

CITY OF MARYSVILLE

WASHINGTON



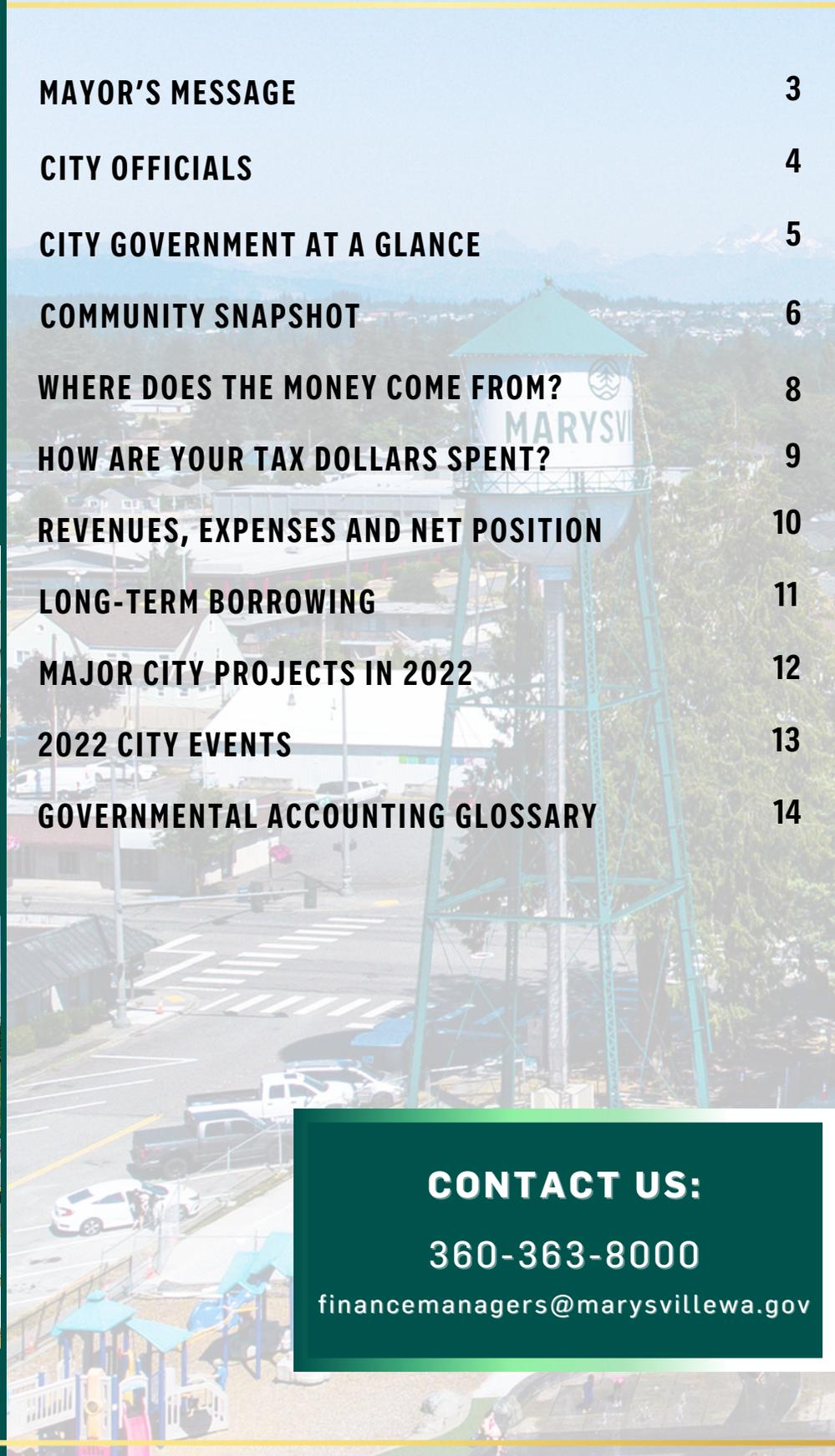
Popular Annual Financial Report
for the Year Ending December 31, 2022



FINANCE DEPARTMENT
 501 Delta Avenue,
 Marysville, WA 98270

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CONTACT US:
 360-363-8000
financemanagers@marysvillewa.gov

MESSAGE FROM THE MAYOR

Dear Residents of the City of Marysville,

The City Council, the city leadership team and I all appreciate the great responsibility entrusted to us as stewards of your tax dollars. We do not take that lightly. As a former business manager in the private sector and a long-time Marysville resident and taxpayer, I share your concern that our tax dollars be used efficiently and productively.

