



**City Manager's
2019 Budget**



2019 CITY MANAGER BUDGET MESSAGE

This budget message provides details regarding the City Manager's 2019 Proposed Budget, a summary of the 2016 – 2018 strategic plan final report, an overview of the 2018 Supplemental Budget request, and links to the 2017 Audited Financial Statements.

CITY OF PORT TOWNSEND VISION

A vibrant, diverse community primed for economic growth.

CITY OF PORT TOWNSEND MISSION STATEMENT

Facilitate the community's aspirations for a thriving small-town quality of life as envisioned in the five key issues of the Comprehensive Plan.

FINANCIAL PERFORMANCE HIGHLIGHTS

2017 AUDITED FINANCIAL STATEMENTS

The City successfully completed three audits in 2018. Audits of the 2017 financial statements, an accountability audit, and a Single Audit related to federal grant funded projects. These audits were completed in mid-July by the State Auditor. No findings or management letter comments were received. The 2017 financial results were positive, with a \$355,575 increase in the general fund ending fund balance. Each of the funds met or exceeded the City Council's financial policy targets. The 2017 audit reports can be located on the City's website:

<http://weblink.cityofpt.us/weblink/0/doc/172299/Page1.aspx>

And on the Washington State Auditor's website:

<http://portal.sao.wa.gov/ReportSearch/Home/ViewReportFile?arn=1021831&isFinding=false&sp=false>

<http://portal.sao.wa.gov/ReportSearch/Home/ViewReportFile?arn=1021828&isFinding=false&sp=false>

THREE-YEAR STRATEGIC PLAN 2016 -2018 FINAL REPORT:

The plan consists of Six Objectives that City Council felt are reflective of the City's Comprehensive Plan and Council identified 31 action/measures to be implemented. The City is pleased to report that of the 31 actions/measures, all but 3 have been accomplished by some action taken by Council or staff. While some that were accomplished may not be specific to an Action/Measure called out in the Plan, there is a nexus to the Council actions and objectives.

Strategic Plan Agenda Bills:

The City Clerk's Office tracks every agenda bill that presents an action items for the City Council to consider. In our case each agenda is color coded to match the Plan's Objectives 1 – 6. Below is a tabulation tracking Agenda Bills that directly relate to the Council's Strategic Plan Objectives compared to all other actions taken by Council.

Actions and Measures Taken by City Council Which Implemented Strategic Plan Objectives

Agenda Action Items Measured by Agenda Bills	2016 6 Months following adoption	2017 Calendar Year	2018 Year to Date	Total
Related to Plan	33	88	71	192
Unrelated to Plan	50	57	30	137
Total Actions Taken	83	145	101	329

The Table above shows the annual count of agenda action items that Council has adopted during the term of the current plan. Based upon my review of this record, The Council and staff feel they have performed well beyond expectations and the community has benefited highly from our adherence to the plan's objectives. These numbers also speak well of the strategic process and the benefits of having a plan, such as this, in place, to help focus our actions and outcomes. This also helps us better communicate to the public where we are focusing our efforts on their behalf.

2018 BUDGET REVIEW
For Fiscal Year January 1, 2018 to December 31,2018

Throughout 2018, the City has continued to benefit from the improving economic climate as revenues have exceeded expectations. The City has experienced an increase in assessed property values, the number of utility accounts and business licenses issued. Additionally, retail sales revenue reflected positive growth for the year.

Preliminary property values received from the Jefferson County Assessor's office show that the City's assessed values grew 8.1% over 2017. In addition, utility accounts grew 1.2% over 2017; the City issued over 400 "new" business licenses, and business & occupation tax revenue increased 8.1% year to date over this time in 2017. Year to date 2018 figures indicate that construction activity grew to 24.5% of the total retail sales activity, an increase of 3.2% from 2017.

General fund revenues are expected to exceed original estimates by 5.2% or \$447,935. The breakdown of this increase is \$197,800 in retail sales, excise & special purpose tax; \$76,700 in public utility tax; \$9,500 in investment interest income; \$43,300 in permitting/zoning fees; \$90,000 in business & occupation taxes; and \$24,000 in business licensing, and miscellaneous other income.

Real Estate Excise Tax is projected to reach \$541,600 which is \$31,500 or 6.2% more than anticipated reflecting the active real estate market. Some larger sales include commercial buildings on Sims Way, Washington Street and Uptown, and several high-end residential sales in town. Lodging Tax Revenue is also expected to exceed the 2018 adopted budget by \$71,000 indicating strong tourism activity this year.

The 2018 adopted budget included hiring one additional staff position in the police department. A full time Community Services Officer was hired in April to coordinate community special events, manage parking enforcement and traffic safety and assist with calls for service not requiring the presence of a sworn officer. This position works closely with Police, Parks and Recreation, Fire/EMS, Public Works and the community to ensure the safety of our residents.

Our Public Works Administration Department coordinated with the Finance Department to re-design an administrative position. This is not an additional position, but it was reassigned to the Finance Department after an administrative position came open. An accountant was hired in August to work closely with Public Works, Engineering and the Finance Department to perform a variety of tasks including capital reporting and budgeting, asset accounting, data analysis, and technical support on special projects.

With the pending retirement of the City's first and only City Manager, recruitment efforts for a new City Manager began in 2018. A strategic planning retreat was held in September to review and update the City's strategic focus areas and to begin the discussions on qualifications and qualities that a Manger will need to assist the Council in carrying out this strategy. A community task force was formed and began meeting in October to assist in the development of the position description for this key position.

Operating and capital expenditures continue to be closely monitored. A supplemental budget was adopted in the first quarter of 2018 related to capital projects. Some project timelines were extended into 2018 regarding the Rainier Street, Library and Mountain View Projects. The second supplemental budget proposal includes additional adjustments related to capital which includes interim financing requests for the Water Street Overlay project.

Additional proposed supplemental budget general government appropriation items include:

Rainier Street sub area plan and staff support – In February 2017, the City Council approved the addition of the Howard Street/Sims Way Corridor Subarea plan into the 2017 Comprehensive Plan annual update process. In May 2017, the City Council authorized staff to retain AHBL to assist in engaging and capturing the community's vision for this area and to transform that vision into the subarea plan. The cost for AHBL's work and the temporary staff support hired for this project has extended to 2018. The AHBL contract in 2018 is a re-appropriation of \$70,000 and an additional appropriation of \$30,000 plus additional temporary staff time of approximately \$18,000.

Homeward Bound (Cherry Street) Project - In May 2018, the City sold Limited Tax General Obligation Bonds (Taxable) at a fixed rate of 4.35% per annum generating bond proceeds of \$834,000, pursuant to Ordinance No. 3201 passed on May 7, 2018. These funds will be used to complete the Cherry Street affordable housing project. The City in turn will loan money to Homeward Bound and loan payments, which will repay its loan to the City with cashflow from rental income. The council agreed to use a portion of the council reserve to make the payments beginning in December 2018, until such time as the housing project is complete and generates enough rental income to cover the debt service. This transaction generates an accounting entry in 2018 to transfer \$250,000 plus interest back to the Transmission Line Fund for the interfund loan authorized in 2017, per Resolution 17-053.

Water Street Overlay Project - This project consisted of restructuring over 1100 feet of pavement, replacing water mains and storm drain pipes, in addition to creating a pedestrian plaza and installing new sidewalks, undergrounding power and other enhancements. Cost overruns over contingency expectations due to scope changes and unforeseen problems in the historic downtown area created additional appropriation requests for street and storm capital components totaling approximately \$610,000. While the project costs are over budget, additional appropriations for the fund are not necessary as other projected 2018 projects such as the visitor center frontage and Complete Streets projects were delayed. These later project costs will be requested in 2019. An interim line of credit will be used for funding the project deficit in 2018. A long-term financing recommendation to repay the line of credit will be provided to the Council in early 2019.

Maintenance and replacement of fleet and technology equipment – Finance conducted a detailed analysis of all activity in the Equipment Rental & Replacement (ER&R) Fund between 2007 through 2017. Staff presented this analysis and its recommendations to council which reflect additional appropriations in the supplemental

budget request. 2018 appropriations for general government funds to the ER&R Fund for operating, maintenance and replacement increased by \$234,593. In addition, the general fund will contribute \$267,000 to fully fund the shortfall created from 2007 – 2017 for Information Technology. Staff recommends that the ER&R Fund be replaced in 2019 (pending council approval) with new funds to separate general government funds from utility funds and to provide more transparency in the administration of these funds.

Miscellaneous other proposed general government appropriation changes:

Additional unforeseen expenditures at the time the 2018 budget was adopted include the following:

- \$52,000 – Increased share of District Court Costs
- \$40,000 – Replacement of video server for public access TV
- \$22,000 – Approved salary increase (6-month contract extension for City Manager)
- \$90,000 – General Fund transfer increase to the Community Services Fund to cover operating and maintenance costs
- \$92,000 – Approved additional street maintenance improvements
- \$22,000 – Reallocation of Public Works Admin costs (updated cost allocation model)
- \$25,000 – Reassign 25% of mechanic to street operations
- \$15,000 – Consulting services for the Library (level of service analysis)
- \$61,000 – Professional Services for tourism promotion
- \$6,500 – Hotel Vacancy Study (recommended by Lodging Tax Advisory Committee)
- \$25,000 – Increase to appropriations for a \$40,000 Community Development Block Grant Loan to local businesses
- \$18,000 – Roof replacement for Kai Tai Restroom structure (fire damage)
- \$14,000 – Gazebo repair at Chetzmoka Park
- \$110,000 – Pending elevator replacement at City Hall

Proposed supplemental budget enterprise fund appropriation items include:

- System Development – Increase in transfers to water / sewer capital fund to cover city match on the Water Street Overlay Project.
- Storm Operations – An increase in transfers to the Storm Capital Fund are necessary to cover city match portion for the Water Street Overlay Project.

Proposed supplemental budget internal service fund appropriation items include:

- Engineering Services – Internal engineering plan review activity not funded by capital projects.
- Additional unemployment compensation not foreseen at the time the 2018 budget was adopted.

The City proposed 2018 Supplemental Budget Fund summary is listed below:

**City of Port Townsend
Projected 2018 Fund Summary - Supplemental Budget**

	2017	2018	2018	2018	2018	2018	2018	2018	2018
	Ending Fund Balance	Adopted Revenues	Amended Revenues	Adopted Expenses	Amended Expenses	Adopted Rev vs. Exp	Amended Rev vs. Exp	Proposed Supplemental Appropriation	2018 Projected Ending Fund Balance
GENERAL FUND	1,776,966	8,638,366	9,086,301	8,609,857	9,396,000	28,509	(309,699)	786,143	1,467,266
Drug Enforc. / Contingency	171,343	500	10,488	-	-	500	10,488	-	181,831
Street	380,772	837,942	860,995	819,082	1,015,710	18,860	(154,715)	196,628	226,057
Library	240,915	1,077,601	1,084,337	1,093,379	1,127,585	(15,778)	(43,248)	34,206	197,667
Real Estate Excise Tax	301,052	510,100	541,634	545,000	540,000	(34,900)	1,634	-	302,686
Lodging Tax	252,500	480,000	551,080	479,838	547,338	162	3,742	67,500	256,242
Fire / EMS	2,525	2,385,876	2,386,441	2,385,276	2,385,276	600	1,165	-	3,690
Affordable Housing	10,922	10,000	10,108	10,000	10,000	-	108	-	11,030
Community Development Block Grant	168,421	13,623	44,008	15,000	40,000	(1,377)	4,008	25,000	172,429
Community Services	88,594	2,013,448	2,167,982	2,012,560	2,150,776	888	17,206	138,216	105,800
TOTAL SPECIAL REV FUNDS	1,617,044	7,329,090	7,657,073	7,360,135	7,816,684	(31,045)	(159,611)	461,549	1,457,433
DEBT SERVICE FUND	86,746	1,675,155	1,667,678	1,645,656	1,666,892	29,499	786	21,236	87,532
General Capital	3,419,308	2,073,528	2,703,820	5,451,841	4,668,841	(3,378,313)	(1,965,021)	-	1,454,287
Street Capital	(328,825)	3,399,289	3,452,100	3,446,989	2,918,160	(47,700)	533,940	-	205,115
CAPITAL PROJECTS FUNDS	3,090,483	5,472,817	6,155,920	8,898,830	7,587,001	(3,426,013)	(1,431,081)	-	1,659,402
System Development	1,715,738	315,290	316,927	1,080,000	1,110,000	(764,710)	(793,073)	30,000	922,665
Water / Sewer Operations	3,327,671	6,216,957	6,579,758	7,861,874	7,779,394	(1,644,917)	(1,199,636)	-	2,128,035
Water / Sewer Capital	1,425,356	7,370,272	7,405,205	6,547,915	6,362,121	822,357	1,043,084	-	2,468,441
Storm Operations	175,136	738,018	743,812	765,137	778,574	(27,119)	(34,762)	13,437	140,374
Storm Capital	(28,016)	1,070,600	628,000	1,220,000	600,000	(149,400)	28,000	-	(16)
ENTERPRISE FUNDS	6,615,886	15,711,137	15,673,702	17,474,927	16,630,088	(1,763,790)	(956,387)	43,437	5,659,499
Public Works Admin	26,226	584,573	560,770	584,272	561,145	301	(375)	-	25,851
Equipment Rental & Replacement	714,117	1,370,391	2,163,790	1,465,655	1,444,064	(95,264)	719,726	-	1,433,843
Engineering Services	210,781	1,009,500	1,040,734	1,042,564	1,065,865	(33,064)	(25,131)	23,301	185,650
Unemployment Self-Insurance	24,832	19,620	46,598	19,500	46,416	120	182	26,916	25,014
INTERNAL SERVICE FUNDS	975,956	2,984,084	3,811,892	3,111,991	3,117,490	(127,907)	694,402	50,217	1,670,358
Firemen's Pension	231,925	34,735	36,163	27,140	27,140	7,595	9,023	-	240,948
Agency / Refundable Deposits	77,534	-	548	-	-	-	548	-	78,082
Memorial Fund	2,549	-	-	-	-	-	-	-	2,549
Golf Course Fund	42,296	12,000	10,267	21,419	40,419	(9,419)	(30,152)	19,000	12,144
FIDUCIARY FUNDS	354,304	46,735	46,978	48,559	67,559	(1,824)	(20,581)	19,000	333,723
GRAND TOTAL	14,517,385	41,857,384	44,099,544	47,149,955	46,281,716	(5,292,571)	(2,182,171)	1,381,583	12,335,213

2019 BUDGET MESSAGE

2019 shows signs of being a positive year as the local economy continues to grow, as indicated by local tax revenue projections. Port Townsend, the center of economic activity in Jefferson County, is dependent on diverse and vital industries such as the maritime trades, tourism, agriculture, artisan production, retail business, light manufacturing and the public-sector.

The *Port of Port Townsend*, a publicly owned special district that owns, operates and maintains 550 acres of property including marinas, boat & shipyards, commercial uplands, parklands, shoreline public access and an international airport provides a substantial base of economic activity. *Fort Worden*, another public entity within city limits, contributes to the local economy by attracting visitors, offering living wage jobs and generating tax revenue. It is a favored destination for residents and tourists with miles of trails, camping, conference facilities, learning and educational opportunities and programs and events in the arts, crafts, humanities, environmental and marine sciences. The Fort is continuing to stimulate redevelopment and *Makers Square*, which is an artistic hub on the Lifelong Learning Center Campus that will showcase classrooms, art galleries, KPTZ radio, culinary & woodworking schools, studios and other exhibition spaces is one project that is supporting economic growth to our area. The *Port Townsend Paper Company* is the largest private employer in the county stimulating the local economy with living wage jobs and many other contributions and involvement in the community. Other employers including *Jefferson County Hospital*, *Port Townsend School District* and the *City of Port Townsend* itself, employing over 110 people, contribute to stable employment and provide a solid foundation for the economy looking forward.

Statewide economic trends such as the unemployment rate, interest rates, consumer price index, median home prices, median wage, etc. point to a positive growth cycle in 2019. Considering these indicators, along with factoring in Port Townsend's own unique economy, the 2019 budget is prepared with expense and revenue inflation increases of around 2 to 3%. Some revenue forecasts, such as retail sales & business & occupation taxes are forecasted conservatively with fiscal sustainability in mind, as explained in more detail later in this document.

As directed by Council and consistent with the City's strategic plan, the City Manager is continuing to work on the development of long-term funding strategies to address deferred needs in streets maintenance and repairs, parks and recreation services, library services, and other infrastructure improvements. Funding for these services and facilities require many strategies. One such long-term strategy being discussed is the additional property tax revenue capacity through annexation of the City's fire service to the East Jefferson Fire Rescue service district. Community meetings and council discussions were held with the City, East Jefferson Fire Rescue and the public in 2018. The City Council adopted measures in late 2018 requesting annexation into the East Jefferson Fire Rescue service district. A ballot measure will be voted on in the February 2019 election. If the measure is approved, governance would take effect in March 2019 with the first levy impact effective in 2020. The city and fire district agreed that the city would limit its authority to raise its pre-existing general levy fire allocated

property taxes for a four-year term starting in 2020. This “banked” taxing authority may be phased in over a three-year period starting in 2021 with limitations on how funds will be earmarked. Eligible uses considered are street maintenance, parks & recreation, affordable housing initiatives, and utility tax relief.

The city looks forward to pursuing its strategic objectives and accomplishing several new operational tasks in 2019 including the following:

- Recruit a new City Manager with an anticipated start date in mid-year.
- Negotiate a new solid waste contract
- Begin contract negotiations with Port Townsend Paper Company for transfer of water supply obligations
- Continue to establish the city’s role as a facilitator for affordable housing
- Finalize and begin to implement the storm water master plan
- Complete operational analysis of the city golf course and prepare recommendations
- Complete the Rainier Street Sub Area Planning process
- Prepare recommendations for the City Library based on the service sustainability analysis results
- Undergo a city-wide software needs assessment
- Implement new employee respiratory safety program
- Identify long-term financing to continue capital projects investment
- Implement new recommended policies and procedures for the equipment replacement program
- Onboard a new public works operation manager
- Recruit new hires for long-term retiring employees
- Negotiate tenant leases at Mountain View following space upgrades for the non-profit tenants

2019 promises to be a busy year with a lot of changes. We are looking forward to the opportunities these changes will bring. The remainder of this document breaks out the proposed budget into operational and capital categories with key highlights in each section.

