

City of Sequim 2017 Budget

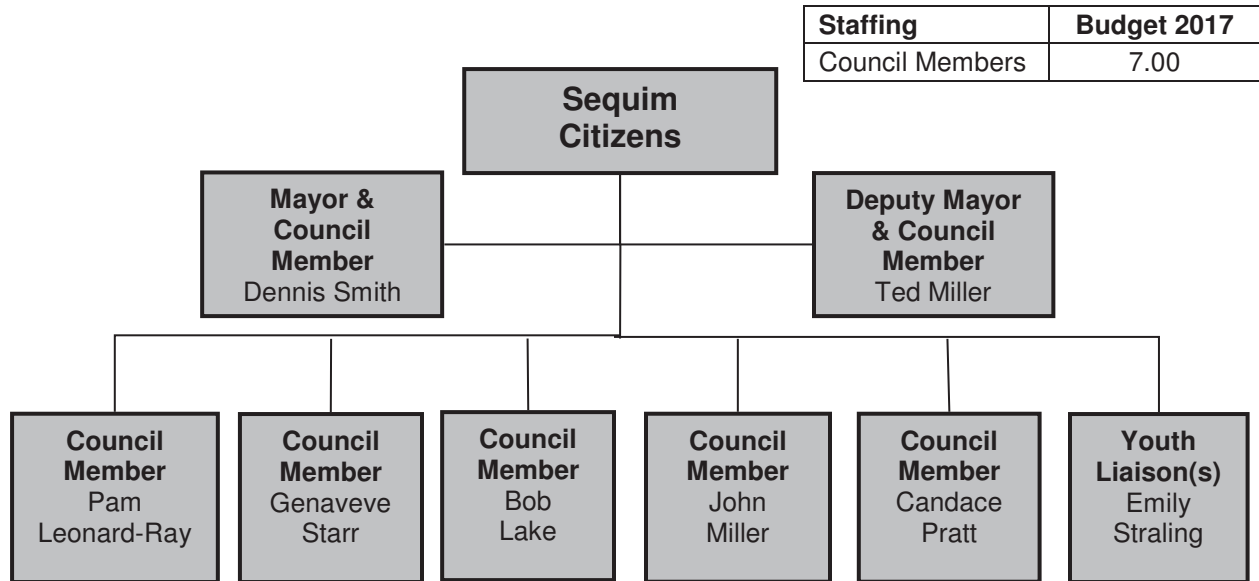
City Council and City Administration

*Providing for a Safe & Sustainable,
Connected Community*



City Of Sequim Department Description

City Council



- Adopts local ordinances and resolutions
- Approves contracts
- Establishes policy
- Approves the budget
- Approves various land use actions
- Listens to concerns/suggestions from residents
- Appoints the City Manager
- Establishes various committees and confirms appointments to those committees
- Mayor serves as the ceremonial head of the City

The City of Sequim operates under the council-manager form of government. Under the council–manager form of government for municipalities, the elected governing body (**City Council**) is responsible for the legislative function of the municipality such as establishing policy, adopting local ordinances, establishing an annual budget, and developing an overall vision.

The Council is made up of seven members elected at large on a non-partisan basis for overlapping four-year terms. Every two years Council members elect a Mayor and Deputy Mayor from among their membership to lead the Council’s business meetings and represent the City at official functions. In 2004 the City Council adopted a resolution creating up to two positions for student representation on the council.

Work by the Council involves considerable interaction with citizens, commissions, other governmental agencies, and staff. Regular meetings of the Council are held every second and fourth Monday evening starting at 6:00 p.m. Work sessions are held prior to the regular meeting, if necessary, to devote extra study to an issue.

Short-Term Priorities (1 – 2 years)

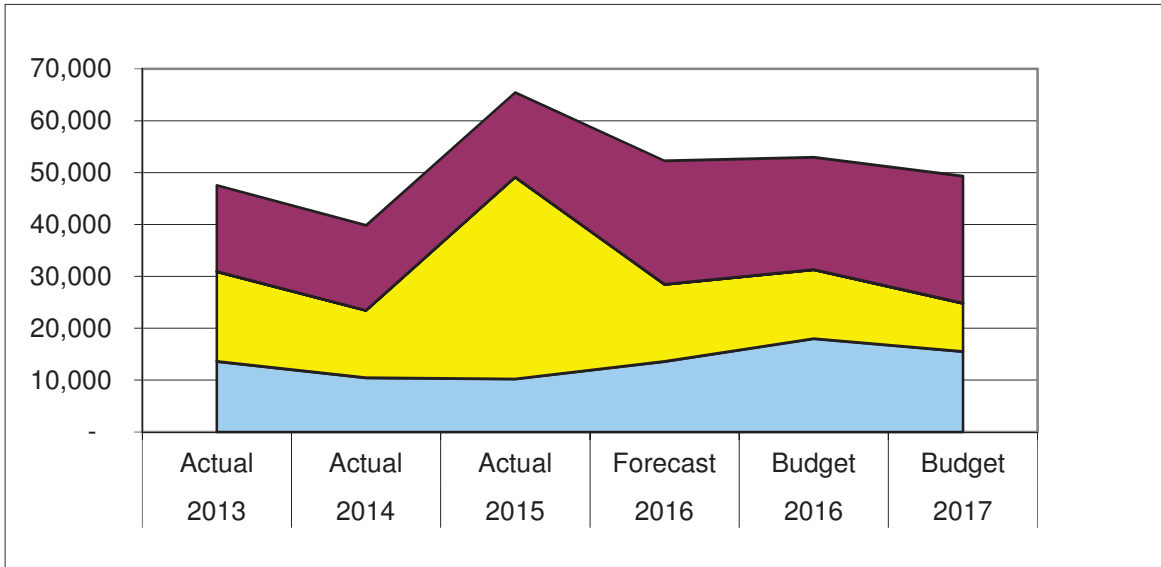
- ❖ Fund and carry out the transportation plan
- ❖ Develop a solid waste plan
- ❖ Encourage regional cooperation for common interests
- ❖ Partner with non-profits and the faith community to help the homeless community
- ❖ Develop an economic development plan specific to Sequim
- ❖ Complete improvements to the Guy Cole Convention Center, reopen for rental, and seek further funding for additional improvements
- ❖ Take short-term emergency preparedness measures
- ❖ Create a plan for neighborhood improvements
- ❖ Develop a crime prevention strategy