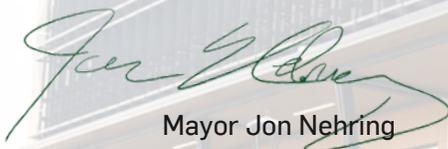
We value financial transparency and ease of public access to the financial details of your city government. For this reason, we are proud to introduce the city's first Popular Annual Finance Report (PAFR). This report is designed to be a simplified, easy-to-read version of the city's Annual Comprehensive Financial Report (ACFR). The ACFR is produced by the city's Finance Department in accordance with Generally Accepted Accounting Principles (GAAP) and contains highly detailed financial statements, notes, supporting schedules and statistical information. The State Auditor's Office audits the city's ACFR on an annual basis. You can find a copy of the ACFR on the city website (marysvillewa.gov) and the city's audit report at SAO.wa.gov.

Especially since early 2020, the city – along with many businesses - has faced economic uncertainty and common business challenges including increased costs, worker shortages and global supply chain issues. We continue to prioritize support for our local business community and the recruiting of new businesses. Leadership's longtime commitment to fiscal prudence has allowed the city to maintain a solid financial foundation that serves our residents and taxpayers well.

In 2022 the city realized a decades-long vision with the opening of the new Civic Center, offering a one-stop customer service center for city business. We continued to invest in transportation infrastructure with the widening of State Avenue over Quil Ceda Creek between 100th and 104th Streets NE. Additionally, we opened our new pickleball courts at Jennings Park along with making other investments in increasing parks and recreation opportunities for our community. Importantly, in a very challenging hiring environment for law enforcement, we hired 26 Marysville Police Department positions last year including 11 Police officers, eight Custody officers and two Community Service officers. These are just a few highlights of the city's many accomplishments last year on behalf of the public we serve.

Thank you for taking the time to read through this PAFR. If you have questions, please reach out to our Finance Department at financemanagers@marysvillewa.gov or 360-363-8000.

Yours in service,



Mayor Jon Nehring



Mayor Jon Nehring

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City of Marysville, WA

CITY OFFICIALS



From left to right:

- Stephen Muller** ----- *Position 6*
- Tom King** ----- *Position 3*
- Kelly Richards** ----- *Position 5*
- Jon Nehring** ----- *Mayor*
- Kamille Norton** ----- *Position 7**
- Mark James** ----- *Position 2*
- Michael Stevens** ----- *Position 4*
- Peter Condyles** ----- *Position 1*

*Council President

The City of Marysville operates under a Council-Mayor form of government, with an elected Mayor and seven elected Council Members. The seven elected at-large positions on the Marysville City Council are for four-year terms, with one member among them selected to serve as Council President, conducting meetings or other duties when the Mayor is on other business. Council Members are elected to staggered terms, with terms for positions 1, 5, 6, and 7 expiring on Dec. 31, 2023, and terms for positions 2, 3, and 4 expiring on Dec. 31, 2025. Day-to-day City operations are overseen by the Chief Administrative Officer, a position that is appointed by and serves at the discretion of the City Council.



Department Directors

Executive



Gloria Hirashima
Chief Administrative Officer

Community Development



Haylie Miller
Director

Finance



Jennifer Ferrer-Santa Ines
Director

Human Resources



Megan Hodgson
Director

Information Services



Stephen Doherty
Director

Legal



Jon Walker
City Attorney

Municipal Court



Suzanne Elsner
Court Administrator

Parks, Culture & Recreation



Tara Mizell
Director

Police



Erik Scairpon
Chief

Public Works



Jeff Laycock
Director

CITY GOVERNMENT AT A GLANCE - 2022



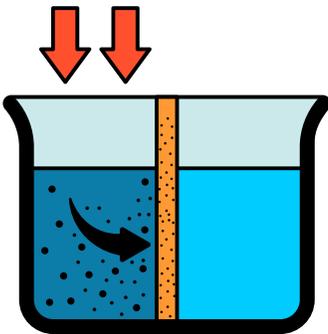
Maintenance of 522
Acres of City Parks and
22 miles of City Trails