The budget is adopted at the fund level. The chart below (which represents Exhibit A to the budget ordinance) provides an overview of the revenues, expenditures and projected ending fund balances:

**City of Port Townsend
City Manager Proposed 2019 Fund Summary**

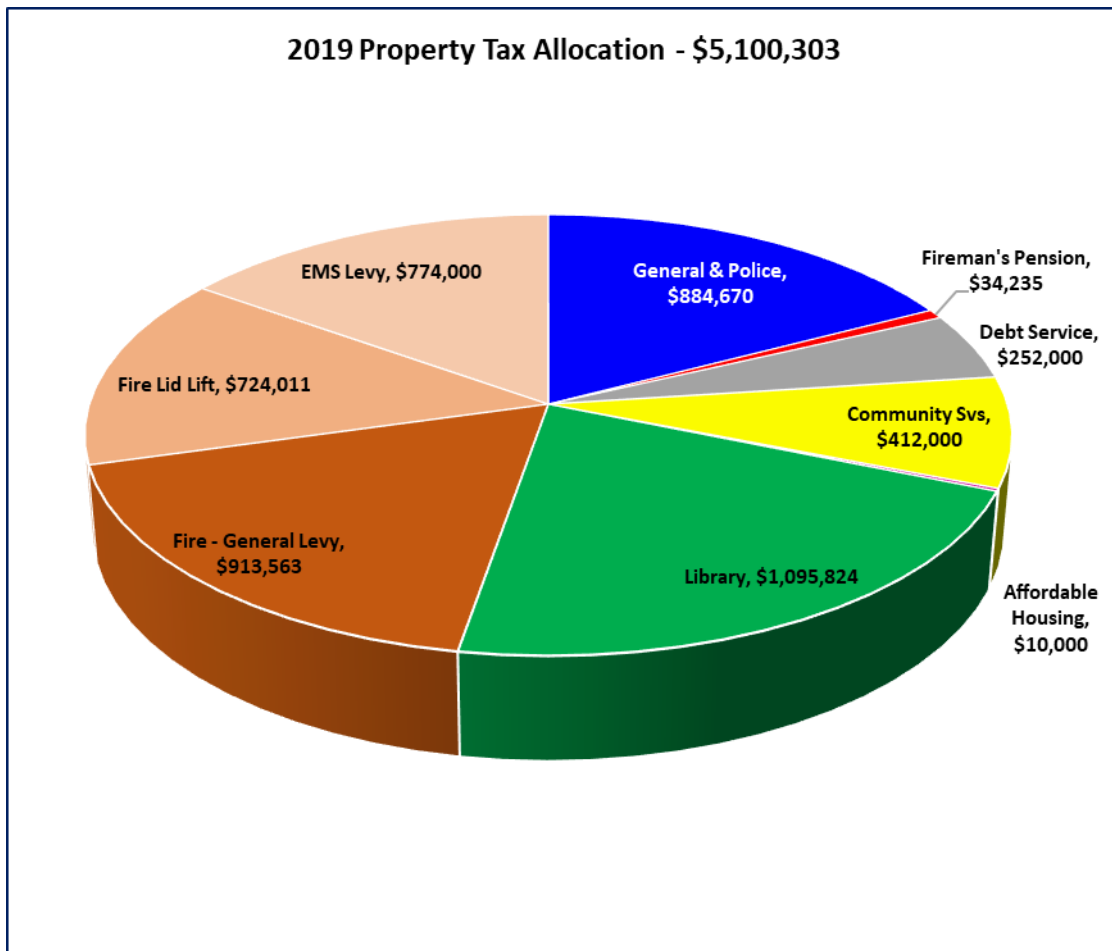
	2018 Estimated Balance	2019 Proposed Revenues	2019 Proposed Expenses	2019 Proposed Rev vs. Exp	2019 Proposed Balance
GENERAL FUND	1,467,266	9,101,543	9,097,115	4,428	1,471,694
Drug Enforc. / Contingency	181,831	1,200	-	1,200	183,031
Street	226,057	870,803	930,573	(59,770)	166,287
Library	197,667	1,097,144	1,161,673	(64,529)	133,138
Real Estate Excise Tax	302,686	512,200	510,000	2,200	304,886
Lodging Tax	256,242	550,750	572,908	(22,158)	234,084
Fire/ EMS	3,690	2,412,574	2,411,574	1,000	4,690
Affordable Housing	11,030	10,100	10,000	100	11,130
Community Development Block Grant	172,429	14,424	15,000	(576)	171,853
Community Services	105,800	2,016,792	2,010,775	6,017	111,817
TOTAL SPECIAL REV FUNDS	1,457,433	7,485,987	7,622,503	(136,516)	1,320,917
DEBT SERVICE FUND	87,532	1,698,035	1,686,855	11,180	98,712
General Capital	1,454,287	296,831	1,706,931	(1,410,100)	44,187
Street Capital	205,115	1,841,829	2,040,991	(199,162)	5,953
CAPITAL PROJECTS FUNDS	1,659,402	2,138,660	3,747,922	(1,609,262)	50,140
System Development	922,665	338,452	600,000	(261,548)	661,117
Water / Sewer Operations	2,128,035	6,957,366	7,059,994	(102,628)	2,025,407
Water / Sewer Capital	2,468,441	2,761,454	2,551,215	210,239	2,678,680
Storm Operations	140,374	747,859	781,074	(33,215)	107,159
Storm Capital	(16)	990,000	968,000	22,000	21,984
ENTERPRISE FUNDS	5,659,499	11,795,131	11,960,283	(165,152)	5,494,347
Public Works Admin	25,851	611,802	594,272	17,530	43,381
Equipment Rental & Replacement	1,433,843	1,148,957	942,310	206,647	1,640,490
Engineering Services	185,650	894,000	982,310	(88,310)	97,340
Unemployment Self-Insurance	25,014	20,180	20,000	180	25,194
INTERNAL SERVICE FUNDS	1,670,358	2,674,939	2,538,892	136,047	1,806,405
Firemen's Pension	240,948	35,735	17,551	18,184	259,132
Agency / Refundable Deposits	78,082	-	-	-	78,082
Memorial Fund	2,549	-	-	-	2,549
Golf Course Fund	12,144	10,250	18,229	(7,979)	4,165
FIDUCIARY FUNDS	333,723	45,985	35,780	10,205	343,928
GRAND TOTAL	12,335,213	34,940,280	36,689,350	(1,749,070)	10,586,144

2019 BUDGET ASSUMPTIONS

KEY REVENUE ASSUMPTIONS

The City's Property Tax Levy for 2019 is forecast to increase by the statutory 1.0% plus an adjustment for the value of new construction and refunds forecast at approximately 1.4% for a TOTAL property tax levy increase of 2.4% for the General Levy. The City's share of this revenue is 73.5%, or \$2.5 million for Public Safety & General Services, Library operations, Community Services (Parks, Trails, Facilities), Affordable Housing initiatives, Debt Service and Fireman's Pension. The EMS Levy of \$0.47 generates an additional 2.4% of revenue. An excess property tax assessment of approximately \$150,000 related to the Mountain View Commons voted tax assessment will be levied to fund 50% of the annual debt service for this voted bond.

Below is a chart showing the distribution of property taxes:



Retail Sales Taxes in 2018 are projected to come in at 7.1% over 2017 and 6.2% more than the adopted budget. Construction activity can skew “normal” revenue from retail sales, business and occupation taxes, permitting fees and special purpose sales taxes trends, so this revenue source is closely monitored to differentiate between improved economic trends as compared to “one-time” revenues related to construction activity.

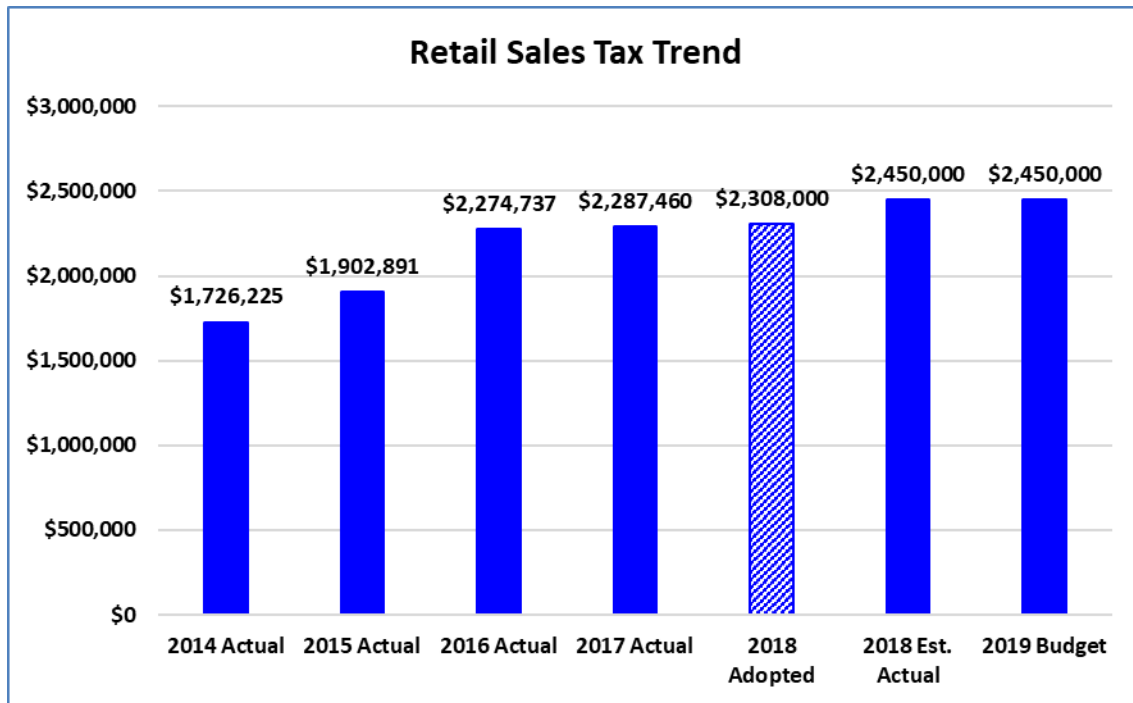
An internal analysis of sales tax data indicates that the increase in 2018 is realized across most industry categories with manufacturing and construction showing the highest increases at 58.4% and 23.0% over the prior year, respectively.

According to the State of Washington, September’s state revenue and economic data shows that Washington’s unemployment rates are at an all-time low at 4.4% and expected to remain at this level for the next five years; consumer confidence remains high as preliminary retail sales collections grew 5.7% and business and occupation tax collections grew 12.4% year over year. While still strong, the housing market is showing signs of slowing down as the number of building permits are slowing, and the consumer price index is at 2.3% higher than September of last year.

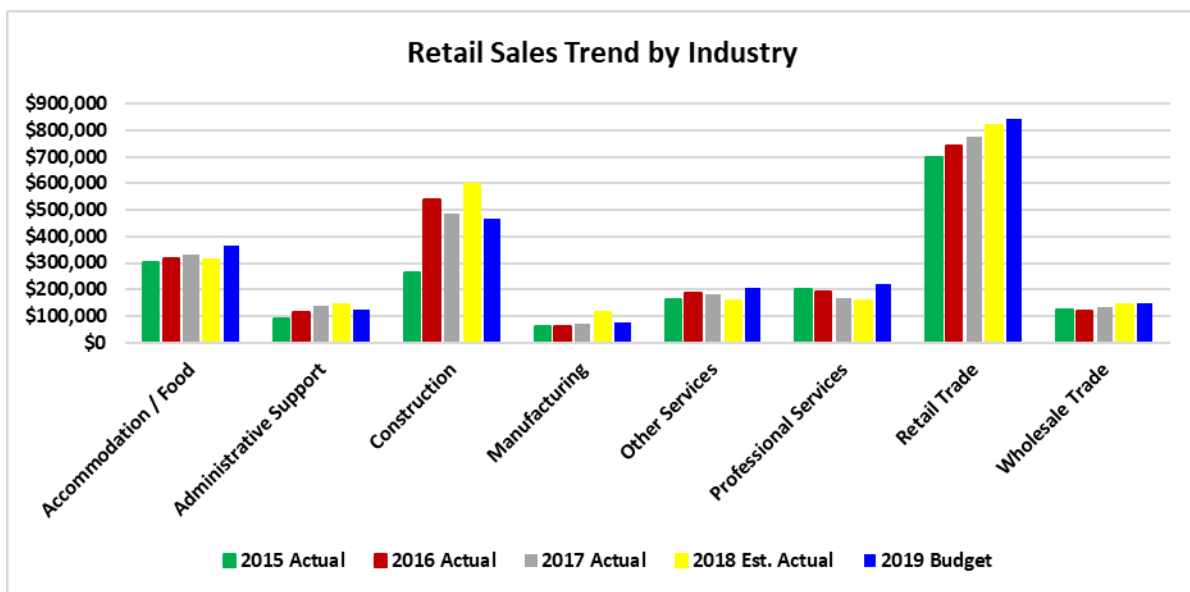
The Market Place Fairness Act went into effect on January 1, 2018 (EHB 2163). This act imposes retail sales tax on remote sellers in Washington State. While the State indicates that local governments are seeing some positive results, a task force is meeting regularly to provide guidance to local governments on the best ways to monitor it.

How does this translate to Port Townsend? In 2019, the city anticipates continued private, commercial and public sector related construction along with expecting ongoing retail activity in the City and at Fort Worden. Removing the construction component from our total retail sales revenue estimate, we are forecasting that the level of retail sales tax will be similar to 2018, which is higher than 2017 by 7.1% and higher than 2016 levels by 7.7%. This approach is a conservative one that minimizes projections of “one-time” revenues so the city does not depend on this revenue for annual ongoing appropriations.

Below is a chart demonstrating the upward trend of retail sales taxes showing a 41.9% growth since 2014 and the forecast for 2019:



Reviewing the trend by industry specific to Port Townsend shows how other industries such as retail trade and accommodation/food industries demonstrate steady growth, while construction is more erratic, further validating conservative forecasting for this component of revenue. See below for reference:

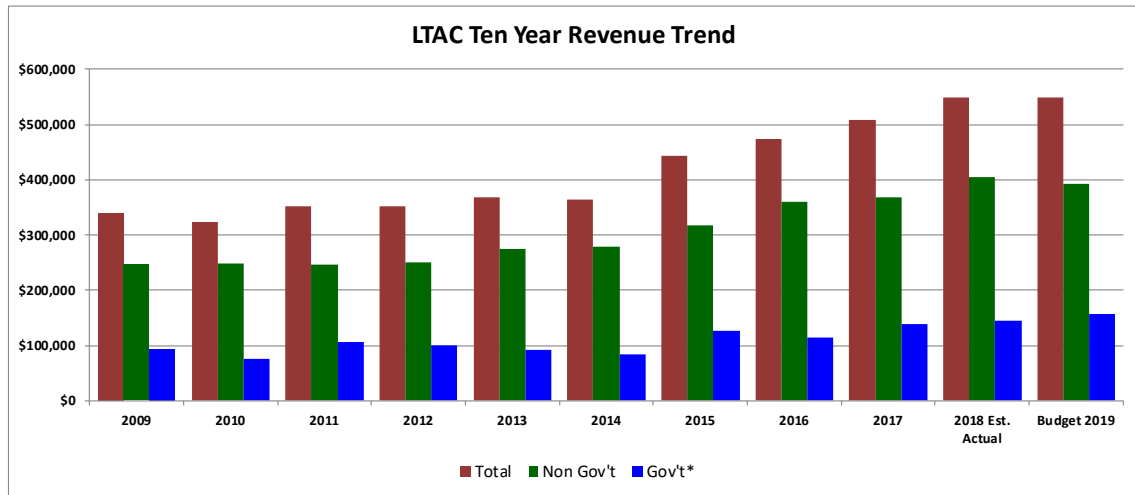


Lodging Taxes are projected at \$550,000, which is 14.6% higher than the 2018 adopted budget of \$480,000. The 2019 forecast is equal to the 2018 projection, and factors in favorable tourism activity at hotels, motels and *Fort Worden*. Expenditures are restricted to marketing and tourism related infrastructure. The chart below depicts continued positive trend in tourism related taxes since 2009 here in Port Townsend:

City of Port Townsend

LTAC Revenue Summarized between Gov't & Non Gov't Entities

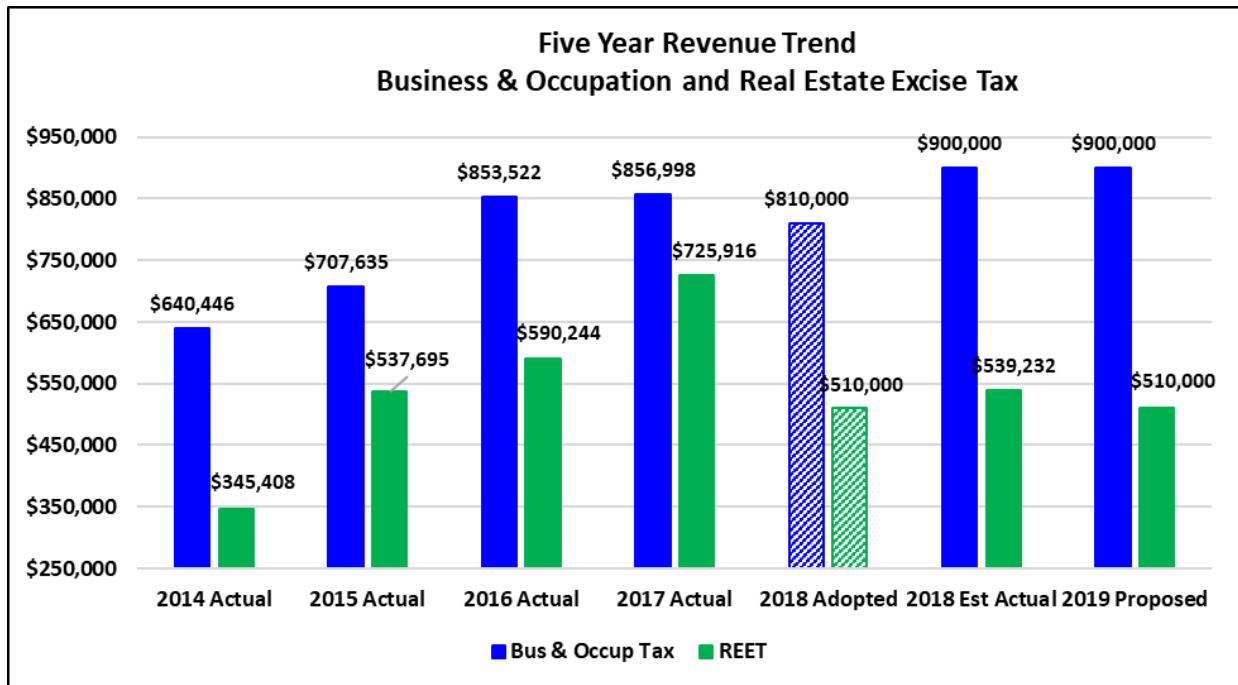
Entity Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 Est. Actual	Budget 2019
Non Gov't	\$246,019	\$247,489	\$246,364	\$251,052	\$275,710	\$279,527	\$318,065	\$360,091	\$368,825	\$405,409	\$393,554
Gov't*	\$94,159	\$76,699	\$105,817	\$100,891	\$92,985	\$84,648	\$125,794	\$114,846	\$139,678	\$144,591	\$156,446
Total	\$340,177	\$324,188	\$352,181	\$351,943	\$368,695	\$364,175	\$443,859	\$474,938	\$508,503	\$550,000	\$550,000



Business & Occupation Taxes are projected at \$900,000, which is 11.1% higher than 2018 adopted budget. In 2018 the City implemented a new license and tax structure. It was unknown how this change would impact this revenue source, so we conservatively budgeted in 2018. In 2018, we are averaging 590 quarterly returns to businesses claiming gross income more than \$100,000 per year. When we prepared our analysis for the tax structure change, using 2014-2016 data, this group of employers were averaging around 513. We reviewed our first quarter of activity and noted that the increase, again, was largely related to construction. We will continue to monitor business & occupation tax data going forward to see which businesses represent ongoing activity versus. “one-time” construction activity.

Real Estate Excise Taxes (REET) year to date collections in 2018 show strong results in real estate transactions, consistent with 2017 results, and are projected to be \$541,000 or 6.1% more than adopted budget. 2019 REET revenues are budgeted at \$510,000. It is difficult to forecast when large commercial properties will sell, which can disproportionately distort this revenue source. Thus far in 2018 we have received receipts from several large commercial and high-end residential real estate transactions. These funds restricted to capital improvements or debt service, which reduces the City’s reliance on general fund dollars to make up city matching project funds.

