City of Sammamish
2017-2018 Budget Message

To the Honorable Sammamish City Councilmembers:

It gives me great pleasure to submit the 2017-2018 budget to the Sammamish City Council. I am confident this financial roadmap will allow us to stay on the path of prudence and progress we've successfully followed since incorporation in 1999.

Consistent with years past, this budget holds the line on taxes as it reflects not taking the 1% property tax allowable by state law for the 8th consecutive year. Prudent financial planning and a disciplined approach to managing our budget have allowed the following:

- A low debt burden with no bonded indebtedness resulting in a debt capacity of over $680 million.
- Reserve levels representing 12% of the operating budget after 2017-2018 obligations are met.
- Cost competitive strategic resource additions to build base staff capacity to move toward a sustainable mix of contract vs. in-house staff necessary to meet the service needs both now and in the immediate future.
- Long-term financial health as evidenced by a pattern of solid financial results that again result in solid ending fund balance positions in all funds at the end of 2018 and will position us well as we move forward.

Sammamish is maturing and growing as it nears the end of its second decade of incorporation. With the Annexation of Klahanie in 2016, the 2017-2018 budget period becomes the first biennium where the City's residential population has exceeded 60,000. Development is also occurring rapidly with commercial and multi-family residential construction in the Town Center coupled with strong residential development in other areas of the city. Successful project and service delivery has reached the point where the workload is outstripping the staff's capacity to provide expected services and the need for additional infrastructure has arrived.

In response to workload challenges, this budget proposes converting seasonal staff positions to full time maintenance positions and adding professional and supervisory staff. Infrastructure needs are addressed in this budget with transportation, stormwater, and park projects approved as part of Council's long term Capital Improvement Plans.

The projects we are embracing will positively affect the community for years to come. This budget includes reconstruction of SE 4th Street in the Town Center, widening Issaquah/Fall City Road, stabilizing Snake Hill Road, widening Sahalee Way Northeast to the City limits, and further investments in parks, sidewalks and street overlays – they all mean the wave of progress that is transforming our community is going to continue.

Other priorities identified in this budget include emergency management, restructuring the maintenance functions, a continued response to the strong development environment, and continued focus on capital project delivery. Converting 13 seasonal maintenance positions to 10 full time maintenance positions (FTE) will add 10 FTE's to the City's staffing numbers. An additional 14.75 FTE positions were added to increase staffing from the 2016 level of 90.0 FTE to 114.75 FTE budgeted in 2017. Although at first blush, this might seem like a large increase in FTE, the City does not add staff without a lot of scrutiny. In fact, even with these additions, the 114.75 FTE is still significantly lower than Issaquah or Redmond that are showing preliminary budgets with 273 and 671 full time staff respectively. Although Sammamish would employ 158 less FTE than Issaquah, the FTE indicator alone is not the only measure of resources needed to meet

community expectations of city services. Another significant difference in method of service delivery is the use of contracts vs. in-house staffing.

The City Council's emphasis on contracting for major services has worked very well for us. Sammamish contracts with the King County Sheriff's Office for police services, and with Eastside Fire and Rescue for fire services. These and other contracts allow the city's operating expense and staffing levels to remain low, freeing up funds for the infrastructure construction our community needs, and the long-range, transformational projects that will shape the future of Sammamish. Each of the additional positions being added were reviewed in competition with contracted functions to determine the cost effectiveness and sustained service timeline associated with the needs that these positions will address and have been recommended to be included in the 2017-2018 budget. Having and then maintaining the right mix of in-house vs. contract staff is paramount to cost-effectively delivering these key city services. The 2017-2018 Budget accomplishes the necessary planning for the right mix of contracted and in-house staffing needed to position us for continued success moving forward into the 2017-2018 biennium and beyond.

If you have any questions on the budget, please feel free to contact me or Finance & Systems Director Aaron Antin.

Respectfully,

Lyman Howard
City Manager