44,968 Rounds Played at
Cedarcrest Municipal
Golf Course



Police Calls for Service:
61,893



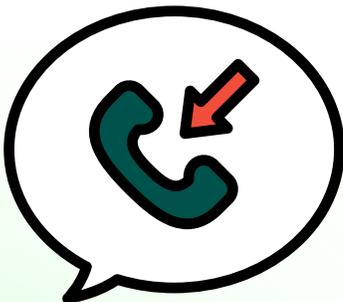
2.2 billion gallons of
wastewater treated



20,000+ water/sewer
customers served



462 new water/sewer
connections



36,000+ calls received by
Utility Billing Staff



22,000+ Solid Waste
(garbage) customers served



90 ADA sidewalk
ramps installed

COMMUNITY SNAPSHOT PART 1

Marysville is located in Snohomish County, Washington, approximately 35 miles north of Seattle, 5 miles north of Everett, and 70 miles south of the Canadian border. Founded as a trading post in 1872, Marysville is now one of the fastest growing cities in Washington state. Known for its incredible views of Mount Pilchuck and year-round access to countless outdoor recreation activities, Marysville is also a popular destination for shoppers visiting the Seattle Premium Outlets just west of Interstate 5.

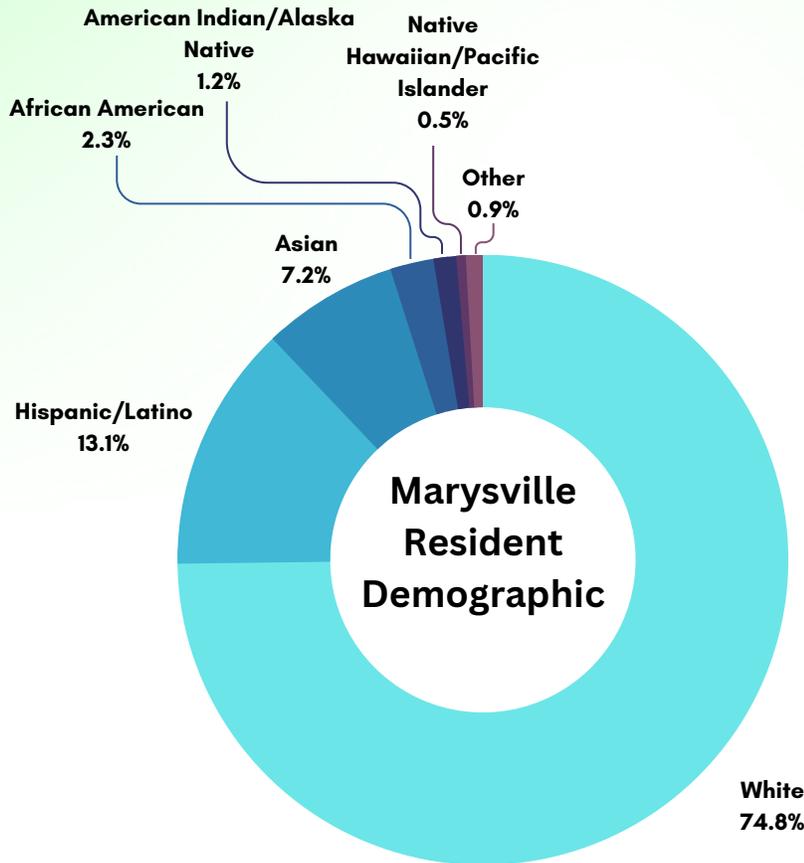


Home to several aerospace parts companies, Marysville has also welcomed a rapidly growing manufacturing industry thanks to the creation of the Cascade Industrial Center in the Smokey Point area of north Marysville. Although a growing City, Marysville is known as a local community that has retained its small town charm.