Below is a chart showing the positive trend in Business & Occupation and REET Taxes. REET revenue is much more volatile and dependent on real estate sales versus the steady growth trend in Business & Occupation Taxes:



Utility Tax revenues in the proposed 2019 budget are based on a 22% gross receipt public utility tax for all city water, sewer, storm water and garbage services. Two percent of this tax was slated to revert to 20% at the end of 2018, however, City Council renewed the tax for an additional five years (See *Ordinance 3203*). The additional 2% currently supports two Community Services maintenance workers to serve Parks and Mountain View facility. Total public utility tax forecasted for 2019 is \$1,628,230 and is split amount General Services (45%), Public Safety (7%), Streets (39%) and Community Services (9%).

Private utility tax rates are 6% of the private utility revenue. Telephone and electric private utility taxes are estimated to be \$941,050 and are forecasted to increase based on inflationary adjustments only.

State Shared Revenues are based on distributions that are shared via state revenue assessments. The City receives distributions for liquor profits and tax, criminal justice tax and marijuana tax distributions, fuel and multi-modal gas taxes which primarily support public safety and streets. Some of these distributions are population based with the City's population for 2018 listed by the Office of Financial Management as 9,545 (an increase from 2017's population of 9,500). 2019 projected state shared revenue is \$382,908, which is slightly less than 2018 projections of \$384,166. Although our population estimated increased, the distribution for Liquor Excise tax which was reduced from \$8.29 per capita to \$8.16 per capita, and in marijuana distributions. Other state share distributions increased.

Overhead Cost Recovery is projected to decrease by approximately \$14,753, or 1.0% in 2019. This decrease is the result of several factors that are calculated in our overhead cost recovery model. The allocation model looks back two years to recover overhead costs occurring in 2017 to be recovered in 2019. The decrease is primarily the result of allocating more overhead to administrative cost centers in the General Fund that are not recoverable versus special revenue and enterprise cost centers that do reimburse the General Fund.

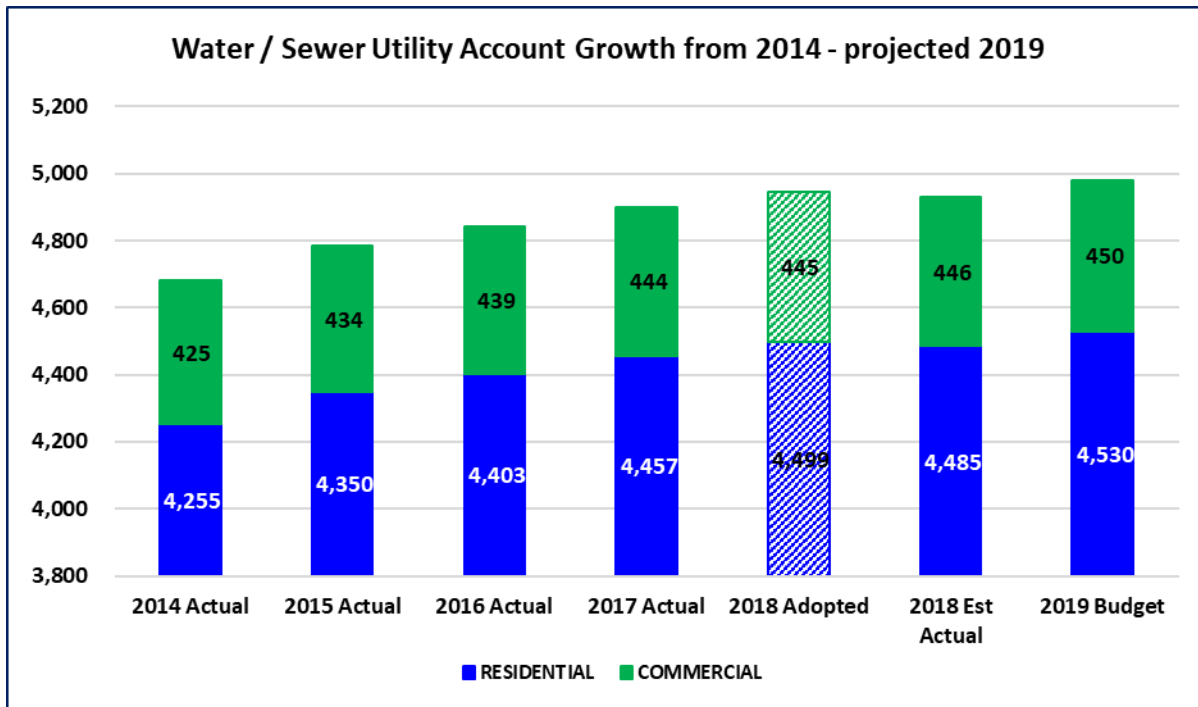
Utility Revenues (Water, Sewer and Stormwater) are budgeted at the adopted rate increase per Ordinance 3199. In 2017, the City underwent a water and sewer rate study, contracting with *FCS Consulting Group*, to analyze whether our utility rates fully supported capital infrastructure and operations of water and sewer. The results of the rate study recommended increases in both surcharge and usage fees. These revised rates were adopted in May 2018 and are scheduled to take affect January 1, 2019.

Water and sewer operating and maintenance rates are scheduled to increase 3.0%. The surcharge for water will remain at \$20.00 per month, and the sewer surcharge will increase from \$3.00 per month to \$8.00 per month. The revenue forecast calculations for 2019 also include an increase of 1% for new accounts added to the utility. These assumptions are consistent with the rate model that has been prepared by *FCS Consulting Group*.

The City is currently engaging in a stormwater rate study with *FCS Consulting Group* and will prepare a recommendation to be discussed with City Council in 2019. The 2019 forecast projects a 1% account growth. The surcharge of \$3 per month, which has not changed since 2016, is projected at the same rate as in 2018. Changes to stormwater operating and maintenance rates and surcharge amounts may be recommended once the study is complete and reviewed by City Council.

The number of utility accounts tend to grow in relationship to our population but also are impacted by commercial growth. In 2014, our population was 9,255 compared to 9,545 in 2018 which represents a 3.1% growth rate over four years. The growth rate in utility accounts from 2014 (4,680) to 2018 (4,959) reflect a growth rate of 6.0% over four years. The commercial account was 4.9% over the same period of time.

In 2019, the City is projected to have a total of 5,009 water/sewer accounts with 450, or 9%, of those projected to be commercial accounts. Below is a chart demonstrating the growth in commercial and residential water/sewer accounts from 2014 through projected 2019:



Total water / sewer / storm operations and surcharge revenue is forecasted to be \$7,343,545 as compared to \$6,985,131 in 2018, or a 5.1% increase. As noted earlier, this represents scheduled rate increases and 1% account growth. These totals do not include compost, yard waste, septage discharge and other miscellaneous utility revenue, which is projected to be \$207,334 in 2019.

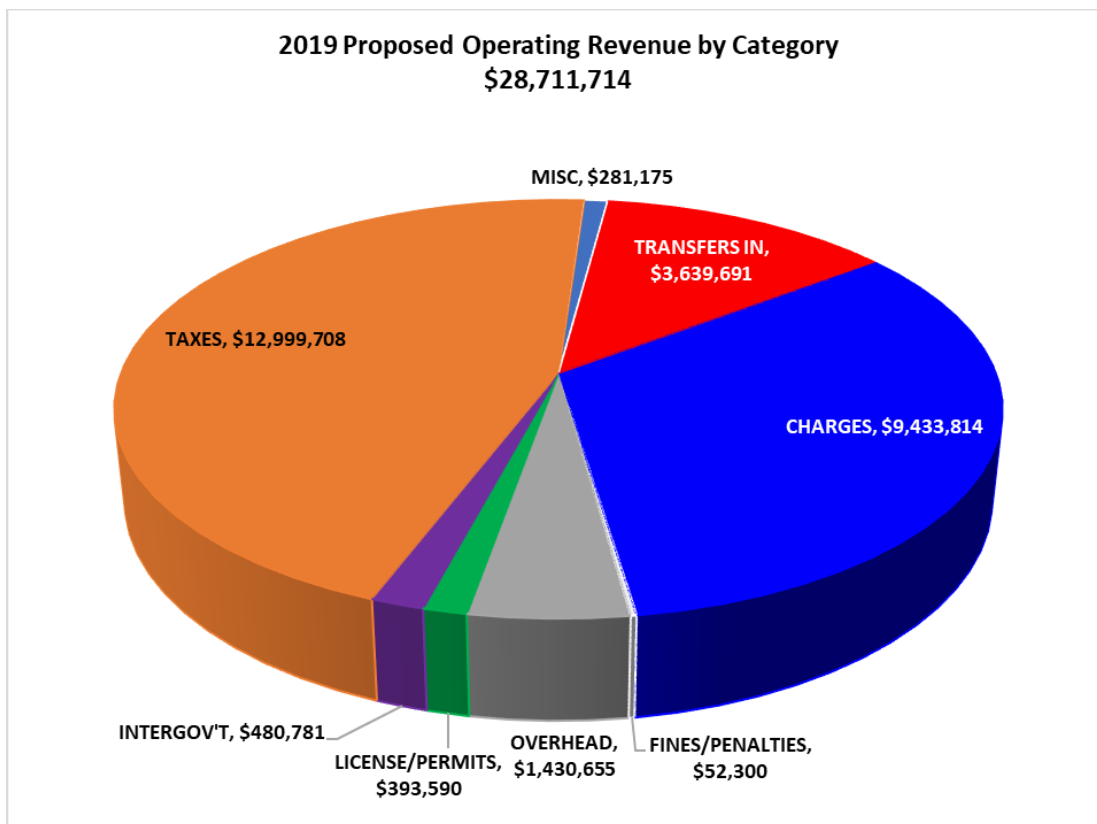
Total Revenues:

Total Budgeted 2019 revenue is projected at \$34,940,280, comprised of capital funding of \$6,228,566 and operating revenue of \$28,711,714.

Several operating funds such as the Streets Fund, Library Fund, Water / Sewer / Storm and Engineering Funds are intentionally projected to draw on cash reserves where current year revenues are not expected to cover current year expenditures. All but the storm operations fund still are projected to meet our fund balance reserve policies in 2019.

As noted in the utility revenue section, a stormwater rate study is being conducted to determine appropriate rates and surcharges to cover our stormwater infrastructure and operations. We anticipate having to raise rates where this fund’s revenues will cover expenditures.

The Library Fund is also undergoing a service analysis study, which will propose long-term strategies for funding the right service model at the city library. In addition, city staff are working on long-term funding proposals to adequately fund streets, parks, and facility maintenance. We look forward to presenting ideas to the City Council with proposals on maintaining these services in the future.



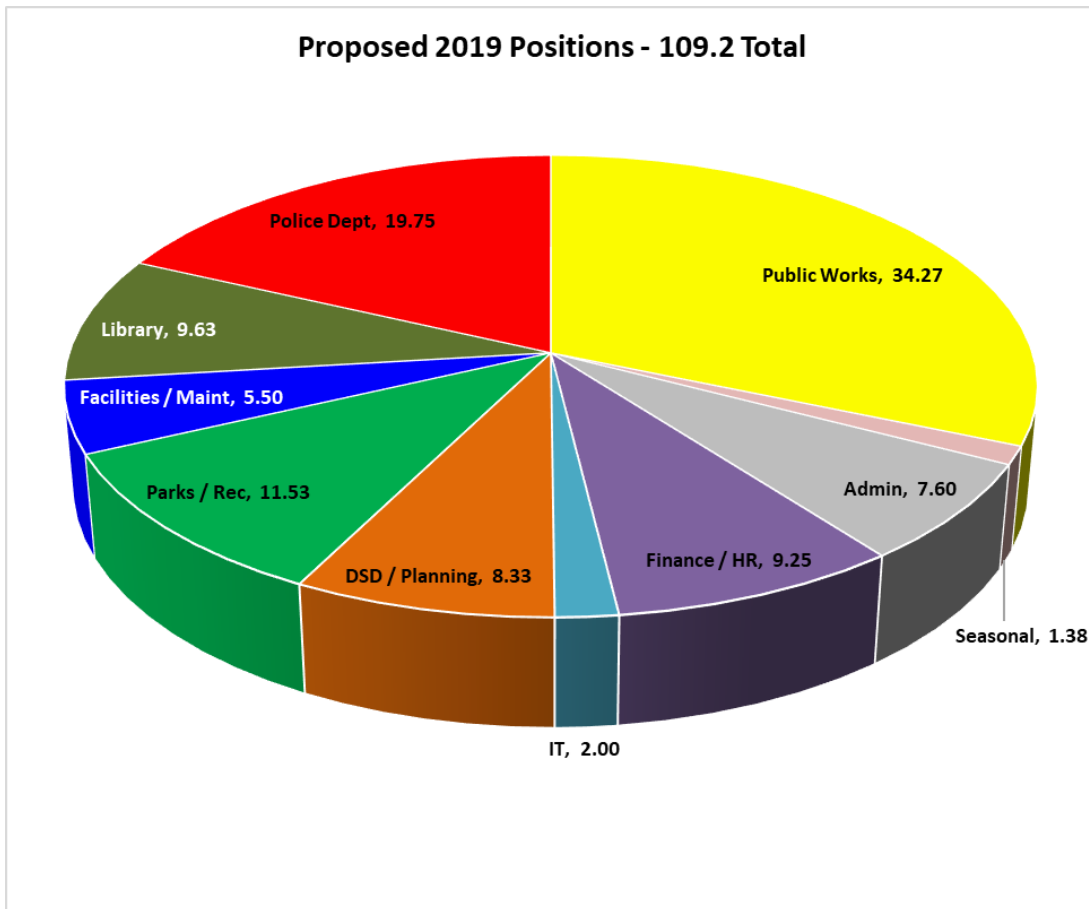
Capital Revenues provide substantial funding for general government, street and utility projects through state and federal grants, public works trust fund loans, and drinking water state revolving fund proceeds. A smaller amount of capital funding may be administered with inter-fund loans, transfers, bank lines of credit or other debt financing. Additional details regarding capital projects are provided later in this document.

KEY EXPENDITURE ASSUMPTIONS

Labor

Personnel Wages & Benefits represent a significant portion of the City's operating expenses at \$11,185,051 or 38.8% of proposed operating costs, \$28,836,213. If you remove internal transfers and debt service from operating costs, staffing is 57.8% of the total. The City continues to balance the need to retain qualified, capable staff by providing fair and competitive wages while also maintaining appropriate service levels. 2019 will present both challenges and opportunities with our City Manager transition and as other long-term employees with a wealth of institutional knowledge retire. Succession planning has been a key approach to maintain adequate service levels. The 2019 proposed budget does not add any additional positions but does include

additional funding for vacation payouts and position transition overlap. Total budgeted positions in 2019 are 109.2. The positions are outlined by position in the chart below:



Employee groups include three sectors, the Police Collective Bargaining Unit, General Collective Bargaining Unit, and non-represented personnel. The Police Collective Bargaining Unit contract was finalized in early 2018. Adjustments were made to base rates in 2018 and wages were also contracted to increase 2.0% per year effective at the time of the contract signing through December 31, 2020. Due to vacancies in 2018, no supplemental appropriation requests were made for the contract wage changes. Assuming no vacancies, we budgeted 14.0 full time officers and 0.75 part-time reserve officers, which represents a 3.7% increase over 2018 budgeted wages and benefits for this unit. Retaining and recruiting officers continues to be a challenge, but the city believes it negotiated a fair contract that will encourage our officers to remain with us and attract new officers for existing vacancies.

The General Collective Bargaining Unit is currently in negotiations so the impact to the budget is still unknown. That contract expires December 31, 2018, and negotiations may go in to early 2019. If necessary, the city will propose a supplemental budget request.

The City budgeted a 2.0% increase, in line with the police contract, for non-represented staff. The non-represented employees include library, part-time pool, confidential

administrative, legal and leadership positions which total 41.9 positions in the 2019 budget. A full list of authorized positions along with the position classification salary schedule approved by council in 2018 is included in the Staffing and Compensation section of the Budget Book.

Benefits offered to employees include medical, dental, vision, long-term disability, life insurance and retirement. Medical costs for 2019 are forecast to increase by approximately 6.0% for the AWC benefit plan (general government non-represented employees), less the 2.0% well-city discount. To achieve the discount, AWC employees participate in a variety of wellness activities that promote a healthy life style.

The Teamsters' benefit plan which covers both the Police and General Government union employees is expected to increase 3.5% in 2019. Retirement contributions (PERS) are funded at 12.83% of eligible employee wages. This participation rate is mandated by the Washington State Retirement System. The employee participation share is 6.5 of gross wages. Employees also have the choice of enrolling in Washington State's Deferred Compensation program which is not employer funded.

The 2019 budget includes Seasonal Staff for Streets/Sewer/Wastewater Collection for 2 employees and an additional 2 seasonal employees for Parks maintenance. Seasonal staff are hired to work between May and October and are equivalent to 1.4 full time employees in the calendar year. Minimum wage for Washington is increasing to \$12.00 per hour in 2019, which presents a challenge to hire seasonal workers for the city. In 2018, we were not able to recruit enough seasonal employees, so in 2019 we have budgeted these non-benefited employees at \$15.00 hour.