2017 Budget Summary

- ❖ Slight decrease in council retreat and election expenses

**City of Sequim
2017 Budget
5-Year Summary**

City Council Expenses



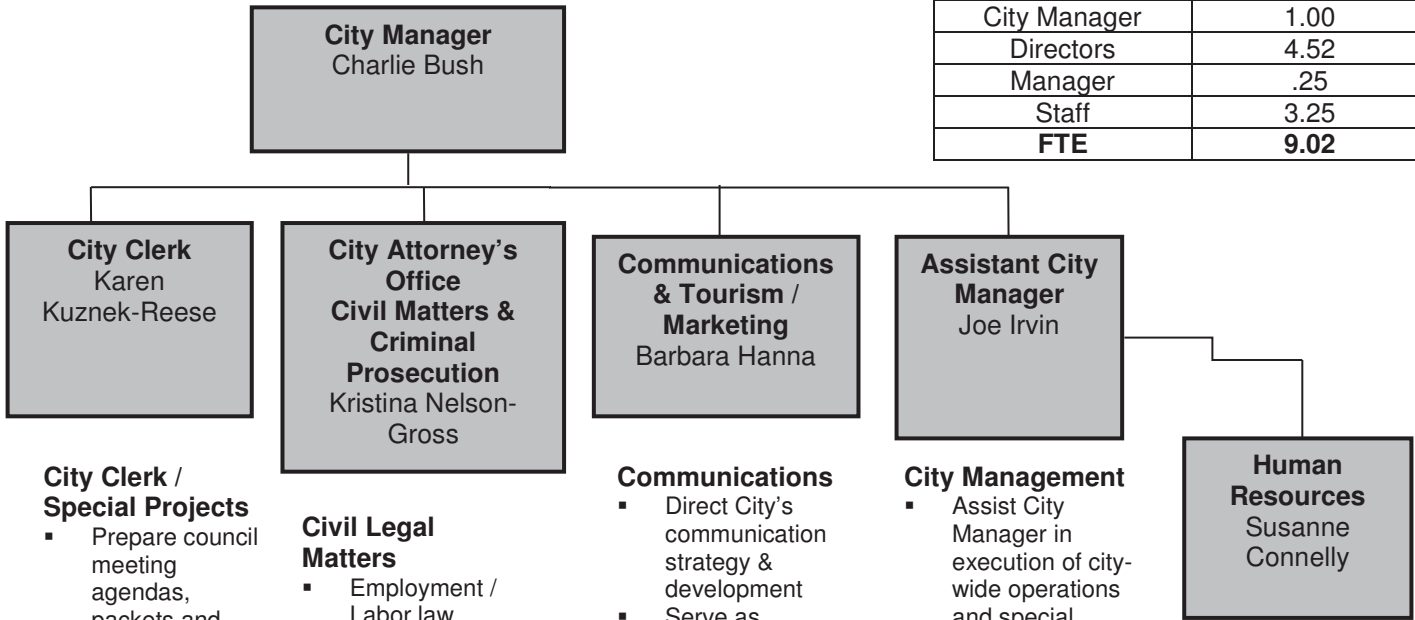
	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016	
							Amount	%
Salaries & Benefits	16,554	16,356	16,301	23,851	21,684	24,539	2,855	13%
Operating Supplies				-	-	-	-	0%
Charges for Services	17,367	13,011	38,930	14,868	13,275	9,300	-3,975	-30%
Intergovernmental	13,589	10,448	10,217	13,567	18,000	15,500	-2,500	-14%
Total Expenses	47,510	39,815	65,448	52,286	52,959	49,339	(3,620)	-7%



**City of Sequim
Department Description**

**City Administration
City Manager, City Clerk, City Attorney, Communications
Human Resources & Administrative Pool
Arts & Culture (restricted) & Hotel/Motel (restricted)**

Staffing	Budget 2017
City Manager	1.00
Directors	4.52
Manager	.25
Staff	3.25
FTE	9.02



**City Clerk /
Special Projects**

- Prepare council meeting agendas, packets and minutes
- Manage official City records and serves as Public Records Officer
- Publish, update & distribute City ordinances & code
- Open Public Meetings Act & legal notice compliance
- Gifting & Donations
- Volunteer Program
- Manages the City Arts Advisory Commission , their programming and master planning efforts

