structure

While the model is not fund-based, it does isolate the components of the City's budget that are funded through general tax and fee revenues, which in the case of Everett, includes functions and departments within the City's General, Parks and Recreation, Library, Municipal Arts, Streets, Property Management, Senior Center, Emergency Medical Services, Criminal Justice, and Police and Fire Pension Funds.

The model does not include utility enterprise funds (such as surface water management) or the Transit Fund. The utility enterprise funds are self-supporting through utility revenues and the City has considerable discretion in how it might adjust transit services in response to any future annexation. Increases in transit sales taxes are estimated and can be used as a guide for City transit planners in the event that one of the annexation scenarios moves toward implementation.

In Everett's budget, the City makes use of a fund accounting system. To the extent that these funds are used for core City operations and would be affected by annexation, the costs and revenues are included within the model framework of estimating *core* costs of service, or capital costs and revenues (including all funds listed above). In instances when these funds are not used for core operational expenditures and are not expected to be affected by annexation (e.g. Community Center Fund), no cost impact of annexation is estimated.

Capital cost implications are specifically included only for the equipment and fleet costs necessary to support the increasing staff levels associated with annexation. Capital cost implications related to facilities and new public infrastructure are excluded from the analysis, but a high-level estimate of the future capital-restricted revenues for the annexation area is provided.

Overarching Assumptions

The analysis that is summarized in this report is shaped by the following *key overarching assumptions*:

- The proposed annexation is assumed to take effect in January 2009.
- The current level of service, staffing and expenditures in Everett (as defined in the 2008 budget) are the benchmarks for projecting comparable levels of service, staffing and costs in the annexation area. This study does not evaluate whether Everett's existing levels of service, staffing, or expenditures are acceptable or sustainable with existing resources and staffing. This study projects costs for statutorily mandated City services, and outlines potential policy choices the City should consider for elected services, such as library, parks, and transit.
- This fiscal analysis excludes local services that are assumed to be unaffected by the annexation decision including water and sewer services, public schools, and health services.
- While the model is not fund-based, it does isolate the components of the City's budget that are funded through general tax and fee revenues, as discussed above. The model does not include utility enterprise funds, since these funds are not tax-supported.
- This analysis assumes that all initial annexation-related full-time equivalents (FTEs) are hired and are in place for the date of annexation. In reality, the City will likely ramp up its hiring more slowly over time for all departments and phase in many costs and services based on available revenues and the availability of qualified staff. The annexation transition period could include contracting with service providers while the City builds up its own staffing capabilities.

- While the analysis does make estimates of FTE needs at annexation and through the buildout period, actual decisions regarding hiring and staffing will be made by the Council during each budget cycle, based on City priorities and actual demand.
- By assuming the full cost of providing services from the date of annexation, the analysis does not infer any short-term cost savings associated with gradually ramping up levels-of-service. To actually deliver services from the date of annexation would likely require some level of pre-hiring (costs which are not estimated in this analysis) or, more likely, some level of contracting with existing service providers to augment the City's ability to meet the needs of the annexation areas immediately.
- The only capital costs that are estimated as part of this analysis include the one-time and ongoing equipment costs associated with new staff. These costs include expenses related to information technology for all employees, and specialized equipment and vehicles for Police department staff. Facilities and equipment for the Fire Department are assumed to be acquired from Fire District 1 as part of the asset transfer to the City required by state law.
- The future changes in service demands and City revenues are a function of explicit assumptions regarding growth and development, inflation factors and the assumption of maintaining current levels of service and continuation of current tax and fee policies.
- The voter-approved EMS levy is assumed to be renewed every six years at the full \$0.50 rate.

2.2 Process for Scenario Screening and Evaluation Criteria

The analysis of annexation scenarios was conducted in a two step process: (1) an initial screening of all seven annexation scenarios to assess the relative fiscal impacts of each; and (2) a more detailed feasibility assessment of the most promising options, which included additional work with several departments to determine the most cost-effective service delivery approaches.

Initial Scenario Screening

Upon identifying the seven annexation scenarios, we met with the City staff to document existing service levels, department positions, and their demand drivers. This piece of analysis provided baseline information to determine how City staffing might be expected to change in response to new demand associated with annexation. At the same time, operating revenue estimates were generated, including all sources of the City's general government funding.

Based on this initial operating expense and revenue estimates for all scenarios, an initial screening of the scenarios was conducted and reviewed with City staff to determine which scenarios might deserve further detailed analysis. Scenario feasibility was determined based on several *evaluation criteria*:

- Percentage of City-wide surplus or deficit that would occur upon annexation, in 2015, 2020, and 2025. A potentially acceptable deficit threshold was three percent of City-wide expenditures after the State sales tax credit.
- Areas that had high revenues per capita could also have high costs per capita – therefore, it was also important to look at operating costs and revenues in terms of total and per capita amounts.

Detailed Feasibility Analysis

Upon narrowing down to a few “most feasible” scenarios, more detailed feasibility assessments were developed. During this portion of the analysis, a considerable amount of additional work was undertaken with several key departments in terms of both operational implications and magnitude of cost impacts. The additional effort was generally focused on police and fire services which are the two departments with the greatest cost implications for the City resulting from annexation.

3.0 LAND-BASED DEVELOPMENT ASSUMPTIONS

Development assumptions within the City of Everett and contemplated annexation areas are based on *Snohomish County Buildable Lands Inventory*¹, updated in 2007. This assessment of buildable lands provides estimates of future population and employment capacity for all cities and urban growth areas in the county. In general, growth is expected to come from the following primary sources:

- Vacant parcels
- Redevelopable parcels – these parcels with low-value structures are assumed to have potential for redevelopment; they are identified according to the ratio of land value to improvement value
- Partially-used parcels – these parcels with existing structures that use only a portion of the site are assumed to have potential for additional development without demolition of the existing buildings
- Pending parcels – parcels with development already planned or permitted by Snohomish County

If the parcels are identified as vacant, redevelopable or partially used, land is set aside for wetlands and other critical area, as well as roads, right-of-ways, churches, schools, and parks. In terms of commercial and industrial development, the estimated land capacity was converted to capacity for building structures by applying specific density assumptions. Floor Area Ratios (FAR) of 0.35 for commercial and 0.3 for industrial were used to reflect the current character as well as current zoning of the commercially-zoned land. These FAR ratios generally reflect the potential for one to two story business-park type developments. For example, at an FAR of 0.33, a 100,000 square foot industrial building would require 300,000 square foot of land (approximately 6.9 acres).

In addition, some of Everett’s large pending projects (such as Riverfront and Port Gardner Wharf) were directly included in the model based on current development plans.

For each zoning category of buildable land, an estimate was made of how much of the development capacity is likely to be consumed over the next 20 years. The percent-of-buildout assumption is based on the total capacity in the pending (permitted) category plus a review of historic trends for development in the City and annexation areas. The estimate of development capacity for both residential and commercial lands and the baseline assumptions for 20-year growth are shown in

¹ City of Everett requested Buildable Lands GIS files from Snohomish County, and Berk & Associates used these files to generate buildable lands figures based on contemplated annexation area boundaries. For more detailed data for Everett, its MUGAs, and gap areas, see *Snohomish County Tomorrow 2007 Buildable Lands Report* on the County’s web site.

Exhibit 5. Housing is presented in terms of single- and multi-family housing units and employment uses are presented in terms of total commercial and industrial square feet by subarea.

In terms of commercial uses, the estimated new building square feet are allocated 30% to retail and 70% to office-type uses, based upon the approximate current distribution in the City and contemplated annexation areas.

Exhibit 5
Major Development Assumptions:
Housing Unit (HU) Capacity and Assumed Pace of Development

	Total HU Capacity	% Build-out	Total HU through 2027	Net Units Added
Current City *				
SF Housing Units - Added	2,628	85%	2,234	932
SF Housing Units - Subtracted	1,531	85%	1,301	
MF Housing Units - Added	15,459	60%	9,275	9,030
MF Housing Units - Subtracted	409	60%	245	
Emander				
SF Housing Units - Added	745	100%	745	419
SF Housing Units - Subtracted	326	100%	326	
MF Housing Units - Added	998	100%	998	995
MF Housing Units - Subtracted	3	100%	3	
North Creek				
SF Housing Units - Added	839	75%	629	479
SF Housing Units - Subtracted	200	75%	150	
MF Housing Units - Added	-	n/a	-	0
MF Housing Units - Subtracted	-	n/a	-	
Lake Stickney				
SF Housing Units - Added	2,093	100%	2,093	1,948
SF Housing Units - Subtracted	145	100%	145	
MF Housing Units - Added	1,175	50%	588	575
MF Housing Units - Subtracted	25	50%	13	
Eastmont				
SF Housing Units - Added	689	85%	586	575
SF Housing Units - Subtracted	12	85%	10	
MF Housing Units - Added	4	70%	3	3
MF Housing Units - Subtracted	-	n/a	-	
Hilton Lake				
SF Housing Units - Added	32	100%	32	30
SF Housing Units - Subtracted	2	100%	2	
MF Housing Units - Added	-	n/a	-	0
MF Housing Units - Subtracted	-	n/a	-	
Rugg's Lake				
SF Housing Units - Added	804	80%	643	629
SF Housing Units - Subtracted	18	80%	14	
MF Housing Units - Added	181	100%	181	181
MF Housing Units - Subtracted	-	n/a	-	
Larimer				
SF Housing Units - Added	966	90%	869	861
SF Housing Units - Subtracted	9	90%	8	
MF Housing Units - Added	10	100%	10	10
MF Housing Units - Subtracted	-	n/a	-	0
Cathcart *				
SF Housing Units - Added	2,065	70%	1,668	1,656
SF Housing Units - Subtracted	17	70%	12	
MF Housing Units - Added	313	70%	1,477	1,477
MF Housing Units - Subtracted	-	n/a	-	
Silver Firs				
SF Housing Units - Added	62	100%	62	61
SF Housing Units - Subtracted	1	100%	1	
MF Housing Units - Added	180	100%	180	180
MF Housing Units - Subtracted	-	n/a	-	

Commercial Building Capacity and Assumed Pace of Development

	Total Capacity (SF)	% Build-out	Total Comm SF through 2027	Net SF Added	Avg SF Added per Year
Current City *					
Retail - Added	1,389,844	65%	903,399	380,165	63,644
Retail - Subtracted	804,974	65%	523,233		
Office - Added	3,242,970	65%	2,107,930	887,053	63,957
Office - Subtracted	1,878,274	65%	1,220,878		
Industrial - Added	17,135,995	40%	6,854,398	6,480,177	294,554
Industrial - Subtracted	935,552	40%	374,221		
Emander					
Retail - Added	227,193	60%	136,316	123,527	5,615
Retail - Subtracted	21,314	60%	12,788		
Office - Added	530,117	60%	318,070	288,231	13,101
Office - Subtracted	49,732	60%	29,839		
Industrial - Added	0	n/a	0	-	-
Industrial - Subtracted	0	n/a	0		
North Creek					
Retail - Added	77,785	50%	38,892	26,162	1,189
Retail - Subtracted	25,462	50%	12,731		
Office - Added	181,498	50%	90,749	61,044	2,775
Office - Subtracted	59,410	50%	29,705		
Industrial - Added	0	n/a	0	-	-
Industrial - Subtracted	0	n/a	0		
Lake Stickney					
Retail - Added	116,386	70%	81,470	62,636	2,847
Retail - Subtracted	26,906	70%	18,834		
Office - Added	271,568	70%	190,097	146,152	6,643
Office - Subtracted	62,780	70%	43,946		
Industrial - Added	0	n/a	0	-	-
Industrial - Subtracted	0	n/a	0		
Rugg's Lake					
Retail - Added	2,507	100%	2,507	2,507	114
Retail - Subtracted	0	n/a	0		
Office - Added	5,849	100%	5,849	5,849	266
Office - Subtracted	0	n/a	0		
Industrial - Added	0	n/a	0	-	-
Industrial - Subtracted	0	n/a	0		
Cathcart *					
Retail - Added	13,473	70%	133,431	133,431	6,065
Retail - Subtracted	0	n/a	0		
Office - Added	31,436	70%	952,005	952,005	43,273
Office - Subtracted	0	n/a	0		
Industrial - Added	0	n/a	0	-	-
Industrial - Subtracted	0	n/a	0		
Silver Firs					
Retail - Added	175,483	60%	105,290	105,290	4,786
Retail - Subtracted	0	n/a	0		
Office - Added	409,460	60%	245,676	245,676	11,167
Office - Subtracted	0	n/a	0		
Industrial - Added	0	n/a	0	-	-
Industrial - Subtracted	0	n/a	0		

Source: Snohomish County Buildable Lands Inventory, 2007; Berk & Associates analysis, 2008

* Large planned development projects are assumed at 100% buildout. Remaining development is assumed at level listed in table. Total Capacity does not include area in planned developments.

Note: Study areas not shown have no available land capacity for that category.



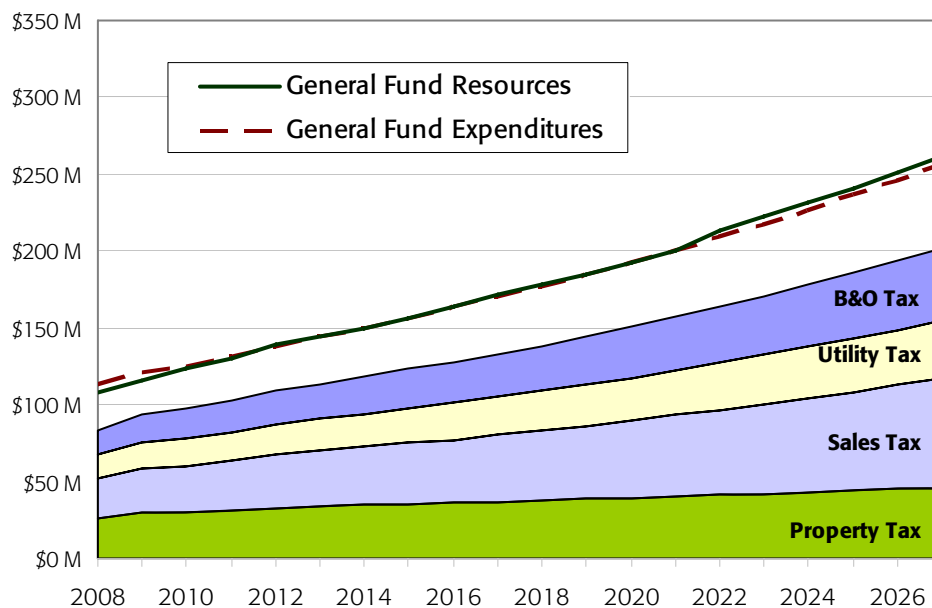
In general, there is very little capacity for commercial development in Eastmont, Hilton Lake, Rugg’s Lake, and Larimer. In addition, there is no land zoned “Industrial” within any of the potential annexation areas.

4.0 BASELINE OUTLOOK FOR CITY OF EVERETT

Assuming no annexation, the City of Everett is estimated to experience a balanced budget with some modest revenue surplus in later years. All cities across the State are different in terms of tax bases, mixes of commercial and residential land uses, and fiscal policies; however, many have been experiencing the trend where municipal service costs are growing at faster rates than revenues. Everett, despite the impact of 1% property tax growth limit, has built a solid foundation for fiscal balance through its current revenue and level of service policy framework.

Exhibit 6 shows the City’s estimated core revenues and expenditures in the long run.

**Exhibit 6
Estimated Core Revenues and Expenditures for City of Everett
No Annexation (2008-2027)**



Source: Berk & Associates Analysis, 2007-08

Exhibit 7 shows the estimated costs and revenues for the City without annexation every five years over the study period. The base City is estimated to have fairly balanced revenues and costs through most of the study period, with a 2% surplus by 2025.

Exhibit 7
Estimated Core Revenues and Expenditures for City of Everett,
No Annexation (2008-2027)

Current City	2010	2015	2020	2025
Core Expenditures	125,536,465	156,339,909	192,900,954	236,354,460
Subtotal Expenditures	125,536,465	156,339,909	192,900,954	236,354,460
Core Resources	123,808,221	156,529,435	192,951,715	240,527,463
State Sales Tax Credit	0	0	0	0
Subtotal Revenues	123,808,221	156,529,435	192,951,715	240,527,463
Net Resources (000's)	(1,728,244)	189,526	50,761	4,173,003
Deficit/Surplus as % of Expenditures	-1%	0%	0%	2%

Increment from Annexation Areas	2010	2015	2020	2025
Core Expenditures	0	0	0	0
Facility Debt Service	0	0	0	0
Subtotal Expenditures	0	0	0	0
Core Resources	0	0	0	0
State Sales Tax Credit	0	0	0	0
Subtotal Revenues	0	0	0	0
Net Resources (000's)	0	0	0	0
Deficit/Surplus as % of Expenditures	0%	0%	0%	0%

Entire City with Annexation	2010	2015	2020	2025
Core Expenditures	125,536,465	156,339,909	192,900,954	236,354,460
Subtotal Expenditures	125,536,465	156,339,909	192,900,954	236,354,460
Core Resources	123,808,221	156,529,435	192,951,715	240,527,463
State Sales Tax Credit	0	0	0	0
Subtotal Revenues	123,808,221	156,529,435	192,951,715	240,527,463
Net Resources (000's)	(1,728,244)	189,526	50,761	4,173,003
Deficit/Surplus as % of Core Expenditures	-1%	0%	0%	2%

Source: Berk & Associates Analysis, 2007-08

Sales Tax Streamlining

An additional source of funding may come from new legislation regarding Sales Tax Streamlining. In recent years, the Washington State Department of Revenue has engaged in a cooperative effort among states and private industries to create more uniform sales tax structures, referred to as the Streamlined Sales Tax Project. The Project's mission is to simplify the rules surrounding the levying of sales taxes, with a goal to pave the way for taxation of delivered goods (such as catalog and Internet sales) whose sale originates out-of-state.

States participating in the project have been changing their sales tax laws to be consistent with provisions of the Streamlined Sales and Use Tax Agreement (SSTA), a set of provisions developed by participants in the by the Streamlined Sales Tax Project. Washington has implemented the sourcing rule to comply with the model agreement and to become a member of the governing board, which will decide the rules for future streamlined sales tax provisions. As a member, Washington State will receive additional sales taxes from remote sellers who have agreed to voluntarily comply with the SSTA, in part to benefit from its tax liability protections. Under the terms of the SSTA, those retailers will collect sales taxes for every member state that has implemented the model agreement. The rule change will take effect in Washington State in July 2008.

What this means for Washington cities is that under the sourcing provisions of the agreement, the “source” of most delivered goods will shift local sales taxes to the place of delivery, and the potential exists for substantial shifts in revenues from jurisdictions with businesses that involve delivery of goods to customers in other areas (such as software sales and warehouses that deliver goods like furniture to retail customers outside the jurisdiction).

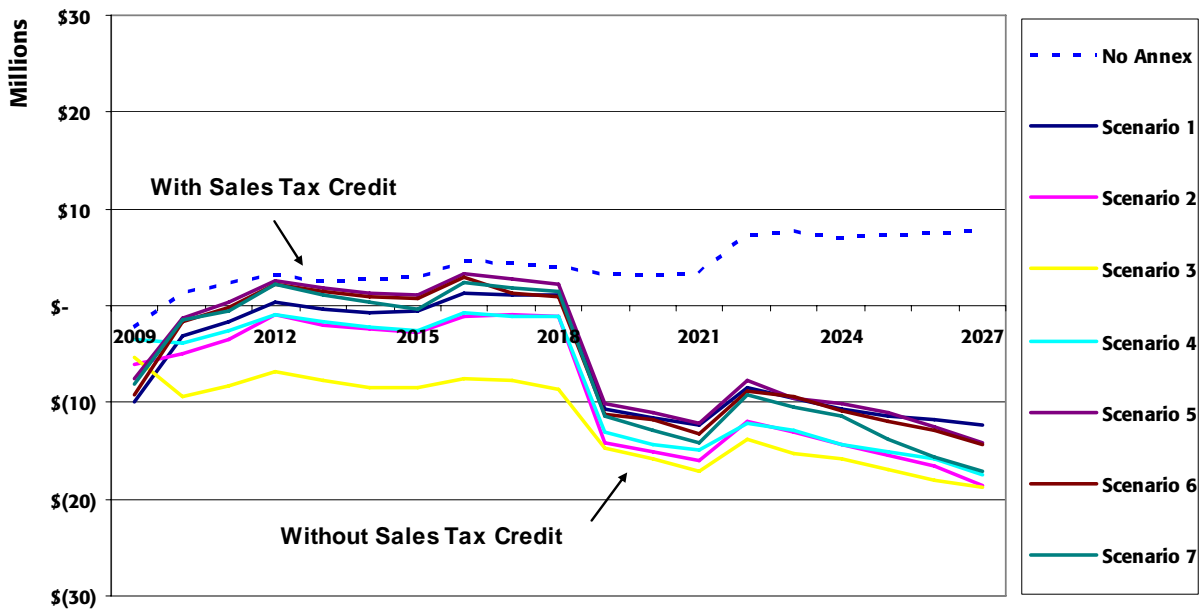
The analysis done for this study did not assume any change in revenues resulting from the implementation of sales tax streamlining. However, the Washington State Department of Revenue is estimating that the City of Everett will see a loss in sales tax revenues from this rule change of approximately \$1.5 million for State fiscal year 2009. Considering that the annexation areas are primarily residential in character, these areas are generally going to be small net winners in streamlining and may help offset some of the City’s losses.