Non-Labor

Operating non-labor expenditures are expected to maintain the status quo for 2019. Below is a list of budget expense highlights as compared to the 2018 adopted budget:

General Government Funds:

- General Fund – \$90,000 increase in liability insurance through our WCIA insurance risk pool
- General Fund - \$46,000 increase in district court costs
- General Fund – \$10,000 increase in election costs for additional ballot measure regarding annexation in February
- General Fund - \$30,000 appropriation to hire a consultant to assess our inventory of software programs and provide recommendations for new platforms for financial and other technology services
- Police Training - \$5,000 increase for mandated training costs
- General Fund - \$40,500 increase in debt service payments for 2018 GO Taxable Bond (to be appropriated from council reserve)

- General Fund – \$15,000 increase for Granicus Live Media Updates and Code Publishing Updates
- General Fund - \$10,000 for travel stipends for City Manager recruitment
- General Fund - \$5,000 increase in recruitment costs for key leadership positions
- General Fund - \$8,000 increase for employee safety training program
- General Fund - \$237,600 increase for equipment maintenance & replacement contributions. This is primarily the result of eliminating equipment replacement for general government funds and placing a contingent equipment replacement of \$159,500. The remaining increase is the outcome of the ER&R Fund analysis that was completed in 2018 which revealed underfunding that needed to be addressed in the 2018 supplemental appropriation request and the 2019 proposed budget.
- General Fund - \$60,705 increase in transfer to General & Street CIP funds to support general overhead allocation
- Streets Fund – \$15,000 increase in equipment for New Paint Striper
- Streets Fund - \$19,900 increase in equipment maintenance & repair contributions
- Library Fund - \$30,600 increase for information technology equipment maintenance and replacement
- Community Services - \$4,000 increase in mandated elevator testing
- Community Services - \$7,700 increase in equipment maintenance & repair contributions
- Lodging Tax Fund - \$76,000 contingent expense for capital improvements (pending recommendation from Lodging Tax Committee)
- Fire & EMS Services Fund expense increase of \$26,298 is related to increased property tax revenues that are passed through to East Jefferson Fire Rescue
- Debt Service - \$19,963 increased cost for general government debt service

Utility Funds:

- Water/Sewer Utilities – \$337,245 increase in Public Works Trust Fund Loan payments for the water treatment facility and 5 mg reservoir loans
- Water/Sewer Utilities - \$35,000 repair of biosolids barn roof
- Water/Sewer Utilities – \$5,000 for respiratory safety equipment
- Water/Sewer Utilities - \$10,000 for consulting services for updating the rate study
- Water/Sewer Utilities - \$100,000 general maintenance / replacement of utility maintenance holes
- Water/Sewer Utilities - \$10,000 equipment purchase – hand push camera
- Water/Sewer Utilities – \$50,000 for legal counsel - Mill Rate negotiations
- Water/Sewer Utilities - \$61,700 increase in equipment repair, maintenance and replacement contributions
- Storm Utilities – \$18,200 Debt Service payments for CERB Loan
- Storm Utilities - \$12,000 equipment purchase – spare pump
- Storm Utilities - \$66,000 increase in equipment repair, maintenance and replacement contributions

Internal Service Funds:

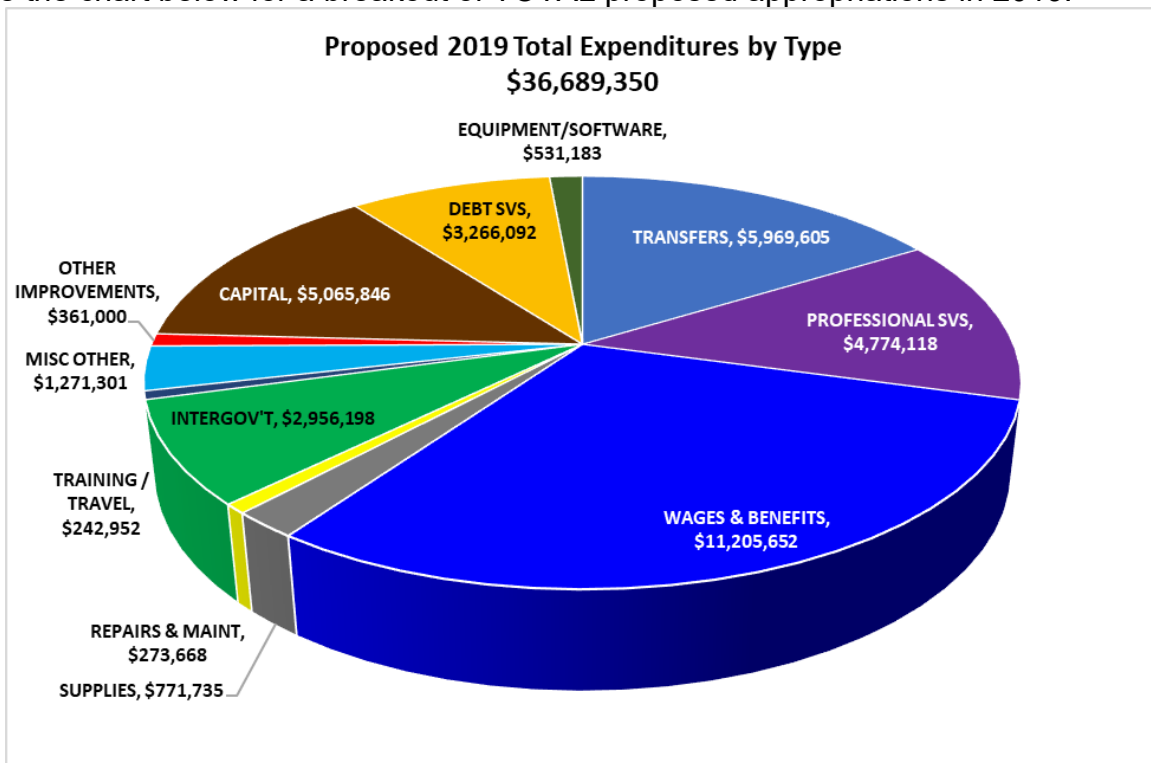
- Engineering Services - \$14,000 in ESRI software upgrade

- Engineering Services - \$4,000 increase in training costs for staff
- Engineering Services - \$18,000 increase equipment repair, maintenance and replacement contributions
- Fleet / IT Internal Service Funds - \$5,900 increase in equipment repair, maintenance and replacement contributions

Proposed TOTAL 2019 Expenditures of \$36,689,350 include all operating fund appropriations in addition to water, sewer, general and street capital funds. Transfers make up \$5,969,605 or 16.3% of total expenditures. Transfers are internal accounting transactions expended in one fund and recognized as an equivalent revenue in another fund. Transfers in the chart below include a \$985,000 operating fund transfer from the General Fund to support the Community Services Fund, \$1,283,900 transfers from various funds to support the GO Debt Service Payments, \$1,383,791 in utility debt service transfers, \$126,035 transfer from the general fund to general and street capital funds to support overhead allocations, and \$2,149,000 in capital transfers.

Some intergovernmental expenditures are combined with professional services in 2019 per recommended reporting changes by the Washington State Auditor’s Office. These expenditures, previously reported separately, include excise taxes, and charges from other public entities such as Fire / EMS services, state audit fees, and Jefferson County Jail & Court services. The intergovernmental expenditures noted in the chart below include overhead allocations, engineering service charges to capital funds, and charges for equipment repair, maintenance and replacement.

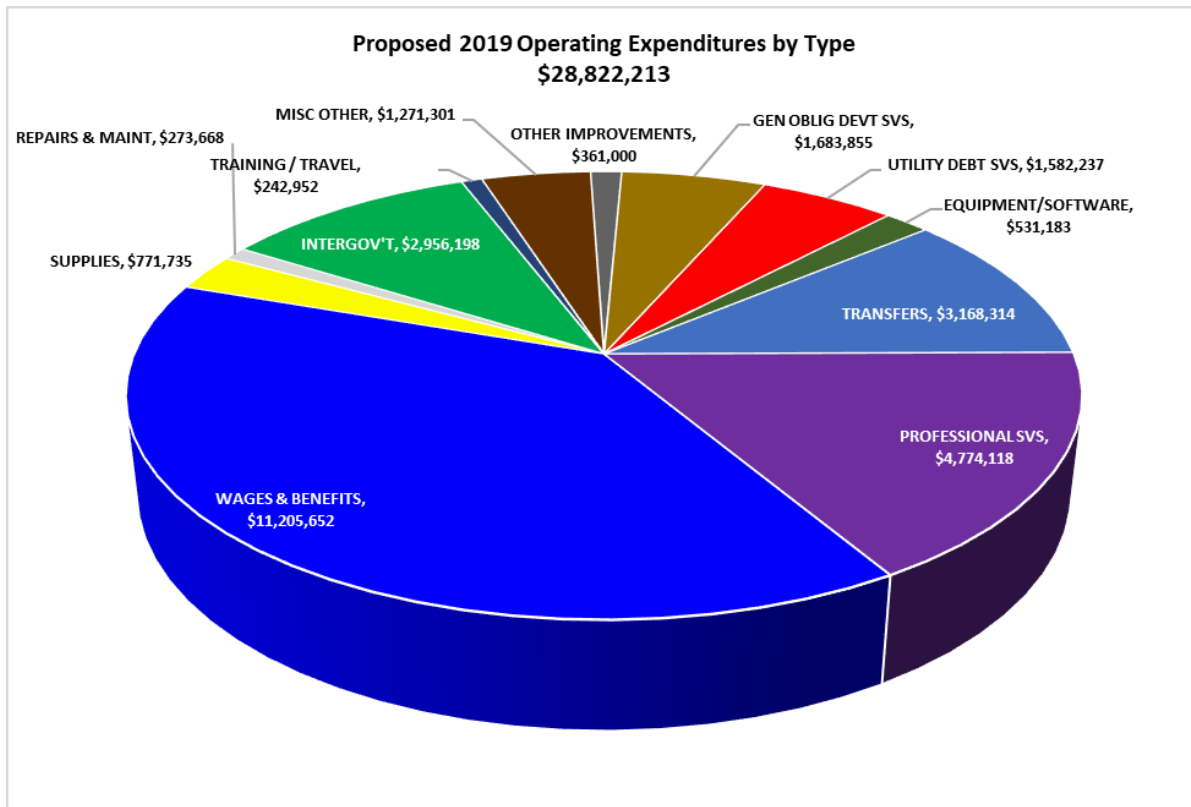
See the chart below for a breakout of TOTAL proposed appropriations in 2019:



2019 proposed operating expenditures are \$28,822,213 (not including capital funds, which include General and Street Capital, Engineering Services, System Development, Water / Sewer Capital, Transmission Line, Utility Debt Service and Storm Capital Funds).

Operating expenditures are proposed to be \$461,568 more than the 2018 adopted operating expenditures or an increase of 1.6%. Highlights of labor and non-labor operating expenditures were noted above but the increase of 1.6% primarily represents labor and benefit increases, and equipment maintenance & repair and replacement contributions.

See the breakdown below of proposed 2019 Operating Expenses by Type:



2019 CAPITAL PROJECTS

The proposed 2019 budget has a variety of capital projects that adds both new infrastructure investment and improves aging infrastructure. A breakdown of planned projects is listed below and explained in more detail in the Capital Improvement Plan section of the budget document.

General Government and Street Capital Projects:

- Mountain View Phase III bond and Community Development Block Grant funded repairs and upgrades to facilities on the campus that houses the police station, pool and non-profit organizations is in its final phases in 2018 but will have some project close out items in early 2019
- Library capital for window replacements funded by 2017 bond funds
- Library restroom improvements funded by the Library Foundation
- Visitor's Center Sims Way frontage improvements funded by 2017 bond funds
- SR 20 Pedestrian Walkway design funded by 2017 bond funds
- Jefferson Street Sidewalk project will be completed in early 2019
- Complete Streets projects funded by a grant received in 2017
- Discovery Road improvements primarily funded by WSDOT grant

Water/Sewer and Stormwater Utility Capital Projects included in the 2019 capital budget that are currently underway and have secured funding sources:

- Cherry Street 4 plex water line improvements funded with system development fund reserves and water/sewer operations transfers.
- Water line replacements – funded with capital surcharge fees
- Sewer Outfall project funded with System Development and Department of Ecology Loans/Grants
- Gaines Street Pump Station corrosion control funded with sewer capital surcharge fees and system development fund reserves
- Visitor Center public restroom design – possible funding from lodging tax funds
- Logan Street Storm Pond design funded with storm capital surcharge fees
- CERB regional stormwater project funded with CERB Loan funds and storm capital surcharge fees.

2019 COUNCIL AND CITY-WIDE GOALS

The 2016 – 2018 three-year Strategic Plan for the City of Port Townsend, implemented in early 2016 has been a successful way to help focus the City's objectives and actions. The 2019 budget is in alignment to continue this work and to recognize that 2019 is a transition year in many ways.

The City Council and Senior Staff held a two-day facilitated retreat to review the 2016-2018 Strategic Plan and to plan for its successor going forward starting in 2019. The Council is finalizing the Strategic Plan for 2019 – 2022. What was agreed is to focus *(not in any priority of one over the other)* on five key areas:

1. Economic Growth
2. Affordable Housing
3. Infrastructure Assets (Streets/Utilities/Parks)
4. City Organization
5. Community Quality of Life

Council and staff also identified many objectives/actions to be implemented that are associated with these focus areas. The next phase will be to review and prioritize these objectives into an action plan for implementation starting as early as 2019 and continuing through 2022.

Objectives and actions the city will focus on in 2019 include the following:

- Re-establish our City's mission statement and values statement
- Develop and adopt three-year Strategic Plan for 2020-2022
- Recruit and on-board a new City Manager
- Initiate a ballot measure to request fire annexation into the East Jefferson Fire and Rescue service district
- Evaluation options for long-term financing solution for:
 - Street repair and maintenance and a Pavement Management Program
 - Parks and Recreation maintenance and programs
 - Library capital improvements
- Continue to support community partners in identifying solutions for affordable housing

DEFERRED MAINTENANCE AND UNMET NEEDS

During the annual budget retreat, department heads came together to identify operating and capital improvement priorities. The City Manager considers these competing community and operating needs against available funding sources and recommends an annual balanced budget. These requests range from additional staffing and operating equipment to maintaining and replacing aging infrastructure. Some of the requested items identified by department heads that the city is not able to fund in 2019 are included in the table below. If funding does come available, such as unexpected increases in retail sales tax revenue, then the City Council can refer to this list to determine if the unmet need can be fulfilled.

**City of Port Townsend
Unmet Needs - Deferred & Unfunded Items
Budget 2019**

Fund/Department	Description of Item	One Time	Ongoing	Explanation
General Fund				
Mayor & Council	Wages & Benefits		?	Wage & Benefit Evaluation for City Council Members
Administration	Wages & Benefits		100,000	1.0 FTE - Communications Specialist
Administration	Equipment	14,000		Replace Conference Room Table & Chairs
Administration	Professional Services	40,000		City Hall Space Planning
City Clerk	Software	10,300	500	Public Records Request Tracking Software
City Clerk	Software	30,000		Upgrade to Laserfiche Software - Records Management
City Clerk	Professional Services	15,000		Closed Captioning Service for Public Meetings
DSD / Planning	Professional Services	9,000		Mandated Shoreline Management Plan Updates
Finance	Software	20,000	2,000	Fixed Asset Software
Finance	Software	125,000	5,000	Financial Software Conversion (cost will be split with Utility Billing)
Human Resources	Software	831		Encryption Software
Human Resources	Software	2,200		Volunteer Management Software
Human Resources	Training		10,250	City Wide Training & Career Pathing Program
Police Administration	Software	6,062	500	Check Mate Asset / Inventory Software
Police Operations	Wages & Benefits		100,000	1.0 FTE - Social Worker / Navigator
Police Operations	Equipment	12,435		PPE Equipment - Respirator Masks (Qty 15)
Police Operations	Equipment	13,500		PPE Equipment - Ballistic Helmets
Police Operations	Equipment	10,866		Mobile Parking Enforcement Computer(s)
Police Operations	Equipment	85,000		License Plate Reading System
Police Operations	Equipment		160,000	Police Vehicles
Total Deferred General Fund Personnel / Non Personnel Items		394,194	378,250	
Street Fund				
Street Operations	Repair & Maintenance		100,000	Street Maintenance / Repair (Paving, Chip Sealing)
Street Operations	Professional Services	20,000	5,000	Noxious Weed Abatement
Street Operations	Professional Services	70,000		ADA Transition Plan Consulting
Total Deferred Street Personnel / Non Personnel Items		90,000	105,000	
Library Fund				
Library Facility	Equipment / Professional Services	?		HVAC Improvements
Library	Wages & Benefits		85,000	Adult Services Librarian - Freeze
Library	Wages & Benefits		20,000	Additional Library Assistant Hours
Total Deferred Library Personnel / Non Personnel Items		-	105,000	

**City of Port Townsend
Unmet Needs - Deferred & Unfunded Items
Budget 2019**

Fund/Department	Description of Item	One Time	Ongoing	Explanation
Community Services Fund				
Mountain View	Repair & Maintenance	10,000		Foyer Heater Replacement
Mountain View	Repair & Maintenance	30,000		Meeting Room Improvements
Facilities / Parks	Wages & Benefits		100,000	1.0 FTE - Events / Facility / Volunteer Coordinator
Facilities	Repair & Maintenance	20,000		Pope Marine Exterior Siding Replacement
Facilities	Repair & Maintenance	15,000		Cotton Building - Flooring Replacement
Facilities	Repair & Maintenance	6,000		Plaza - Replace electricity outlets
Facilities	Repair & Maintenance	3,000		Pink House - Carpet Replacement
Facilities	Equipment	220,000		Elevator Replacement (City Hall & Library) - May need to replace the HCH Elevator in 2018 which is included in line of credit funding proposal
Parks / Trails	Repair & Maintenance	20,000		Dog Park at Mtn View
Parks / Trails	Repair & Maintenance		5,000	Puget Sound Crew - Trail Maintenance
Parks / Trails	Repair & Maintenance	15,000		Kai Tai Bathroom Roof Replacement (funded in 2018)
Parks / Trails	Equipment	10,000		Kubota Utility Vehicle
Parks / Trails	Equipment	65,000		Dump Truck
Parks / Trails	Equipment	4,000		Enclosed Cargo Trailer
Parks / Trails	Wages & Benefits		100,000	Restoration of 1.0 Parks Maintenance FTE
Pool	Equipment	1,500		Drinking Fountain with Bottle Filler
Pool	Equipment	43,000		Inflatable Playground, Slide, Climbing Wall
Arts Commission	Grant funding for the arts	-	8,972	Arts commission requested an increase in funding over 2018.
Total Community Services Personnel / Non Personnel Items		462,500	213,972	
General & Street Capital Funds				
Streets	Equipment	15,000		Sheridan Street Zone Flashers
Total General Capital Fund Personnel / Non Personnel Items		15,000	-	
Utility Funds				
Utility Billing	Software	125,000	20,000	Financial Software Conversion (cost will be split with G/F Finance)
Utility Billing	Software	20,000	2,000	Fixed Asset Software (Cost will be split with G/F Finance)
Utility Billing	Software	5,000	500	Project Management Software (Capital Tracking & Reporting)
Total Utility Fund Personnel / Non Personnel Items		-	-	
Engineering Services				
Engineering Services	Equipment / Professional Services	30,000	1,000	GIS Software Upgrades
Total Deferred Engineering Personnel / Non Personnel Items		30,000	1,000	
Equipment Maintenance & Replacement Funds				
	Equipment	12,000		Fuel Tank Monitor Upgrade
Total Equipment Rental Fund Personnel / Non Personnel Items		12,000	-	
Total Deferred & Unfunded Personnel & Non Personnel Items		1,003,694	803,222	

ORDINANCE NO. 3209

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PORT TOWNSEND, WASHINGTON, ADOPTING 2018 SUPPLEMENTAL #2 BUDGET APPROPRIATIONS

WHEREAS, the City Council adopted an additional supplemental budget per Ordinance 3196 on April 16, 2018 and was set forth in the document entitled “City of Port Townsend Budget 2018 Supplemental Fund Summary”; and

WHEREAS, the City Manager of the City of Port Townsend, Washington completed and filed an additional proposed supplemental budget for 2018 on November 5, 2018; and


WHEREAS, the City Council reviewed the second supplemental budget and held a public hearing on November 5, 2018 and considered the matter further on November 13, 2018;

NOW, THEREFORE, the City Council of the City of Port Townsend, Washington, do ordain as follows:

Section 1. The second supplemental budget for the City of Port Townsend, Washington, for the fiscal year 2018, is adopted as set forth in the document entitled “City of Port Townsend Budget 2018 Supplemental Fund Summary #2”, a copy of which is on file with the office of the City Clerk, and is incorporated into this Ordinance. The budget supplemental #2 summary is attached as Exhibit A, making revenue and expenditure revisions.


Section 2. This Ordinance shall take effect upon its passage, approval, and publication in the form and manner provided by law.

ADOPTED by the City Council of the City of Port Townsend, Washington, by a vote of the majority of the City Council plus one, at a special business meeting thereof, held this 13th day of November, 2018.