**Civil Legal
Matters**

- Employment / Labor law
- Contracts
- Prepare ordinances and resolutions
- Advise City representatives on all legal issues
- Municipal Court Services
- Employment law compliance

**Criminal
Prosecution**

- Monitor all Criminal Justice Services

Communications

- Direct City's communication strategy & development
- Serve as internal consultant on communications
- Contact point for citizens & community groups
- Handle or advise on media issues
- Manage content & publishing of monthly utility newsletter

**Tourism/
Marketing**

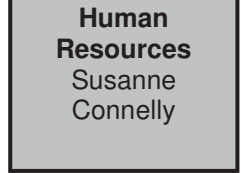
- Develop & implement marketing plan
- Increase tourism through advertising & public relations vehicles
- Work with Lodging Tax Advisory Committee
- Represent City & partner with other tourism organizations

City Management

- Assist City Manager in execution of city-wide operations and special projects integral to the management of the city
- Review and conduct studies on operational, administrative, policy and legislative issues
- Research, analyze, recommend and administer approved policies and procedures necessary to provide and improve services
- Lead projects and initiatives as assigned
- Parks Management and Planning

**Administrative
Pool**

- Provide overall administrative support to the organization

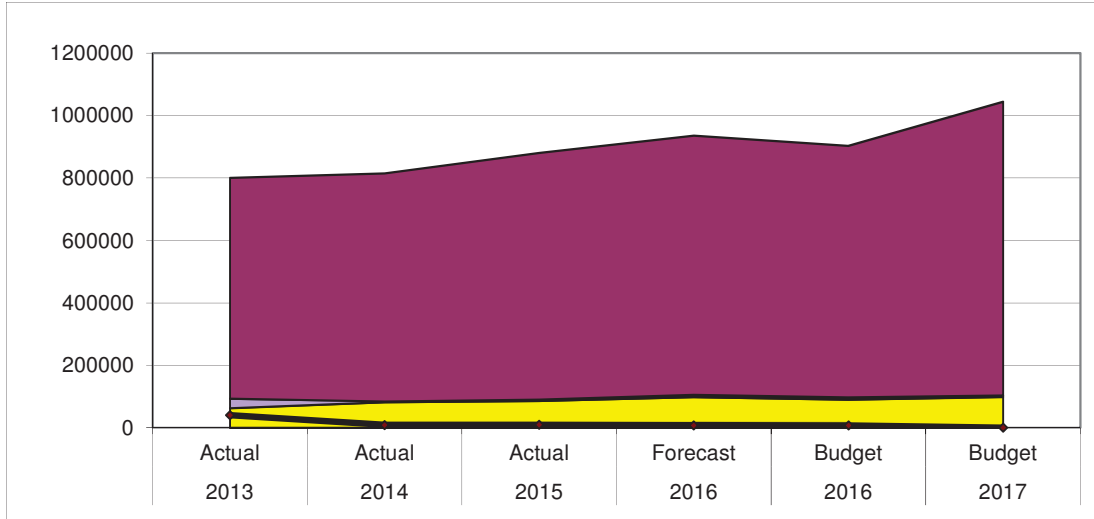


**Human
Resources**

- Compensation & benefits
- Training
- Recruitment and selection
- Employee relations
- Labor Relations
- H.R. city-wide policy administration
- Civil Service Commission

**City of Sequim
2017 Budget
5-Year Summary**

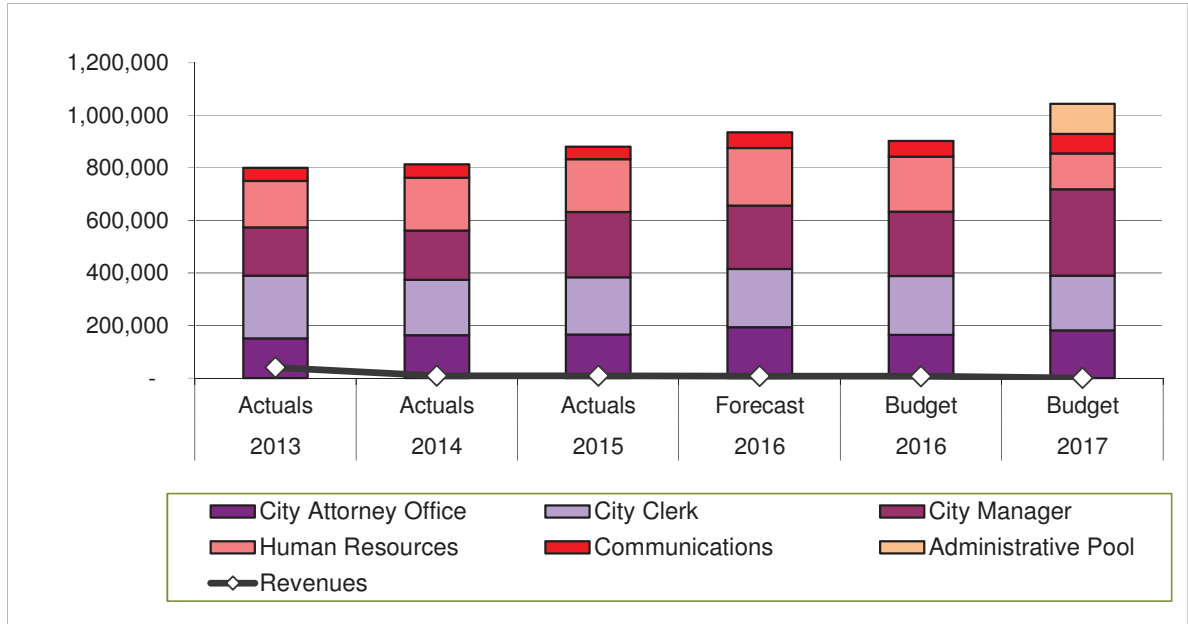
**City Administration Expenses
City Manager, Clerk, Attorney, Communications
Human Resources & Administrative Pool**