Top Employers in Marysville (2022)

Name of Employer	Service or Product	# of Employees	Percentage of Total City Employment
Marysville School District	Education	1381	13.34%
C&D Zodiac (f/k/a Northwest Composites)	Plastics/honeycomb tubing	588	5.68%
City of Marysville	City government	352	3.40%
Walmart	Retail - variety	252	2.41%
Smokey Point Behavioral Hospital	Hospital	249	2.43%
Fred Meyer, Inc.	Retail - variety	220	2.12%
Winco Foods	Grocery/pharmacy	160	1.55%
The Everett Clinic	Medical	156	1.51%
Soli Organics	Organic Herbs and Greens grower	146	1.41%
Costco	Retail - Warehouse Club	143	1.38%

COMMUNITY SNAPSHOT PART 2



Population: 71,682



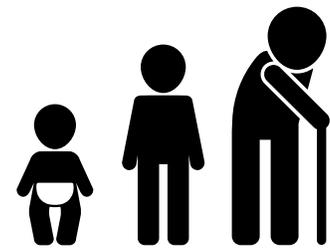
Persons Per Household: 2.7 (source: U.S. Census)



Unemployment Rate: 3.8%



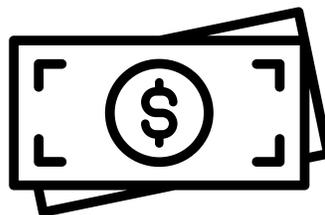
Median Home Value: \$572,943 (source: Zillow)



Median Age: 39



Median Household Income: \$89,008 (source: U.S. Census)



Per Capita Income: \$71,268

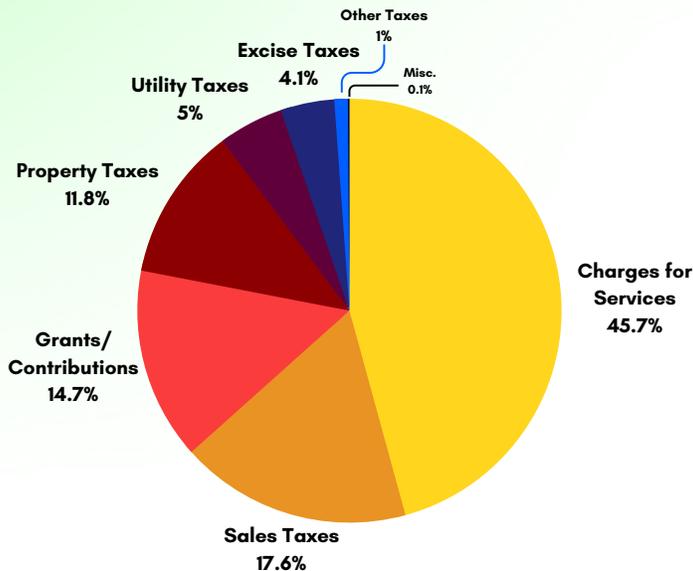


K-12 School Enrollment: 10,132

WHERE DOES THE MONEY COME FROM?

Government-Wide Revenue Sources

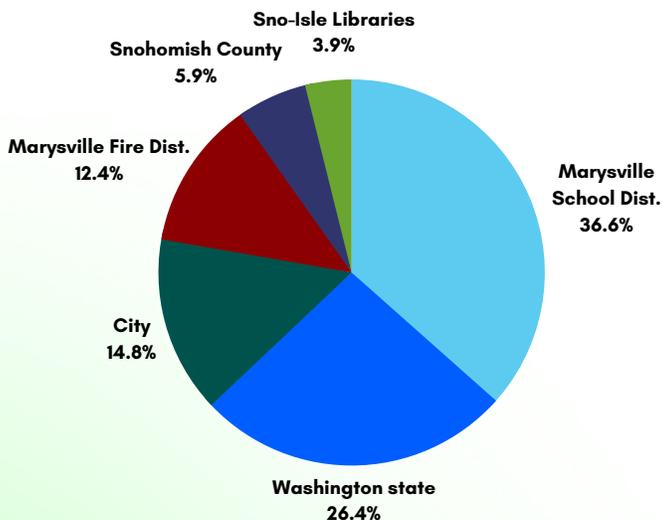
Nearly half of City revenues come from charges for services such as water, sewer, and solid waste (garbage) fees. Approximately 40% of city revenues are attributable to various taxes such as property, sales, utility, and excise. The City also receives about 15% of revenues from grants and contributions from Federal, State, local, and private entities.