5.0 SCREENING OF SCENARIOS

5.1 Initial Screening of Scenarios

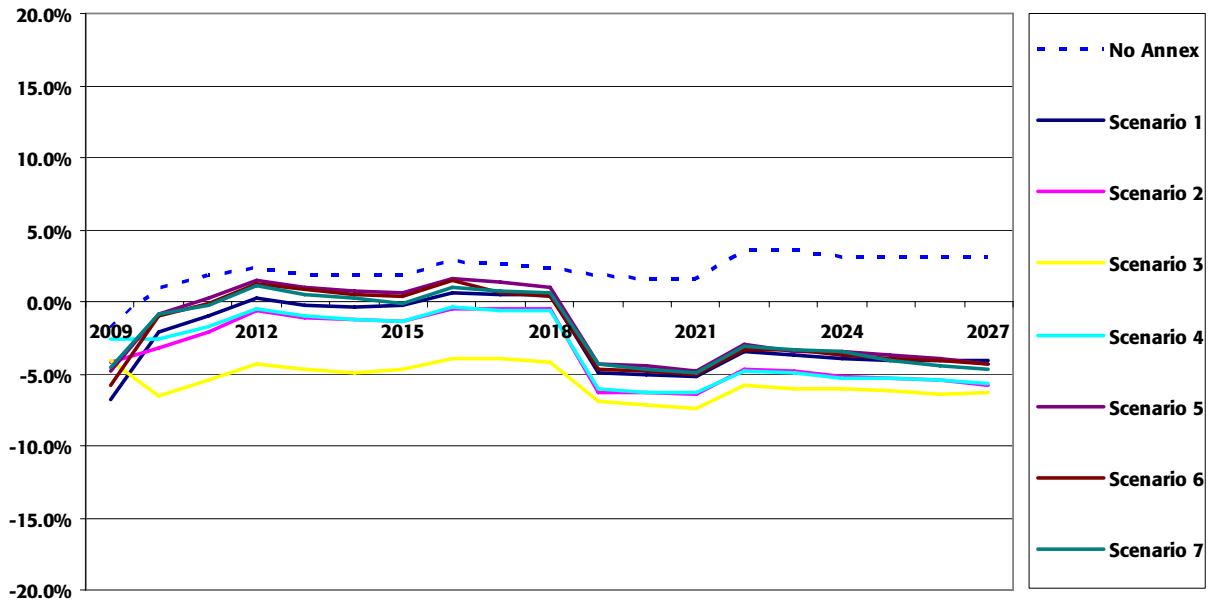
As mentioned in the Approach section of this report, we conducted an initial evaluation of each scenario by generating draft operating revenue and expense estimates. Upon completing this analysis, each scenario yielded a “negative” result, projecting the City to be fiscally worse off with annexation than without, even including the impact of state sales tax credit revenue for first ten years of annexation. **Exhibit 8** and **Exhibit 9** below demonstrate the initial analysis results for each scenario.

**Exhibit 8
Total City Deficit/Surplus by Scenario**



Source: Berk & Associates analysis, 2008

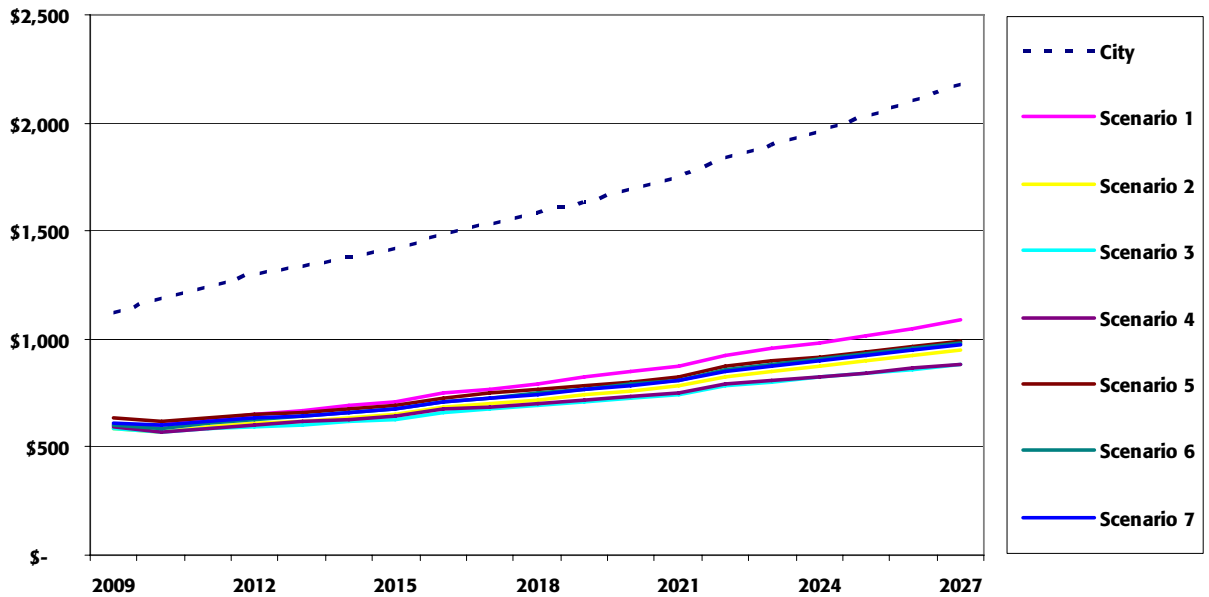
Exhibit 9 Total Deficit/Surplus as Percent of Total City Budget



Source: Berk & Associates analysis, 2008

The key challenge the City faces in considering various annexation options is that the type and mix of land uses in all of the potential annexation areas generates lower revenues per capita than the current overall city average. The City must apply its current tax structure to the annexed area, allowing for little control over the revenue received. As evident in **Exhibit 8**, the revenues per capita for the annexation areas are much lower than for the City of Everett.

Exhibit 10 Revenue per Capita for City and Annexation Areas



Source: Berk & Associates analysis, 2008

While the revenues per capita are much lower than the current City average, there are significant economies of scale in extending services to new areas. As a result, the feasibility of any of these annexation scenarios will depend on how efficiently the City can deliver services to these areas. The initial scenario screening analysis concluded that with the current assumptions regarding revenues and a simplified assumption of simply extending current levels of service in the City to the annexation areas, annexation under all scenarios will likely result in negative fiscal impacts to the City (after the 10-year period of sales tax credit).

5.2 Further Evaluation of Scenarios

Once the initial screening results demonstrated that revenues in the annexation areas are much lower than in the City of Everett, the next logical step was to focus on the part of the equation that the City controls directly – the cost of services. Typically, the City would want to leverage any potential economies of scale to provide services in the annexation areas at a lower average cost than the current city, while providing urban levels of service to those areas.

Berk met with City Staff and policy makers to discuss each scenario, and determine which alternatives provided the best opportunities for leveraging existing City resources, utilizing economies of scale and minimize the potential costs of annexation, while still delivering an urban level-of-service to these areas.

Because of significant public safety issues, the projected Police staffing levels for the neighborhoods on the west side (Emander, North Creek, and Lake Stickney), it was more likely that the area would require even greater costs per capita in these areas. Neighborhoods on the east side offered opportunities for cost savings because of the land use and demographics of the area, which would likely result in fewer calls for service per capita and provide the City with the ability to offer significant improvements in current service levels at a lower cost per capita relative to the current City average. After eliminating the west side areas due to public safety cost implications, that left the following areas for possible further analysis:

- Eastmont
- Hilton Lake
- Rugg's Lake
- Larimer
- Cathcart
- Silver Firs

For three reasons Cathcart and Silver Firs were eliminated from further analysis and consideration:

- The sales tax credit allowed by the State is distributed for cities annexing contiguous areas containing 10,000 or 20,000 residents. Therefore, annexing any areas with greater than 20,000 residents adds to the cost of annexation with no additional state sales tax credit, which would have been the case if Cathcart and Silver Firs were annexed.
- Because of the large geographic area in these two neighborhoods, and the distance from the current distribution of City services, there are fewer opportunities to use current City facilities or staff to gain economies of scale for costs savings.
- Recently the City of Mukilteo submitted an annexation plan to the Boundary Review Board that contained areas outside of their UGA. The Board denied the annexation and required Mukilteo to resubmit an annexation plan to include only those areas within the City UGA.

5.3 Commercial Development Sensitivity

One question that might be asked is about the potential for future commercial development of the annexation areas and how that might change the mathematics of evaluating the annexation scenarios. It could be conceivable that an area with low per capita revenues in the present may redevelop and present a more attractive revenue stream for the City in the future. Based on evaluation of buildable lands analysis (see Section "Land-Based Development Assumptions" earlier in the report), Emander and North Creek have the largest commercial development capacity of all Everett's UGAs.

Exhibit 11 demonstrates the level of build-out projected for these areas, based on land capacity, past history of development activity, and pending projects in 2007. Emander is projected to develop approximately 412,000 square feet of office and retail through 2027, while North Creek could develop up to about 87,000 square feet.

Exhibit 11
Commercial Building Capacity and Assumed Pace of Development for Emander and North Creek

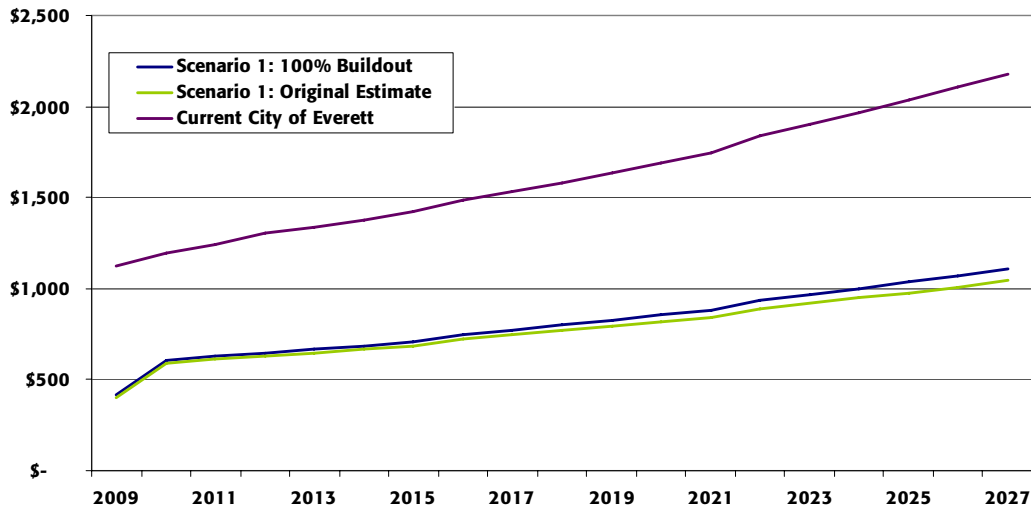
	Total Capacity (SF)	% Build-out	Total Comm SF through 2027	Net SF Added
Emander				
Retail - Added	227,193	60%	136,316	123,527
Retail - Subtracted	21,314	60%	12,788	
Office - Added	530,117	60%	318,070	288,231
Office - Subtracted	49,732	60%	29,839	
Industrial - Added	0	n/a	0	-
Industrial - Subtracted	0	n/a	0	
North Creek				
Retail - Added	77,785	50%	38,892	26,162
Retail - Subtracted	25,462	50%	12,731	
Office - Added	181,498	50%	90,749	61,044
Office - Subtracted	59,410	50%	29,705	
Industrial - Added	0	n/a	0	-
Industrial - Subtracted	0	n/a	0	

Source: Snohomish County Buildable Lands Inventory, 2007; Berk & Associates analysis, 2008

One way to test the magnitude of potential revenues that might accrue to the City if there was a higher level of commercial development is to assume that all of the development capacity will be used up by 2027. In the case of Scenario 1, upon increasing the build-out to 100%, total revenues per capita changed only by a small margin. In addition, total revenues per capita were still significantly lower than in the current City of Everett.

Exhibit 12 below shows the total per capita revenues for Scenario 1 with our projected build-out assumptions, at 100% build-out, and for the current City of Everett.

Exhibit 12 Revenues per Capita



Source: Berk & Associates analysis, 2008

In addition, public safety costs for Emander and North Creek are likely to remain a significant issue, as the increased development would likely not generate enough additional revenues to cover large public safety expenditures required in the area.

5.4 Preliminary Screening Results: Scenarios 3 and 4

Based on the process of evaluating the seven potential annexation scenarios described above, we concluded that there are two scenarios with the best opportunity to offer a reasonably balanced annexation that would make use of the one-time option presented by the availability of the State sales tax credit:

- **Scenario 3:** Eastmont, Hilton Lake, Rugg’s Lake
- **Scenario 4:** Eastmont, Hilton Lake, Rugg’s Lake, Larimer

The following section will describe the in-depth analysis for these two scenarios.

6.0 DETAILED FEASIBILITY ANALYSIS: SCENARIOS 3 & 4

6.1 Scenarios 3 & 4: Analysis Findings

The analysis suggests that although annexation appears feasible, resulting in the City's overall costs and revenues being close to balanced, annexation actually yields a small net negative fiscal impact on the operations of the City of Everett in both scenarios, when considering that without annexation the City has a small projected surplus (see **Exhibit 7**). The projected *surplus* in 2025 for the City without annexation is 2% of the estimated core revenues.

Exhibit 13 presents the chart of estimated core revenues and expenditures for scenarios 3 and 4, while **Exhibit 14** shows the estimated costs and revenues for Everett, annexation areas, and total combined area every five years over the study period.

Annexation Outcome for Current City of Everett. The outcome for Everett changes somewhat with each scenario. As discussed previously, the City without annexation is projected to have balanced revenues and costs for the majority of the study period, with a small surplus in the later years (see **Exhibit 7**). In the tables below the City numbers are different due to added staff in the Fire Department upon annexation. The City will share costs with the annexation areas for these additional positions since they will serve both the City and the annexation areas. This, therefore, creates an additional cost burden on the current City once annexation occurs.

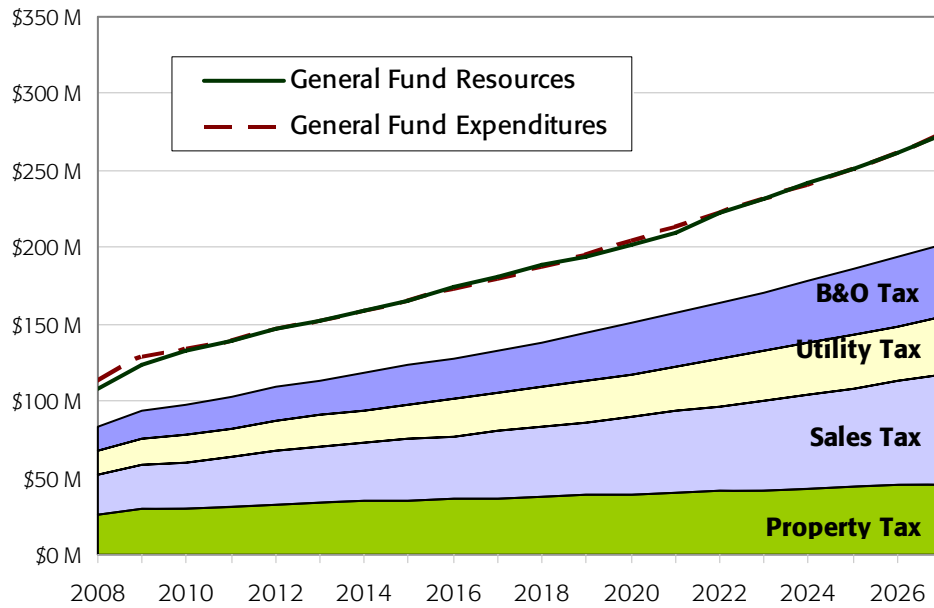
For the current City, the costs are actually slightly lower in Scenario 4. This is because the costs of the shared positions in Fire are mostly apportioned based on population. For Scenario 4, the current City is a smaller share of the total population sharing the cost. The difference in revenue between Scenarios 3 and 4 for the City is a small increase in Property Tax that the City can collect on its portion of assessed value with annexation in Scenario 4. Because the millage rate for property tax is calculated based on a 1% increase in total revenue *plus new construction* (and increased assessed value from annexation is treated as new construction), Scenario 4 allows for a slightly higher millage rate for the City as a whole.

Scenario 3 Findings. Taken on its own, Scenario 3 is projected to be fairly balanced over the analysis time horizon. However, considering that the City will experience higher costs due to shared additional staff in Fire Department, the outcome is slightly worse off than the no-annexation projection (**Exhibit 7**). This scenario is potentially feasible, although there are still some risks that need to be considered, such as capital expenditures.

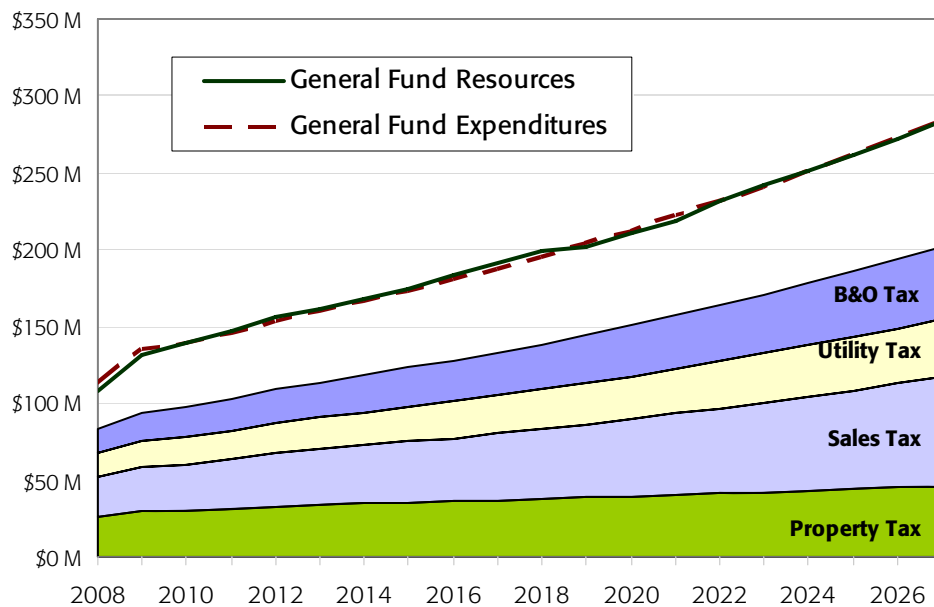
Scenario 4 Findings. This scenario is projected to be negative immediately after the sales tax credit ceases in 2018. Similarly to Scenario 3, the City will experience higher costs due to shared additional staff in Fire Department, and the outcome is worse off than the no-annexation projection.

However, if one looks at the projections for the entire City (including annexation areas), both of these scenarios are within the 3% threshold of feasibility in terms of impacts on operations. As a result of this analysis, it is estimated that the City would be eligible for the State sales tax credit, which is designed to offset deficits associated with annexation. However, this credit is available only for ten years, beyond which the negative effects of annexation continue.