	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016 Amount	%
Revenues								
011 Clerk	40,226	7,950	8,504	7,734	7,125	-	(7,125)	-100%
012 City Manager				-	-	-	-	0%
013 City Attorney				-	-	-	-	0%
015 Communications				110	-	-	-	0%
016 Human Resources		610	565	-	-	-	-	0%
060 Administrative Pool				effective 2017		-	-	0%
Revenues	40,226	8,560	9,069	7,844	7,125	-	(7,125)	-100%
Expenses								
Salaries & Benefits	707,130	729,839	789,987	829,828	805,529	940,545	135,016	17%
Operating Supplies	30,223	2,362	4,691	6,948	6,950	5,000	(1,950)	-28%
Charges for Services	62,789	82,068	85,652	98,533	90,341	98,706	8,365	9%
Intergovernmental				-	-	-	-	0%
Capital (Equip > \$7,500)				-	-	-	-	0%
Transfers (Equip Reserve)				-	-	-	-	0%
Total Expenses	800,142	814,269	880,330	935,309	902,820	1,044,251	141,431	16%

**City of Sequim
2017 Budget
5-Yr Summary**

**City Administration Expenses by Department
City Manager, Clerk, Attorney, Communications,
Human Resources & Administrative Pool**



	2013 Actuals	2014 Actuals	2015 Actuals	2016 Forecast	2016 Budget	2017 Budget	2017-2016	
							Amount	%
Revenues								
011 Clerk	40,226	7,950	8,504	7,734	7,125	-	(7,125)	-100%
012 City Manager	-	-	-	-	-	-	-	0%
013 City Attorney	-	-	-	-	-	-	-	0%
015 Communications	-	-	-	110	-	-	-	0%
016 Human Resources	-	610	565	110	-	-	-	0%
Revenues	40,226	8,560	9,069	7,844	7,125	-	(7,125)	-100%

	2013	2014	2015	2016 Forecast	2016 Budget	2017 Budget	2017-2016	
							Amount	%
Expenses								
City Manager	183,482	188,238	247,855	240,909	244,004	328,080	84,076	34%
City Clerk	239,351	210,299	218,477	222,387	224,109	208,810	(15,299)	-7%
City Attorney Office	151,068	163,555	165,861	193,457	164,855	181,593	16,738	10%
Communications	49,791	52,204	46,971	58,903	59,602	74,224	14,622	25%
Human Resources	176,450	199,974	201,165	219,653	210,249	136,673	(73,576)	-35%
Administrative Pool	-	-	-	-	-	114,870	114,870	100%
Total City Administration	800,142	814,270	880,329	935,309	902,819	1,044,250	141,431	16%

City Of Sequim Budget Overview

City Administration City Manager, Clerk, Attorney, Communications, Human Resources & Administrative Pool Charlie Bush, City Manager

Department Descriptions

City Manager

The mission of the City Manager's Office is to implement the City Council's goals and vision for the community, provide organizational leadership, strategic direction, and ensure the delivery of efficient and effective public facilities and services. To accomplish this, the Manager resolves issues by promoting effective two-way communication among the City Council, citizens, community/regional stakeholders and staff. The City Manager also makes policy recommendations to the Council, implements Council policy decisions and directives, prepares the recommended annual budget, the long range financial plan, appoints and evaluates Department Heads, and interacts with Council, citizens, commissions, other governmental agencies and staff. The City Manager also evaluates City operations, customer service practices and identifies opportunities for improvement. The City Manager is responsible for the efficient, ethical, and professional management of all affairs and departments operating within the city. In 2017, the Assistant City Manager assumes responsibility for overseeing the Human Resources function as well as a new Administrative Pool that will provide overall support to the Organization.

City Clerk

This office is responsible for all public records, assures compliance with the Open Public Meetings Act, public notice requirements, Sequim Municipal Code updates, and records management laws, provides administrative support of the City Council and City Manager, prepares Council agenda packets, attends and records minutes for the City Council, Planning Commission, Arts Commission and is responsible for management of the Volunteer Program and Human Services funding. The City Clerk also coordinates donations, special events and projects on behalf of the City Arts Advisory Commission.

City Attorney

The City Attorney serves as legal advisor to the City Council, City Manager, staff and boards/commissions. This department helps conduct City business and reduces risk of loss caused by legal issues. It prosecutes or defends litigation; drafts and reviews Council agenda items, contracts and interlocal agreements; assesses compliance with statutes, regulations and rules; recommends changes to the Sequim Municipal Code; and advises staff on public records responses. This Department will also be taking on additional responsibilities in 2017 typically associated with the Human Resources Department.