A majority of your property and sales taxes paid go to entities other than the City of Marysville.

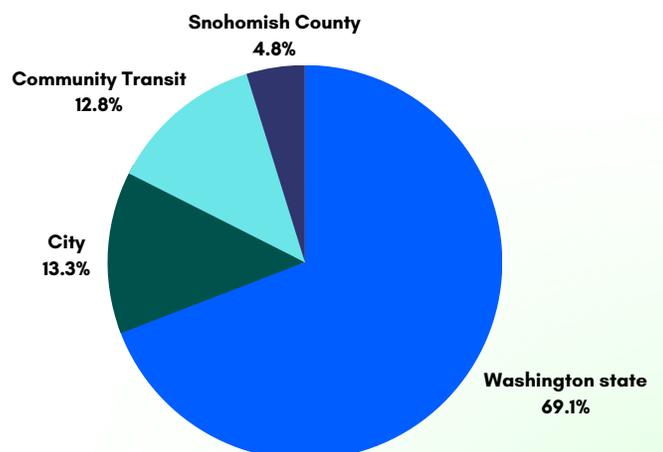
Property Tax Distribution

For every dollar you pay in property taxes, about \$0.15 goes to the City, while the remaining portion is distributed to other entities.

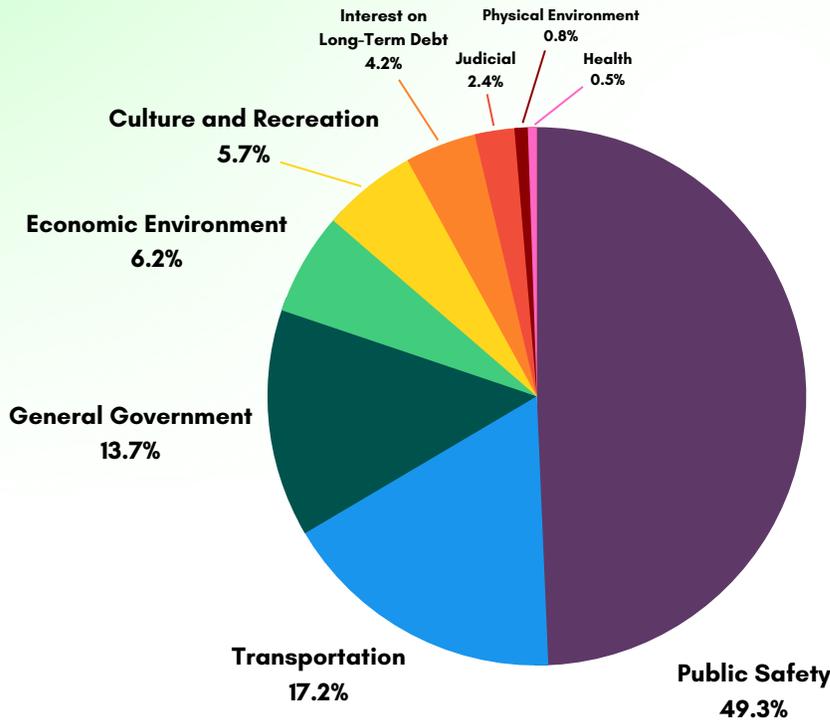


Sales Tax Distribution

Nearly \$0.70 of each dollar paid in sales tax goes to the State of Washington, while about \$0.13 is distributed to the City of Marysville.