Exhibit 13
Estimated Core Revenues and Expenditures for City of Everett,
Scenario 3 (2008-2027)



Estimated Core Revenues and Expenditures for City of Everett,
Scenario 4 (2008-2027)



Source: Berk & Associates Analysis, 2008

Exhibit 14
Estimated Core Revenues and Expenditures, Scenario 3

Current City	2010	2015	2020	2025
Core Expenditures	127,919,871	159,835,958	195,986,513	240,063,214
Subtotal Expenditures	127,919,871	159,835,958	195,986,513	240,063,214
Core Resources	123,949,658	156,629,690	193,081,867	240,674,224
State Sales Tax Credit	0	0	0	0
Subtotal Revenues	123,949,658	156,629,690	193,081,867	240,674,224
Net Resources (000's)	(3,970,213)	(3,206,268)	(2,904,646)	611,010
Deficit/Surplus as % of Expenditures	-3%	-2%	-1%	0%

Increment from Annexation Areas	2010	2015	2020	2025
Core Expenditures	6,026,490	6,022,708	8,228,489	11,012,468
Facility Debt Service	0	0	0	0
Subtotal Expenditures	6,026,490	6,022,708	8,228,489	11,012,468
Core Resources	5,859,147	7,080,882	8,715,417	10,784,626
State Sales Tax Credit	2,314,919	1,449,337	0	0
Subtotal Revenues	8,174,066	8,530,219	8,715,417	10,784,626
Net Resources (000's)	2,147,576	2,507,511	486,928	(227,842)
Deficit/Surplus as % of Expenditures	36%	42%	6%	-2%

Entire City with Annexation	2010	2015	2020	2025
Core Expenditures	133,946,361	165,858,666	204,215,001	251,075,682
Subtotal Expenditures	133,946,361	165,858,666	204,215,001	251,075,682
Core Resources	129,808,805	163,710,572	201,797,283	251,458,850
State Sales Tax Credit	2,314,919	1,449,337	0	0
Subtotal Revenues	132,123,724	165,159,909	201,797,283	251,458,850
Net Resources (000's)	(1,822,637)	(698,757)	(2,417,718)	383,168
Deficit/Surplus as % of Core Expenditures	-1%	0%	-1%	0%

Estimated Core Revenues and Expenditures, Scenario 4

Current City	2010	2015	2020	2025
Core Expenditures	127,694,211	159,624,322	195,385,639	239,745,601
Subtotal Expenditures	127,694,211	159,624,322	195,385,639	239,745,601
Core Resources	124,076,165	156,716,082	193,192,056	240,795,042
State Sales Tax Credit	0	0	0	0
Subtotal Revenues	124,076,165	156,716,082	193,192,056	240,795,042
Net Resources (000's)	(3,618,046)	(2,908,240)	(2,193,582)	1,049,440
Deficit/Surplus as % of Expenditures	-3%	-2%	-1%	0%

Increment from Annexation Areas	2010	2015	2020	2025
Core Expenditures	11,859,667	13,605,013	17,722,754	22,161,886
Facility Debt Service	0	0	0	0
Subtotal Expenditures	11,859,667	13,605,013	17,722,754	22,161,886
Core Resources	11,733,474	13,996,273	16,901,850	20,480,525
State Sales Tax Credit	3,864,037	3,930,498	0	0
Subtotal Revenues	15,597,511	17,926,771	16,901,850	20,480,525
Net Resources (000's)	3,737,844	4,321,758	(820,904)	(1,681,361)
Deficit/Surplus as % of Expenditures	32%	32%	-5%	-8%

Entire City with Annexation	2010	2015	2020	2025
Core Expenditures	139,553,878	173,229,335	213,108,392	261,907,487
Subtotal Expenditures	139,553,878	173,229,335	213,108,392	261,907,487
Core Resources	135,809,639	170,712,355	210,093,906	261,275,567
State Sales Tax Credit	3,864,037	3,930,498	0	0
Subtotal Revenues	139,673,676	174,642,853	210,093,906	261,275,567
Net Resources (000's)	119,799	1,413,518	(3,014,486)	(631,921)
Deficit/Surplus as % of Core Expenditures	0%	1%	-1%	0%

Source: Berk & Associates analysis, 2008.



The main reason for the somewhat negative projected result of annexation as compared to no-annexation scenario is that the cost of serving the potential annexation areas would be more than the expected revenue generated. The majority of the annexation areas are primarily residential, which generally does not provide enough operating revenues to pay for the cost of City services. And for those areas in the MUGA that are largely commercial, the specific demographics of those areas call for high levels of service which are not fully covered by the projected revenues.

Facilities. Preliminary discussions with City staff suggest that impacts to City Hall are likely to be manageable as the City currently has additional available space to absorb the projected staffing increases. Facilities for police, however, are currently at or exceeding capacity and would require additional investment. The cost of additional police facilities is not included in the model as it is dependent upon City decisions of facility location and financing.

Transition Costs. Also not included are transition costs, which may be significant, in particular for police and fire. Although this analysis assumes full staffing and full revenues received by the City on the first day of annexation, in reality there will likely be a transition period for provision of police and fire services. This transition will likely include costs that are not explicitly identified in this analysis, such as training and other hiring-related expenses and will likely have a material impact on the financial outcome of the first few years of annexation.

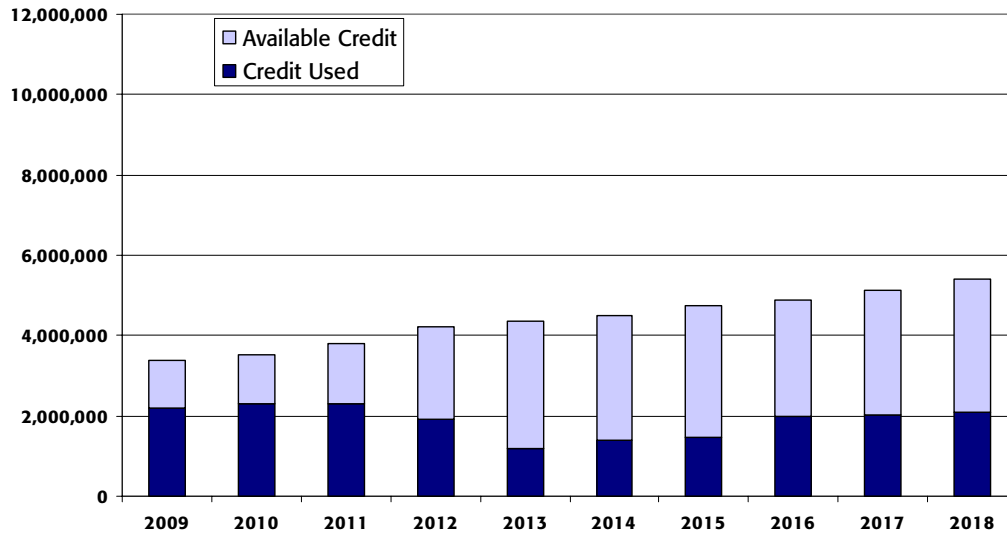
The City of Everett would have a considerable amount of hiring to complete in order to staff the police and fire services for the annexation area. This process would take time, either to hire and train staff, or to find fully-trained staff that can be brought into the City. During this transition period, the City may choose to contract with the entities currently providing these services (the Snohomish County Sheriff's Office and Fire District 1). It may also be possible to hire the staff already providing services in these areas, dependent upon their level of training and the current labor agreements.

6.2 Sales Tax Credit

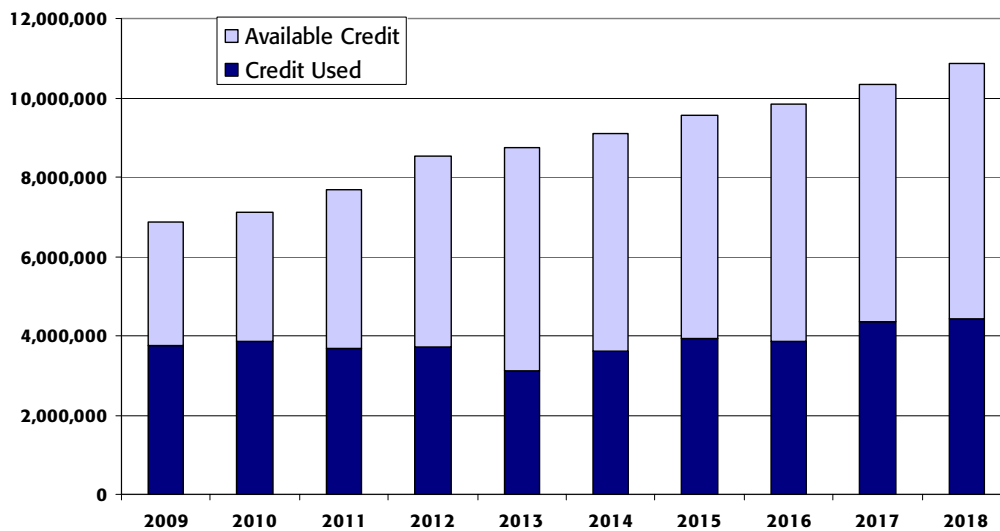
Since Everett is located in a county with a population of more than 600,000, the City would qualify for the State sales and use tax credit (see Section 1.2 for more detailed description). Scenario 3 (including Eastmont, Hilton Lake, and Rugg's Lake) is estimated to contain approximately 10,500 people, over the 10,000 person limit to qualify for 0.1% sales tax credit. Scenario 4 (including all areas in Scenario 3 plus Larimer) contains approximately 20,800 people, over the 20,000 limit to qualify for the 0.2% credit.

The statute allows the City to recoup the loss due to annexation up to the maximum 0.1% or 0.2% of sales tax revenues. However, considering Everett's large sales tax base, estimates show that in both Scenarios 3 and 4, the City would not be taking advantage of the full possible credit in any year (as City losses are estimated to be less than the potential credit). **Exhibit 15** shows the approximation of maximum state sales tax credit available for both scenarios and the portion that is estimated to be used during the ten-year transition period.

**Exhibit 15
Scenario 3: Sales Tax Credit**



Scenario 4: Sales Tax Credit



Source: Berk & Associates analysis, 2008

Substitute Senate Bill 6686 does not specifically call out whether the sales tax credit can be used only to cover operating deficits or also to provide funding for capital expenditures:

“The revenues from the tax authorized in this section may not exceed that which the city deems necessary to generate revenue equal to the difference between the city’s cost to provide, maintain, and operate municipal services for the annexation area and the general revenues that the cities would otherwise expect to receive from the annexation during a year.”

There has not been a definitive opinion by an Attorney General or any State agency as to whether the credit may be used to cover capital expenditures. However, a number of cities around the region are

estimating that the following costs are eligible for sales tax credit: (1) direct operating impacts from annexation, (2) allocation of a portion of fixed costs (such as Fire Chief's salary), (3) annexation-related equipment costs, and (4) annexation-related additional facility costs. Capital infrastructure costs (road construction, surface water management, etc.) are assumed to not be eligible.

As the **Exhibit 14** demonstrates, Everett would likely not need the full amount of sales tax credit available in all years. It is best to think of the potential availability of additional state sales tax credit as an added level of insurance to mitigate potential financial risks associated with annexation. As mentioned in the prior section, *Detailed Feasibility Analysis: Scenarios 3 & 4*, facilities for police are currently at or exceeding capacity and would require additional investment, and there may be additional significant transition costs that are not modeled in this analysis. The City may want to use the sales tax credit capacity to mitigate these annexation costs.

6.3 Operating Revenue Analysis

Tax and fee revenues are estimated based on the changes in the components of the City's tax base resulting from growth. Components of growth which could influence revenues include population, employment, land use changes, or base inflation in certain components of the tax base. Each of the City's tax and fee revenue sources is separately estimated by assessing changes in the tax base and applying current tax and fee rates to generate revenue projections. **Exhibit 16** and **Exhibit 17** show estimated revenues for Everett for Scenarios 3 and 4 respectively, assuming annexation in January 2009. The 2008 estimates are based on the City's current budget and do not include annexation.

Exhibit 16
Scenario 3 - Estimated Revenues for City of Everett
Assuming Annexation in January 2009 (Millions)

	2008	2010	2015	2020	2025
Property Tax/Road Levy	26.29	30.52	35.38	39.61	44.12
Sales Tax	25.23	29.57	39.87	50.09	64.38
Utility Taxes	15.71	17.91	22.82	28.03	34.42
Emergency Management Services Levy	4.25	8.46	9.80	13.94	20.13
Internal Charges for Service	3.21	3.58	4.52	5.57	6.85
Fines and Forfeits	2.17	2.71	3.42	4.22	5.21
Other Charges	1.95	2.34	2.95	3.65	4.50
Gas Tax (Street Maintenance)	1.74	2.10	2.65	3.27	4.04
Criminal Justice Sales Tax	1.64	1.98	2.50	3.09	3.81
Ambulance Transport Fees	1.60	1.84	2.32	2.87	3.53
Building Permits	1.41	2.23	2.84	3.49	4.30
Natural Gas Use Tax	1.34	1.43	1.70	2.02	2.40
Recreation Charges	1.34	1.54	1.94	2.39	2.95
Liquor Board Profits and Excise Tax	1.20	1.43	1.80	2.23	2.75
Gambling Tax	0.88	0.95	1.13	1.34	1.59
Property Management Revenues	0.61	0.65	0.77	0.92	1.09
Planning and Plan Check Fees	0.39	0.54	0.71	0.87	1.07
Admissions Tax	0.32	0.34	0.41	0.49	0.58
Leasehold Excise Tax	0.31	0.34	0.40	0.47	0.56
Transit Tax	0.17	0.18	0.23	0.28	0.35
Grants & Other Intergovernmental	0.09	0.11	0.14	0.17	0.21
Business Licenses and Permits	0.03	0.03	0.04	0.05	0.06
Total	107.84	129.81	163.71	201.80	251.46

Source: Berk & Associates analysis, 2008

Exhibit 17
Scenario 4 - Estimated Revenues for City of Everett
Assuming Annexation in January 2009 (Millions)

	2008	2010	2015	2020	2025
Property Tax/Road Levy	26.29	33.44	38.65	43.20	48.04
Sales Tax	25.23	29.84	40.15	50.39	64.70
Utility Taxes	15.71	18.68	23.78	29.22	35.87
Emergency Management Services Levy	4.25	9.17	10.59	15.06	21.71
Internal Charges for Service	3.21	3.65	4.61	5.68	6.98
Fines and Forfeits	2.17	2.95	3.73	4.60	5.67
Other Charges	1.95	2.55	3.22	3.98	4.91
Gas Tax (Street Maintenance)	1.74	2.29	2.89	3.57	4.40
Criminal Justice Sales Tax	1.64	2.16	2.73	3.37	4.15
Ambulance Transport Fees	1.60	1.93	2.44	3.01	3.70
Building Permits	1.41	2.26	2.87	3.53	4.35
Natural Gas Use Tax	1.34	1.43	1.70	2.02	2.40
Recreation Charges	1.34	1.61	2.03	2.51	3.08
Liquor Board Profits and Excise Tax	1.20	1.56	1.97	2.43	3.00
Gambling Tax	0.88	0.95	1.13	1.34	1.59
Property Management Revenues	0.61	0.65	0.77	0.92	1.09
Planning and Plan Check Fees	0.39	0.54	0.74	0.90	1.11
Admissions Tax	0.32	0.34	0.41	0.49	0.58
Leasehold Excise Tax	0.31	0.34	0.40	0.47	0.56
Transit Tax	0.17	0.18	0.23	0.28	0.35
Grants & Other Intergovernmental	0.09	0.12	0.15	0.18	0.23
Business Licenses and Permits	0.03	0.03	0.04	0.05	0.06
Total	107.84	135.81	170.71	210.09	261.28

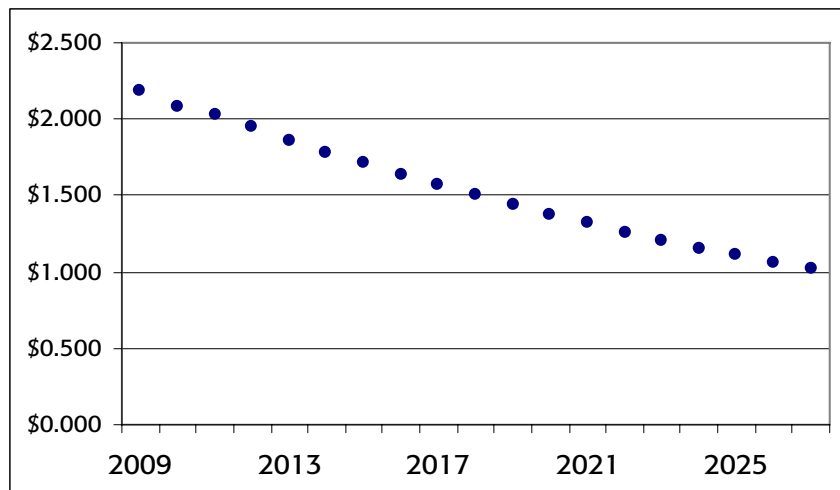
Source: Berk & Associates analysis, 2008

Property Taxes

In future years, the base assessed value is expected to revalue at a rate of 1% above inflation. Additional assessed value will be added to the area through residential and commercial development. For the City of Everett and contemplated annexation areas, estimates of assessed value per unit that are similar to current newer properties in the area are utilized to estimate the value of new construction, and consequently, the increase in the assessed value base.

The property tax levy (the amount that the City can collect) is limited to 1% above the previous year collections plus the value of new construction. Since property values are expected to increase by more than the allowed 1% increase in revenue, the property tax levy rate will necessarily decline over time. The result of this gradual reduction in the City's general property tax rate for Scenario 3 is shown in **Exhibit 18** below. The picture of property tax millage rate decline is very similar in Scenario 4. The future millage rate depends entirely on the future assessed value in the current City and the value of new construction activity.

Exhibit 18
Scenario 3 - Everett Projected Property Tax Millage Rate
Assuming Annexation in January 2009



Source: Berk & Associates analysis, 2008

Because of the method for calculating a city’s property tax levy (1% of the previous year’s levy plus new construction), the amount of new construction in a city is important to a city’s ability to limit the erosion of its millage rate over time. A typical measure of the level of new construction activity in a city is the percent of a city’s total assessed value that comes from new construction in a given year. For both the current City of Everett and the potential annexation areas, construction rates are based on development assumptions for parcels that are vacant, redevelopable, or already planned or permitted by Snohomish County. For the City of Everett, the projected average rate of construction in the City is estimated at approximately 1.3% of assessed value in 2008.

Due to lags associated with annexation and levying, the City would not begin to receive property tax revenues from the annexation area until 2010. Between annexation and 2010, however, the City would receive revenues associated with the County road and fire district levies. Assuming annexation is completed January 1, 2009, the City would receive these levies for the full year of 2009, currently estimated at approximately \$3.2 million for Scenario 3 and \$6.7 million for Scenario 4. The road levy revenues must be limited to transportation-related capital expenses. To offset these capital revenues, the City would have flexibility to adjust the portion of general fund subsidy currently allocated to capital back to the General Fund during 2009.

Retail Sales Taxes

One of the key revenue sources that cities rely on is Retail Sales Tax. However, of the areas analyzed in Scenarios 3 and 4 (Eastmont, Hilton Lake, Rugg’s Lake, and Larimer) only Rugg’s Lake has some commercial development capacity (approximately 8,000 square feet). Retail development is estimated to generate approximately \$200 of taxable retail sales per square foot, and office development approximately \$25 per square foot. These per square foot estimates are based on an overall average for “typical” retail activity. Actual sales tax impacts could be higher or lower depending on the actual types of tenants that might locate in these areas.

Of the 8.6% sales tax currently collected in the City and the potential annexation area, a 1% "local option" accrues to local jurisdictions. In the unincorporated area, the full 1% local sales tax accrues today to Snohomish County (with the exception a small portion that is retained by the State Department of Revenue to cover collection and distribution costs). If the transaction location is within a city like Everett, the city receives 85% of the 1% local sales tax and the County receives 15%. This tax is levied not only on businesses in the area, but also on construction activity and some transactions that are related to housing, such as certain online purchases.

Business and Occupation Taxes (B&O)

The City of Everett levies a B&O Tax on businesses located within the City boundaries at a rate of 0.1% of gross business income (GBI). For projections of GBI, a State average of GBI per employee was applied to the total estimated jobs projected by the model each year for the current City and study areas. Jobs within the model are estimated based on land use and development assumptions which vary annually.

Utility Taxes

The City of Everett imposes utility taxes on telephone services (including cell phone services), electricity, and natural gas, all at a rate of 4.5%. The utility taxes for cable television are levied at 5.0%, and 6% for water and sewer. Because these taxes are paid by both residences and businesses, revenues are projected based upon a per capita number for population and employment.

Other Revenues

Emergency Medical Services (EMS) Levy. The City of Everett is currently authorized by voters to levy a permanent Emergency Medical Services tax. The maximum levy allowed is \$0.50. In 2008, the current levy rate is \$0.32 per 1,000 of assessed value. Based on the conversations with the City of Everett staff, the analysis projects that the City will ask the voters to reset the levy to \$0.50 in 2010, and continue to reset the levy every six years throughout the planning period.