Public records is a top priority for this office. The office intends to provide increased training in this area for our Legal Assistant and develop and implement best practices in responding to and managing requests.

Code revisions have already begun, and Council can expect to see more of these throughout 2017. The focus will be on those provisions that eliminate government "red-tape" and confusion and those areas in which the law has changed.

Communications

Develops and implements various strategies as they relate to both internal and external communications. The Communications Director serves as an internal consultant to the City Council, City Manager and other departments, as requested, on communication strategies and methods, serves as the City's liaison to community organizations, advises on or handles high profile media issues, produces and oversees the publication of the monthly utility newsletter.

Human Resources

This function provides strategic advice to operational management to enhance the performance of the City staff. The HR department covers a broad range of responsibilities including: staff recruiting and selection, employee compensation and benefits, HR strategic planning and analysis, Equal Employment Opportunity compliance, employee development and career planning, performance review management, employee and union labor/management relations, coordination of workers compensation, policy development and serves as the Civil Service Chief Examiner for the Police Department.

City Of Sequim Budget Overview

Administrative Pool

The City Manager's Office evaluates City customer service practices and identifies opportunities for continuous improvement. In this year's budget process, we reviewed all administrative level positions and tasks across departments to consider if centralizing some work assignments could improve efficiencies without additional staffing. This analysis resulted in shifting and combining some job duties and reporting relationships of existing employees to create an Administrative Pool responsible for second floor reception and administrative support for enhanced customer service.

2017 Key Goals

City Manager

- ❖ Accomplish the City Council's adopted priorities
- ❖ Propose a balanced and sustainable long-range financial plan.
- ❖ Implement the transition to develop an effective Senior Management Team.
- ❖ Enhance Organizational Development City-wide.
- ❖ Provide administrative support to the organization through implementation of an Administrative Pool.
- ❖ Provide oversight of the Human Resources function.

City Clerk

- ❖ Continue to digitize the City's paper records increasing accessibility for staff and public and reducing storage needs
- ❖ Develop a city-wide electronic records file structure and policy
- ❖ Work with the City Arts Advisory Commission to implement those items outlined in their Annual Report increasing awareness of arts and culture in the community
- ❖ Implement new software to increase efficiencies in departmental functions

City Attorney, Civil Legal Matters

- ❖ Continue to minimize unnecessary legal costs
- ❖ Continue to update our Sequim Municipal Code to correct inefficiencies, regulatory gaps, changes in the law, and general housekeeping
- ❖ Collaborate with other departments/agencies for long-term solutions for socio-legal problems such as code enforcement, homelessness, water/storm water issues,
- ❖ Integrating certain Human Resources responsibilities into the City Attorney's Office
- ❖ Transition of new City Attorney

Communications

- ❖ Take on a larger role in Organizational Development by supporting the City's move towards becoming a High Performance Organization
- ❖ Continue to focus on emergency management preparation.
- ❖ Continue to develop social media resources as a communications tool for Sequim citizens.

Human Resources

- ❖ Manage several recruitments and succession planning projects related to pending department head level retirements
- ❖ Continue to provide legal compliance and employee training support
- ❖ Partner with Administrative Services to continue monitoring all employee benefit plans and costs, including the potential legal and financial impacts of the Affordable Care Act
- ❖ Continue to coordinate closely with Administrative Services in sharing staff support of Payroll Administrator/HR Specialist in safety records, workers compensation and several other city-wide programs

City Of Sequim Budget Overview

2017 Budget Summary

City Manager

This budget increased by \$84k (34%) primarily due to reallocation of resources from other departments toward City-wide initiatives, including Organizational Development, and management of the Council Goal Work Plan.

- ❖ The Assistant to the City Manager's position was elevated to Assistant City Manager and now 100% of salary and benefits is accounted for in this budget. In the past 50% of the Assistant was charged to Parks and the Reuse.
- ❖ City-Wide Lean training (\$10k) was added to the budget (balanced against reductions in the Management Retreat expenses). This city-wide initiative intends to improve our service delivery to citizens by more effectively reducing variation, waste and delays.
- ❖ Tuition reimbursement funds have been added for employee pursuit of an advanced degree.
- ❖ Funds for participation in the Innovation Academy have been added in an effort to:
 - Build cross functional teams which have the capacity to address organizational and community issues
 - Expand organizational capacity for ongoing innovation
 - Learn more about the City's organizational culture and how to cultivate leadership
 - Undertake a new project contributing to the City or to address a community issue

City Clerk

This budget temporarily decreases by \$15k (7%) overall as the department restructures due to a retirement. There were slight increases made in the Clerk's budget to provide for costs associated with anticipated code updates.

City Attorney

- ❖ Organizational changes resulted in moving .15 FTE of the City Attorney's salary and benefits back into this budget from Criminal Prosecution.
- ❖ Increased training budgets for staff
- ❖ Budgeted for web-based legal research subscription to assist in more comprehensive and efficient legal research

Communications

Staff salary allocation remains at a 50-50 split between tourism marketing and city-wide communications functions. The training budget reflects an increase to allow staff to attend the Lead Conference (HPO) and the Transforming Local Government Conference. Tuition reimbursement funds have been added for employee pursuit of an advanced degree.