Deborah S. Stinson
Mayor

Attest:



Joanna Sanders, MMC
City Clerk

Approved as to legal form:



Heidi Greenwood
City Attorney

**City of Port Townsend
Projected 2018 Fund Summary - Supplemental Budget**

	2017	2018	2018	2018	2018	2018	2018	2018	2018
	Ending Fund Balance	Adopted Revenues	Amended Revenues	Adopted Expenses	Amended Expenses	Adopted Rev vs. Exp	Amended Rev vs. Exp	2018 Proposed Supplemental Appropriation	2018 Projected Ending Fund Balance
GENERAL FUND	1,776,966	8,638,366	9,086,301	8,609,857	9,396,000	28,509	(309,699)	786,143	1,467,266
Drug Enforc. / Contingency	171,343	500	10,488	-	-	500	10,488	-	181,831
Street	380,772	837,942	860,995	819,082	1,015,710	18,860	(154,715)	196,628	226,057
Library	240,915	1,077,601	1,084,337	1,093,379	1,127,585	(15,778)	(43,248)	34,206	197,667
Real Estate Excise Tax	301,052	510,100	541,634	545,000	540,000	(34,900)	1,634	-	302,686
Lodging Tax	252,500	480,000	551,080	479,838	547,338	162	3,742	67,500	256,242
Fire / EMS	2,525	2,385,876	2,386,441	2,385,276	2,385,276	600	1,165	-	3,690
Affordable Housing	10,922	10,000	10,108	10,000	10,000	-	108	-	11,030
Community Development Block Grant	168,421	13,623	44,008	15,000	40,000	(1,377)	4,008	25,000	172,429
Community Services	88,594	2,013,448	2,167,982	2,012,560	2,150,776	888	17,206	138,216	105,800
TOTAL SPECIAL REV FUNDS	1,617,044	7,329,090	7,657,073	7,360,135	7,816,684	(31,045)	(159,611)	461,549	1,457,433
DEBT SERVICE FUND	86,746	1,675,155	1,667,678	1,645,656	1,666,892	29,499	786	21,236	87,532
General Capital	3,419,308	2,073,528	2,703,820	5,451,841	4,668,841	(3,378,313)	(1,965,021)	-	1,454,287
Street Capital	(328,825)	3,399,289	3,452,100	3,446,989	2,918,160	(47,700)	533,940	-	205,115
CAPITAL PROJECTS FUNDS	3,090,483	5,472,817	6,155,920	8,898,830	7,587,001	(3,426,013)	(1,431,081)	-	1,659,402
System Development	1,715,738	315,290	316,927	1,080,000	1,110,000	(764,710)	(793,073)	30,000	922,665
Water / Sewer Operations	3,327,671	6,216,957	6,579,758	7,861,874	7,779,394	(1,644,917)	(1,199,636)	-	2,128,035
Water / Sewer Capital	1,425,356	7,370,272	7,405,205	6,547,915	6,362,121	822,357	1,043,084	-	2,468,441
Storm Operations	175,136	738,018	743,812	765,137	778,574	(27,119)	(34,762)	13,437	140,374
Storm Capital	(28,016)	1,070,600	628,000	1,220,000	600,000	(149,400)	28,000	-	(16)
ENTERPRISE FUNDS	6,615,886	15,711,137	15,673,702	17,474,927	16,630,088	(1,763,790)	(956,387)	43,437	5,659,499
Public Works Admin	26,226	584,573	560,770	584,272	561,145	301	(375)	-	25,851
Equipment Rental & Replacement	714,117	1,370,391	2,163,790	1,465,655	1,444,064	(95,264)	719,726	-	1,433,843
Engineering Services	210,781	1,009,500	1,040,734	1,042,564	1,065,865	(33,064)	(25,131)	23,301	185,650
Unemployment Self-Insurance	24,832	19,620	46,598	19,500	46,416	120	182	26,916	25,014
INTERNAL SERVICE FUNDS	975,956	2,984,084	3,811,892	3,111,991	3,117,490	(127,907)	694,402	50,217	1,670,358
Firemen's Pension	231,925	34,735	36,163	27,140	27,140	7,595	9,023	-	240,948
Agency / Refundable Deposits	77,534	-	548	-	-	-	548	-	78,082
Memorial Fund	2,549	-	-	-	-	-	-	-	2,549
Golf Course Fund	42,296	12,000	10,267	21,419	40,419	(9,419)	(30,152)	19,000	12,144
FIDUCIARY FUNDS	354,304	46,735	46,978	48,559	67,559	(1,824)	(20,581)	19,000	333,723
GRAND TOTAL	14,517,385	41,857,384	44,099,544	47,149,955	46,281,716	(5,292,571)	(2,182,171)	1,381,583	12,335,213

City of Port Townsend
 2018 Supplemental Budget Amendment #2
 Updated on 10/25/18

Description	Fund	Department	Ongoing vs one-time	2018 Expense Increase/ (Decrease)	Explanation
Reappropriations from 2017 Budget					
Professional Services - DSD - Sub-area plan	General Fund	DSD / Planning	one time	70,000	Sub area plan consulting
Total Reappropriations				70,000	
General Fund - Supplemental Appropriations					
Professional Services - DSD - Sub-area plan	General Fund	DSD / Planning	one time	30,000	Sub area plan consulting
City Manager Contract Extension	General Fund	City Manager	one time	22,000	Approved contract salary & benefit increase for 6 month contract extension
District Court Services	General Fund	City Attorney	ongoing	52,000	Increased City share of Municipal Court Costs
Professional Svs. - Leadership Development	General Fund	HR	ongoing	5,000	Contracted Services for Leadership Development
PEG Capital Equipment	General Fund	PEG	one time	25,000	Replacement of video server and replacement equipment
Refunds	General Fund	DSD / Finance	ongoing	10,000	Refunds for Cancelled permits and Overpayments of B&O taxes
Equipment Rental & Replacement	General Fund	Police	ongoing	142,000	Increased cost of maintenance of fleet and technology
Equipment Rental & Replacement	General Fund	General	one time	75,000	Transfer to ER&R Fund to fund IT Maintenance Fund beginning balance in 2019
Equipment Rental & Replacement	General Fund	General	one time	267,000	Transfer to ER&R Fund to fund Information Technology Operating & Maintenance deficit
Community Services	General Fund	General	one time	90,000	Transfer to fund community services - parks, facilities, pool & MV
General Expense Savings from Budget	General Fund	General	one time	(1,857)	Various other savings in general fund expense line items
General Fund Supplemental Appropriations				716,143	
Total General Fund Re-appropriations (from 2017 Budgeted Appropriations)				70,000	
Total General Fund Additional Appropriations				786,143	
Street Operations Fund - Supplemental Appropriations					
Other Improvements	Street Oper Fund	Maintenance	one time	92,000	City Council approved additional street maintenance/improvement projects
Equipment Rental & Replacement	Street Oper Fund	Maintenance	ongoing	46,000	Increased cost of maintenance of fleet and technology
Utilities	Street Oper Fund	Maintenance	ongoing	20,000	Increased costs of street light electricity costs
PW Administration OH Allocation	Street Oper Fund	Maintenance	ongoing	22,300	Reallocation of PW Administration costs - updated cost allocation model
Allocate 0.25 Fleet FTE to Street Ops	Street Oper Fund	Maintenance	ongoing	11,500	Mechanic assist with street operations work 25% allocation
Various	Street Oper Fund	Maintenance	one time	4,828	Minor expense increases/decreases net total
Total Streets Operation Fund Supplemental Appropriations				196,628	
Library Fund - Supplemental Appropriations					
Equipment Rental & Replacement	Library	Library	ongoing	11,000	Increased cost of maintenance of fleet and technology
Utility Services	Library	Library	ongoing	6,400	Utility rate increases not budgeted
Professional Services	Library	Library	one-time	15,000	Consulting agreement for Birk study
Various	Library	Library	one-time	1,806	Various expense increases/decreases net total \$2000
Total Library Fund Supplemental Appropriations				34,206	

City of Port Townsend
 2018 Supplemental Budget Amendment #2
 Updated on 10/25/18

Description	Fund	Department	Ongoing vs one-time	2018 Expense Increase/ (Decrease)	Explanation
Lodging Tax Fund - Supplemental Appropriations					
Professional Services Chamber	Lodging Tax Fund	Tourism	one time	61,000	Support Toursim Event Facility Rental Fees & Joing Marketing with Port
Tourism Promotion	Lodging Tax Fund	Tourism	one time	6,500	Hotel Vacancy Study - As recommended by Lodging Tax Committee
Total Lodging Tax Fund Supplemental Appropriatons				67,500	
Community Development Block Grant					
Grant to Belmont Hotel	CDBG	CDBG	one time	25,000	Increase in loans to local businesses - loan to Belmont for \$40,000 approved
Total Communtiy Development Block Grant Fund Supplemental Appropriatons				25,000	
Community Services Fund - Supplemental Appropriations					
Equipment Rental & Replacment	Community Services	All Depts	ongoing	32,000	Increased cost of maintenance of fleet and technology
Pool Salaries	Community Services	Pool	ongoing	24,000	Increased cost of pool operations & overtime
Repair of Kai Tai Restroom Roof	Community Services	Facilities	one-time	18,000	Replace Kai Tai restroom roof following fire
Repair & Maintenance	Community Services	Facilities	one-time	14,000	Chetzmoka gazebo repair & fence demo repair
Repair & Maintenance	Community Services	Facilities	one-time	110,000	Pending Elevator Replacement at Library
Various	Community Services	All Depts	one-time	(19,784)	Various expense increases/decreases net total
Propane Savings	Community Services	Facilities/Pool	ongoing	(40,000)	Contract pricing corrected with propane provider
Total Community Svs. Fund Supplemental Appropriatons				138,216	
GO BOND Debt Svs Fund - Supplemental Appropriations					
GO Bond Long Term Interest	GO Debt Service Fund	N/A	ongoing	21,236	Interest expense on loan related to Homeward Bound/Cherry Street project
Total GO Bond Debt Service Fund Supplemental Appropriatons				21,236	
Enterprise Funds - Supplemental Appropriatons					
Equipment Rental & Replacment	Storm	Operations	one time	45,500	Increased cost of maintenance of fleet and technology
Storm Operations	Storm	Operations	one time	5,900	Storm rate study engagement with FCS; cost higher than original budget
Other Improvements	Storm	Operations	one time	15,000	Budgeted Other Improvements did not occur in 2018
Storm Operations	Storm	Operations	one time	(20,000)	Transfer to Storm Capital Fund reduced after capital plan revised
Storm Operations	Storm	Operations	one time	(2,963)	Various expense increases/decreases net total
Total Enterprise Fund Supplemental Appropriatons				43,437	
Internal Service Funds - Supplemental Appropriatons					
Equipment Rental & Replacement	Engineering	Engineering	ongoing	23,301	Increased cost of maintenance of fleet and technology
Unemployment Claims	Unemployment Self Insurance Fund	Unassigned	Monitor claims activity - varies	26,916	Actual claims filed (Police, Library, Comm Svs, Wtr/Swr Funds)
Total Internal Service Fund Supplemental Appropriatons				50,217	

City of Port Townsend
 2018 Supplemental Budget Amendment #2
 Updated on 10/25/18

Description	Fund	Department	Ongoing vs one-time	2018 Expense Increase/ (Decrease)	Explanation
Fiduciary Funds - Supplemental Appropriations					
Golf Course Study	Golf Course	Golf Course	one-time	19,000	Contract with National Golf Foundation
Total Fiduciary Fund Supplemental Appropriations				19,000	
TOTAL ALL FUNDS - SUPPLEMENTAL APPROPRIATIONS				1,381,583	

ORDINANCE NO. 3212

**AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF PORT
TOWNSEND, WASHINGTON, FOR THE FISCAL YEAR
ENDING DECEMBER 31, 2019**

WHEREAS, the City Manager of the City of Port Townsend, Washington, completed and placed on file with the City Clerk a proposed budget and estimate of the amount of monies required to meet the public expenses, bond retirement and interest, reserve funds and expenses of government of the City for the fiscal year ending December 31, 2019 (the “2019 Preliminary Budget”), and a notice was published that the City Council would conduct a public hearing on the 5th of November 2018 at 6:30 p.m., at City Hall for the purpose of receiving public testimony regarding the preliminary budget for the 2019 fiscal year; and

WHEREAS, the City Council held a public hearing on November 5, 2018 at which all taxpayers were heard who appeared for or against any part of the preliminary budget; and

WHEREAS, following the public hearing, the City Council met in City Council Chambers on November 13, 2018 and November 19, 2018 to consider the 2019 Final Budget and receive further public comment, and made adoptions and changes, as it deemed necessary and proper; and

WHEREAS, the 2019 Budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Port Townsend for the purposes set forth in the 2019 Final Budget, and the estimated expenditures in each fund set forth in the 2019 Final Budget are all necessary to carry on the government of the City for fiscal year 2019, and are all necessary to meet the various needs of the City during the period;

NOW, THEREFORE, the City Council of the City of Port Townsend, Washington, do ordain as follows:

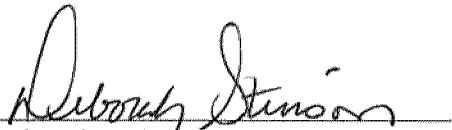
Section 1. The budget for the City of Port Townsend, Washington, for the fiscal year 2019, is hereby adopted at the fund level as set forth in the document entitled “City of Port Townsend Final Budget 2019,” a copy of which has been and now is on file with the office of the City Clerk, and by this reference is incorporated into this Ordinance.

Section 2. Estimated revenues, including fund balances for working capital for each separate fund of the City of Port Townsend, and aggregate totals for all such funds combined, for the year 2019, are set forth in summary form in Exhibit A attached, and by this reference are incorporated in this Ordinance, and are appropriated for expenditure at the fund level during the 2019 budget year.

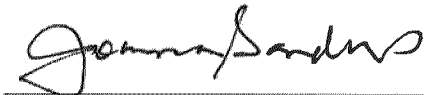
Section 3. The City Clerk is directed to transmit a certified copy of the City of Port Townsend Final Budget 2019 to the Office of State Auditor and to the Association of Washington Cities.

Section 4. This Ordinance shall take effect upon its passage, approval, and publication in the form and manner provided by law.


ADOPTED by the City Council of the City of Port Townsend, Washington, at a regular meeting thereof, held this 19th day of November, 2018.


Deborah S. Stinson
Mayor

Attest:


Joanna Sanders, MMC
City Clerk

Approved as to Form:


Heidi Greenwood
City Attorney

**City of Port Townsend
City Manager Proposed 2019 Fund Summary**

	2018 Estimated Balance	2019 Proposed Revenues	2019 Proposed Expenses	2019 Proposed Rev vs. Exp	2019 Proposed Balance
GENERAL FUND	1,467,266	9,101,543	9,097,115	4,428	1,471,694
Drug Enforc. / Contingency	181,831	1,200	-	1,200	183,031
Street	226,057	870,803	930,573	(59,770)	166,287
Library	197,667	1,097,144	1,161,673	(64,529)	133,138
Real Estate Excise Tax	302,686	512,200	510,000	2,200	304,886
Lodging Tax	256,242	550,750	572,908	(22,158)	234,084
Fire / EMS	3,690	2,412,574	2,411,574	1,000	4,690
Affordable Housing	11,030	10,100	10,000	100	11,130
Community Development Block Grant	172,429	14,424	15,000	(576)	171,853
Community Services	105,800	2,016,792	2,010,775	6,017	111,817
TOTAL SPECIAL REV FUNDS	1,457,433	7,485,987	7,622,503	(136,516)	1,320,917
DEBT SERVICE FUND	87,532	1,698,035	1,686,855	11,180	98,712
General Capital	1,454,287	296,831	1,706,931	(1,410,100)	44,187
Street Capital	205,115	1,841,829	2,040,991	(199,162)	5,953
CAPITAL PROJECTS FUNDS	1,659,402	2,138,660	3,747,922	(1,609,262)	50,140
System Development	922,665	338,452	600,000	(261,548)	661,117
Water / Sewer Operations	2,128,035	6,957,366	7,059,994	(102,628)	2,025,407
Water / Sewer Capital	2,468,441	2,761,454	2,551,215	210,239	2,678,680
Storm Operations	140,374	747,859	781,074	(33,215)	107,159
Storm Capital	(16)	990,000	968,000	22,000	21,984
ENTERPRISE FUNDS	5,659,499	11,795,131	11,960,283	(165,152)	5,494,347
Public Works Admin	25,851	611,802	594,272	17,530	43,381
Equipment Rental & Replacement	1,433,843	1,148,957	942,310	206,647	1,640,490
Engineering Services	185,650	894,000	982,310	(88,310)	97,340
Unemployment Self-Insurance	25,014	20,180	20,000	180	25,194
INTERNAL SERVICE FUNDS	1,670,358	2,674,939	2,538,892	136,047	1,806,405
Firemen's Pension	240,948	35,735	17,551	18,184	259,132
Agency / Refundable Deposits	78,082	-	-	-	78,082
Memorial Fund	2,549	-	-	-	2,549
Golf Course Fund	12,144	10,250	18,229	(7,979)	4,165
FIDUCIARY FUNDS	333,723	45,985	35,780	10,205	343,928
GRAND TOTAL	12,335,213	34,940,280	36,689,350	(1,749,070)	10,586,144

Run Date: 11/14/2018

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PRELIMINARY
City of Port Townsend
GENERAL FUND
BUDGET SUMMARY

General Fund	2016	2017	2018	2018	2019	Increase/Decrease 2019 Proposed vs 2018 Adopted
	Actual	Actual	Adopted	Supplemental	Proposed	
Beginning Fund Balance	976,386	1,421,392	1,776,966	1,776,966	1,467,266	
Revenues						
Taxes	6,086,252	6,229,393	6,238,203	6,560,552	6,619,488	6.1%
Licenses & Permits	441,525	389,926	368,250	372,250	393,090	6.7%
Intergovernmental Services	283,736	234,154	228,425	252,310	244,864	7.2%
Charges for Goods & Services	1,295,097	1,477,229	1,679,988	1,748,817	1,701,376	1.3%
Fines & Penalties	57,971	50,933	50,300	48,787	52,300	4.0%
Miscellaneous Revenue	44,082	68,446	69,200	99,671	86,425	24.9%
Other Financing Sources	5,830	257,495	4,000	3,914	4,000	0.0%
Operating Transfers In	62,075	10,150	-	-	-	
Total Revenue	8,276,569	8,717,726	8,638,366	9,086,301	9,101,543	5.4%
Expenditures						
Salaries & Wages	3,035,028	3,104,370	3,274,005	3,291,231	3,420,298	4.5%
Personnel Benefits	1,258,135	1,268,171	1,479,414	1,463,332	1,463,016	-1.1%
Supplies	48,749	55,226	69,349	72,600	73,053	5.3%
Insurance	308,304	356,571	401,755	402,567	493,276	22.8%
Professional Services	159,780	297,348	165,841	297,931	1,019,450	514.7%
Communications	55,592	59,497	62,452	62,452	60,476	-3.2%
Advertising	32,509	39,537	43,250	22,250	40,950	-5.3%
Operating Rents & Leases	51,118	52,433	52,532	55,115	57,132	8.8%
Intergovernmental Services	723,157	806,212	813,191	889,233	-	-100.0%
Machinery & Equipment	70,736	88,289	64,130	87,130	219,920	242.9%
Repair & Maintenance	28,119	24,728	26,674	27,874	35,748	34.0%
Equipment Rental	267,319	303,930	303,930	446,058	382,101	25.7%
Training/Memberships & Travel	35,541	90,468	125,404	121,415	141,249	12.6%
Miscellaneous	91,930	302,547	131,760	125,557	78,411	-40.5%
Transfers Out	1,665,547	1,512,826	1,596,170	2,031,255	1,612,035	1.0%
Total Expenditure	7,831,563	8,362,153	8,609,857	9,396,000	9,097,115	5.7%
Net Change in Fund Balance	445,006	355,574	28,509	(309,699)	4,428	-84.5%
Ending Fund Balance	1,421,392	1,776,966	1,805,475	1,467,266	1,471,694	
Fund Bal. 8-15 % of Revenue	17.2%	20.4%	20.9%	16.1%	16.2%	Meets Policy
General Fund - Expenditures by Department						
Mayor & Council	124,273	163,466	138,179	145,666	120,729	-10.9%
City Manager	309,134	354,010	324,616	341,706	327,249	-3.5%
City Attorney	526,552	553,724	603,369	667,710	647,519	20.6%
Human Resources	621,630	373,240	418,159	424,331	414,680	13.7%
Planning & Development Services	907,400	1,042,027	1,026,670	1,110,137	1,089,287	6.5%
Finance Department	317,984	295,449	343,652	342,356	351,727	15.9%
Police Administration	445,849	505,149	637,491	627,199	646,119	24.2%
Police Operations	2,520,447	2,603,645	2,666,362	2,821,422	2,808,809	8.4%
Police Training	33,344	31,632	30,000	30,000	35,105	-5.2%
City Clerk	262,589	261,949	279,670	270,924	274,882	3.4%
Contracts & Intergovernmental	371,385	660,222	535,651	559,269	752,474	-15.3%
PEG Access	25,671	20,875	23,753	42,450	21,500	103.4%
Transfers Out	1,665,303	1,496,763	1,582,285	2,012,830	1,607,035	34.5%
Total Expenditures	8,131,563	8,362,153	8,609,857	9,396,000	9,097,115	12.4%