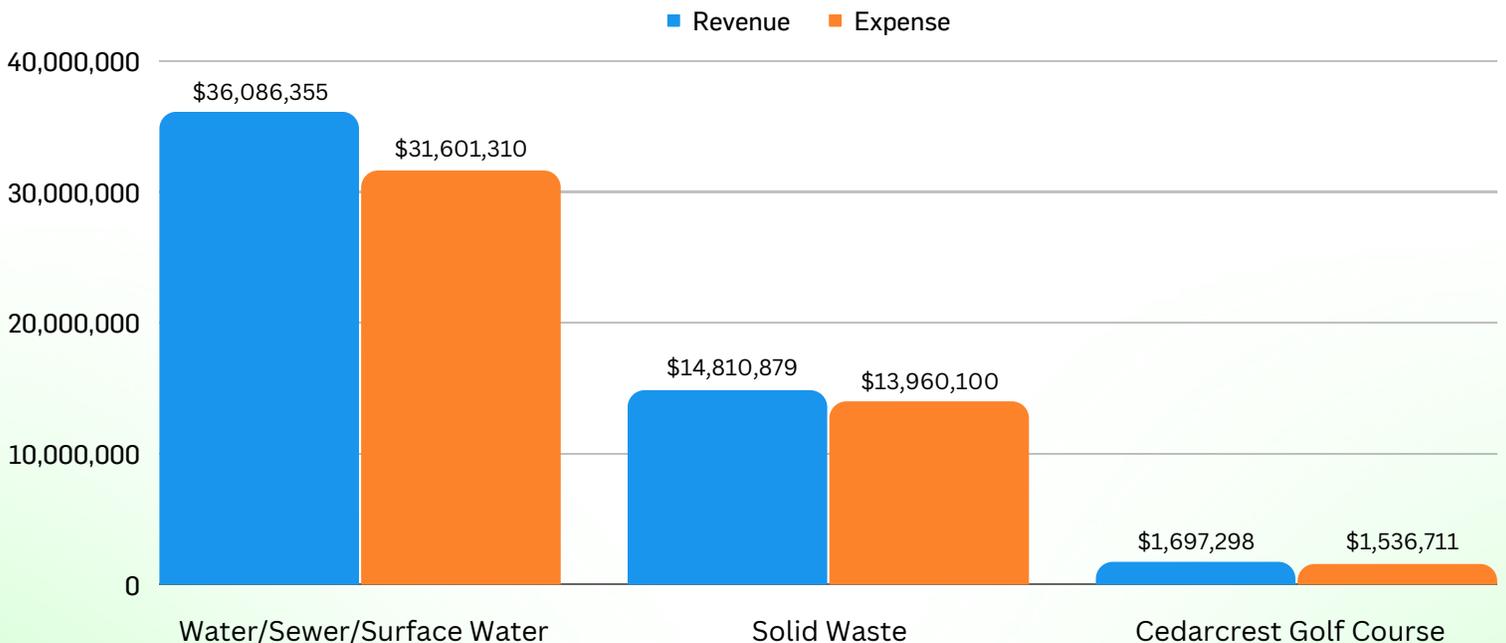


HOW ARE YOUR TAX DOLLARS SPENT?



Governmental Activities are general government activities such as Police, roadway maintenance, and parks and recreation services, as well as the administrative departments that support these activities like Information Services, Human Resources, Finance, Engineering, and Legal. Governmental Activity Expenses make up about 56% of the City's total expenses and are primarily paid for with general revenues such as sales and property taxes.

Business-Type Activities are the remaining 44% of City expenses. The City of Marysville provides services like water, sewer, garbage, and a municipal golf course. These services are mostly paid for with fees charged to customers who utilize the services. Below is a comparison of the City's business-type activity revenues and expenses for fiscal year 2022:



CHANGES IN NET POSITION - 2022 FISCAL YEAR

*All amounts displayed on this page are in thousands.