Similar to the situation discussed under the Property Tax section, because of lags associated with annexation and levying the tax, the City would receive the County's EMS levy revenue from the annexation area for 2009 assuming annexation on January 1, 2009. This is estimated to be approximately \$1.1 million for the year.

Internal Charges for Service. The City charges its fee-based funds (including Utilities, Transit, Golf, and a parking facility) for goods and services provided by the City. This allows for an accounting of the full cost of providing the fee-based services to the public. Revenues to the City include charges for financial services, legal services, labor services, information technology support, and purchases from the City's Stores facility. Revenues in this category are projected on a per capita basis. For the annexation areas these revenues are projected at 20% of the current City's per capita revenues. As more people use the fee-based services, the departments will have some additional need for City services, but not on a one-to-one basis. The current per capita rate is \$31.26 based on the City's 2008 budget, which is expected to increase with inflation.

Fines and Forfeits. Currently the revenue estimated in the City's budget projects the per capita revenues for fines and forfeits to be \$21.13 in 2008. These per capita estimates are assumed to increase with inflation.

Other Charges. The City receives some small revenues that have been categorized as "Other Charges" for this analysis. Included in this category are, among others, dog licenses, animal shelter contracts and fees, and other miscellaneous charges. These revenues are estimated on a per capita basis, averaging \$18.98 for the City population in 2008, and are assumed to increase with inflation.

Gas Tax. A portion of the state-collected gas tax is shared directly with municipalities which bear a substantial portion of the overall costs of road maintenance and construction. The gasoline and diesel tax is a flat amount levied per gallon (rather than a percentage of the price at the pump), so even with increasing fuel prices, the state distributions will decrease if the number of gallons sold is decreasing.

Until 2005, cities had been receiving their gas tax in two distributions: a restricted portion (32%) to be used for capital; and an unrestricted portion (68%) allowed to be used for operating or capital funding. Recently, however, the dual-distribution and restriction have been removed, but most cities (including Everett) have continued to allot 32% of gas tax revenues to their capital program. It is assumed going forward that Council direction on this issue will not change. The maintenance portion of gas tax revenue estimates from the City's budget projects a per capita gas tax allocation of \$16.96 in 2008. This per capita number is assumed to increase at the rate of inflation.

Criminal Justice Sales Tax. Snohomish County levies a dedicated sales tax to support criminal justice expenditures. This 0.1% sales tax is collected by the state's Department of Revenue, and is distributed to Snohomish County and to cities within the County on a per capita basis. In 2008, Everett estimates criminal justice sales tax revenues at a per capita rate of \$16.00. Total future revenues are calculated on a per capita basis, with the annual per capita revenue assumed to increase at the rate of inflation.

Ambulance Transport Fees. Ambulance Transport fees are estimated based on per capita allocation of Everett's 2008 budgeted revenues (\$15.57 per capita) to each city resident. According to City staff, the anticipated revenues from the annexation areas will be at approximately half of this rate.

Building and Planning Permits and Fees. Building permit and planning revenues are generally estimated on a cost recovery basis, with City costs of permitting based on those labor positions directly related to performing these services. According to the City's budget estimates, approximately 94% of the City's permitting labor costs and 44% of the planning labor costs are recovered through fees. These cost recovery factors have been applied to the expected increase in permitting and planning labor costs due to annexation in order to estimate future fee revenues.

Natural Gas Use Tax. The Natural Gas Use Tax is applied to the in-state use of natural or manufactured gas that was purchased from outside of the state and was not subject to the State Public Utility Tax. Cities may levy this tax at the same rate as their natural gas utility tax. Because this is a very specific type of purchase, this analysis assumes no increase in tax revenues from the annexation areas. Current City revenues are projected to increase at the rate of inflation.

Recreation Charges. For projections of revenue from recreation charges within the City, the analysis estimated the per capita revenue at \$13.02 for 2008, based on the City's budgeted revenues. This per capita revenue is expected to increase at the general inflation rate of 3.5%. It is assumed that some annexation area residents are already using Everett parks and recreation facilities. Therefore, for additional revenue projections in the case of annexation, we have assumed that only 50% of the annexation area residents will be new users of parks and recreation services. It is important to note that it is difficult to estimate this source of revenue without a survey of recreation users, and it is possible that the amount projected may be overstated.

Liquor Board Profits and Excise Tax. According to Washington State law, a share of the state profits from liquor sales and state collected excise tax on liquor is distributed directly to cities on a per capita basis. Currently the revenue estimated in the City's budget projects the per capita distributions for liquor profits and excise taxes to be \$11.69 in 2008. These per capita estimates are assumed to increase with inflation.

Gambling Tax. Based on Berk & Associates' analysis of Washington State Gambling Commission records, it is estimated that there would be no gambling tax received from the areas analyzed in Scenarios 3 and 4 (Eastmont, Hilton Lake, Rugg's Lake, and Larimer).

Property Management Revenues. The City currently collects property management fees on space within its facilities that is leased to other users. Because this revenue is based on fixed property we have assumed no increase upon annexation. Current City revenues are projected to increase with inflation.

Leasehold Excise Tax and Admissions Tax. The City currently collects small amounts of leasehold excise tax and admissions tax. It is assumed that these revenues will continue to accrue to the City and increase with inflation. To be conservative, it is also assumed that the contemplated annexation areas will not contribute to these revenue sources.

Transit Tax. The City's transit service is charged a tax on the fare revenues it generates. We are assuming no additional transit tax revenues, even though the City will be receiving transit sales tax revenues and will potentially provide transit services in the annexed areas.

Grants. The grants considered in this analysis are for operational expenditures only, not those for capital projects. Future grants are estimated on a per capita basis and applied to the annexation area population. The current per capita revenues, according to the 2008 City budget, are \$0.88. We have assumed that these will increase at the rate of inflation. It is important to note that it is difficult to estimate this source of revenue as grants tend to fluctuate widely from year to year.

Business Licenses. The City of Everett charges a fee to obtain a business license for operation within the city limits. These revenues are projected based on the ratio of total employment in the City and the annexation areas. Annual employment estimates are generated from land use and development assumptions within the model.

6.4 Operating Cost Analysis

Ongoing Costs

The fiscal model estimates changes in the cost of services based on relationships between direct services, such as maintenance workers or planners and underlying demographic and community changes such as increases in population, housing units, commercial activity and land area.

- Costs are broken up into labor and non-labor categories
- Non-labor costs in each department are driven by the number of Full Time Equivalents (FTEs) in that department

Drivers for FTEs in each position within all City departments are variable in the model, and fall into one of four categories:

- **Fixed.** These positions do not change over the planning horizon (for instance, there will always be one Police Chief).
- **Direct.** These positions are driven directly by changes to the underlying land base of the city, such as population or employment. The relationship between demand for services and the underlying land base is determined based on the types of services each position provides. For example, parks maintenance staffing is directly related to the number of park acres that must be maintained.
- **Indirect (by Position).** These positions are driven by staffing levels of one or more positions in a specific department. For instance, a Police Commander is related to growth in the number of Police Officers.
- **Indirect (by Department).** These positions are driven by staffing levels of one or more departments. For instance, an Accountant position in the Finance Department is related to total new staffing levels in most other City departments.

General Assumptions

Annual salary and wage escalation is assumed to be 3.5%, while annual benefits are assumed to grow at a rate of 6.0%. The assumption regarding benefits escalation accounts for the possibility of growth in overall benefits costs above inflation due to the expected continuation of benefit cost increases primarily related to health care costs.

Impacts to City Staffing

Annexation in Scenario 3 is estimated to increase City staffing by approximately 37 FTEs, or 4.8%. Along with staffing increases attributed to City growth, this brings total City staff from the current 767 FTEs to 834 FTEs in 2009.

Annexation in Scenario 4 increases City staffing by an estimated 79 FTEs, or 10.3%. Including staffing increases for City growth, total City staffing is estimated at 875 in 2009.

Exhibit 19 below displays staffing levels by year for each department, with current staffing in the left column and full staffing for annexation and City growth assumed in 2010 for Scenarios 3 and 4. The overall increase in staffing is consistent with current staff levels and reasonable expectations for changes related to an annexation of this scale; however, staffing within each department has been based on detailed discussion with City staff and reflects current staff planning for post-annexation needs.

**Exhibit 19
City of Everett Staffing (in Full Time Equivalents) - Scenario 3**

	Current	2010	2015	2020	2025
City Council	8.0	8.0	8.0	8.0	8.0
Legal-MuniCourt	36.7	43.3	44.4	45.4	47.5
Administration	8.9	9.4	9.4	9.4	9.4
HR-Finance-IT	49.3	57.3	59.3	60.3	60.3
Planning	16.5	20.5	21.5	21.5	21.5
Nghbrhoods-SnrCntr-Arts	7.1	8.6	8.6	8.6	8.6
Engineering	53.0	57.0	59.0	59.0	59.0
Police-AnimlSvcs	259.0	283.0	296.0	306.0	313.5
Fire-EMS	190.0	208.0	208.0	208.0	208.0
Parks	58.0	59.5	60.5	61.5	62.0
Library	47.5	47.5	47.5	47.5	47.5
Streets	31.5	35.5	35.5	35.5	35.5
Total	765.5	837.6	857.7	870.7	880.8

City of Everett Staffing (in Full Time Equivalents) - Scenario 4

	Current	2010	2015	2020	2025
City Council	8.0	8.0	8.0	8.0	8.0
Legal-MuniCourt	36.7	44.9	48.0	48.5	49.0
Administration	8.9	9.4	9.4	9.4	9.4
HR-Finance-IT	49.3	59.3	60.3	60.3	60.8
Planning	16.5	20.5	22.0	22.0	22.0
Nghbrhoods-SnrCntr-Arts	7.1	8.6	8.6	8.6	8.6
Engineering	53.0	58.5	60.5	60.5	60.5
Police-AnimlSvcs	259.0	297.5	311.5	322.5	331.0
Fire-EMS	190.0	221.0	221.0	221.0	221.0
Parks	58.0	61.5	62.0	62.5	63.5
Library	47.5	47.5	47.5	47.5	47.5
Streets	31.5	39.0	39.0	39.0	39.0
Total	765.5	875.7	897.8	909.8	920.3

Source: City of Everett, Berk & Associates

City Council

There is no anticipated increase in staffing for City Council over the study period for either scenario.

Legal and Municipal Court

The Legal and Municipal Court Departments are staffed with a total of 36.5 FTEs. The two departments provide legal services for the City and the process of resolution for violations of State statutes and the Municipal Code. They also provide an Indigent Defense Program for those individuals who cannot afford representation.

Under Scenario 3, an increase in FTEs of 5.6 is projected upon annexation with costs for the Indigent Defense Program increasing by approximately 20%. The FTE increases are primarily in Attorney and Counselor positions as well as Clerks and administrative support positions.

For Scenario 4, staffing is projected to increase by 8.2 FTEs for the combined Departments, with costs for the Indigent Defense Program increasing by approximately 30%. As in Scenario 3, FTEs increases are seen in Attorney and Counselor positions as well as Clerks and administrative support positions.

Administration

The Administration Department is currently staffed with 8.9 FTEs. In Scenarios 3 and 4, the only staffing increase expected in 2009 is the addition of 0.5 Administrative Assistant, which is attributed to growth within the current City boundaries. Annexation does not trigger the need for additional administrative staff and the remaining positions are assumed to stay fixed over time.

Human Resources

The Human Resources Department is projected to need an additional 2.5 FTEs in 2009 with annexation under Scenario 3, bringing the current FTEs from 12.5 to 15.0. Scenario 4 adds another FTE for a total of 16.0. The increases are in Coordinator positions that work directly with City staff and would be needed as total City staff grows with annexation.

Finance

Assuming Scenario 3, the Finance Department is anticipated to add 3.0 FTEs to the current staffing level of 20.8 for a total of 23.8 with annexation. In Scenario 4, the increase is 3.5 FTEs for a total of 24.3 FTEs upon annexation. These increases are primarily due to added FTEs in the accounting positions in order to accommodate a larger city.

Information Technology

The Information Technology Department currently has 16.0 FTEs to serve the IT needs of City staff. Under both Scenario 3 and 4, this is expected to increase by 2.5 FTEs for a total of 18.5 to serve the needs of a larger City staff.

Planning

The Planning Department staff is expected to add 4.0 FTEs in both Scenarios 3 and 4, increasing the current staff from 16.5 to 20.5. This increase will come from 3 additional planning positions and an additional Office Technician, all of which is attributed to growth within the current City with the exception of 0.5 Planner position attributed to annexation. The 20.5 FTEs are expected to increase to 22.0 in the first few years, with no additional increases expected over the remainder of the study period.

Neighborhoods

The Department of Neighborhoods works to strengthen neighborhood associations and supporting activities in order to encourage engagement in civic life. The Department currently has 2.0 FTEs. Annexation under both Scenario 3 and 4 is estimated to require an additional 0.5 FTE in the Project Coordinator position.

Senior Center

The Senior Center is currently staffed with 4.0 FTEs to serve citizens of the City over the age of 55 and provide a place for continued learning, social interaction, and some medical services. For both annexation Scenarios this staffing is anticipated to increase by 1.0 FTE, 0.5 in the Administrative Assistant position, and 0.5 in the Office Specialist position.

Municipal Arts

The Municipal Arts Department focuses on integrating the arts, culture, and diversity into the community. No additional staffing is projected upon annexation for either Scenario 3 or 4.

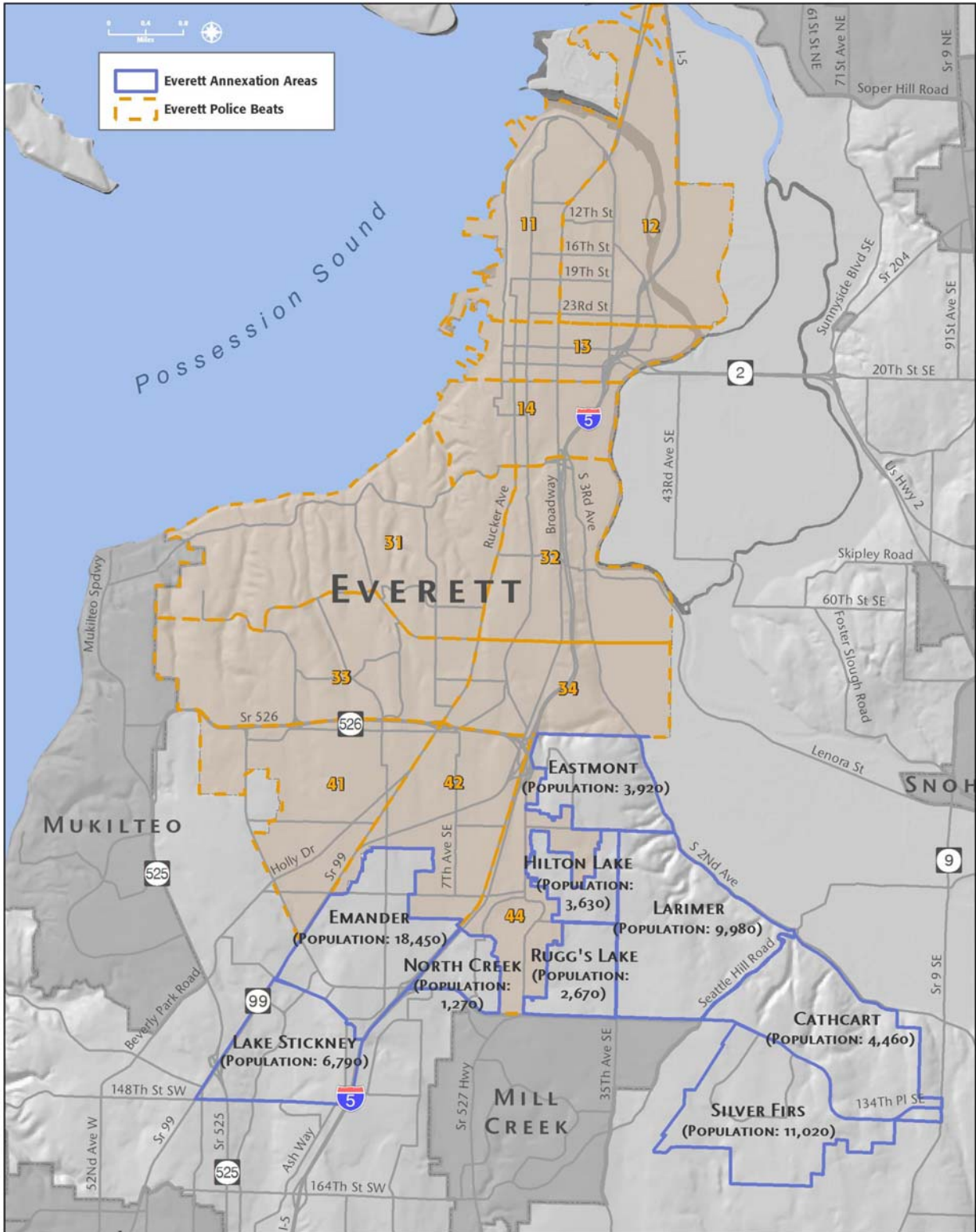
Engineering

The Engineering Department is one of the larger departments within the City, housing 53.0 FTEs. In addition to engineering, permitting and inspecting services are also performed by this department. Annexation under Scenario 3 is anticipated to cause a need for 4 additional FTEs. These increases are for engineering, technician, and inspection positions. Annexation under Scenario 4 increases the need to 5.5 FTEs in the same positions.

Police Department

The Police Department currently serves the City in 11 beats with a total of 243 FTEs including commissioned and non-commissioned staff. **Exhibit 20** shows Everett's beats, as well as contemplated annexation areas for comparison. The Department will likely reconfigure its beats upon annexation based on geography and call levels.

Exhibit 20 City of Everett Police Beats



Source: Berk & Associates, 2007

With the increase in land area through annexation in Scenario 3, the Department is estimated to need an additional 14.5 FTEs including 14 Officers, and 0.5 of a Parking Enforcement Officer. For Scenario 4, the estimated additional staffing needed due to annexation is 29 FTEs. This includes 4 new Sergeants, 21 officers, 1 Records Information Specialist, 1 Parking Enforcement Officer, 1 Compliance Officer, and 1 Administrative Assistant.

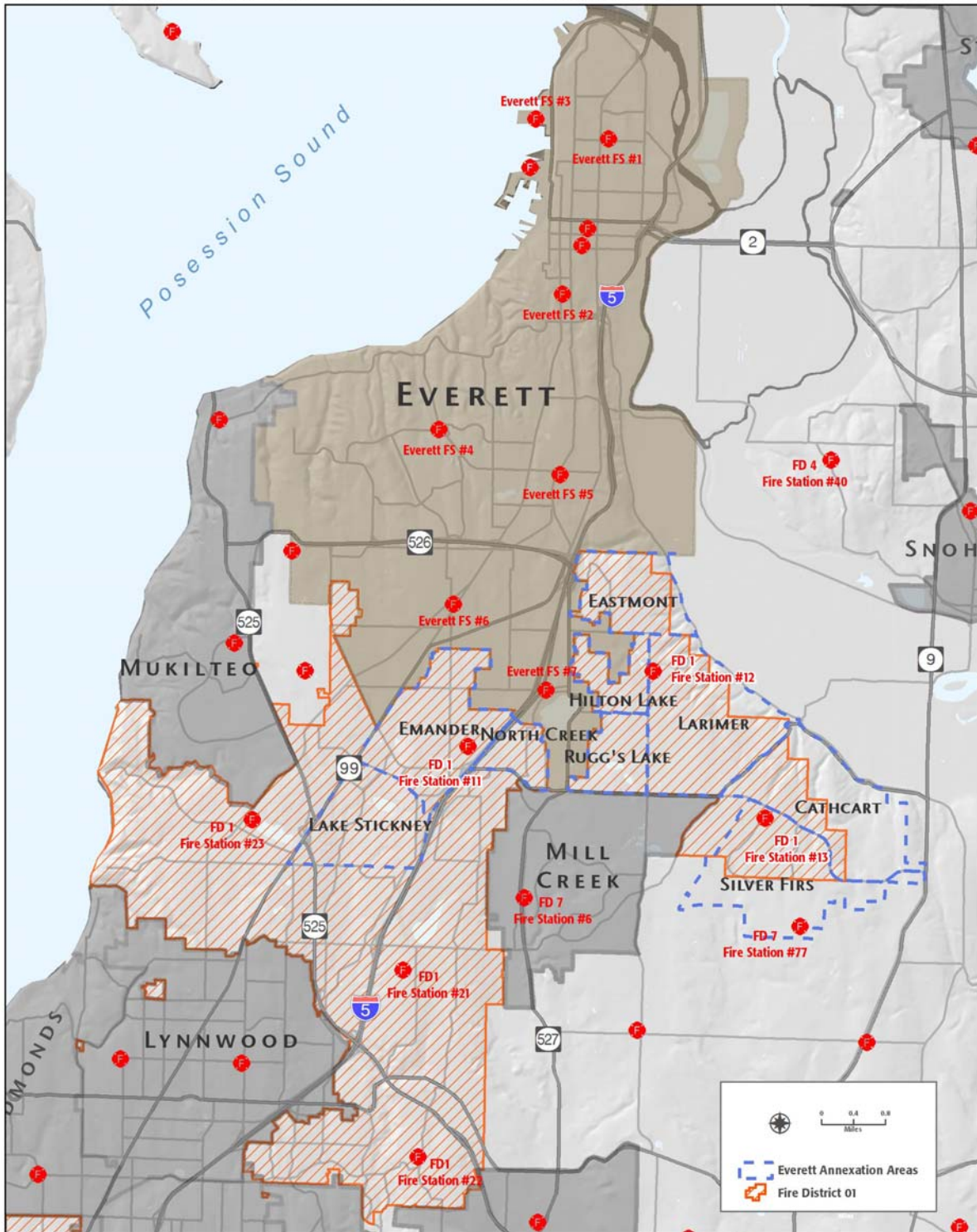
Additional growth within the City will also require increased staffing. It is expected that with this growth the department will need to add 4.5 more FTEs, including 2 supervisory positions, 2 officers, and 0.5 of an Administrative Assistant.