Human Resources

This budget decreased by \$74k (35%):

- ❖ Effective January 1, 2017, this function is reducing staffing levels to allow funding for other City goals and projects. Therefore, some areas of responsibility are shifting to other positions. Primary responsibility for benefits administration is moving to Administrative Services. The role of administrative coordinator of the City-Wide Safety Committee is also moving to Administrative Services. The primary contact for policy development correlated with legal compliance, including Federal leave laws (such as FLSA, FMLA, ADA, EEO) will be our new City Attorney, with Human Resources as support. Training specific to employee organizational development initiatives are being shifted to the positions of Assistant City Manager position and Communication & Marketing Director, with support from Human Resources.

Administrative Pool

In 2017, the Administrative Pool will be implemented. Internal staff resources have been reallocated to this department, which comprises the majority of the 2017 budgeted expenses of \$115k. In addition to the reallocated staff, .25 FTE of the new DCD Specialist will provide support for this new function in the organization.



City Of Sequim Budget Overview

City Administration Arts & Culture Fund (General Fund)

Karen Kuznek-Reese, City Clerk

Department Description

Arts & Culture

This fund includes money allocated for public art and cultural events and activities. This includes such events as Music in the Park, Keying Around and other programs and activities being developed by the City Arts Advisory Commission. This fund also includes donations and sponsorships from the community to help fund these various programs and provide art in public spaces. All donations that are accepted must meet City guidelines (i.e. design standards for structures) as applicable.

2017 Key Goals

Arts & Culture

- ❖ Implement those programs identified in the 2016 annual report such as rotating art exhibits, wearable “trashion” show
- ❖ Create or support activities and events that will contribute to a greater quality of life and provide increased community support and involvement

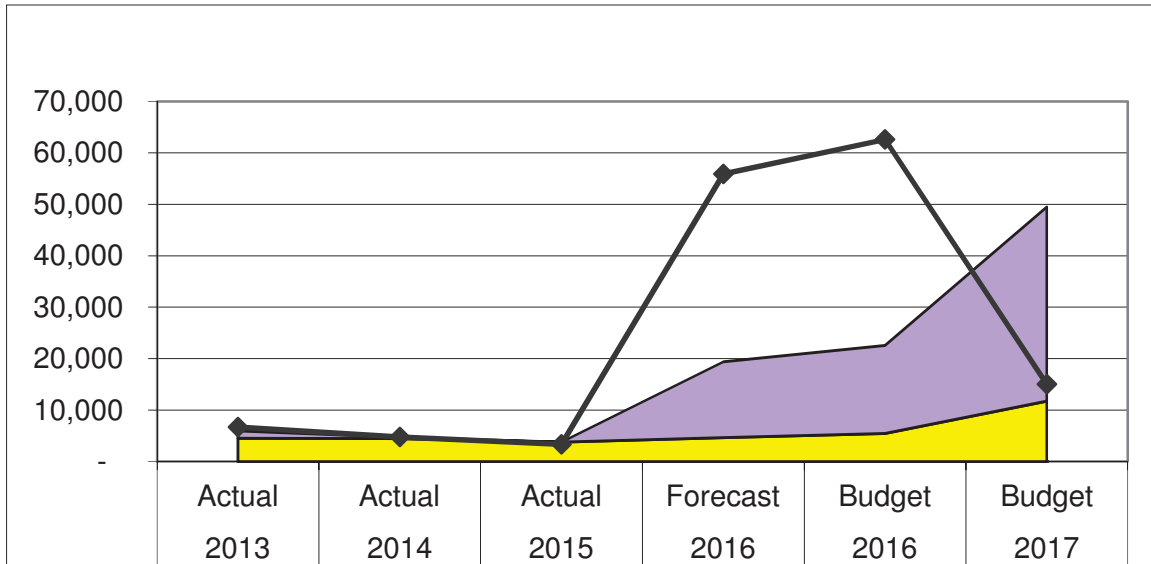
2017 Budget Summary

Arts & Culture

This budget increased \$27k (119%) due to increased activity directed by the Arts Commission and also due to funding carried over from the Civic Center project. Additional arts and cultural activities will be executed as reported in the Arts Commission’s annual report. (This fund was previously called the Gifting and Donations Fund but most donations are now tracked through the appropriate departments (e.g., K-9 is tracked through the Police Department, memorial benches are tracked through the Parks Budget, etc.)

**City of Sequim
2017 Budget
5-Year Summary**

Arts & Culture-Arts Commission Programs



	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016	
							Amount	%
Beginning Fund Balance	633	1,373	1,448	1,017	1,830	37,555	35,725	1952%
Revenues	6,716	4,761	3,339	55,910	62,600	15,000	(47,600)	-76%
Operating Supplies	1,447	224		14,700	17,100	37,760	20,660	121%
Charges for Services	4,529	4,462	3,770	4,672	5,470	11,720	6,250	114%
Capital (Equip > \$7,500)				-	-	-		0%
NonExpenses				-	-	-		0%
Total Expenses	5,976	4,686	3,770	19,372	22,570	49,480	26,910	119%
Surplus / (Deficit)	740	75	(431)	36,538	40,030	(34,480)	(74,510)	-186%
Ending Fund Balance	1,373	1,448	1,017	37,555	41,860	3,075	(38,785)	-93%

City Of Sequim Budget Overview

City Administration Criminal Prosecution Services Kristina Nelson-Gross, City Attorney

Department Description

Criminal Prosecution/Municipal Court

These activities have been contracted with Clallam County, which so far, seems to be working as intended. The contract provides a flat fee for prosecution, public defense, court, and jail services, which provides more stability to the City's budget. Because of this change, the Legal Assistant will be utilized in the Police Department half-time to assist them in achieving over-due administrative tasks.