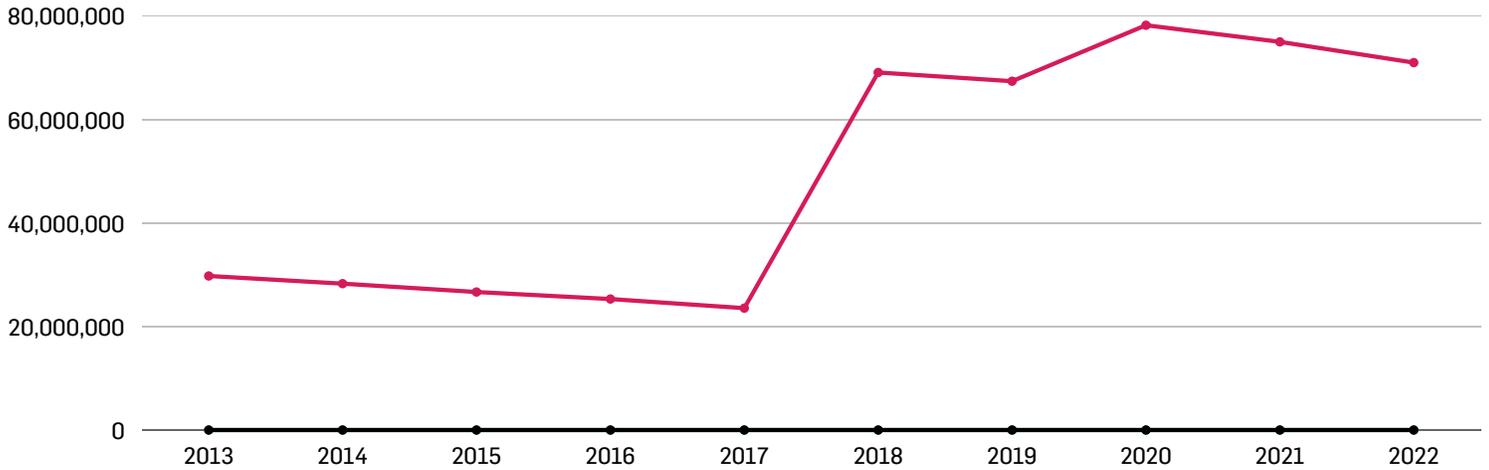
REVENUES	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2022	2021	2022	2021	2022	2021
Program Revenue:						
Charges for Services	\$ 10,816	\$ 14,327	\$ 52,595	\$ 50,237	\$ 63,411	\$ 64,564
Operating Grants and Contributions	2,806	12,767	5,142	1,185	7,947	13,951
Capital Grants and Contributions	1,961	4,032	10,407	3,116	12,368	7,148
General Revenue:						
Property Taxes	16,297	15,923			16,297	15,923
Sales Taxes	24,451	22,294			24,451	22,294
Other Taxes	13,990	13,983			13,990	13,983
Interest and Investment Earnings	(24)	180	(554)	(57)	(578)	122
Gain on Sale of Capital Assets	-	2,969			-	2,969
Miscellaneous	741	41			740	41
Total Revenue:	\$71,038	\$86,515	\$67,589	\$54,480	\$138,626	\$140,993

PROGRAM EXPENSES	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2022	2021	2022	2021	2022	2021
Governmental Activities:						
Judicial	\$ 1,427	\$ 1,124	\$ -	\$ -	\$ 1,427	\$ 1,124
General Government	8,192	4,052	-	-	8,192	4,052
Public Safety	29,535	24,302	-	-	29,535	24,302
Physical Environment	476	338	-	-	476	338
Transportation	10,290	7,923	-	-	10,290	7,923
Economic Environment	3,689	4,068	-	-	3,689	4,068
Health	321	419	-	-	321	419
Culture & Recreation	3,402	2,936	-	-	3,402	2,936
Interest on Long-term Debt	2,553	2,643	-	-	2,553	2,643
Business-Type Activities:						
Water/Sewer/Surface Water	-	-	31,601	31,466	31,601	31,466
Garbage & Solid Waste	-	-	13,960	8,848	13,960	8,848
Golf Course	-	-	1,537	1,309	1,537	1,309
Total Expenses:	\$59,885	\$47,805	\$47,098	\$41,622	\$106,982	\$89,427
Increase in Net Position Before Transfers	11,153	38,710	20,491	12,857	31,644	51,567
Transfers	822	1,678	(822)	(1,678)	-	-
Increase in Net Position	11,975	40,388	19,670	11,179	31,644	51,567
Net Position - Beginning of Year	262,084	221,881	190,022	179,192	452,107	401,073
Prior Period Adjustment	3,980	(185)	-	(349)	3,980	(534)
NET POSITION	\$278,039	\$262,084	\$209,692	\$190,022	\$487,731	\$452,107

LONG-TERM BORROWING

The City of Marysville issues debt for projects that will have long-term community benefits. Issuing debt is a way to ensure that the cost of these projects is 'spread out' over time amongst residents who will benefit from the project instead of today's residents footing the entire bill. The City currently has outstanding debt for projects including the new Civic Center in downtown Marysville as well as the 1st Street Bypass which was designed to alleviate traffic on 4th Street.