Although this analysis assumes that the employees needed for annexation would be added immediately upon annexation, in reality there would be a transition period. With annexation, the areas being annexed would see an increase in police services to the City level of service standard. This change would not occur overnight however, and the Police Department would have to grow considerably to serve the new areas at the desired level of service. During this transition period the City and County would likely negotiate how the details of police services will be provided, until the City was able to train new staff or find lateral hires to fill positions. This analysis does not make any assumptions about what this transition might look like, and assumes full cost of all new employees begin upon annexation in order to remain as conservative as possible in the cost projections.

Fire and Emergency Medical Services

Currently Everett's Fire Department serves the City from seven fire stations, with a total of 190 FTEs. **Exhibit 21** below shows existing City fire stations as well as those within Fire District 1 (FD1) boundaries as they relate to the contemplated study areas.

Exhibit 21 Location of Fire Stations in Everett and Fire District 1



Source: City of Everett, Berk & Associates, 2008

Note: Everett Fire Station 3 has been demolished and is moving to West Marine Drive. The Naval Station will likely not respond to calls outside of the base.

Scenario 3. In the event of annexation under Scenario 3, the City would serve the annexation area from the existing Fire Station 7, which is located within the current city limits to the west of the Hilton Lake annexation area. In order to do so, the City proposes adding new positions that would serve both the annexation area and the southern portion of the City and keep staff from becoming stretched too thin with the addition of the new area. An estimated 18 additional FTEs would be needed, but these positions would serve the southern portion of the City as well as the annexed area. These FTEs include 4 Battalion Chiefs, 4 Captains, 4 Firefighters/Drivers, 4 Firefighters (because of the elimination of some overtime costs this results in a net new cost of 1 Firefighter position), 1 Fire Inspector, 1 Medical Services Officer, 1 Training Officer, 1 Community Outreach Specialist, and 1 Office Assistant. Additional one-time fleet, apparatus, and equipment costs are estimated to be approximately \$358,000.

To account for the fact that these positions will serve the current City as well as the annexation area, the cost of these positions has been modeled as being shared between the existing City and the annexation areas. In most cases the cost has been allocated based on a population percentage basis between the southern portion of the City and the annexation areas. The exceptions are two office positions which are apportioned based on population using total population within the City, rather than only the southern portion, since these positions will provide service to the whole City. The other exception is the Battalion Chief, estimated to spend one quarter of time serving the annexation area and the remainder serving the southern portion of the City. Costs for this position have been allocated accordingly.

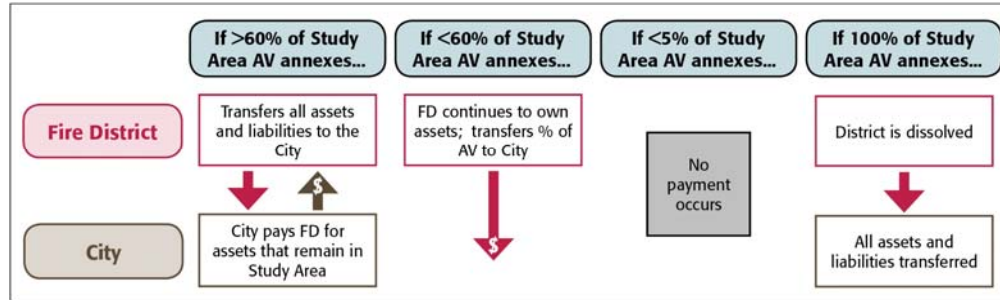
Scenario 4. Assuming annexation under Scenario 4, the City would acquire Fire Station 12 located in Larimer from Fire District 1. This would require staffing an Engine with 12 FTEs including 4 Captains, 4 Firefighters/Drivers, and 4 Firefighters, the costs for which are fully attributed to the annexation area. In addition, this scenario would include support from the existing City Fire Station 7 which would also require added staff with shared costs between the City and the annexation area. The shared FTEs are the same as those listed in Scenario 3 with the exception of 1 additional Office Assistant. Additional one-time fleet, apparatus, and equipment costs are estimated to be approximately \$570,000.

Recently state law was revised such that upon annexation the City takes responsibility for fire services and will also receive any Fire District levy revenues that are collected from the date of annexation until the beginning of the following calendar year (for more detail see ESSB 5836). As discussed in Section 6.3, we have assumed that in 2009, the City will be responsible for fire expenditures within the annexation area and will also receive Fire District 1's estimated levy collections from that area. In this case, as with police services, there may be a period of transition in which the City and Fire District 1 negotiate how fire services will be provided.

Automatic Aid. Considering that there are some pockets of annexation areas that may be time-consuming and difficult to reach for Everett Fire Department, both scenarios would require an automatic aid agreement with Fire District 1, and potentially with Mukilteo and Lynnwood. Everett Fire Department expressed concern over their ability to provide a consistent level of service across the new City boundaries unless an automatic aid agreement was in place. This agreement would need to be negotiated by the parties involved.

Asset Transfer. State law guides the asset transfer among districts in the event of a change in governance. In practice, asset transfer agreements are subject to negotiation and rely on communication between the two governments. For more information, please reference the Municipal Research and Services Center of Washington’s (MRSC) Annexation Handbook, or RCW 35.02.190. The graphic below and text that follows explains how asset transfer works (**Exhibit 22**).

**Exhibit 22
Asset Transfer: A Theoretical Example**



Source: Berk & Associates, Revised Code of Washington

In Scenario 3, Eastmont, Hilton Lake and Rugg’s Lake annexation areas make up about 8% of Fire District 1’s (FD1) 2007 assessed value; while in Scenario 4, with the addition of Larimer, this percentage increases to about 16%. As less than 60% of the assessed real property valuation of FD1 is being annexed to Everett, under Washington State Law, FD1 maintains ownership of its assets. However, the District is to pay the City (in cash, properties, or contracts for fire protection services) a percentage of the value of its assets equal to the percentage of the value of the real property in the district that has been annexed into the City. This payment is to be made within one year, or within the time the district continues to collect taxes in the annexed area (RCW 35.02.200 and 35A.14.400).

If an annexation were to occur, the City and District would need to reach an agreement on the value of the assets to be transferred, including the value of stations, vehicles, and cash in reserve. This analysis assumes that facilities and equipment for the fire department are to be acquired from Fire District 1 as part of the asset transfer.

Animal Services

The Animal Services Department currently provides animal control services as well as an animal shelter which serves the entire county and all cities within. For the operation of the shelter, the City receives contract revenue from other jurisdictions approximating \$400,000 annually. The estimated loss in revenue from annexing areas which now pay the City for services is approximately \$10,000 per year. However, the level of service for animal control response in the annexed areas would increase under City control. Currently the City has a 15- to 20-minute response time to complaints while the County averages a 3-day response time.

The existing Department houses 16 FTEs, including 5 Animal Control Officers. It is estimated that with annexation in either scenario, the Department would require 1 additional Animal Control Officer.

Parks

The City's Parks Department is responsible for maintenance of the City's 463 acres of parks, as well as recreation programs and community facilities. With annexation under Scenarios 3 and 4, the City would add only three acres of active park space, which does not cause a need for additional maintenance staff. However, Scenario 3 is estimated to require an additional 1.0 FTE for the increase in use of recreation programs, with 0.5 each for a Recreation Program Coordinator and a Recreation Coordinator, bringing total staff from 58 FTEs to 59. For Scenario 4, the City is estimated to need an additional 3.5 FTEs. Adding to the FTEs in Scenario 3 is 0.5 each for a Building Caretaker, Electrician, Recreation Activity Leader, Office Assistant, and Administrative Assistant for a total of 61.5 FTEs. The City is currently authorized 60 FTEs.

Library

The City's library system has two locations to serve residents and approximately 47.5 FTEs. The main branch has 53,000 square feet and runs a bookmobile service with two vehicles. The second branch has 8,500 square feet. Library staff feel the current locations are short on computers to serve the existing population, and the meeting rooms available for public use are regularly full. Approximately 33,000 City residents actively used their library cards in 2007.

For Scenarios 3 and 4, the City has proposed adding materials to the existing branches to serve the needs of the increased population. This would require an initial investment of an estimated \$100,000 for Scenario 3 and \$200,000 for Scenario 4. It is important to note that even though additional facility space or staff were not estimated for these scenarios, in reality, the existing facilities are already over capacity and may need to be expanded. However, it is difficult to estimate whether there will be a significant increase in new patrons for existing facilities or residents will find it more convenient to continue using library services closest to their homes.

For more discussion on library services, see Section 7.2 of this report.

Streets

The City's Streets Department works to maintain and preserve the City's sidewalks, streets, and right-of-way structures. The Department currently has 31.5 FTEs.

With annexation under Scenario 3, the City would add 33.6 lane miles of road to the existing 314 lane miles, an increase of 11%. This is expected to require an added 4 FTEs for a total of 35.5. The added positions are 1.0 FTE for Supervisor I, 0.5 FTE for a Heavy Equipment Operator, 1.0 FTE for an Equipment Operator, 0.5 FTE for a Cement Finisher, and 1.0 FTE for a Utility Laborer.

Annexation under Scenario 4 would add 65.9 lane miles to the City, an increase of 21%. In addition to the 4 FTEs needed under Scenario 3, Scenario 4 would require an added 3.5 FTEs in the following positions: 1.0 FTE for a Maintenance and Operations Supervisor, 1.0 FTE for a Supervisor II, 0.5 for an Equipment Operator (for a total 1.5 added in this position), 0.5 for a Cement Finisher (for a total 1.0 FTE added in this position), and 0.5 for a Utility Laborer (for a total 1.5 FTEs added in this position).

One-Time Costs

One-time costs are generally largest in the Police and Fire Departments, due to the expense of the equipment necessary for each officer and firefighter.

Annexation under Scenario 3 does not require an additional fire station, but does require an existing ladder truck to be moved to the current Station 6. There is an estimated cost of \$358,000 for other staff vehicles and equipment for new firefighters.

In Scenario 4, it is assumed that the Fire Department would acquire Fire District 1's Station 12 and the apparatus housed there as part of the asset transfer required by State law. Therefore, no one-time apparatus costs have been assumed for Scenario 4. However, approximately \$570,000 in other vehicle and firefighter equipment costs are estimated.

For the Police Department the largest one-time costs are for vehicles. In Scenario 3, the City has estimated an additional cost of \$357,500 for staff vehicles and \$84,000 in officer equipment. Scenario 4 generates a need for \$565,000 in vehicle costs and \$126,000 in officer equipment.

For Animal Control, one new vehicle was assumed at a cost of \$40,000 for both Scenarios.

7.0 POLICY OPTIONS & CONSIDERATIONS

7.1 Facilities

Based on the annexation analysis, we estimated approximately 37 FTEs resulting from annexation for Scenario 3, and 79 FTEs for Scenario 4. The City owns and maintains a number of facilities, which may be impacted differently upon annexation and long-term with City growth.

General Government

- *Scenario 3:* 39 FTEs due to annexation, 80 more FTEs through 2027 with City growth
- *Scenario 4:* 80 FTEs due to annexation, 80 more FTEs through 2027 with City growth

According to conversations with the City staff, there appears to be excess capacity within the current City Hall to house additional general government FTEs. Some departments are currently housed in the City's Service Center, but could be moved to the City Hall if needed.

Fire Department

- *Scenario 3:* the Fire Department would serve the additional area from the existing City Fire Station 7; therefore the facilities needs are not pressing.
- *Scenario 4:* this analysis assumes that Hilton Lake Fire Station will be acquired from Fire District 1 as part of the asset transfer.

Police Department

According to the Everett Police Department, the police facilities are currently operating at capacity at both the main headquarters building as well as the South Precinct in terms of parking, locker space, and office space. At present the department uses leased or off-site office space for Special Investigations and will use off-site office space for the anti-crime teams when they are staffed and deployed. Further, the police department uses off-site leased space to house all property room functions.

- *Scenario 3:* the addition of police officers will require leasing additional space likely either within the current headquarters building or the South Precinct. The cost of additional police facilities is not included in the model as it is dependent upon City decisions of facility location and financing.
- *Scenario 4:* according to the Everett Police Department, this scenario may require an additional facility on the east side of I-5, considering that the south precinct is too far from the annexation area. The department would like to have contact with the citizens they serve.

7.2 Library

According to the Library department, annexation of Eastmont, Hilton Lake, and Rugg’s Lake (Scenario 3) would add just over 10,000 potential patrons, all of whom could be facing a significant impediment to reach either of the existing Everett libraries. A potential solution might be a storefront rental of about 2,000 to 4,000 square feet. The staffing model might likely include approximately 6 FTEs, including one librarian/manager, technicians, and pages.

The annexation of Scenario 4 (Eastmont, Hilton Lake, Rugg’s Lake, and Larimer) would add about 20,000 additional patrons, and would face the same I-5 barrier to existing facilities. In this scenario, according to the Library department, either a larger storefront rental or new construction located along the boundary of Hilton Lake and Larimer might be considered. Depending upon the size and configuration of the building, likely 7 to 8 FTEs would be needed, including staff for visits to nursing homes and daycares.

As provision of library services is a policy choice for the City, the annexation model does not include any additional capital or operating costs for library services besides an initial investment of an estimated \$100,000 for Scenario 3 and \$200,000 for Scenario 4.

7.3 Parks

In 2007, the City of Everett developed and adopted the Parks and Recreation Strategic Plan. The Plan surveyed the City’s parks inventory and service levels, and presented the current and adopted levels of service (LOS) (**Exhibit 23**).

Exhibit 23
City of Everett Current and Adopted Parks Level of Service

	Current Service Level (acres/1,000 pop)	Adopted City Standard (acres/1,000 pop)
Neighborhood Parks	0.7	1.5
Community Parks	0.8	2
District Parks	3.0	2.8
Linear Parks/Greenways	0.4	1
Natural/Special Use/Golf	5.8	6.2
Paved Trails	0.16	0.4

Source: City of Everett Parks and Recreation Strategic Plan, 2007

We reviewed the current parks inventory in the annexation areas and calculated how many acres and miles of trails would be needed to bring the annexation areas to both current and adopted City LOS standards. **Exhibit 24** below demonstrates the results of this analysis.

Exhibit 24
Parks Level of Service: City of Everett and Potential Annexation Scenarios 3 & 4

	City of Everett	Scenario 3 <i>Eastmont, Hilton Lake, Rugg's Lake</i>	Scenario 4 <i>Eastmont, Hilton Lake, Rugg's Lake, Larimer</i>
INVENTORY (acres)			
Neighborhood Parks	75.3	3.0	3.0
Community Parks	84.6	0.0	0.0
CURRENT SERVICE LEVEL (acres/1,000 population)			
Neighborhood Parks	0.7	0.3	0.1
Community Parks	0.8	0.0	0.0
ACRES NEEDED TO BRING UP TO CITY CURRENT SERVICE LEVEL (in addition to existing inventory)			
Neighborhood Parks	N/A	4.2	11.1
Community Parks	N/A	8.2	16.2
ACRES NEEDED TO BRING UP TO CITY ADOPTED SERVICE LEVEL (in addition to existing inventory)			
Neighborhood Parks	77.5	12.3	27.3
Community Parks	119.0	20.4	40.4

Source: City of Everett Parks and Recreation Strategic Plan, 2007; Berk and Associates, 2007

If one compares current park facilities in Everett with current park facilities in the annexation area, one can argue that the annexation area is under-served. The City currently has about 0.7 acres of neighborhood parks per 1,000 city residents. Scenarios 3 and 4, in contrast, have only about 0.3 and 0.1 acres per 1,000 residents, respectively. Community parks have an even larger discrepancy.

Given the deficiencies in parks, for Scenarios 3 and 4, the City would need to procure a significant amount of parks land to bring these areas up to both the City's current and adopted levels of service. As the area is mostly residential, there are very few large acre parcels that could be available for park land purchase.

Parks acquisition is generally a policy-level question for the City, especially considering the neighborhood and community parks deficiencies within the current City boundaries. These policy decisions would have capital and operating implications of bringing the annexation areas up to the higher level of service. Estimates of capital expenditures for initial parkland purchase are not included in this analysis.

7.4 Transit

From examining the maps for Community Transit, it appears that there is currently no extensive bus service in Eastmont, Hilton Lake, Rugg’s Lake, and Larimer. Upon annexation of these areas, the City of Everett would face a policy choice of where and how much transit service it would provide.

According to Everett’s Transit Department, sales tax revenue is a major funding source for its services. Snohomish County now levies 0.9% sales tax for Community Transit, while Everett levies a 0.6% sales tax for transit. Annexation would shift the sales tax revenues from Community Transit to Everett, with taxpayers paying less in sales taxes.

Assuming annexation under Scenario 3, the City is likely to receive an estimated \$256,000 in sales tax revenue for transit in 2009. Under Scenario 4, the estimated increase in tax revenue is approximately \$448,000.

7.5 Capital

The capital impacts from annexation are somewhat more difficult to discern. While this analysis does estimate the equipment costs associated with new staff, it only addresses infrastructure costs on a qualitative basis. The annexation model does estimate some additional capital revenues available after annexation. The model provides estimates of the revenues from the Real Estate Excise Tax and the capital portion of the Gas Tax, which are held aside as available funding for capital infrastructure needs in the contemplated annexation areas.

These revenues for Scenarios 3 and 4 (including City) are displayed in **Exhibit 25** below. Scenario 3 amounts to an estimated \$207 million over the next 20 years in present value terms and Scenario 4 results in an estimated \$224 million. Upon annexation, as capital costs are fully fleshed out, there likely to be more needs than there are resources coming from the annexation area. This situation is comparable to the base City situation, which has unfunded portions of its current capital needs, and unless there are significant immediate capital infrastructure needs in the annexation areas, the long-term funding situation is unlikely to be dramatically different than the status quo.

Exhibit 25
Estimated Capital Revenues for Everett (millions), Scenario 3

	Current	2010	2015	2020	2025
REET	6.04	8.04	11.08	14.99	20.66
Gas Tax	0.80	0.96	1.21	1.50	1.85
Total	6.84	9.00	12.30	16.49	22.51

Estimated Capital Revenues for Everett (millions), Scenario 4

	Current	2010	2015	2020	2025
REET	6.04	8.74	12.02	16.24	22.32
Gas Tax	0.80	1.05	1.32	1.63	2.01
Total	6.84	9.79	13.34	17.87	24.33

Source: Berk & Associates analysis, 2008

Real Estate Excise Tax (REET)

If Everett were to annex the contemplated study areas, the City would expect to receive Real Estate Excise Taxes on an annual basis. REET revenues are levied in two halves: The first half (0.25% of the taxable value of a real estate transaction) may be used for a variety of capital uses, including development of parks. The second half (the second 0.25%) must be used on a more constrained list of projects—a list that includes improvements to roads and roadways, but excludes investments in parks.