2017 Budget Goals

Criminal Prosecution Services

- ❖ Continue to monitor the effectiveness of our contract for Criminal Justice Services with Clallam County

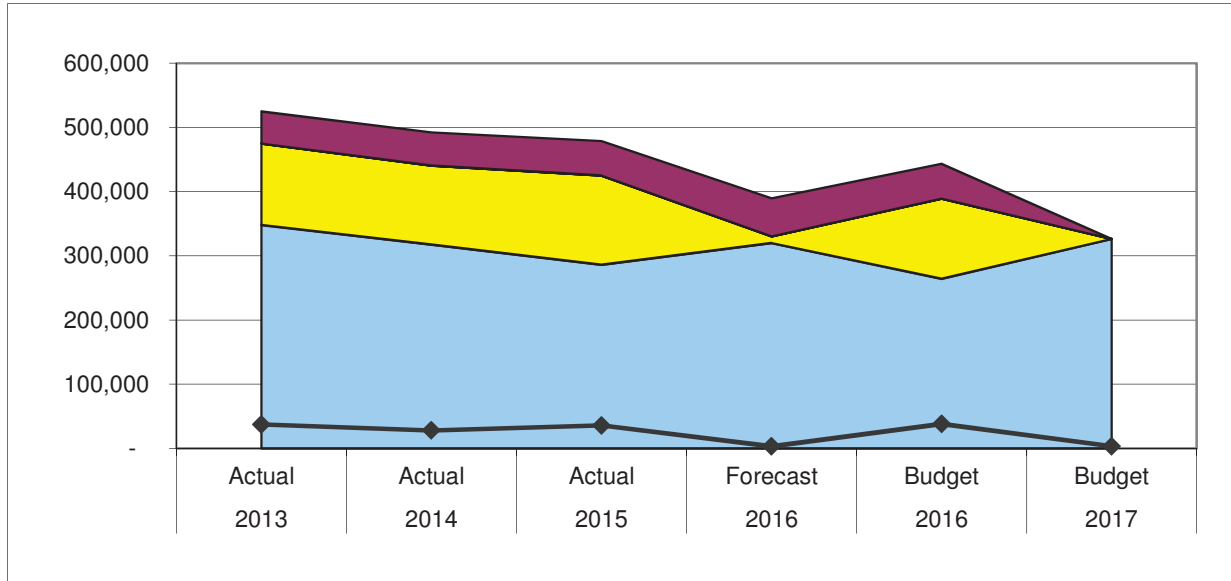
2017 Budget Summary

Criminal Prosecution

- ❖ The City has an agreement with the County for flat rate Criminal Justice Services, including Municipal Court, prosecution, defense and jail services. \$320,000 (original contract in 2016) plus a 2% adjustment upward per the CPI-W (per the contract).
 - All revenues associated with Court in prior years now goes to Clallam County per the new contract.
- ❖ Moved the .15 FTE of the City Attorney to the City Attorney budget and the .50 FTE Legal Assistant to the Police Department.

**City of Sequim
2017 Budget
5-Year Summary**

Criminal Prosecution Services



	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016	
							Amount	%
Intergovernmental Revenues	100	50	230	50	50	-	(50)	-100%
Charges for Goods & Services	11,956	8,919	10,696	902	15,575	1,375	(14,200)	-91%
Fines & Forfeits	20,872	16,819	21,213	0	19,451	-	(19,451)	-100%
NonRevenues & Other Financing	4,136	2,222	3,495	2,363	2,828	2,000	(828)	-29%
◆————◆ Revenues	37,064	28,010	35,634	3,315	37,904	3,375	(34,529)	-91%
				(1)	-	-		
Salaries & Benefits	49,877	51,886	53,829	59,252	54,512	0	(54,512)	-100%
Operating Supplies	-	-	97	-	-	-	-	0%
Charges for Services	127,047	123,148	138,731	10,302	124,840	0	(124,840)	-100%
Intergovernmental	348,062	317,205	286,169	320,000	264,258	326,400	62,142	24%
Total Expenses	524,986	492,239	478,826	389,554	443,610	326,400	(117,210)	-26%
				-	1.00	-		

City Of Sequim Budget Overview

City Administration Hotel/Motel (Restricted Fund)

Barbara Hanna, Communications & Marketing Director

Department Description

Hotel/Motel

This function is responsible for managing the Hotel/Motel tax budget and utilizing the available monies to increase tourism to the City of Sequim. The function works with the Lodging Tax Advisory Committee to develop plans for tourism promotion which may include advertising, publications, public relations programs, websites, special events and social media activities. The Communications and Marketing Director is responsible for the overall plan and its implementation. This position also functions as the liaison to other tourism organizations.