General Bonded Debt Outstanding



Year	General Obligation Bonds	Percent of Taxable Assessed Value	Per Capita
2013	\$29,760,235	0.62%	\$478
2014	\$28,276,795	0.57%	\$442
2015	\$26,660,997	0.46%	\$415
2016	\$25,305,302	0.41%	\$389
2017	\$23,543,760	0.36%	\$357
2018	\$69,065,742	0.96%	\$1029
2019	\$67,383,277	0.84%	\$992
2020	\$78,193,187	0.88%	\$1105
2021	\$74,984,658	0.78%	\$1052
2022	\$70,974,644	0.66%	\$989

MAJOR CITY PROJECTS IN 2022



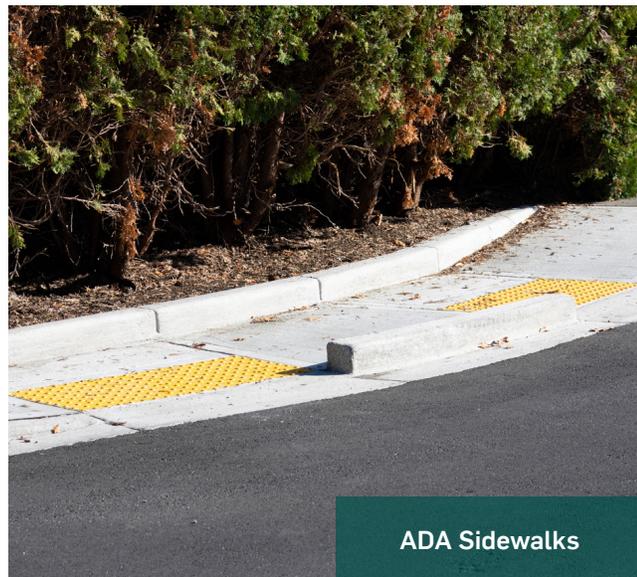
State Avenue Widening & Bridge Installation



Pickleball Courts at Jennings Park



Marysville Civic Center at Delta Avenue



ADA Sidewalks



Olympic View Park Trail & Parking Improvements



2nd St. LID Improvements

MAJOR CITY EVENTS IN 2022



EGGstravaganza Egg Hunt



Fishing Derby



National Night Out



Touch-A-Truck



Domestic Violence Awareness Walk



Merrysville for the Holidays

GOVERNMENTAL ACCOUNTING GLOSSARY

Asset	A resource with monetary value that the City controls with the expectation that it will provide a future benefit.
Capital Assets	Assets with a useful life greater than one year and exceed \$5,000 in cost. Examples of capital assets are buildings (like Marysville's new Civic Center), Police vehicles, and heavy machinery used for road paving.
Current Assets	Cash and cash equivalents; assets that are readily available and can be used to pay for liabilities within one year.
Deferred Inflow/Outflow of Resources	Flows of resources in/out of the City that are related to a future period. An example of a deferred inflow is a grant received in advance when all requirements except timing have been met. An example of a deferred outflow is a prepaid item or service that the City will receive in a future period.
Government-Wide Reporting	Presentation of all City funds grouped together in order to provide a financial picture of the entire government; consolidates government activities and business-type activities into single line items.
Liability	Obligation the City owes to other entities, such as payments to vendors/suppliers or wages owed to employees. Liabilities can be classified as either short-term (typically due within one year) or long-term (typically due in a year or more, e.g., long-term debt).
Net Position	Assets and deferred outflows minus liabilities and deferred inflows. Similar to owner's equity in a private, for-profit business, Net Position is what is 'left over' for stakeholders.
Small and Attractive Assets	Tangible goods that have a cost between \$500 and \$5,000. The City tracks these assets because they do not meet the definition of capital assets but are valuable and can be lost, misplaced, or stolen if not regularly tracked/inventoried.