Since REET is based on the total value of real estate transactions in a given year, the amount of REET revenues a city receives can vary substantially from year to year based on the normal fluctuations in the real estate market. During years when the real estate market is active, revenues are higher, and during softer real estate markets, revenues are lower. For the purposes of this analysis, it is assumed that 9.0% of residential property and 4.5% of commercial property turn over in any given year.

Based on the analysis, Scenario 3 is estimated to generate approximately \$621,000 in REET revenues from the annexation areas in 2009. Scenario 4 would generate an estimated \$1.3 million.

Gas Tax Revenues

Until 2005, cities had been receiving their gas tax in two distributions: a restricted portion (32%) to be used for capital; and an unrestricted portion (68%) allowed to be used for operating or capital funding. Recently, however, the dual-distribution and restriction have been removed, but most cities (including Everett) have continued to allot about one-third of the gas tax revenues to their capital program. It is assumed going forward that Council direction on this issue will not change.

Based on the analysis of the per capita gas tax distributions, Scenario 3 is estimated to generate approximately \$85,000 in gas tax revenues for capital projects in 2009 from the annexation areas. Scenario 4 is expected to generate an estimated \$167,000.

CITY OF EVERETT
FISCAL ANNEXATION ANALYSIS

TECHNICAL APPENDIX A

FINAL REPORT

October 2008

CITY OF EVERETT FISCAL ANNEXATION ANALYSIS

TECHNICAL APPENDIX A

STAFFING IMPACTS OF ANNEXATION BY CITY DEPARTMENT

Berk & Associates worked with departments within the City to determine which employee positions are considered fixed, which are driven by direct changes due to annexation, and which are driven indirectly by staffing changes in one or more departments.

- **Fixed.** These positions do not change over the planning horizon. These positions generally include directors and other supervisors, as there is no need for more than one director of a department or supervisor of a team (for instance, there will always be one Police Chief).
- **Direct.** These positions are driven directly by changes to the underlying land base of the city, such as population or employment. The relationship between demand for services and the underlying land base is determined based on the types of services each position provides. For example, parks maintenance staffing is directly related to the number of park acres that must be maintained.
- **Indirect (by Position).** These positions are driven by staffing levels of one or more positions in a specific department. For instance, a Police Commander is related to growth in the number of Police Officers.
- **Indirect (by Department).** These positions are driven by staffing levels of one or more departments. For instance, an Accountant position in the Finance Department is related to total new staffing levels in most other City departments.

In each of the following subsections we include a table that summarizes current City positions; their characterizations (fixed, direct, or indirect in the context of this analysis); the drivers that affect annexation impacts; and the elasticity (i.e. the extent to which a given percentage change in the underlying driver results in changes in the position).

CITY COUNCIL

CITY COUNCIL	Type	Drivers	Elasticity
Council Member	Fixed	N/A	N/A
Administrative Coordinator	Fixed	N/A	N/A

Scenario 3

CITY COUNCIL	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Council Member	7.0	7.0	7.0
Administrative Coordinator	1.0	1.0	1.0
Total	8.0	8.0	8.0

Scenario 4

CITY COUNCIL	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Council Member	7.0	7.0	7.0
Administrative Coordinator	1.0	1.0	1.0
Total	8.0	8.0	8.0

LEGAL

LEGAL	Type	Drivers	Elasticity
City Attorney	Fixed	N/A	N/A
Deputy City Attorney	Fixed	N/A	N/A
Assistant City Attorney III	Direct	Total Population (50%)	0.5
Assistant City Attorney II	Direct	Total Population (50%)	0.5
Assistant City Attorney I	Direct	Total Population (50%)	0.5
Assistant City Attorney (PT)	Direct	Total Population (50%)	0.5
Legal Administrator	Indirect Pos	Legal Municipal Court	1.0
Administrative Assistant	Indirect Pos	Legal Municipal Court	1.0
Office Assistant	Indirect Pos	Legal Municipal Court	1.0

Scenario 3

LEGAL	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
City Attorney	1.0	1.0	1.0
Deputy City Attorney	1.0	1.0	1.0
Assistant City Attorney III	4.0	4.5	5.0
Assistant City Attorney II	2.0	2.5	2.5
Assistant City Attorney I	1.0	1.5	1.5
Assistant City Attorney (PT)	0.5	0.5	1.0
Legal Administrator	1.0	1.0	1.5
Administrative Assistant	3.0	3.5	3.5
Office Assistant	3.0	3.5	3.5
Total	16.5	19.0	20.5

Scenario 4

LEGAL	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
City Attorney	1.0	1.0	1.0
Deputy City Attorney	1.0	1.0	1.0
Assistant City Attorney III	4.0	4.5	5.0
Assistant City Attorney II	2.0	2.5	2.5
Assistant City Attorney I	1.0	1.5	1.5
Assistant City Attorney (PT)	0.5	1.0	1.0
Legal Administrator	1.0	1.5	1.5
Administrative Assistant	3.0	3.5	3.5
Office Assistant	3.0	3.5	3.5
Total	16.5	20.0	20.5

MUNICIPAL COURT

MUNICIPAL COURT	Type	Drivers	Elasticity
Municipal Court Judge #1	Indirect Pos	<i>Legal Municipal Court</i>	1.0
Municipal Court Administrator	Fixed	<i>N/A</i>	N/A
Assistant Municipal Court Administrator	Indirect Pos	<i>Legal Municipal Court</i>	1.0
Probation Counselor	Direct	<i>Total Population (100%)</i>	1.0
Probation Assistant	Direct	<i>Total Population (100%)</i>	1.0
Municipal Court Clerk	Direct	<i>Total Population (100%)</i>	1.0
Municipal Court Security Officer	Direct	<i>Total Population (80%)</i>	0.8
Detention Monitoring Assistant	Direct	<i>Total Population (100%)</i>	1.0

Scenario 3

MUNICIPAL COURT	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Municipal Court Judge #1	1.7	1.8	2.0
Municipal Court Administrator	1.0	1.0	1.0
Assistant Municipal Court Administrator	1.0	1.0	1.5
Probation Counselor	2.0	2.5	3.0
Probation Assistant	2.0	2.5	3.0
Municipal Court Clerk	10.0	11.5	13.0
Municipal Court Security Officer	1.5	1.5	2.0
Detention Monitoring Assistant	1.0	1.5	1.5
Total	20.2	23.3	27.0

Scenario 4

MUNICIPAL COURT	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Municipal Court Judge #1	1.7	1.9	2.0
Municipal Court Administrator	1.0	1.0	1.0
Assistant Municipal Court Administrator	1.0	1.5	1.5
Probation Counselor	2.0	2.5	3.0
Probation Assistant	2.0	2.5	3.0
Municipal Court Clerk	10.0	12.5	14.5
Municipal Court Security Officer	1.5	1.5	2.0
Detention Monitoring Assistant	1.0	1.5	1.5
Total	20.2	24.9	28.5

ADMINISTRATION

ADMINISTRATION	Type	Drivers	Elasticity
Mayor	Fixed	N/A	N/A
Chief Administrative Assistant	Fixed	N/A	N/A
Executive Administrator	Fixed	N/A	N/A
Executive Assistant	Fixed	N/A	N/A
Public Information Director	Fixed	N/A	N/A
Economic Development Director	Fixed	N/A	N/A
Administrative Assistant	Indirect Dept	Planning, Neighborhoods-SnrCntr-Arts, Engineering, Police-AnimlSvcs, Fire-EMS, Parks, Library, Streets	1.0

Scenario 3

ADMINISTRATION	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Mayor	1.0	1.0	1.0
Chief Administrative Assistant	1.0	1.0	1.0
Executive Administrator	1.0	1.0	1.0
Executive Assistant	1.0	1.0	1.0
Public Information Director	1.0	1.0	1.0
Economic Development Director	1.9	1.9	1.9
Administrative Assistant	2.0	2.5	2.5
Total	8.9	9.4	9.4

Scenario 4

ADMINISTRATION	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Mayor	1.0	1.0	1.0
Chief Administrative Assistant	1.0	1.0	1.0
Executive Administrator	1.0	1.0	1.0
Executive Assistant	1.0	1.0	1.0
Public Information Director	1.0	1.0	1.0
Economic Development Director	1.9	1.9	1.9
Administrative Assistant	2.0	2.5	2.5
Total	8.9	9.4	9.4

TECHNICAL APPENDIX A

HUMAN RESOURCES

HUMAN RESOURCES	Type	Drivers	Elasticity
HR Director	Fixed	N/A	N/A
HR Manager	Fixed	N/A	N/A
Labor & Employee Relations Coordinator	Indirect Dept	<i>Planning, Neighborhoods-SnrCntr-Arts, Engineering, Police-AnimSvc, Fire-EMS, Parks, Library, Streets</i>	1.0
Workers Compensation Coordinator	Indirect Dept	<i>Planning, Neighborhoods-SnrCntr-Arts, Engineering, Police-AnimSvc, Fire-EMS, Parks, Library, Streets</i>	1.0
HR Coordinator	Indirect Dept	<i>Administration, Planning, Engineering, Police-AnimSvc, Fire-EMS</i>	1.0
City Safety Official	Fixed	N/A	N/A
Employee Benefits Coordinator	Indirect Dept	<i>Administration, Planning, Engineering, Police-AnimSvc, Fire-EMS, Parks, Library</i>	1.0
HR Assistant	Indirect Pos	<i>HR-Finance-IT</i>	1.0
Administrative Coordinator	Indirect Pos	<i>HR-Finance-IT</i>	1.0

Scenario 3

HUMAN RESOURCES	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
HR Director	1.0	1.0	1.0
HR Manager	1.0	1.0	1.0
Labor & Employee Relations Coordinator	2.0	2.5	2.5
Workers Compensation Coordinator	1.0	1.5	1.5
HR Coordinator	4.0	4.5	5.0
City Safety Official	1.0	1.0	1.0
Employee Benefits Coordinator	1.0	1.5	1.5
HR Assistant	0.5	0.5	1.0
Administrative Coordinator	1.0	1.5	1.5
Total	12.5	15.0	16.0

Scenario 4

HUMAN RESOURCES	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
HR Director	1.0	1.0	1.0
HR Manager	1.0	1.0	1.0
Labor & Employee Relations Coordinator	2.0	2.5	2.5
Workers Compensation Coordinator	1.0	1.5	1.5
HR Coordinator	4.0	5.0	5.0
City Safety Official	1.0	1.0	1.0
Employee Benefits Coordinator	1.0	1.5	1.5
HR Assistant	0.5	1.0	1.0
Administrative Coordinator	1.0	1.5	1.5
Total	12.5	16.0	16.0

FINANCE

FINANCE	Type	Drivers	Elasticity
Finance Executive Director	Fixed	N/A	N/A
Finance Manager/Treasurer	Fixed	N/A	N/A
Budget Manager	Fixed	N/A	N/A
Accounting Supervisor	Fixed	N/A	N/A
City Clerk	Fixed	N/A	N/A
Deputy City Clerk	Fixed	N/A	N/A
Purchasing Manager	Fixed	N/A	N/A
Financial Analyst	Indirect Dept	Planning, Engineering, Fire-EMS, Parks, Library, Streets	1.0
Accounting Assistant	Indirect Pos	HR-Finance-IT: Accountant I, Accounting Technician	1.0
Accountant I	Indirect Dept	Planning, Engineering, Police-AnimlSvcs, Fire-EMS, Parks, Library	1.0
Accounting Technician	Indirect Dept	Planning, Engineering, Police-AnimlSvcs, Fire-EMS, Parks, Library	1.0
Buyer	Indirect Dept	Administration, Planning, Neighborhoods-SnrCntr-Arts, Engineering, Police-AnimlSvcs, Fire-EMS	1.0
Warehouseworker	Indirect Dept	Planning, Engineering, Fire-EMS, Parks	1.0

Scenario 3

FINANCE	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Finance Executive Director	1.0	1.0	1.0
Finance Manager/Treasurer	1.0	1.0	1.0
Budget Manager	0.8	0.8	0.8
Accounting Supervisor	1.0	1.0	1.0
City Clerk	1.0	1.0	1.0
Deputy City Clerk	1.0	1.0	1.0
Purchasing Manager	1.0	1.0	1.0
Financial Analyst	1.0	1.5	1.5
Accounting Assistant	7.0	7.5	8.0
Accountant I	1.0	1.5	1.5
Accounting Technician	2.0	2.5	2.5
Buyer	2.0	2.5	2.5
Warehouseworker	1.0	1.5	1.5
Total	20.8	23.8	24.3

Scenario 4

FINANCE	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Finance Executive Director	1.0	1.0	1.0
Finance Manager/Treasurer	1.0	1.0	1.0
Budget Manager	0.8	0.8	0.8
Accounting Supervisor	1.0	1.0	1.0
City Clerk	1.0	1.0	1.0
Deputy City Clerk	1.0	1.0	1.0
Purchasing Manager	1.0	1.0	1.0
Financial Analyst	1.0	1.5	1.5
Accounting Assistant	7.0	8.0	8.5
Accountant I	1.0	1.5	1.5
Accounting Technician	2.0	2.5	2.5
Buyer	2.0	2.5	2.5
Warehouseworker	1.0	1.5	1.5
Total	20.8	24.3	24.8

IT

IT	Type	Drivers	Elasticity
IT Director	Fixed	N/A	N/A
IT Manager	Fixed	N/A	N/A
Project Coordinator	Indirect Dept	<i>Planning, Nghbrhoods-SnrCntr-Arts, Engineering, Police-AnimSvc, Fire-EMS, Parks, Library, Streets</i>	1.0
Supervisor I	Indirect Pos	<i>HR-Finance-IT: PC Technician, Client Services Technician, Network Systems Analyst</i>	1.0
PC Technician	Indirect Dept	<i>Planning, Nghbrhoods-SnrCntr-Arts, Engineering, Police-AnimSvc, Fire-EMS, Parks, Library, Streets</i>	1.0
Client Services Technician	Indirect Dept	<i>Planning, Nghbrhoods-SnrCntr-Arts, Engineering, Police-AnimSvc, Fire-EMS, Parks, Library, Streets</i>	1.0
Network Systems Analyst	Indirect Dept	<i>Administration, Planning, Engineering</i>	1.0
Network Application Specialist	Indirect Dept	<i>Administration, Planning, Engineering</i>	1.0

Scenario 3

IT	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
IT Director	1.0	1.0	1.0
IT Manager	1.0	1.0	1.0
Project Coordinator	1.0	1.5	1.5
Supervisor I	1.0	1.5	1.5
PC Technician	2.0	2.5	2.5
Client Services Technician	2.0	2.0	2.5
Network Systems Analyst	4.0	4.5	5.0
Network Application Specialist	4.0	4.5	5.0
Total	16.0	18.5	20.0

Scenario 4

IT	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
IT Director	1.0	1.0	1.0
IT Manager	1.0	1.0	1.0
Project Coordinator	1.0	1.5	1.5
Supervisor I	1.0	1.5	1.5
PC Technician	2.0	2.5	2.5
Client Services Technician	2.0	2.0	2.5
Network Systems Analyst	4.0	4.5	5.0
Network Application Specialist	4.0	4.5	5.0
Total	16.0	18.5	20.0

PLANNING

PLANNING	Type	Drivers	Elasticity
Director	Fixed	N/A	N/A
Manager/Long Range Planning	Fixed	N/A	N/A
Manager of Land Use Planning	Fixed	N/A	N/A
Planner	Direct	Change in Construction AV (30%)	1.0
Assistant Planner	Direct	Change in Construction AV (50%)	1.0
GIS Programmer/Analyst	Fixed	N/A	N/A
Administrative Assistant	Fixed	N/A	N/A
Office Technician	Indirect Pos	Planning: Planner, Assistant Planner	1.0

Scenario 3

PLANNING	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Director	1.0	1.0	1.0
Manager/Long Range Planning	1.0	1.0	1.0
Manager of Land Use Planning	1.0	1.0	1.0
Planner	7.0	9.0	9.5
Assistant Planner	2.0	3.0	3.5
GIS Programmer/Analyst	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5
Office Technician	2.0	3.0	3.0
Total	16.5	20.5	21.5

Scenario 4

PLANNING	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Director	1.0	1.0	1.0
Manager/Long Range Planning	1.0	1.0	1.0
Manager of Land Use Planning	1.0	1.0	1.0
Planner	7.0	9.0	10.0
Assistant Planner	2.0	3.0	3.5
GIS Programmer/Analyst	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5
Office Technician	2.0	3.0	3.0
Total	16.5	20.5	22.0

DEPARTMENT OF NEIGHBORHOODS, SENIOR CENTER, ARTS

NEIGHBRHDS-SNR CENTER-ARTS	Type	Drivers	Elasticity
Nghborhoods/Community Svcs Exec Administrat	Fixed	N/A	N/A
Project Coordinator	Direct	Total Population (100%)	1.0
Assistant Senior Center Manager	Fixed	N/A	N/A
Senior Center Coordinator	Fixed	N/A	N/A
Administrative Assistant	Direct	Total Population (100%)	1.0
Office Specialist	Direct	Total Population (100%)	1.0
Economic Development Director	Fixed	N/A	N/A
Cultural Arts Director	Fixed	N/A	N/A

Scenario 3

NEIGHBRHDS-SNR CENTER-ARTS	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Nghborhoods/Community Svcs Exec Administ	1.0	1.0	1.0
Project Coordinator	1.0	1.5	1.5
Assistant Senior Center Manager	1.0	1.0	1.0
Senior Center Coordinator	1.0	1.0	1.0
Administrative Assistant	1.0	1.5	1.5
Office Specialist	1.0	1.5	1.5
Economic Development Director	0.1	0.1	0.1
Cultural Arts Director	1.0	1.0	1.0
Total	7.1	8.6	8.6

Scenario 4

NEIGHBRHDS-SNR CENTER-ARTS	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Nghborhoods/Community Svcs Exec Administ	1.0	1.0	1.0
Project Coordinator	1.0	1.5	1.5
Assistant Senior Center Manager	1.0	1.0	1.0
Senior Center Coordinator	1.0	1.0	1.0
Administrative Assistant	1.0	1.5	1.5
Office Specialist	1.0	1.5	1.5
Economic Development Director	0.1	0.1	0.1
Cultural Arts Director	1.0	1.0	1.0
Total	7.1	8.6	8.6

ENGINEERING

ENGINEERING	Type	Drivers	Elasticity
Engineering/Public Services Director	Fixed	N/A	N/A
City Engineer	Fixed	N/A	N/A
Engineering Services Manager	Fixed	N/A	N/A
Building Official	Fixed	N/A	N/A
Chief Inspector	Fixed	N/A	N/A
Permit Services Manager	Fixed	N/A	N/A
Senior Engineer	Fixed	N/A	N/A
Associate Engineer - PE	Direct	Lane Miles (100%)	1.0
Associate Engineer NPE	Direct	Lane Miles (100%)	1.0
City Traffic Engineer	Fixed	N/A	N/A
Engineering Technician	Direct	Lane Miles (100%)	1.0
Traffic Technician	Direct	Total Population (100%)	1.0
Street Painter	Direct	Lane Miles (100%)	1.0
Senior Traffic Signal Tech	Direct	Traffic Signals (50%)	0.5
Traffic Operations Supervisor	Fixed	N/A	N/A
Traffic Signal Tech	Direct	Traffic Signals (50%)	0.5
Street Light Maintenance Worker	Direct	Lane Miles (100%)	1.0
Permit Development Counter Tech	Fixed	N/A	N/A
Electrical Inspector	Fixed	N/A	N/A
Building Inspector	Fixed	N/A	N/A
Plumbing Inspector	Fixed	N/A	N/A
Development Technician	Direct	Change in Construction AV (10%)	1.0
Planner	Direct	Change in Construction AV (10%)	1.0
Construction Inspector	Direct	Change in Construction AV (20%)	0.2
Development Construction Supervisor	Direct	Change in Construction AV (50%)	0.5
Project Coordinator	Fixed	N/A	N/A
Administrative Coordinator	Fixed	N/A	N/A
Office Specialist	Fixed	N/A	N/A
Accounting Technician	Fixed	N/A	N/A