2017 Key Goals

Hotel/Motel

- ❖ The tourism website is mobile friendly, but it is not current with the latest technology, which is called “responsive design.” This technology adapts the actual website to scale on any device, making it easier for the user to find the information they need. Because of the high volume of users on the Tourism site using mobile devices, a Sequim specific mobile app would solve this and make it easier for users to find the information they are looking for. \$7k has been budgeted (as a transfer out to the Equipment Reserve) for the development of the app.
- ❖ The 2011 Downtown Plan included starting and implementing a Main Street program. In 2016, staff conducted research and determined that participating in that program would place an unrealistic financial burden on the community by requiring a full time position, and would compete with the Chamber of Commerce as a membership based organization. The Merchant’s Group, an unofficial committee of the Chamber, already performs many of the functions that would be implemented by a Main Street Program. The budget reflects \$10k to support the Merchant’s Group through a grant program for specific projects to support their efforts to produce activities that bring tourists to Sequim.
- ❖ Continue to market Sequim in the Northwest region through print and digital advertising, media relations, and co-op partnerships.
- ❖ Continue to develop social media resources as a communications tool for visitors to Sequim.

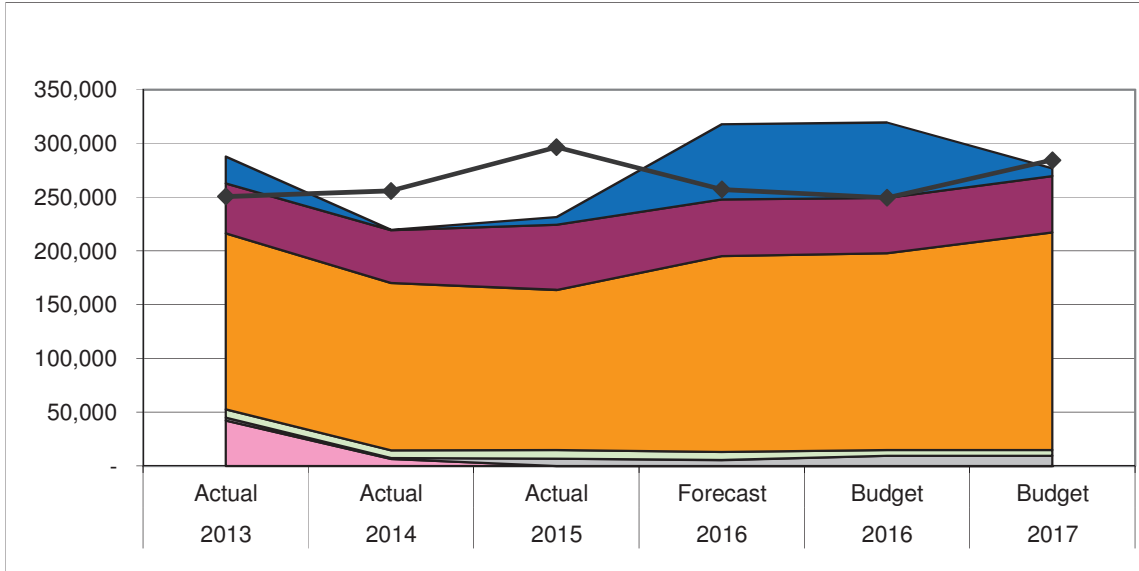
2017 Budget Summary










Hotel/Motel

- ❖ Revenues reflect an increase over previous budgets, but still reflect a conservative estimate.
- ❖ Staff salary allocation remains at a 50-50 split between tourism marketing and city-wide communications functions.
- ❖ Expenses include a \$10k in grant money to support the Merchant’s Group and \$7k will be transferred to the Equipment Reserve Fund to develop a mobile app to support visitors. Prior year transfers to the Guy Cole improvement project are eliminated in 2017.

**City of Sequim
2017 Budget
5-Year Summary**

Hotel Motel Fund



	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2016 Budget	2017 Budget	2017-2016 Amount	2017-2016 %
Beginning Fund Balance	264,916	227,929	264,071	329,001	213,710	268,438	54,728	26%
 Tourism	232,322	241,175	281,054	245,325	231,500	263,985	32,485	14%
 Guy Cole	14,597	11,001	8,069	6,558	8,613	11,050	2,437	28%
 Guy Cole Deposits	3,824	3,650	7,397	5,350	9,425	9,425	0	0%
Total Revenues	250,743	255,826	296,520	257,233	249,538	284,460	34,922	14%
 Salaries & Benefits	46,494	49,093	60,566	52,406	51,652	52,574	922	2%
 Tourism	163,459	155,638	149,032	182,379	183,033	202,414	19,381	11%
 Guy Cole	7,930	7,161	7,910	7,511	5,376	5,376	0	0%
 Guy Cole Refunds	2,639	750	6,860	5,500	9,425	9,425	0	0%
 Capital (Equip > \$7,500)	42,207	6,575	-	-	-	-	0	0%
 Transfers	25,000	467	7,220	70,000	70,000	7,000	-63,000	-90%
Total Expenses	287,729	219,684	231,588	317,796	319,486	276,789	(42,697)	-13%
Surplus/(Deficit)	(36,986)	36,142	64,932	(60,563)	(69,948)	7,671	77,619	111%
Ending Fund Balance	227,930	264,071	329,003	268,438	143,762	276,109	132,347	92%