PRELIMINARY
City of Port Townsend
DRUG ENFORCEMENT / CONTINGENCY FUND
BUDGET SUMMARY

Contingency Fund	2016	2017	2018	2018	2019	Increase/Decrease 2019 Proposed vs 2018 Adopted
	Actual	Actual	Adopted	Supplemental	Proposed	
Beginning Fund Balance	150,434	120,836	171,343	171,343	181,831	
Revenues						
Taxes	-	-	-	-	-	
Miscellaneous Revenue	402	507	500	1,488	1,200	140.0%
Operating Transfers In	20,000	50,000	-	9,000	-	
Total Revenue	20,402	50,507	500	10,488	1,200	140.0%
Expenditures						
Miscellaneous						
Transfers Out	50,000	-	-	-	-	
Total Expenditure	50,000	-	-	-	-	
Net Change in Fund Balance	(29,598)	50,507	500	10,488	1,200	140.0%
Ending Fund Balance	120,836	171,343	171,843	181,831	183,031	
Fund Balance 2% of GF Rev	1.5%	2.1%	2.0%	2.1%	2.1%	Meets Policy

PRELIMINARY
City of Port Townsend
STREET FUND
BUDGET SUMMARY

Street Fund	2016	2017	2018	2018	2019	Increase/Decrease 2019 Proposed vs 2018 Adopted
	Actual	Actual	Adopted	Supplemental	Proposed	
Beginning Fund Balance	195,691	304,941	380,772	380,772	226,057	
Revenues						
Taxes	605,615	607,528	606,507	622,298	635,010	4.7%
Licenses & Permits	1,312	-	500	231	500	0.0%
Intergovernmental Services	212,085	215,390	219,735	219,709	222,493	1.3%
Charges for Goods & Services	5,000	13,326	10,000	7,500	10,000	0.0%
Miscellaneous Revenue	2,188	44,661	1,200	3,146	2,800	133.3%
Other Financing Sources	6,500	3,340	-	8,111	-	
Operating Transfers In	-	0	-	-	-	
Total Revenue	832,700	884,245	837,942	860,995	870,803	3.9%
Expenditures						
Salaries & Wages	129,709	128,981	138,473	145,087	156,218	12.8%
Personnel Benefits	58,333	62,825	68,271	74,261	79,521	16.5%
Supplies	28,902	41,141	52,000	52,000	42,490	-18.3%
Professional Services	15,136	4,783	17,000	8,500	21,950	29.1%
Communications	598	598	600	600	500	-16.7%
Advertising	-	-	-	-	-	
Operating Rents & Leases	1,235	-	-	165	-	
Intergovernmental Services	-	6,329	-	1,000	-	
Machinery & Equipment	19,893	-	-	3,570	15,000	
Other Improvements	-	87,469	50,000	142,276	50,000	0.0%
Repair & Maintenance	52,849	42,975	60,000	60,000	60,000	0.0%
Equipment Rental	50,142	45,718	45,718	91,797	65,585	43.5%
Utilities	105,959	116,129	115,000	135,100	135,000	17.4%
Training/Memberships & Travel	-	1,890	2,500	2,000	2,500	0.0%
Overhead Allocation	73,564	85,523	86,646	108,969	119,909	38.4%
Miscellaneous	2,177	4,397	4,000	11,511	3,500	-12.5%
Transfers Out	184,953	179,656	178,874	178,874	178,400	-0.3%
Total Expenditure	723,450	808,415	819,082	1,015,710	930,573	13.6%
Net Change in Fund Balance	109,250	75,831	18,860	(154,715)	(59,770)	-416.9%
Ending Fund Balance	304,941	380,772	399,632	226,057	166,287	
Fund Bal. 2-3 % of Expenditures	42.2%	47.1%	48.8%	22.3%	17.9%	Meets Policy

PRELIMINARY
City of Port Townsend
LIBRARY FUND
BUDGET SUMMARY

Library Fund	2016	2017	2018	2018	2019	Increase/Decrease 2019 Proposed vs 2018 Adopted
	Actual	Actual	Adopted	Supplemental	Proposed	
Beginning Fund Balance	151,853	205,696	240,915	240,915	197,667	
Revenues						
Taxes	1,021,077	1,039,847	1,076,951	1,076,951	1,095,824	1.8%
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	1,394	-	-	-	-	
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	9,339	4,325	-	935	-	
Miscellaneous Revenue	4,586	3,744	650	4,273	1,320	103.1%
Other Financing Sources	32,831	1,267	-	2,104	-	
Operating Transfers In	-	-	-	74	-	
Total Revenue	1,069,227	1,049,183	1,077,601	1,084,337	1,097,144	1.8%
Expenditures						
Salaries & Wages	416,800	410,243	446,279	446,279	458,773	2.8%
Personnel Benefits	167,734	173,105	192,681	192,681	198,422	3.0%
Supplies	19,883	10,872	12,000	12,000	12,500	4.2%
Professional Services	19,962	21,778	29,200	44,200	27,000	-7.5%
Communications	14,429	15,790	14,640	14,640	14,436	-1.4%
Advertising	262	-	500	500	500	0.0%
Operating Rents & Leases	2,934	1,733	1,560	1,700	1,968	26.2%
Intergovernmental Services	-	-	-	-	-	
Equipment & Acquisitions	74,814	68,993	76,000	76,060	71,500	-5.9%
Repair & Maintenance	19,229	-	-	-	-	
Equipment Rental	58,979	63,806	63,806	74,412	94,443	48.0%
Utilities	21,506	27,921	24,600	31,000	32,016	30.1%
Training/Memberships & Travel	3,235	7,880	12,500	12,000	8,500	-32.0%
Miscellaneous	10,328	10,592	3,000	5,500	7,200	140.0%
Overhead Allocation	185,189	197,968	214,972	214,972	232,915	8.3%
Transfers Out	100	3,282	1,641	1,641	1,500	-8.6%
Total Expenditure	1,015,384	1,013,963	1,093,379	1,127,585	1,161,673	6.2%
Net Change in Fund Balance	53,843	35,219	(15,778)	(43,248)	(64,529)	309.0%
Ending Fund Balance	205,696	240,915	225,137	197,667	133,138	
Fund Balance 5-8% of Tax Rev.	20.1%	23.2%	20.9%	18.4%	12.1%	Meets Policy

PRELIMINARY
City of Port Townsend
REAL ESTATE EXCISE TAX FUND
BUDGET SUMMARY

REET	2016 Actual	2017 Actual	2018 Adopted	2018 Supplemental	2019 Proposed	Increase/Decrease 2019 Proposed vs 2018 Adopted
Beginning Fund Balance	68,310	179,940	301,053	301,053	302,686	
Revenues						
Taxes	590,244	725,916	510,000	539,232	510,000	0.0%
Miscellaneous Revenue	386	1,196	100	2,401	2,200	2100.0%
Other Financing Sources	-	-	-	-	-	
Operating Transfers In	-	-	-	-	-	
Total Revenue	<u>590,630</u>	<u>727,113</u>	<u>510,100</u>	<u>541,633</u>	<u>512,200</u>	0.4%
Expenditures						
Miscellaneous	-	-	-	-	-	
Transfers Out	<u>479,000</u>	<u>606,000</u>	<u>545,000</u>	<u>540,000</u>	<u>510,000</u>	-6.4%
Total Expenditure	<u>479,000</u>	<u>606,000</u>	<u>545,000</u>	<u>540,000</u>	<u>510,000</u>	-6.4%
Net Change in Fund Balance	111,630	121,113	(34,900)	1,633	2,200	-106.3%
Ending Fund Balance	179,940	301,053	266,153	302,686	304,886	
Sufficient to Meet Obligations						Meets Policy

**City of Port Townsend
LODGING TAX FUND
BUDGET SUMMARY**

Lodging Tax	2016	2017	2018	2018	2019	Increase/Decrease 2019 Proposed vs 2018 Adopted
	Actual	Actual	Adopted	Supplemental	Proposed	
Beginning Fund Balance	157,097	177,611	252,500	252,500	256,242	
Revenues						
Taxes	474,938	508,503	480,000	550,000	550,000	14.6%
Miscellaneous Revenue	-	-	-	1,080	750	
Other Financing Sources	-	-	-	-	-	
Operating Transfers In	-	-	-	-	-	
Total Revenue	474,938	508,503	480,000	551,080	550,750	14.7%
Expenditures						
Professional Services	226,824	267,860	273,500	334,500	293,500	7.3%
Advertising	55,171	49,558	45,000	45,000	35,000	-22.2%
Machinery & Equipment	-	-	-	-	-	
Other Improvements	170	-	-	-	76,000	
Miscellaneous	3,362	6,835	23,500	30,000	33,500	42.6%
Overhead Allocation	18,897	9,361	12,838	12,838	9,908	-22.8%
Transfers Out - Debt Service	150,000	100,000	125,000	125,000	125,000	0.0%
Total Expenditure	454,424	433,614	479,838	547,338	572,908	19.4%
Net Change in Fund Balance	20,514	74,889	162	3,742	(22,158)	-13777.8%
Ending Fund Balance	177,611	252,500	252,662	256,242	234,084	
Sufficient to Meet Obligations						Meets Policy

PRELIMINARY
City of Port Townsend
FIRE/EMS FUND
BUDGET SUMMARY

Fire/EMS	2016	2017	2018	2018	2019	Increase/Decrease
	Actual	Actual	Adopted	Supplemental	Proposed	2019 Proposed vs
						2018 Adopted
Beginning Fund Balance	32,713	15,887	2,525	2,525	3,690	
Revenues						
Taxes	2,399,034	2,293,433	2,385,276	2,385,276	2,451,642	2.8%
Miscellaneous Revenue	546	632	600	1,165	1,000	66.7%
Operating Transfers In	-	-	-	-	-	
Total Revenue	2,399,580	2,294,065	2,385,876	2,386,441	2,452,642	2.8%
Expenditures						
Intergovernmental Services	2,411,912	2,307,427	2,385,276	2,385,276	2,451,642	2.8%
Miscellaneous	-	-	-	-	-	
Transfers Out	4,494	-	-	-	-	
Total Expenditure	2,416,406	2,307,427	2,385,276	2,385,276	2,451,642	2.8%
Net Change in Fund Balance	(16,826)	(13,362)	600	1,165	1,000	66.7%
Ending Fund Balance	15,887	2,525	3,125	3,690	4,690	
Sufficient to Meet Obligations						Meets Policy

PRELIMINARY
City of Port Townsend
AFFORDABLE HOUSING FUND
BUDGET SUMMARY

Affordable Housing	2016	2017	2018	2018	2019	Increase/Decrease
	Actual	Actual	Adopted	Supplemental	Proposed	2019 Proposed vs 2018 Adopted
Beginning Fund Balance	40,663	40,780	10,922	10,922	11,030	
Revenues						
Taxes	10,000	10,000	10,000	10,000	10,000	0.0%
Miscellaneous Revenue	118	142	-	108	100	
Operating Transfers In	-	-	-	-	-	
Total Revenue	10,118	10,142	10,000	10,108	10,100	1.0%
Expenditures						
Miscellaneous	-	30,000	10,000	10,000	10,000	0.0%
Transfers Out	10,000	10,000	-	-	-	
Total Expenditure	10,000	40,000	10,000	10,000	10,000	0.0%
Net Change in Fund Balance	118	(29,858)	-	108	100	-100.4%
Ending Fund Balance	40,780	10,922	10,922	11,030	11,130	
Sufficient to Meet Obligations						Meets Policy

PRELIMINARY
City of Port Townsend
COMMUNITY DEVELOPMENT BLOCK GRANTS
BUDGET SUMMARY

CDBG	2016	2017	2018	2018	2019	Increase/Decrease 2019 Proposed vs 2018 Adopted
	Actual	Actual	Adopted	Supplemental	Proposed	
Beginning Fund Balance	141,751	148,159	168,421	168,421	172,429	
Revenues						
Intergovernmental Services	16,974	19,619	13,023	42,755	13,424	3.1%
Miscellaneous Revenue	559	643	600	1,253	1,000	66.7%
Operating Transfers In	-	-	-	-	-	
Total Revenue	17,533	20,262	13,623	44,008	14,424	5.9%
Expenditures						
Miscellaneous	11,125	-	15,000	40,000	15,000	0.0%
Transfers Out	-	-	-	-	-	
Total Expenditure	11,125	-	15,000	40,000	15,000	0.0%
Net Change in Fund Balance	6,408	20,262	(1,377)	4,008	(576)	-58.2%
Ending Fund Balance	148,159	168,421	167,044	172,429	171,853	
Sufficient to Meet Obligations						Meets Policy

PRELIMINARY
City of Port Townsend
COMMUNITY SERVICES FUND
BUDGET SUMMARY

Community Svcs	2016	2017	2018	2018	2019	Increase/Decrease 2019 Proposed vs 2018 Adopted
	Actual	Actual	Adopted	Supplemental	Proposed	
Beginning Fund Balance	105,699	125,939	88,594	88,594	105,801	
Revenues						
Taxes	559,035	706,067	690,648	649,285	722,442	4.6%
Charges for Goods & Services	140,575	172,767	208,000	196,761	225,500	8.4%
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	78,388	84,709	80,800	87,936	83,850	3.8%
Other Financing Sources	-	-	-	110,000	-	
Operating Transfers In	925,100	912,711	1,034,000	1,124,000	985,000	-4.7%
Total Revenue	1,703,098	1,876,254	2,013,448	2,167,982	2,016,792	0.2%
Expenditures						
Salaries & Wages	576,840	678,420	699,136	729,777	748,547	7.1%
Personnel Benefits	284,026	334,090	356,354	357,534	371,639	4.3%
Supplies	163,295	255,239	291,040	195,605	180,280	-38.1%
Professional Services	52,015	63,253	68,650	70,550	73,600	7.2%
Communications	12,456	13,654	15,140	15,740	14,140	-6.6%
Advertising	2,280	625	3,135	3,235	3,000	-4.3%
Operating Rents & Leases	43,881	43,619	43,138	43,868	44,269	2.6%
Intergovernmental Services	-	-	-	500	-	
Machinery & Equipment	26,088	6,714	7,900	120,474	9,810	24.2%
Other Improvements	41,591	(2,426)	-	-	-	
Repair & Maintenance	90,478	82,257	69,870	107,000	65,120	-6.8%
Equipment Rental	54,368	51,838	51,838	83,106	59,511	14.8%
Utilities	141,198	147,683	149,000	159,050	155,000	4.0%
Training/Memberships & Travel	3,343	15,023	14,560	16,820	15,753	8.2%
Miscellaneous	28,204	25,633	17,782	22,500	23,782	33.7%
Overhead Allocation	110,188	148,105	225,017	225,017	246,324	9.5%
Transfers Out	52,608	49,871	-	-	-	
Total Expenditure	1,682,859	1,913,599	2,012,560	2,150,776	2,010,775	-0.1%
Net Change in Fund Balance	20,240	(37,345)	888	17,206	6,017	577.6%
Ending Fund Balance	125,939	88,594	89,482	105,801	111,818	
Fund Bal. 2-3 % of Expenditures	7.5%	4.6%	4.4%	4.9%	5.6%	Meets Policy
Community Services Fund - Expenditures by Department						
GF Overhead	110,188	148,105	225,017	225,017	246,324	9.5%
Arts Commission	19,806	25,359	24,600	24,600	24,600	0.0%
City Facilities	400,034	469,166	499,889	632,670	507,781	1.6%
Mountain View Facilities	312,675	323,668	344,438	255,168	131,974	-61.7%
Parks Maintenance	452,145	474,265	465,544	535,670	484,940	4.2%
Pool	338,012	423,035	453,072	477,651	614,156	35.6%
Events	-	-	-	-	1,000	
Transfers Out	50,000	50,000	-	-	-	
Total Expenditures	1,682,859	1,913,599	2,012,560	2,150,776	2,010,775	-0.1%

PRELIMINARY
City of Port Townsend
GENERAL OBLIGATION DEBT SERVICE
BUDGET SUMMARY

General Debt Svs **	2016	2017	2018	2018	2019	Increase/Decrease
	Actual	Actual	Adopted	Supplemental	Adopted	2019 Proposed vs
						2018 Adopted
Beginning Fund Balance	65,185	71,096	86,746	86,746	87,532	
Revenues						
Taxes	261,207	400,257	406,500	406,500	411,135	1.1%
Miscellaneous Revenue	1,007	6,404	800	3,778	3,000	275.0%
Bond Proceeds	-	3,304,098	-	-	-	
Operating Transfers In	1,213,697	1,292,488	1,267,855	1,257,400	1,283,900	1.3%
Total Revenue	1,475,911	5,003,247	1,675,155	1,667,678	1,698,035	1.4%
Expenditures						
Debt Service Principal	665,000	890,000	870,000	870,000	895,000	2.9%
Debt Service Interest	803,800	688,619	772,656	793,892	788,855	2.1%
Professional Services	1,200	1,595	3,000	3,000	3,000	0.0%
Bond Issue Costs	-	103,285	-	-	-	
Transfers Out	-	3,304,098	-	-	-	
Total Expenditure	1,470,000	4,987,597	1,645,656	1,666,892	1,686,855	2.5%
Net Change in Fund Balance	5,911	15,650	29,499	786	11,180	-62.1%
Ending Fund Balance	71,096	86,746	116,245	87,532	98,712	
Sufficient to Meet Obligations						Meets Policy

** In 2017, The City Refinanced its 2018 GO Bonds. Receipts were recognized in this fund and later transferred to a Capital Projects Fund.