Scenario 3

ENGINEERING	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Engineering/Public Services Director	1.0	1.0	1.0
City Engineer	1.0	1.0	1.0
Engineering Services Manager	1.0	1.0	1.0
Building Official	1.0	1.0	1.0
Chief Inspector	1.0	1.0	1.0
Permit Services Manager	1.0	1.0	1.0
Senior Engineer	4.0	4.0	4.0
Associate Engineer - PE	4.0	4.5	4.5
Associate Engineer NPE	1.0	1.5	1.5
City Traffic Engineer	1.0	1.0	1.0
Engineering Technician	4.0	4.5	4.5
Traffic Technician	1.0	1.5	1.5
Street Painter	4.0	4.5	4.5
Senior Traffic Signal Tech	2.0	2.0	2.0
Traffic Operations Supervisor	1.0	1.0	1.0
Traffic Signal Tech	2.0	2.0	2.0
Street Light Maintenance Worker	0.0	0.0	0.0
Permit Development Counter Tech	3.0	3.0	3.0
Electrical Inspector	2.0	2.0	2.0
Building Inspector	2.0	2.0	2.0
Plumbing Inspector	2.0	2.0	2.0
Development Technician	4.0	5.0	5.0
Planner	1.0	1.0	2.0
Construction Inspector	2.0	2.5	2.5
Development Construction Supervisor	1.0	1.0	2.0
Project Coordinator	1.0	1.0	1.0
Administrative Coordinator	1.0	1.0	1.0
Office Specialist	2.0	2.0	2.0
Accounting Technician	2.0	2.0	2.0
Total	53.0	57.0	59.0

Scenario 4

ENGINEERING	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Engineering/Public Services Director	1.0	1.0	1.0
City Engineer	1.0	1.0	1.0
Engineering Services Manager	1.0	1.0	1.0
Building Official	1.0	1.0	1.0
Chief Inspector	1.0	1.0	1.0
Permit Services Manager	1.0	1.0	1.0
Senior Engineer	4.0	4.0	4.0
Associate Engineer - PE	4.0	5.0	5.0
Associate Engineer NPE	1.0	1.5	1.5
City Traffic Engineer	1.0	1.0	1.0
Engineering Technician	4.0	5.0	5.0
Traffic Technician	1.0	1.5	1.5
Street Painter	4.0	5.0	5.0
Senior Traffic Signal Tech	2.0	2.0	2.0
Traffic Operations Supervisor	1.0	1.0	1.0
Traffic Signal Tech	2.0	2.0	2.0
Street Light Maintenance Worker	0.0	0.0	0.0
Permit Development Counter Tech	3.0	3.0	3.0
Electrical Inspector	2.0	2.0	2.0
Building Inspector	2.0	2.0	2.0
Plumbing Inspector	2.0	2.0	2.0
Development Technician	4.0	5.0	5.0
Planner	1.0	1.0	2.0
Construction Inspector	2.0	2.5	2.5
Development Construction Supervisor	1.0	1.0	2.0
Project Coordinator	1.0	1.0	1.0
Administrative Coordinator	1.0	1.0	1.0
Office Specialist	2.0	2.0	2.0
Accounting Technician	2.0	2.0	2.0
Total	53.0	58.5	60.5

POLICE

POLICE	Type	Drivers	Elasticity
Police Chief	Fixed	N/A	N/A
Deputy Police Chief	Fixed	N/A	N/A
Inspector	Fixed	N/A	N/A
Captain	Direct	Total Population (100%)	1.0
Lieutenant	Direct	Total Population (100%)	1.0
Sergeant	Direct	Total Population (100%)	1.0
Officer	Direct	Total Population (100%)	1.0
Officer Trainee	Fixed	N/A	N/A
Planner/Analyst	Fixed	N/A	N/A
Records Unit Manager	Fixed	N/A	N/A
Police Specialist	Fixed	N/A	N/A
Records Supervisor	Fixed	N/A	N/A
Records Information Specialist	Direct	Dummy Variable (100%)	1.0
Project Coordinator	Fixed	N/A	N/A
Parking Enforcement Officer	Direct	Total Population (100%)	1.0
Compliance Officer	Direct	Total Population (100%)	1.0
Property Room Manager	Fixed	N/A	N/A
Property Room Specialist	Direct	Total Population (100%)	1.0
Fleet & Inventory Coordinator	Fixed	N/A	N/A
Support Services Manager	Fixed	N/A	N/A
Administrative Secretary	Indirect Pos	Police- Animal Services	1.0
Receptionist	Fixed	N/A	N/A
Administrative Assistant	Indirect Pos	Police- Animal Services	1.0
Overtime & Other Pay (Police)	Fixed	N/A	N/A
Code Compliance Supervisor	Fixed	N/A	N/A

Scenario 3

POLICE	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Police Chief	1.0	1.0	1.0
Deputy Police Chief	2.0	2.0	2.0
Inspector	1.0	1.0	1.0
Captain	4.0	4.0	5.0
Lieutenant	9.0	10.0	11.0
Sergeant	26.0	27.0	31.0
Officer	133.0	149.0	173.0
Officer Trainee	22.0	22.0	22.0
Planner/Analyst	1.0	1.0	1.0
Records Unit Manager	2.0	2.0	2.0
Police Specialist	2.0	2.0	2.0
Records Supervisor	2.0	2.0	2.0
Records Information Specialist	12.0	12.0	12.0
Project Coordinator	1.0	1.0	1.0
Parking Enforcement Officer	4.0	4.5	5.5
Compliance Officer	3.0	3.0	4.0
Property Room Manager	2.0	2.0	2.0
Property Room Specialist	3.0	3.0	4.0
Fleet & Inventory Coordinator	1.0	1.0	1.0
Support Services Manager	1.0	1.0	1.0
Administrative Secretary	5.0	5.5	6.0
Receptionist	1.0	1.0	1.0
Administrative Assistant	4.0	4.0	5.0
Code Compliance Supervisor	1.0	1.0	1.0
Total	243.0	262.0	296.5

Scenario 4

POLICE	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Police Chief	1.0	1.0	1.0
Deputy Police Chief	2.0	2.0	2.0
Inspector	1.0	1.0	1.0
Captain	4.0	4.0	5.0
Lieutenant	9.0	10.0	11.0
Sergeant	26.0	31.0	36.0
Officer	133.0	156.0	182.0
Officer Trainee	22.0	22.0	22.0
Planner/Analyst	1.0	1.0	1.0
Records Unit Manager	2.0	2.0	2.0
Police Specialist	2.0	2.0	2.0
Records Supervisor	2.0	2.0	2.0
Records Information Specialist	12.0	13.0	13.0
Project Coordinator	1.0	1.0	1.0
Parking Enforcement Officer	4.0	5.0	6.0
Compliance Officer	3.0	4.0	5.0
Property Room Manager	2.0	2.0	2.0
Property Room Specialist	3.0	3.0	4.0
Fleet & Inventory Coordinator	1.0	1.0	1.0
Support Services Manager	1.0	1.0	1.0
Administrative Secretary	5.0	5.5	6.0
Receptionist	1.0	1.0	1.0
Administrative Assistant	4.0	5.0	6.0
Code Compliance Supervisor	1.0	1.0	1.0
Total	243.0	276.5	314.0

ANIMAL SERVICES

ANIMAL SERVICES	Type	Drivers	Elasticity
Animal Control Manager	Fixed	N/A	N/A
Assistant Animal Svcs Manager	Fixed	N/A	N/A
Animal Control Officer	Direct	<i>Annexation Plan</i>	1.0
Municipal Assistant (Vet Tech)	Fixed	N/A	N/A
Shelter Activities Coordinator	Fixed	N/A	N/A
Animal Shelter Attendant	Fixed	N/A	N/A
Office Assistant	Fixed	N/A	N/A

Scenario 3

ANIMAL SERVICES	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Animal Control Manager	1.0	1.0	1.0
Assistant Animal Svcs Manager	1.0	1.0	1.0
Animal Control Officer	5.0	6.0	6.0
Municipal Assistant (Vet Tech)	1.0	1.0	1.0
Shelter Activities Coordinator	1.0	1.0	1.0
Animal Shelter Attendant	4.0	4.0	4.0
Office Assistant	3.0	3.0	3.0
Total	16.0	17.0	17.0

Scenario 4

ANIMAL SERVICES	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Animal Control Manager	1.0	1.0	1.0
Assistant Animal Svcs Manager	1.0	1.0	1.0
Animal Control Officer	5.0	6.0	6.0
Municipal Assistant (Vet Tech)	1.0	1.0	1.0
Shelter Activities Coordinator	1.0	1.0	1.0
Animal Shelter Attendant	4.0	4.0	4.0
Office Assistant	3.0	3.0	3.0
Total	16.0	17.0	17.0

FIRE AND EMS

FIRE and EMS	Type	Drivers	Elasticity
Fire Chief	Fixed	N/A	N/A
Assistant Fire Chief	Direct	Annexation Plan	1.0
Division Chief	Direct	Annexation Plan	1.0
Battalion Chief	Direct	Annexation Plan	1.0
Captain	Direct	Annexation Plan	1.0
Emergency Management Coordinator	Direct	Annexation Plan	1.0
Firefighter/Driver	Direct	Annexation Plan	1.0
Firefighter	Direct	Annexation Plan	1.0
Assistant Fire Marshall	Direct	Annexation Plan	1.0
Fire Inspector	Direct	Annexation Plan	1.0
Fire Apparatus/Equipment Mechanic	Direct	Annexation Plan	1.0
Equipment Mechanic	Direct	Annexation Plan	1.0
Maintenance Mechanic	Direct	Annexation Plan	1.0
Administrative Coordinator	Direct	Annexation Plan	1.0
Administrative Assistant	Direct	Annexation Plan	1.0
Office Specialist	Direct	Annexation Plan	1.0
Medical Services Officer	Direct	Annexation Plan	1.0
EMS Office Specialist	Direct	Annexation Plan	1.0
Office Assistant	Direct	Annexation Plan	1.0
Firefighter/Paramedic	Direct	Annexation Plan	1.0
EMS Firefighter	Direct	Annexation Plan	1.0
Training Officer	Direct	Annexation Plan	1.0
Community Outreach Specialist	Direct	Annexation Plan	1.0

Scenario 3

FIRE and EMS	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Fire Chief	1.0	1.0	1.0
Assistant Fire Chief	3.0	3.0	3.0
Division Chief	5.0	5.0	5.0
Battalion Chief	4.0	8.0	8.0
Captain	34.0	34.0	34.0
Emergency Management Coordinator	1.0	5.0	5.0
Firefighter/Driver	32.0	36.0	36.0
Firefighter	47.0	48.0	48.0
Assistant Fire Marshall	2.0	2.0	2.0
Fire Inspector	4.0	5.0	5.0
Fire Apparatus/Equipment Mechanic	1.0	1.0	1.0
Equipment Mechanic	1.0	1.0	1.0
Maintenance Mechanic	1.0	1.0	1.0
Administrative Coordinator	1.0	1.0	1.0
Administrative Assistant	3.0	3.0	3.0
Office Specialist	1.0	2.0	2.0
Medical Services Officer	1.0	2.0	2.0
EMS Office Specialist	1.0	1.0	1.0
Office Assistant	1.0	1.0	1.0
Firefighter/Paramedic	36.0	36.0	36.0
EMS Firefighter	10.0	10.0	10.0
Training Officer	0.0	1.0	1.0
Community Outreach Specialist	0.0	1.0	1.0
Total	190.0	208.0	208.0

Scenario 4

FIRE and EMS	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Fire Chief	1.0	1.0	1.0
Assistant Fire Chief	3.0	3.0	3.0
Division Chief	5.0	5.0	5.0
Battalion Chief	4.0	8.0	8.0
Captain	34.0	38.0	38.0
Emergency Management Coordinator	1.0	5.0	5.0
Firefighter/Driver	32.0	40.0	40.0
Firefighter	47.0	52.0	52.0
Assistant Fire Marshall	2.0	2.0	2.0
Fire Inspector	4.0	5.0	5.0
Fire Apparatus/Equipment Mechanic	1.0	1.0	1.0
Equipment Mechanic	1.0	1.0	1.0
Maintenance Mechanic	1.0	1.0	1.0
Administrative Coordinator	1.0	1.0	1.0
Administrative Assistant	3.0	3.0	3.0
Office Specialist	1.0	2.0	2.0
Medical Services Officer	1.0	2.0	2.0
EMS Office Specialist	1.0	1.0	1.0
Office Assistant	1.0	2.0	2.0
Firefighter/Paramedic	36.0	36.0	36.0
EMS Firefighter	10.0	10.0	10.0
Training Officer	0.0	1.0	1.0
Community Outreach Specialist	0.0	1.0	1.0
Total	190.0	221.0	221.0

PARKS

PARKS	Type	Drivers	Elasticity
Director	Fixed	N/A	N/A
Assistant Director	Fixed	N/A	0.5
Special Projects Manager	Direct	Park Area (Acres) (50%)	0.5
Development Construction Supervisor	Direct	Park Area (Acres) (50%)	0.5
Recreation Program Coordinator	Direct	Total Population (50%)	0.5
Parks Business Program Manager	Fixed	N/A	N/A
Project Coordinator	Direct	Park Area (Acres) (50%)	0.5
Network Application Specialist	Direct	Park Area (Acres) (50%)	0.5
Park/Golf Superintendent	Fixed	N/A	N/A
Recreation Supervisor	Direct	Total Population (20%)	0.2
Supervisor I	Indirect Pos	Parks	1.0
Supervisor II	Indirect Pos	Parks	1.0
Park/Golf Laborer	Direct	Park Area (Acres) (100%)	1.0
Groundskeeper	Direct	Park Area (Acres) (100%)	1.0
Building Caretaker	Indirect Pos	Parks	1.0
Horticulturist	Direct	Park Area (Acres) (100%)	1.0
Arborist	Direct	Park Area (Acres) (100%)	1.0
Landscaper	Direct	Park Area (Acres) (100%)	1.0
Maintenance Mechanic	Indirect Pos	Parks	1.0
Electrician	Indirect Pos	Parks	1.0
Recreation Activity Leader	Direct	Total Population (20%)	0.2
Park Ranger Supervisor	Fixed	N/A	N/A
Park Ranger II	Direct	Park Area (Acres) (100%)	1.0
Office Assistant	Indirect Pos	Parks	1.0
Financial Analyst	Fixed	N/A	N/A
Administrative Coordinator	Fixed	N/A	N/A
Administrative Assistant	Indirect Pos	Parks	1.0
Visual Information Specialist	Fixed	N/A	N/A
Seasonal	Fixed	N/A	N/A

Scenario 3

PARKS	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Director	1.0	1.0	1.0
Assistant Director	2.0	2.0	2.0
Special Projects Manager	1.0	1.0	1.0
Development Construction Supervisor	2.0	2.0	2.0
Recreation Program Coordinator	3.0	3.5	3.5
Parks Business Program Manager	1.0	1.0	1.0
Project Coordinator	1.0	1.0	1.0
Network Application Specialist	1.0	1.0	1.0
Park/Golf Superintendent	1.0	1.0	1.0
Recreation Supervisor	8.0	8.5	8.5
Supervisor I	1.0	1.0	1.0
Supervisor II	3.0	3.0	3.5
Park/Golf Laborer	4.0	4.0	4.0
Groundskeeper	6.0	6.0	6.0
Building Caretaker	1.0	1.0	1.5
Horticulturist	2.0	2.0	2.0
Arborist	1.0	1.0	1.0
Landscaper	2.0	2.0	2.0
Maintenance Mechanic	4.0	4.0	4.0
Electrician	1.0	1.0	1.5
Recreation Activity Leader	2.0	2.0	2.5
Park Ranger Supervisor	1.0	1.0	1.0
Park Ranger II	1.0	1.0	1.0
Office Assistant	2.0	2.0	2.5
Financial Analyst	1.0	1.0	1.0
Administrative Coordinator	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	2.5
Visual Information Specialist	1.0	1.0	1.0
Seasonal	1.0	1.0	1.0
Total	58.0	59.0	62.0

Scenario 4

PARKS	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Director	1.0	1.0	1.0
Assistant Director	2.0	2.0	2.0
Special Projects Manager	1.0	1.0	1.0
Development Construction Supervisor	2.0	2.0	2.0
Recreation Program Coordinator	3.0	3.5	4.0
Parks Business Program Manager	1.0	1.0	1.0
Project Coordinator	1.0	1.0	1.0
Network Application Specialist	1.0	1.0	1.0
Park/Golf Superintendent	1.0	1.0	1.0
Recreation Supervisor	8.0	8.5	9.0
Supervisor I	1.0	1.0	1.0
Supervisor II	3.0	3.0	3.5
Park/Golf Laborer	4.0	4.0	4.0
Groundskeeper	6.0	6.0	6.0
Building Caretaker	1.0	1.5	1.5
Horticulturist	2.0	2.0	2.0
Arborist	1.0	1.0	1.0
Landscaper	2.0	2.0	2.0
Maintenance Mechanic	4.0	4.0	4.5
Electrician	1.0	1.5	1.5
Recreation Activity Leader	2.0	2.5	2.5
Park Ranger Supervisor	1.0	1.0	1.0
Park Ranger II	1.0	1.0	1.0
Office Assistant	2.0	2.5	2.5
Financial Analyst	1.0	1.0	1.0
Administrative Coordinator	1.0	1.0	1.0
Administrative Assistant	2.0	2.5	2.5
Visual Information Specialist	1.0	1.0	1.0
Seasonal	1.0	1.0	1.0
Total	58.0	61.5	63.5

LIBRARY

LIBRARY	Type	Drivers	Elasticity
Director	Direct	<i>Annexation Plan</i>	1.0
Assistant Library Director	Direct	<i>Annexation Plan</i>	1.0
Childrens/Outreach Services Manager	Direct	<i>Annexation Plan</i>	1.0
Library Specialist	Direct	<i>Annexation Plan</i>	1.0
Branch Manager	Direct	<i>Annexation Plan</i>	1.0
Tech Services Manager	Direct	<i>Annexation Plan</i>	1.0
Librarian I	Direct	<i>Annexation Plan</i>	1.0
Librarian II	Direct	<i>Annexation Plan</i>	1.0
Library Associate Senior	Direct	<i>Annexation Plan</i>	1.0
Library Technician Senior	Direct	<i>Annexation Plan</i>	1.0
Library Technician	Direct	<i>Annexation Plan</i>	1.0
Senior Library Page	Direct	<i>Annexation Plan</i>	1.0
Library Assistant	Direct	<i>Annexation Plan</i>	1.0
Client Services Tech	Direct	<i>Annexation Plan</i>	1.0
Computer System Coordinator	Direct	<i>Annexation Plan</i>	1.0
Administrative Coordinator	Direct	<i>Annexation Plan</i>	1.0
Library Page	Direct	<i>Annexation Plan</i>	1.0

Scenario 3

LIBRARY	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Director	1.0	1.0	1.0
Assistant Library Director	1.0	1.0	1.0
Childrens/Outreach Services Manager	1.0	1.0	1.0
Library Specialist	3.0	3.0	3.0
Branch Manager	1.0	1.0	1.0
Tech Services Manager	1.0	1.0	1.0
Librarian I	8.0	8.0	8.0
Librarian II	3.0	3.0	3.0
Library Associate Senior	2.0	2.0	2.0
Library Technician Senior	4.0	4.0	4.0
Library Technician	11.5	11.5	11.5
Senior Library Page	1.0	1.0	1.0
Library Assistant	3.0	3.0	3.0
Client Services Tech	1.0	1.0	1.0
Computer System Coordinator	1.0	1.0	1.0
Administrative Coordinator	1.0	1.0	1.0
Library Page	4.0	4.0	4.0
Total	47.5	47.5	47.5

Scenario 4

LIBRARY	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
Director	1.0	1.0	1.0
Assistant Library Director	1.0	1.0	1.0
Childrens/Outreach Services Manager	1.0	1.0	1.0
Library Specialist	3.0	3.0	3.0
Branch Manager	1.0	1.0	1.0
Tech Services Manager	1.0	1.0	1.0
Librarian I	8.0	8.0	8.0
Librarian II	3.0	3.0	3.0
Library Associate Senior	2.0	2.0	2.0
Library Technician Senior	4.0	4.0	4.0
Library Technician	11.5	11.5	11.5
Senior Library Page	1.0	1.0	1.0
Library Assistant	3.0	3.0	3.0
Client Services Tech	1.0	1.0	1.0
Computer System Coordinator	1.0	1.0	1.0
Administrative Coordinator	1.0	1.0	1.0
Library Page	4.0	4.0	4.0
Total	47.5	47.5	47.5

STREETS

STREETS	Type	Drivers	Elasticity
M&O Supervisor	Indirect Pos	<i>Streets</i>	1.0
Supervisor I	Indirect Pos	<i>Streets</i>	1.0
Supervisor II	Indirect Pos	<i>Streets</i>	1.0
Heavy Equipment Operator	Direct	<i>Lane Miles (100%)</i>	1.0
Equipment Operator	Direct	<i>Lane Miles (100%)</i>	1.0
Cement Finisher	Direct	<i>Lane Miles (100%)</i>	1.0
Utility Laborer	Direct	<i>Lane Miles (70%)</i>	0.7
Utilities Director	Direct	<i>Lane Miles (100%)</i>	1.0
Dispatcher	Direct	<i>Lane Miles (100%)</i>	1.0
Maintenance Superintendent	Direct	<i>Lane Miles (100%)</i>	1.0
Switchboard Operator	Direct	<i>Lane Miles (100%)</i>	1.0
Inventory Control Technician	Direct	<i>Lane Miles (100%)</i>	1.0
Assistant Inventory Control Tech	Direct	<i>Lane Miles (100%)</i>	1.0
Office Supervisor	Indirect Pos	<i>Streets</i>	1.0
Office Specialist	Fixed	<i>N/A</i>	N/A
Office Technician	Indirect Pos	<i>Streets</i>	1.0
Office Assistant	Indirect Pos	<i>Streets</i>	1.0

Scenario 3

STREETS	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
M&O Supervisor	1.0	1.0	1.0
Supervisor I	2.0	3.0	3.0
Supervisor II	1.0	1.0	1.0
Heavy Equipment Operator	2.0	2.5	2.5
Equipment Operator	6.0	7.0	7.0
Cement Finisher	3.0	3.5	3.5
Utility Laborer	10.0	11.0	11.0
Utilities Director	0.5	0.5	0.5
Dispatcher	0.5	0.5	0.5
Maintenance Superintendent	0.5	0.5	0.5
Switchboard Operator	0.5	0.5	0.5
Inventory Control Technician	0.5	0.5	0.5
Assistant Inventory Control Tech	0.5	0.5	0.5
Office Supervisor	0.5	0.5	0.5
Office Specialist	2.0	2.0	2.0
Office Technician	0.5	0.5	0.5
Office Assistant	0.5	0.5	0.5
Total	31.5	35.5	35.5

Scenario 4

STREETS	Current FTEs	2009 FTEs (with Annex)	2025 FTEs (with Growth)
M&O Supervisor	1.0	2.0	2.0
Supervisor I	2.0	3.0	3.0
Supervisor II	1.0	2.0	2.0
Heavy Equipment Operator	2.0	2.5	2.5
Equipment Operator	6.0	7.5	7.5
Cement Finisher	3.0	4.0	4.0
Utility Laborer	10.0	11.5	11.5
Utilities Director	0.5	0.5	0.5
Dispatcher	0.5	0.5	0.5
Maintenance Superintendent	0.5	0.5	0.5
Switchboard Operator	0.5	0.5	0.5
Inventory Control Technician	0.5	0.5	0.5
Assistant Inventory Control Tech	0.5	0.5	0.5
Office Supervisor	0.5	0.5	0.5
Office Specialist	2.0	2.0	2.0
Office Technician	0.5	0.5	0.5
Office Assistant	0.5	0.5	0.5
Total	31.5	39.0	39.0

ANNUAL ESTIMATED CITY REVENUES, COSTS, AND FTES WITH ANNEXATION

SCENARIO 3

FTEs

Total Staffing (FTEs)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
City Council	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Legal-MuniCourt	36.7	42.3	43.3	43.4	43.9	43.9	43.9	44.4	44.9	44.9	44.9	44.9	45.4	45.9	45.9	47.4	47.5	47.5	48.0	48.0
Administration	8.9	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4
HR-Finance-IT	49.3	57.3	57.3	57.3	58.8	58.8	58.8	59.3	59.8	59.8	59.8	59.8	60.3	60.3	60.3	60.3	60.3	60.3	60.3	60.3
Planning	16.5	20.5	20.5	20.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5
Nghbrhoods-SnrCntr-Arts	7.1	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6
Engineering	53.0	57.0	57.0	57.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0
Police-AnimlSvcs	259.0	279.0	283.0	286.0	290.0	292.0	295.0	296.0	298.0	299.0	302.0	303.5	306.0	307.0	309.0	311.0	312.5	313.5	315.5	317.5
Fire-EMS	190.0	208.0	208.0	208.0	208.0	208.0	208.0	208.0	208.0	208.0	208.0	208.0	208.0	208.0	208.0	208.0	208.0	208.0	208.0	208.0
Parks	58.0	59.0	59.5	59.5	59.5	59.5	59.5	60.5	61.5	61.5	61.5	61.5	61.5	61.5	62.0	62.0	62.0	62.0	62.0	62.0
Library	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5
Streets	31.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5
Total	765.5	832.1	837.6	840.7	849.7	851.7	854.7	857.7	861.7	862.7	865.7	867.2	870.7	872.2	874.7	878.2	879.8	880.8	883.3	885.3

Costs (Millions)

Total Costs (\$M)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Nondepartmental	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
City Council	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.2	1.2
Legal-MuniCourt	5.3	6.2	6.6	6.9	7.2	7.5	7.8	8.3	8.7	9.0	9.4	9.8	10.2	10.7	11.2	12.0	12.5	13.0	13.6	14.2
Administration	1.8	2.0	2.0	2.1	2.2	2.3	2.4	2.4	2.5	2.6	2.7	2.9	3.0	3.1	3.2	3.3	3.5	3.6	3.7	3.9
HR-Finance-IT	4.7	5.6	5.8	6.0	6.4	6.7	7.0	7.3	7.7	8.0	8.3	8.7	9.1	9.5	9.8	10.3	10.7	11.2	11.6	12.1
Planning	1.6	2.0	2.1	2.2	2.4	2.5	2.6	2.7	2.8	2.9	3.0	3.1	3.3	3.4	3.5	3.7	3.8	4.0	4.2	4.4
Nghbrhoods-SnrCntr-Arts	1.7	2.1	2.2	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.9	3.0	3.2	3.3	3.4	3.5	3.7	3.8	4.0	4.1
Engineering	5.6	6.2	6.5	6.7	7.2	7.5	7.8	8.2	8.5	8.9	9.2	9.6	10.0	10.4	10.8	11.3	11.8	12.3	12.8	13.3
Police-AnimlSvcs	28.3	32.1	33.3	34.9	36.7	38.4	40.3	42.1	44.0	45.9	48.3	50.4	52.8	55.1	57.6	60.3	63.0	65.8	68.9	72.1
Fire-EMS	25.9	29.8	30.6	31.8	33.1	34.4	35.8	37.2	38.7	40.3	41.9	43.6	45.4	47.2	49.1	51.1	53.2	55.4	57.7	60.1
Parks	8.8	9.4	9.8	10.2	10.6	11.1	11.5	12.1	12.7	13.3	13.8	14.3	14.9	15.5	16.3	16.9	17.6	18.4	19.1	19.9
Library	4.5	4.8	4.9	5.1	5.3	5.5	5.7	5.9	6.2	6.4	6.7	7.0	7.3	7.6	7.9	8.2	8.5	8.9	9.3	9.6
Streets	2.5	2.9	3.1	3.2	3.3	3.5	3.6	3.8	3.9	4.1	4.3	4.4	4.6	4.8	5.0	5.2	5.5	5.7	5.9	6.2
NonDept-Facilities	22.7	25.7	26.6	27.9	29.3	30.4	31.5	32.6	34.0	35.2	36.4	37.9	39.7	41.4	42.9	44.4	46.2	48.0	50.1	51.8
TOTAL	113.8	129.3	133.9	139.8	146.7	152.8	159.2	165.9	173.2	180.1	187.8	195.5	204.2	212.9	221.8	231.3	241.1	251.1	262.1	273.0

Revenues (Millions)

Total Revenues (\$M)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Sales Tax	25.2	28.5	29.6	31.9	35.5	36.5	37.9	39.9	41.1	43.2	45.3	47.7	50.1	52.7	55.4	58.2	61.2	64.4	67.7	71.3
Criminal Justice Sales Tax	1.6	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	3.0	3.1	3.2	3.4	3.5	3.7	3.8	4.0	4.1
Property Tax/Road Levy	26.3	30.1	30.5	31.4	32.4	33.6	34.5	35.4	36.3	37.1	37.9	38.7	39.6	40.5	41.4	42.3	43.2	44.1	45.1	46.0
Leasehold Excise Tax	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6
Utility Taxes	15.7	17.2	17.9	18.8	19.8	20.8	21.8	22.8	23.8	24.8	25.8	26.9	28.0	29.2	30.4	31.7	33.0	34.4	35.9	37.4
Admissions Tax	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6
Gambling Tax	0.9	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.4	1.4	1.5	1.5	1.6	1.6	1.7
Transit Tax	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Building Permits	1.4	2.1	2.2	2.3	2.5	2.6	2.7	2.8	3.0	3.1	3.2	3.4	3.5	3.6	3.8	4.0	4.1	4.3	4.5	4.7
Business Licenses and Permits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Natural Gas Use Tax	1.3	1.4	1.4	1.5	1.5	1.6	1.6	1.7	1.8	1.8	1.9	2.0	2.0	2.1	2.2	2.2	2.3	2.4	2.5	2.6
Emergency Management Services Levy	4.3	4.9	8.5	8.7	9.0	9.3	9.6	9.8	12.8	13.1	13.3	13.6	13.9	14.2	18.9	19.3	19.7	20.1	20.6	21.0
Liquor Board Profits and Excise Tax	1.2	1.3	1.4	1.5	1.6	1.6	1.7	1.8	1.9	2.0	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.9	3.0
Gas Tax (Street Maintenance)	1.7	2.0	2.1	2.2	2.3	2.4	2.5	2.7	2.8	2.9	3.0	3.1	3.3	3.4	3.6	3.7	3.9	4.0	4.2	4.4
Planning and Plan Check Fees	0.4	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.1	1.2
Property Management Revenues	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.2
Fines and Forfeits	2.2	2.5	2.7	2.8	3.0	3.1	3.3	3.4	3.6	3.7	3.9	4.0	4.2	4.4	4.6	4.8	5.0	5.2	5.4	5.7
Recreation Charges	1.3	1.5	1.5	1.6	1.7	1.8	1.9	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.9	3.1	3.2
Grants & Other Intergovernmental	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other Charges	1.9	2.2	2.3	2.4	2.6	2.7	2.8	3.0	3.1	3.2	3.4	3.5	3.6	3.8	4.0	4.1	4.3	4.5	4.7	4.9
B&O Tax	16.0	17.9	19.0	20.3	21.9	22.9	24.1	25.4	26.5	28.0	29.5	31.1	32.7	34.5	36.4	38.3	40.4	42.6	44.9	47.3
Ambulance Transport Fees	1.6	1.8	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.9	3.0	3.1	3.2	3.4	3.5	3.7	3.8
Internal Charges for Service	3.2	3.4	3.6	3.7	3.9	4.1	4.3	4.5	4.7	4.9	5.1	5.3	5.6	5.8	6.1	6.3	6.6	6.9	7.1	7.4
Total Before Sales Tax Credit	107.8	121.8	129.8	136.6	145.4	151.1	157.1	163.7	172.2	179.1	186.4	193.9	201.8	210.0	223.0	232.0	241.5	251.5	261.8	272.7
Sales Tax Credit	0.0	2.2	2.3	2.3	1.9	1.2	1.4	1.4	2.0	2.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total After Sales Tax Credit	107.8	124.0	132.1	138.9	147.3	152.3	158.5	165.2	174.2	181.1	188.5	193.9	201.8	210.0	223.0	232.0	241.5	251.5	261.8	272.7
Surplus/Deficit (\$M)	(6.0)	(5.3)	(1.8)	(0.9)	0.5	(0.6)	(0.7)	(0.7)	1.0	1.0	0.7	(1.6)	(2.4)	(2.9)	1.1	0.7	0.5	0.4	(0.3)	(0.3)

SCENARIO 4

FTEs

Total Staffing (FTEs)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
City Council	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Legal-MuniCourt	36.7	44.9	44.9	45.4	45.9	47.4	47.5	48.0	48.0	48.0	48.0	48.0	48.5	48.5	48.5	48.5	48.5	49.0	49.0	49.0
Administration	8.9	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4
HR-Finance-IT	49.3	58.8	59.3	59.3	60.3	60.3	60.3	60.3	60.3	60.3	60.3	60.3	60.3	60.3	60.3	60.8	60.8	60.8	60.8	60.8
Planning	16.5	20.5	20.5	20.5	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Nghbrhoods-SnrCntr-Arts	7.1	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6
Engineering	53.0	58.5	58.5	58.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5	60.5
Police-AnimlSvcs	259.0	293.5	297.5	301.5	305.5	307.5	310.5	311.5	313.5	316.5	319.0	320.5	322.5	324.5	325.5	328.0	330.0	331.0	333.0	334.0
Fire-EMS	190.0	221.0	221.0	221.0	221.0	221.0	221.0	221.0	221.0	221.0	221.0	221.0	221.0	221.0	221.0	221.0	221.0	221.0	221.0	221.0
Parks	58.0	61.5	61.5	61.5	61.5	61.5	61.5	62.0	62.0	62.0	62.0	62.5	62.5	63.0	63.5	63.5	63.5	63.5	63.5	63.5
Library	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5
Streets	31.5	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0
Total	765.5	871.2	875.7	880.2	889.2	892.7	895.8	897.8	899.8	902.8	905.3	907.3	909.8	912.3	913.8	916.8	918.8	920.3	922.3	923.3

Costs (Millions)

Total Costs (\$M)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Nondepartmental	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
City Council	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.2	1.2
Legal-MuniCourt	5.3	6.6	6.9	7.2	7.6	8.1	8.5	8.9	9.3	9.6	10.0	10.5	11.0	11.4	11.9	12.4	12.9	13.5	14.1	14.7
Administration	1.8	2.0	2.0	2.1	2.2	2.3	2.4	2.4	2.5	2.6	2.7	2.9	3.0	3.1	3.2	3.3	3.5	3.6	3.7	3.9
HR-Finance-IT	4.7	5.7	5.9	6.2	6.6	6.8	7.1	7.4	7.7	8.0	8.4	8.7	9.1	9.5	9.8	10.3	10.8	11.2	11.7	12.2
Planning	1.6	2.0	2.1	2.2	2.4	2.5	2.6	2.7	2.8	3.0	3.1	3.2	3.3	3.5	3.6	3.8	3.9	4.1	4.3	4.5
Nghbrhoods-SnrCntr-Arts	1.7	2.1	2.2	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.9	3.0	3.2	3.3	3.4	3.5	3.7	3.8	4.0	4.1
Engineering	5.6	6.4	6.6	6.9	7.4	7.7	8.0	8.4	8.7	9.1	9.4	9.8	10.2	10.6	11.1	11.5	12.0	12.5	13.1	13.6
Police-AnimlSvcs	28.3	33.9	34.8	36.6	38.5	40.3	42.3	44.1	46.1	48.5	50.7	53.0	55.4	58.0	60.5	63.4	66.3	69.2	72.4	75.6
Fire-EMS	25.9	31.5	32.2	33.5	34.8	36.2	37.7	39.2	40.7	42.4	44.1	45.9	47.8	49.7	51.7	53.9	56.1	58.4	60.8	63.3
Parks	8.8	9.7	10.1	10.5	10.9	11.3	11.8	12.3	12.8	13.4	13.9	14.5	15.1	15.9	16.6	17.3	18.0	18.7	19.5	20.3
Library	4.5	4.9	4.9	5.1	5.3	5.5	5.7	5.9	6.2	6.4	6.7	7.0	7.3	7.6	7.9	8.2	8.5	8.9	9.3	9.6
Streets	2.5	3.3	3.4	3.6	3.7	3.9	4.1	4.2	4.4	4.6	4.8	5.0	5.2	5.4	5.6	5.9	6.1	6.4	6.7	7.0
NonDept-Facilities	22.7	26.7	27.7	28.7	30.5	31.6	32.8	34.3	35.5	36.7	38.0	39.5	41.7	43.2	44.7	46.5	48.1	50.4	52.1	54.0
TOTAL	113.8	135.3	139.6	145.4	153.0	159.4	166.2	173.2	180.3	187.9	195.6	203.8	213.1	222.0	231.1	241.0	251.0	261.9	272.8	284.0

Revenues (Millions)

Total Revenues (\$M)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Sales Tax	25.2	28.8	29.8	32.2	35.8	36.8	38.2	40.1	41.4	43.4	45.6	48.0	50.4	53.0	55.7	58.5	61.5	64.7	68.0	71.6
Criminal Justice Sales Tax	1.6	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	3.0	3.1	3.2	3.4	3.5	3.7	3.8	4.0	4.2	4.3	4.5
Property Tax/Road Levy	26.3	33.6	33.4	34.4	35.5	36.7	37.7	38.7	39.6	40.5	41.4	42.3	43.2	44.1	45.1	46.1	47.0	48.0	49.1	50.1
Leasehold Excise Tax	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6
Utility Taxes	15.7	17.9	18.7	19.6	20.6	21.7	22.7	23.8	24.8	25.8	26.9	28.0	29.2	30.4	31.7	33.0	34.4	35.9	37.4	38.9
Admissions Tax	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6
Gambling Tax	0.9	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.4	1.4	1.5	1.5	1.6	1.6	1.7
Transit Tax	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Building Permits	1.4	2.2	2.3	2.3	2.5	2.6	2.8	2.9	3.0	3.1	3.3	3.4	3.5	3.7	3.8	4.0	4.2	4.3	4.5	4.7
Business Licenses and Permits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Natural Gas Use Tax	1.3	1.4	1.4	1.5	1.5	1.6	1.6	1.7	1.8	1.8	1.9	2.0	2.0	2.1	2.2	2.2	2.3	2.4	2.5	2.6
Emergency Management Services Levy	4.3	5.4	9.2	9.4	9.7	10.1	10.3	10.6	13.8	14.1	14.4	14.7	15.1	15.4	20.4	20.8	21.3	21.7	22.2	22.6
Liquor Board Profits and Excise Tax	1.2	1.4	1.6	1.6	1.7	1.8	1.9	2.0	2.1	2.1	2.2	2.3	2.4	2.5	2.6	2.8	2.9	3.0	3.1	3.3
Gas Tax (Street Maintenance)	1.7	2.2	2.3	2.4	2.5	2.6	2.8	2.9	3.0	3.1	3.3	3.4	3.6	3.7	3.9	4.0	4.2	4.4	4.6	4.8
Planning and Plan Check Fees	0.4	0.5	0.5	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.1	1.2	1.2
Property Management Revenues	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.2
Fines and Forfeits	2.2	2.7	3.0	3.1	3.2	3.4	3.6	3.7	3.9	4.1	4.2	4.4	4.6	4.8	5.0	5.2	5.4	5.7	5.9	6.2
Recreation Charges	1.3	1.5	1.6	1.7	1.8	1.9	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	3.0	3.1	3.2	3.4
Grants & Other Intergovernmental	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other Charges	1.9	2.4	2.6	2.7	2.8	2.9	3.1	3.2	3.4	3.5	3.7	3.8	4.0	4.2	4.3	4.5	4.7	4.9	5.1	5.3
B&O Tax	16.0	18.0	19.1	20.4	22.1	23.1	24.2	25.5	26.7	28.1	29.6	31.2	32.9	34.7	36.5	38.5	40.6	42.7	45.0	47.5
Ambulance Transport Fees	1.6	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7	2.8	2.9	3.0	3.1	3.3	3.4	3.6	3.7	3.9	4.0
Internal Charges for Service	3.2	3.5	3.7	3.8	4.0	4.2	4.4	4.6	4.8	5.0	5.2	5.4	5.7	5.9	6.2	6.4	6.7	7.0	7.3	7.6
Total Before Sales Tax Credit	107.8	128.0	135.8	142.8	151.8	157.7	163.9	170.7	179.6	186.8	194.2	202.0	210.1	218.6	232.0	241.4	251.1	261.3	271.9	283.0
Sales Tax Credit	0.0	3.7	3.9	3.7	3.7	3.1	3.6	3.9	3.8	4.4	4.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total After Sales Tax Credit	107.8	131.8	139.7	146.5	155.5	160.8	167.5	174.6	183.5	191.1	198.7	202.0	210.1	218.6	232.0	241.4	251.1	261.3	271.9	283.0
Surplus/Deficit (\$M)	(6.0)	(3.5)	0.1	1.1	2.5	1.4	1.3	1.4	3.2	3.2	3.0	(1.8)	(3.0)	(3.4)	0.9	0.4	0.1	(0.6)	(0.9)	(1.0)