PRELIMINARY
City of Port Townsend
GENERAL CAPITAL PROJECTS
BUDGET SUMMARY

General CIP	2016	2017	2018	2018	2019	Increase/Decrease 2019 Proposed vs 2018 Adopted
	Actual	Actual	Adopted	Supplemental	Proposed	
Beginning Fund Balance	1,334,201	1,309,017	3,419,308	3,419,308	875,675	
Revenues						
State & Federal Grants	-	13,019	410,000	360,000	45,000	-89.0%
Miscellaneous Revenue	129	18,991	74,687	69,367	75,000	0.4%
Other Financing Sources	-	-	-	-	-	
Operating Transfers In	<u>75,403</u>	<u>3,027,177</u>	<u>1,588,841</u>	<u>1,436,841</u>	<u>176,831</u>	-88.9%
Total Revenue	75,532	3,059,187	2,073,528	1,866,208	296,831	-85.7%
Expenditures						
G/F Overhead	44,105	61,676	25,841	25,841	29,331	13.5%
Intergovernmental Services	9,091	191,247	80,000	80,000	30,000	-62.5%
Building Improvements	16,217	258,409	1,935,500	1,771,000	195,000	-89.9%
Land Acquisitions	-	-	-	-	-	
Other Improvements	-	-	-	-	-	
Debt Issue Costs	-	-	-	-	-	
Transfers Out	<u>31,303</u>	<u>437,564</u>	<u>3,410,500</u>	<u>2,533,000</u>	<u>872,500</u>	478.9%
Total Expenditure	100,716	948,896	5,451,841	4,409,841	1,126,831	-79.3%
Net Change in Fund Balance	(25,184)	2,110,291	(3,378,313)	(2,543,633)	(830,000)	-75.4%
Ending Fund Balance	1,309,017	3,419,308	40,995	875,675	45,675	
Sufficient to Meet Obligations						Meets Policy
General CIP Fund Breakdown:						
	<u>Beginning</u>	<u>2016 Change in</u>	<u>2017 Change in</u>	<u>2018 Change in</u>	<u>2019 Change in</u>	<u>2019 Ending</u>
	<u>Fund Balance</u>	<u>Fund Balance</u>	<u>Fund Balance</u>	<u>Fund Balance</u>	<u>Fund Balance</u>	<u>Fund Balance</u>
301 - General Capital	73,929	6,119	(75,048)	(29,995)	42,500	17,505
315 - 2015 Bonds	1,260,272	(31,303)	(68,157)	(1,053,789)	(97,500)	9,523
350 - 2017 Bonds	-	-	2,253,496	(1,459,849)	(775,000)	18,647
Total	1,334,201	(25,184)	2,110,291	(2,543,633)	(830,000)	45,675

**City of Port Townsend
STREET CAPITAL PROJECTS
BUDGET SUMMARY**

Street CIP	2016	2017	2018	2018	2019	Increase/Decrease 2019 Proposed vs 2018 Adopted
	Actual	Actual	Adopted	Supplemental	Proposed	
Beginning Fund Balance	(38,382)	(116,721)	(328,824)	(328,824)	205,116	
Revenues						
State & Federal Grants	767,020	2,153,285	1,477,000	1,350,000	880,000	-40.4%
Miscellaneous Revenue	60	271	300	270,611	125	-58.3%
Other Financing Sources	20,278	19,178	-	640,000	140,000	
Operating Transfers In	154,900	863,160	1,921,989	1,191,489	821,704	-57.2%
Total Revenue	942,258	3,035,894	3,399,289	3,452,100	1,841,829	-45.8%
Expenditures						
G/F Overhead	29,846	44,284	39,489	39,489	96,704	144.9%
Intergovernmental Services	139,828	557,515	328,200	319,300	362,500	10.5%
Land Acquisitions	78,942	-	15,000	15,000	-	-100.0%
Road Improvements	751,981	2,646,198	2,224,300	2,102,371	962,500	-56.7%
Sidewalk Improvements	-	-	840,000	442,000	300,000	-64.3%
Debt Issue Costs	-	-	-	-	319,287	
Miscellaneous	-	-	-	-	-	
Transfers Out	20,000	-	-	-	-	
Total Expenditure	1,020,597	3,247,998	3,446,989	2,918,160	2,040,991	-40.8%
Net Change in Fund Balance	(78,339)	(212,103)	(47,700)	533,940	(199,162)	317.5%
Ending Fund Balance	(116,721)	(328,824)	(376,524)	205,116	5,954	
Sufficient to Meet Obligations	-12.4%					Meets Policy
Street CIP Fund Breakdown:						
	<u>Beginning Fund Balance</u>	<u>2016 Change in Fund Balance</u>	<u>2017 Ending Fund Balance</u>	<u>2018 Change in Fund Balance</u>	<u>2019 Change Fund Balance</u>	<u>2019 Ending Fund Balance</u>
304 - Street Vacation Proceeds	25,269	(19,944)	20	461	25	5,831
305 - Street Capital Fund	(63,651)	(58,395)	(212,123)	533,479	(219,187)	(19,877)
	-	-	-	-	-	-
Total	(38,382)	(78,339)	(212,103)	533,940	(219,162)	(14,046)

PRELIMINARY
City of Port Townsend
SYSTEM DEVELOPMENT CHARGES
BUDGET SUMMARY

SDCs	2016	2017	2018	2018	2019	Increase/Decrease 2019 Proposed vs 2018 Adopted
	Actual	Actual	Adopted	Supplemental	Proposed	
Beginning Fund Balance	1,450,404	1,997,066	1,715,738	1,715,738	922,665	
Revenues						
Charges for Goods & Services	606,037	397,507	311,290	306,718	328,452	5.5%
Miscellaneous Revenue	4,483	8,166	4,000	10,209	10,000	150.0%
Operating Transfers In	-	-	-	-	-	
Total Revenue	610,520	405,672	315,290	316,927	338,452	7.3%
Expenditures						
Miscellaneous	-	-	-	-	-	
Overhead Allocation	-	-	-	-	-	
Transfers Out	63,859	687,000	1,080,000	1,110,000	600,000	-44.4%
Total Expenditure	63,859	687,000	1,080,000	1,110,000	600,000	-44.4%
Net Change in Fund Balance	546,661	(281,328)	(764,710)	(793,073)	(261,548)	-65.8%
Ending Fund Balance	1,997,066	1,715,738	951,028	922,665	661,117	
Sufficient to Meet Obligations						Meets Policy

PRELIMINARY
City of Port Townsend
WATER/SEWER OPERATIONS
BUDGET SUMMARY

Water Sewer Op	2015	2016	2017	2018	2018	2019	Increase/Decrease
	Actual	Actual	Actual	Adopted	Supplemental	Proposed	2019 Proposed vs 2018 Adopted
Beginning Fund Balance	1,716,496	2,200,191	3,018,071	3,327,672	3,327,672	2,128,036	
Revenues							
Intergovernmental Services	3,968	1,524	528				
Charges for Goods & Services	4,681,557	4,760,833	4,920,688	5,354,110	5,519,407	5,529,875	3.3%
Fines & Penalties	-	-	-	-	-	-	
Miscellaneous Revenue	81,764	72,541	76,831	61,800	88,969	76,700	24.1%
Other Financing Sources							
Operating Transfers In	25,000	434,782	676,863	801,047	971,382	1,350,791	68.6%
Total Revenue	4,792,289	5,269,680	5,674,911	6,216,957	6,579,758	6,957,366	11.9%
Expenditures							
Overhead Charges	340,596	575,154	690,696	751,374	716,494	790,381	5.2%
Salaries & Wages	1,276,418	1,308,523	1,351,620	1,451,757	1,460,600	1,480,076	2.0%
Personnel Benefits	591,522	616,796	646,910	723,193	724,260	757,397	4.7%
Supplies	233,860	234,663	219,025	276,550	274,650	273,912	-1.0%
Debt Principal	327,278	674,551	798,627	924,344	1,036,207	1,289,679	39.5%
Debt Interest	19,917	45,155	136,499	88,155	191,791	274,358	211.2%
Professional Services	44,887	64,844	142,761	81,896	91,896	391,977	378.6%
Communications	38,176	38,045	38,325	41,172	43,364	43,757	6.3%
Advertising	50	702	923	880	1,059	880	0.0%
Operating Rents & Leases	5,099	10,849	10,850	15,777	15,822	15,657	-0.8%
Intergovernmental Services	622,996	325,905	525,748	563,589	591,179	250,991	-55.5%
Machinery & Equipment	13,104	92,091	30,792	308,350	345,068	59,000	-80.9%
Other Improvements	-	-	45,723	510,000	260,000	235,000	-53.9%
Repair & Maintenance	63,019	63,345	57,040	74,000	79,000	70,300	-5.0%
Equipment Rental	255,000	264,040	311,054	311,054	405,777	372,724	19.8%
Training/Memberships & Travel	3,497	3,821	13,218	28,525	30,728	37,950	33.0%
Miscellaneous	69,894	60,265	141,046	153,668	143,933	134,576	-12.4%
Transfers Out	403,280	73,051	204,452	1,557,590	1,367,566	581,379	-62.7%
Total Expenditure	4,308,593	4,451,800	5,365,310	7,861,874	7,779,394	7,059,994	-10.2%
Net Change in Fund Balance	483,695	817,880	309,601	(1,644,917)	(1,199,636)	(102,628)	-93.8%
Ending Fund Balance	2,200,191	3,018,071	3,327,672	1,682,755	2,128,036	2,025,408	
60 Days of Operating Expenses	186	247	226	78	100	105	Meets Policy
Water/Sewer Operations - Expenditures by Department:							
Utility Billing	440,700	472,066	505,845	566,610	600,242	583,462	3.0%
Water Distribution	1,365,251	1,122,226	1,456,649	2,726,997	2,164,414	1,931,670	-29.2%
Water Quality / WTF	608,070	931,802	1,347,075	1,486,728	1,747,074	2,062,819	38.7%
Wastewater Treatment	663,355	662,662	731,302	1,297,123	1,565,007	981,583	-24.3%
Wastewater Collection	878,827	875,123	911,533	1,158,202	985,039	993,909	-14.2%
Biosolids	352,390	387,922	412,906	626,214	717,617	506,551	-19.1%
Total Expenditures	4,308,593	4,451,800	5,365,310	7,861,874	7,779,394	7,059,994	-10.2%

PRELIMINARY
City of Port Townsend
WATER/SEWER CAPITAL
BUDGET SUMMARY

Water Sewer CIP **	2015	2016	2017	2018	2018	2019	Increase/Decrease 2019 Proposed vs 2018 Adopted
	Actual	Actual	Actual	Adopted	Supplemental	Proposed	
Beginning Fund Balance	-	276,525	1,993,822	1,425,356	1,425,356	2,468,440	
Revenues							
Intergovernmental Services		-	-	200,000	450,000	200,000	0.0%
Charges for Goods & Services		1,186,610	1,194,086	868,600	986,394	1,272,075	46.5%
Miscellaneous Revenue		7,638	11,676	678,600	694,544	18,000	-97.3%
Other Financing Sources		15,374,054	3,106,577	2,775,982	2,657,477	-	-100.0%
Operating Transfers In		209,666	1,157,958	2,847,090	2,616,790	1,271,379	-55.3%
Total Revenue	-	16,777,967	5,470,297	7,370,272	7,405,205	2,761,454	-62.5%
Expenditures							
G/F Overhead		61,441	144,117	278,894	278,894	107,081	-61.6%
Interfund Loan Payments			250,000	-	-	-	
Debt Service Principal		72,632	72,632	1,772,632	672,632	52,632	-97.0%
Debt Service Interest		5,105	34,727	20,842	42,842	42,711	104.9%
Intergovernmental Services		703,311	552,663	405,000	449,800	285,000	-29.6%
Other Improvements - Water		13,473,906	3,871,963	2,320,000	2,960,750	250,000	-89.2%
Other Improvements - Sewer		236,687	190,804	305,000	315,000	485,000	59.0%
Miscellaneous					26,321		
Transfers Out***	-	507,589	921,857	1,445,547	1,615,882	1,328,791	-8.1%
Total Expenditure	-	15,060,671	6,038,763	6,547,915	6,362,121	2,551,215	-61.0%
Net Change in Fund Balance	-	1,717,297	(568,466)	822,357	1,043,084	210,239	-74.4%
Ending Fund Balance	276,525	1,993,822	1,425,356	2,247,713	2,468,440	2,678,679	
Sufficient to Meet Obligations							Meets Policy
Water / Sewer CIP Fund Breakdown:							
	<u>Beginning Fund Balance</u>	<u>2016 Change in Fund Balance</u>	<u>2017 Change in Fund Balance</u>	<u>2018 Change in Fund Balance</u>	<u>2019 Change in Fund Balance</u>	<u>2019 Ending Fund Balance</u>	
415 - Water / Sewer CIP	(1,960,647)	1,362,029	(764,521)	1,426,127	(40,000)	22,988	
417 - 1956 Trans Line Fund	1,259,860	(77,038)	(27,846)	(436,393)	(3,045)	715,538	
419 - 1978 Revenue Bond Fund	-	-	-	-	-	-	
430 - Utility Debt Reserve Fund	977,313	432,306	223,901	53,350	253,284	1,940,154	
Total	276,525	1,717,297	(568,466)	1,043,084	210,239	2,678,679	

** This Fund Summary includes Water / Sewer Capital, Transmission Line Fund, 1978 Revenue Bond Fund & Water/Sewer Debt Service Fund

*** Operating Transfers include funding Water Capital Debt Service in the Water / Sewer Operating Fund

PRELIMINARY
City of Port Townsend
STORM WATER OPERATIONS
BUDGET SUMMARY

Storm Water Operating Fund	2016 Actual	2017 Actual	2018 Adopted	2018 Supplemental	2019 Proposed	Increase/Decrease S
Beginning Fund Balance	134,604	76,245	175,137	175,137	140,375	
Revenues						
Intergovernmental Services	-	-	-	-		
Charges for Goods & Services	560,708	565,801	737,418	742,623	746,659	1.3%
Miscellaneous Revenue	409	510	600	1,189	1,200	100.0%
Operating Transfers In	-	-	-	-	-	
Total Revenue	561,116	566,311	738,018	743,812	747,859	1.3%
Expenditures						
G/F OH Charges	70,326	87,859	106,412	100,304	106,236	-0.2%
Salaries & Wages	201,369	201,950	219,575	219,575	224,715	2.3%
Personnel Benefits	94,749	101,948	112,753	111,888	117,047	3.8%
Supplies	1,932	495	7,000	9,000	7,000	0.0%
Debt Principal	-	-	-	-	6,700	
Debt Interest	-	-	-	-	11,500	
Professional Services	-	912	16,000	23,480	14,141	-11.6%
Communications	-	-	-	-	-	
Advertising	-	-	-	-	-	
Operating Rents & Leases	-	-	-	-	-	
Intergovernmental	61,894	12,584	12,525	12,525	-	-100.0%
Machinery & Equipment	-	-	-	-	12,000	
Other Improvements	119,785	-	15,000	-	-	-100.0%
Repair & Maintenance	2,402	8,019	4,000	4,000	4,000	0.0%
Equipment Rental	66,374	49,742	49,742	95,222	115,755	132.7%
Training/Memberships & Travel	-	-	1,400	1,400	1,000	-28.6%
Miscellaneous	593	706	730	1,180	980	34.2%
Transfers Out	51	3,204	220,000	200,000	160,000	-27.3%
Total Expenditure	619,476	467,419	765,137	778,574	781,074	2.1%
Net Change in Fund Balance	(58,359)	98,892	(27,119)	(34,762)	(33,215)	22.5%
Ending Fund Balance	76,245	175,137	148,018	140,375	107,160	
60 Days of Operating Expenses	45	137	71	66	50	Does not meet policy

PRELIMINARY
City of Port Townsend
STORM WATER CAPITAL FUND
BUDGET SUMMARY

Storm Water CIP	2016	2017	2018	2018	2019	Increase/Decrease
	Actual	Actual	Adopted	Supplemental	Proposed	2019 Proposed vs 2018 Adopted
Beginning Fund Balance	-	126,627	(28,016)	(28,016)	(16)	
Revenues						
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	126,501	156,714	-	-	-	
Miscellaneous Revenue	126	429	600	-	-	-100.0%
Other Financing Sources	-	-	850,000	428,000	830,000	-2.4%
Operating Transfers In	-	-	220,000	200,000	160,000	-27.3%
Total Revenue	126,627	157,143	1,070,600	628,000	990,000	-7.5%
Expenditures						
Intergovernmental Services	-	130,288	115,000	130,000	165,000	43.5%
Other Improvements - Storm	-	181,498	1,105,000	470,000	803,000	-27.3%
Other Improvements	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Transfers Out	-	-	-	-	-	
Total Expenditure	-	311,786	1,220,000	600,000	968,000	-20.7%
Net Change in Fund Balance	126,627	(154,643)	(149,400)	28,000	22,000	-114.7%
Ending Fund Balance	126,627	(28,016)	(177,416)	(16)	21,984	
Sufficient to Meet Obligations						Meets Policy

PRELIMINARY
City of Port Townsend
PUBLIC WORKS ADMINISTRATION
BUDGET SUMMARY

PW Admin (Internal Service Fund)	2016 Actual	2017 Actual	2018 Adopted	2018 Supplemental	2019 Proposed	Increase/Decrease 2019 Proposed vs 2018 Adopted
Beginning Fund Balance	37,487	40,295	26,226	26,226	25,851	
Revenues						
Charges for Goods & Services	356,510	490,119	584,273	553,053	611,602	4.7%
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	118	290	300	7,717	200	-33.3%
Operating Transfers In	-	76	-	-	-	
Total Revenue	356,628	490,486	584,573	560,770	611,802	4.7%
Expenditures						
Salaries & Wages	187,731	275,377	317,199	302,621	348,160	9.8%
Personnel Benefits	71,473	110,308	121,243	108,970	143,848	18.6%
Supplies	2,553	2,186	4,000	2,500	4,000	0.0%
Professional Services	12,717	20,602	6,000	12,000	10,000	66.7%
Communications	1,961	2,385	2,000	2,000	2,000	0.0%
Advertising	-	-	1,000	500	1,000	0.0%
Operating Rents & Leases	3,281	2,672	3,600	3,600	3,600	0.0%
Intergovernmental Services	-	-	-	-	-	
Machinery & Equipment	-	-	1,000	1,000	1,500	50.0%
Repair & Maintenance	-	-	500	500	500	0.0%
Equipment Rental	11,330	23,770	23,770	28,822	17,617	-25.9%
Training/Memberships & Travel	746	10,534	8,000	4,800	8,000	0.0%
Miscellaneous	1,429	779	2,550	1,750	1,500	-41.2%
Overhead Allocation	60,599	55,942	58,810	58,810	52,547	-10.6%
Transfers Out	-	-	34,600	33,272	-	-100.0%
Total Expenditure	353,820	504,554	584,272	561,145	594,272	1.7%
Net Change in Fund Balance	2,808	(14,069)	301	(375)	17,530	5723.9%
Ending Fund Balance	40,295	26,226	26,527	25,851	43,381	
Sufficient to Meet Obligations						Meets Policy

**City of Port Townsend
EQUIPMENT RENTAL & REPLACEMENT FUND
BUDGET SUMMARY**

ERR (Internal Service Fund)	2016 Actual	2017 Actual	2018 Adopted	2018 Supplemental	2019 ** Proposed	Increase/Decrease 2019 Proposed vs 2018 Adopted
Beginning Fund Balance	829,341	790,921	790,921	714,117	1,433,843	
Revenues						
Charges for Goods & Services	785,846	865,318	865,316	1,270,799	1,146,957	32.5%
Miscellaneous Revenue	18,161	11,822	10,475	9,819	2,000	-80.9%
Operating Transfers In	190,000	39	494,600	883,172	-	-100.0%
Total Revenue	994,007	877,179	1,370,391	2,163,790	1,148,957	-16.2%
Expenditures						
Salaries & Wages	276,677	300,838	301,528	294,546	302,847	0.4%
Personnel Benefits	126,457	140,651	147,937	141,832	142,261	-3.8%
Supplies	129,392	142,221	163,500	163,700	164,500	0.6%
Professional Services	1,862	2,357	1,200	1,200	4,650	287.5%
Communications	18,609	17,857	22,760	22,760	20,380	-10.5%
Operating Rents & Leases	57	188	500	500	500	0.0%
Intergovernmental Services	-					
Machinery & Equipment	337,891	177,554	629,988	626,233	102,853	-83.7%
Repair & Maintenance	21,305	34,669	32,000	32,000	32,000	0.0%
Equipment Rental	1,886	2,997	2,997	10,803	8,901	197.0%
Utilities	10,845	12,771	13,000	13,000	13,900	6.9%
Training/Memberships & Travel	525	5,025	6,900	6,700	8,400	21.7%
Miscellaneous	7,872	5,649	5,000	5,000	4,500	-10.0%
Overhead Allocation	99,050	111,206	138,345	125,790	136,618	-1.2%
Transfers Out	-	-	-	-	-	0.0%
Total Expenditure	1,032,427	953,983	1,465,655	1,444,064	942,310	-35.7%
Net Change in Fund Balance	(38,420)	(76,804)	(95,264)	719,726	206,647	-1037.1%
Ending Fund Balance	790,921	714,117	695,657	1,433,843	1,640,490	
Sufficient to Meet Obligations						Meets Policy
<p>** The Equipment Rental & Replacement Fund as a whole will be re-established in 2019. Total Revenue & Expenditures in 2019 will be split to separate funds.</p>						

PRELIMINARY
City of Port Townsend
ENGINEERING FUND
BUDGET SUMMARY

Engineering Internal Service Fund	2016	2017	2018	2018	2019	Increase/Decrease
	Actual	Actual	Adopted	Supplemental	Proposed	2019 Proposed vs 2018 Adopted
Beginning Fund Balance	112,074	175,382	175,382	210,781	185,650	
Revenues						
Charges for Goods & Services	999,810	1,003,706	1,009,000	1,039,100	892,500	-11.5%
Miscellaneous Revenue	338	847	500	1,634	1,500	200.0%
Operating Transfers In	-	157	-	-	-	
Total Revenue	1,000,147	1,004,710	1,009,500	1,040,734	894,000	-11.4%
Expenditures						
Salaries & Wages	557,735	572,227	589,749	590,500	517,716	-12.2%
Personnel Benefits	253,575	260,639	264,541	264,753	239,452	-9.5%
Supplies	5,847	5,859	7,500	7,500	7,500	0.0%
Professional Services	108	875	10,000	10,000	10,000	0.0%
Communications	8,210	8,619	8,700	8,700	8,700	0.0%
Advertising	-	115	600	600	600	0.0%
Operating Rents & Leases	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Machinery & Equipment	18,695	18,652	30,100	30,100	40,100	33.2%
Repair & Maintenance	-	-	1,000	1,000	1,000	0.0%
Equipment Rental	11,408	12,463	12,463	34,801	30,420	144.1%
Training/Memberships & Travel	2,855	5,150	19,600	19,600	19,600	0.0%
Miscellaneous	12,791	1,537	14,100	14,100	2,000	-85.8%
Overhead Allocation	65,615	83,175	84,211	84,211	105,222	25.0%
Transfers Out	-	-	-	-	-	
Total Expenditure	936,840	969,311	1,042,564	1,065,865	982,310	-5.8%
Net Change in Fund Balance	63,307	35,400	(33,064)	(25,131)	(88,310)	167.1%
Ending Fund Balance	175,382	210,781	142,318	185,650	97,340	
Sufficient to Meet Obligations						Meets Policy

PRELIMINARY
City of Port Townsend
UNEMPLOYMENT RESERVE FUND
BUDGET SUMMARY

Unemployment Internal Service Fund	2016	2017	2018	2018	2019	Increase/Decrease
	Actual	Actual	Adopted	Supplemental	Proposed	2019 Proposed vs 2018 Adopted
Beginning Fund Balance	24,666	24,732	24,732	24,832	25,014	
Revenues						
Miscellaneous Revenue	66	100	120	182	180	50.0%
Other Financing Sources	-					
Operating Transfers In	3,007	30,637	19,500	44,491	20,000	2.6%
Total Revenue	3,073	30,737	19,620	44,673	20,180	2.9%
Expenditures						
Personnel Benefits	3,007	30,637	19,500	44,491	20,000	2.6%
Miscellaneous						
Transfers Out	-	-	-	-	-	
Total Expenditure	3,007	30,637	19,500	44,491	20,000	2.6%
Net Change in Fund Balance	66	100	120	182	180	50.0%
Ending Fund Balance	24,732	24,832	24,852	25,014	25,194	
Sufficient to Meet Obligations						Meets Policy

PRELIMINARY
City of Port Townsend
FIREMEN'S PENSION FUND
BUDGET SUMMARY

LEOFF 1 Fiduciary Fund	2016 Actual	2017 Actual	2018 Adopted	2018 Supplemental	2019 Proposed	Increase/Decrease 2019 Proposed vs 2018 Adopted
Beginning Fund Balance	214,836	226,297	226,297	231,925	240,948	
Revenues						
Taxes	39,245	35,245	34,235	34,235	34,235	0.0%
Miscellaneous Revenue	632	943	500	1,928	1,500	200.0%
Other Financing Sources						
Operating Transfers In	-	-	-	-		
Total Revenue	39,877	36,188	34,735	36,163	35,735	2.9%
Expenditures						
Salaries & Wages	14,845	11,803	10,726	10,726	5,699	-46.9%
Personnel Benefits	10,638	16,669	15,000	15,000	10,000	-33.3%
Overhead Allocation	2,932	2,087	1,414	1,414	1,852	31.0%
Transfers Out	-	-	-	-		
Total Expenditure	28,416	30,559	27,140	27,140	17,551	-35.3%
Net Change in Fund Balance	11,461	5,628	7,595	9,023	18,184	139.4%
Ending Fund Balance	226,297	231,925	233,892	240,948	259,132	
Sufficient to Meet Obligations						Meets Policy

PRELIMINARY
City of Port Townsend
GOLF COURSE FUND
BUDGET SUMMARY

Golf Course Fiduciary Fund	2016 Actual	2017 Actual	2018 Adopted	2018 Supplemental	2019 Proposed	Increase/Decrease 2019 Proposed vs 2018 Adopted
Beginning Fund Balance	31,624	37,297	42,296	42,296	12,144	
Revenues						
Miscellaneous Revenue	10,564	9,883	12,000	10,000	10,000	-16.7%
Other Financing Sources	-	-	-	267	250	
Operating Transfers In	-	-	-	-	-	
Total Revenue	10,564	9,883	12,000	10,267	10,250	-14.6%
Expenditures						
G/F OH Alloc	3,272	2,698	5,419	5,419	7,229	33.4%
Supplies	1,453	2,186	6,000	6,000	6,000	0.0%
Repair & Maintenance	167	-	5,000	5,000	5,000	0.0%
Other Improvements	-	-	5,000	-	-	-100.0%
Miscellaneous	-	-	-	24,000	-	
Transfers Out	-	-	-	-	-	
Total Expenditure	4,891	4,884	21,419	40,419	18,229	-14.9%
Net Change in Fund Balance	5,673	4,999	(9,419)	(30,152)	(7,979)	-15.3%
Ending Fund Balance	37,297	42,296	32,877	12,144	4,165	
Sufficient to Meet Obligations						Meets Policy

CITY OF PORT TOWNSEND, WASHINGTON CAPITAL IMPROVEMENT PLAN

The six-year Capital Improvement Plan (CIP) includes capital projects for 2019 – 2023. This plan includes capital projects that add new infrastructure to the City and those that replace and improve aging City infrastructure. The most significant planned capital projects included in this plan are:

Mountain View Phase III

In 2015 the City voters approved a \$3.6 million bond for improvements to the Mountain View Campus. The first phase of the project – Energy Efficiency and Emergency Repairs - was completed in 2015 at a cost of \$2.2 million. This work included upgrades to the heating and ventilating systems; replacement of the old diesel fuel boilers with new, high efficiency propane boilers; new energy efficient lighting; and new roofing and roof insulation for the classroom building.

The final phase of construction work – improvements to the interior and exterior of the Mountain View Commons – commenced in 2018 and will be completed by early 2019. The work includes improved ADA access to the classroom building and the pool and gym building; fire alarm and emergency lighting system replacement; improvements to the Food Bank and Working Image leased spaces; new locker room and bathroom for the Police Department; hallway upgrades and painting; paving of the police entrance; and painting the building exterior. This final phase will use the remainder of the 2015 Mountain Bond funds as well as an additional \$414,000 Community Development Block Grant (CDBG) received for the Food Bank and Working Image.

Library Improvements

The Library was programmed in 2017 for roof and window replacements on the Annex building, replacement of the exterior retaining wall in front of the Pink house, as well as other miscellaneous repairs to the walkway and stairs at the Lawrence Street Library entrance. The roof and exterior wall replacement will occur in 2018, with work on the windows in 2019. The project is funded by the 2017 capital projects bond as well as Library Foundation donations for the wall repair.

Library Restroom Upgrade

The Library Foundation is funding a restroom renovation to install new finishes, fixtures and partitions that will improve ADA accessibility and match the aesthetics of the historic Carnegie Library.

Jefferson Street Sidewalk

The City was awarded a Transportation Improvement Board (TIB) grant to install a sidewalk on Jefferson Street from Taylor Street to Washington Street, to fill in a missing link that will connect an accessible route from downtown to uptown. The project will

provide an alternative to the Haller fountain stairs and the “buggy trail.” Construction will start in November of 2018, wrapping up in early 2019.

Visitor Center – Sims Way Frontage Improvements

This project adds sidewalks, stormwater management, parking and streetscape enhancements as well as the placement of public art on Sims Way in front of the visitor center and the Thayer Street intersection. The project is funded by the 2017 Bond. Design begins in the fall of 2018; construction will be underway in the late spring of 2019.

SR 20 Pedestrian Walkway – Logan to Hancock

This capital budget item is for the permitting and preliminary design of a pedestrian sidewalk and crossing of the ravine to connect existing sidewalks on each side of the ravine. The design is funded by a federal grant with a City match funded by the 2017 bond. Funding for the construction is not yet determined; once the preliminary design is complete and project costs better known, the City will seek grant funding for construction.

Complete Streets

The City received \$250,000 in grant funding from TIB for improvements to ADA ramps and sidewalks. These small projects will be completed in 2019.

7th Street

This project is for the concept design of 7th Street which is a connector street from Rainier Street to Discovery Road. The 2017 bond funded the design, though, currently there is no funding for construction. The concept design will be used for seeking grants and loans and to coordinate improvements by the adjacent commercial properties.

Discovery Road Improvements – Rainier to Sheridan

This project proposes to reconstruct Discovery Road to include new pavement, curbs, planter strips, separated bicycle lanes, six-foot sidewalks, curb ramps, crosswalks, drainage, pedestrian and street lighting and intersection improvements. However, the City approach to funding the Discovery Road Improvements is to break the project into phases. The first phase of the project is the planning and design of a sidewalk, cycle track, stormwater improvements, crossing improvements and street and pedestrian lighting, which is funded with by a Federal Surface transportation Program (STP) grant and City matching funds. Grant applications through the state have also been submitted for this phase (sidewalk and cycle track) for both design and construction. The City is awaiting the state grant application award announcement which will be late in 2018.

Outfall Replacement

Replacement of the existing sewer outfall will be a requirement of the City's Department of Ecology wastewater discharge permit in 2020. A preliminary design has been completed. The initial discussion with the permitting agencies began in 2018, with permitting and final design in 2019 and construction anticipated in 2020. The permitting and pre-design are funded by a Department of Ecology grant and loan. Funding for final design and construction is unsecured, however, the City applied for a loan through the Department of Ecology and is awaiting the outcome of the loan application submission.

Gaines Street Pump Station Corrosion Control

This station pumps wastewater from the downtown to the City's Wastewater Treatment Plant. This project will repair the deteriorated concrete caused from the natural corrosive elements of wastewater and place a protective seal coat on the walls to prevent future corrosion.

Visitor Center Restrooms

This project will install new public restrooms at the Visitor Center.

CERB Rainier (formerly Howard Street) Street and Regional Stormwater projects

The CERB funding provides for a portion of the stormwater facilities on the Howard Street Extension project, as well as, funding of a regional stormwater pond and conveyance system for the runoff from the properties adjacent to Rainier Street from Discovery Road, south to Sims Way and properties south of Sims Way. The new system will allow denser development to occur in the commercial district while providing necessary stormwater detention. Total CERB loan funding is \$1,200,000, of which a portion already funded the stormwater conveyance system installed during the Howard Street Extension project. The remaining funds will be used for the design, property acquisition and construction of the regional facility which is planned to be completed in 2019.

Logan Street Storm Pond

This project is to repair the stormwater pond overflow to prevent further slope erosion.

2018 Completed Projects:

Big Quilcene Diversion

This project was an important repair for the reliability of the water system. It involved repair of an existing 1928 timber crib water diversion structure on the Big Quilcene River. Field investigation work and preliminary design were undertaken in 2016. Construction was completed in 2018.

Water Street Improvement Project

This project involved pavement replacement and streetscape improvements on Water Street from Taylor Street to the Ferry terminal. The pavement upgrade was funded through a State Transportation Improvement Board (TIB) grant for \$690,000. The sidewalk replacement and streetscape improvements were funded by the 2017 Bond. The project was completed in 2018 and included water, sewer and stormwater upgrades funded by those respective utilities.

Water Street Overlay - Water Line Replacement

This project replaced the existing water line in Water Street as part of the streetscape and pavement overlay. This water line was constructed in 2018 and was funded with System Development Charge (SDC) reserves.

Water Street Sewer

Sewer and side sewer replacements were part of the Water Street Improvement Project completed in 2018.

Other Projects

Other projects that have been identified in the Capital Improvement Plan that need to be addressed over a six-year period include:

- Discovery Road - Sheridan to Rainier \$ 8,300,000
- Sims Way Improvements \$ 5,750,000
- South West Sewer Pump Station \$ 4,330,000
- Washington Street Improvements \$ 2,350,000
- Localized Stormwater Improvements \$ 2,086,700
- Outfall Replacement \$ 800,000
- 1MG -Re-Coat \$ 750,000
- Cliff Street Sewer \$ 425,000
- Infiltration/Inflow Removal \$ 260,000
- 7th & Holcomb Sewer \$ 250,000
- Wastewater Master Plan \$ 130,000
- Coordination with the PUD on pathways \$*no estimate*

The projects listed above that are included in the 6-year Capital Improvement Plan are still in the initial review stage. As design and construction details are developed, costs will be updated and these projects will be prioritized based on the greatest need and available funding. The majority of these projects do not have a funding source at this time but have been identified as City priorities.

ORDINANCE NO. 3211

**AN ORDINANCE OF THE CITY OF PORT TOWNSEND, WASHINGTON,
ADOPTING THE CAPITAL IMPROVEMENT PLAN FOR 2019 THROUGH 2024**

WHEREAS, the City of Port Townsend has adopted a Comprehensive Plan and has amended it in accordance with the requirements of the Growth Management Act (“GMA”) (Chapter 36.70A of the Revised Code of Washington); and,

WHEREAS, the GMA requires a capital facilities plan as a mandatory element of the City’s Comprehensive Plan and the City has adopted such a plan, commonly referred to as the City’s Capital Improvement Plan; and,

WHEREAS, the Capital Improvement Plan provides the six-year capital facility program for the City, subject to appropriation by the Council of funding for the projects contained in the Plan; and,

WHEREAS, RCW 36.70A.130 and Section 20.04.030A(7) of the Port Townsend Municipal Code allow the city to adopt changes to the Capital Improvement Plan concurrently with the adoption of the city’s budget; and,

WHEREAS, the City Council held a public hearing on November 5, 2018, on the proposed 2019-2024 Capital Improvement Plan.

NOW THEREFORE, the City Council of the City of Port Townsend do ordain as follows:

Section 1. Findings and Conclusions. The proposed 2019-2024 Capital Improvement Plan is consistent with and implements the currently-adopted Capital Facilities and Utility Elements of the Comprehensive Plan are consistent with RCW 36.70A.070(3) and the Comprehensive Plan, and are in the public interest.

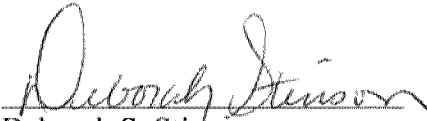
Section 2. The City adopts the 2019-2024 Capital Improvement Plan as substantially shown at Exhibit A.

Section 3. Severability. If any sentence, clause or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase or work of this ordinance.

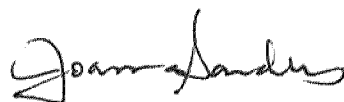
Section 4. Transmittal to Department of Commerce. The City Clerk shall transmit a copy of this Ordinance to the State Department of Commerce (DOC) within ten (10) days of adoption of this ordinance.

Section 5. Effective Date. This Ordinance shall take effect and be in force 5 days following its publication in the manner provided by law.


ADOPTED by the City Council of the City of Port Townsend, Washington, at a special meeting thereof, held this 13th day of November 2018.


Deborah S. Stinson
Mayor

Attest:


Joanna Sanders, MMC
City Clerk

Approved as to Form:


Heidi Greenwood
City Attorney

Capital Improvement Plan 2019 - 2024

General Government

* This plan shows the 6-year plan for capital projects.

Project		2019	2019	2019	2020	2021	2022	2023	2024	6-Year Total
		Preliminary	Supplemental 1	Revised						
0095	Mountain View Phase III									
	Voted Bond									
	Funding Sources									
	Voted Bond	97,500								97,500
										-
	Total	97,500	-	-	-	-	-	-	-	97,500
	Expenditures									
	Design/Construction	80,000								80,000
	Project Management	20,000								20,000
	Total	100,000	-	-	-	-	-	-	-	100,000
0096	Mountain View CDBG									
	Funding Sources									
	CDBG	45,000								45,000
	Total	45,000	-	-	-	-	-	-	-	45,000
	Expenditures									
	Design/Construction									-
Project Management									-	
Total	-	-	-	-	-	-	-	-	-	
0102	Library									
	Funding Sources									
	2017 Bond	50,000								50,000
	Donation									-
	Total	50,000	-	-	-	-	-	-	-	50,000
	Expenditures									
	Design/Construction	40,000								40,000
Project Management	10,000								10,000	
Total	50,000	-	-	-	-	-	-	-	50,000	

Capital Improvement Plan 2019 - 2024

General Government

* This plan shows the 6-year plan for capital projects.

Project		2019	2019	2019	2020	2021	2022	2023	2024	6-Year Total
		Preliminary	Supplemental 1	Revised						
0104	Library Restrooms									
	Funding Sources									
	Donations	75,000								75,000
										-
	Total	75,000		-	-	-	-	-	-	75,000
	Expenditures									
	Design/Construction	75,000								75,000
									-	
	Total	75,000		-	-	-	-	-	-	75,000

Capital Improvement Plan 2019 - 2024

Street

* This plan shows the 6-year plan for capital projects.

Project		2019	2019	2019	2020	2021	2022	2023	2024	6-Year Total
		Preliminary	Supplemental 1	Revised						
1058	Howard St									
	Funding Sources									
	WSDOT									-
	TIB									-
	CERB	300,000								300,000
	Total	300,000	-	-	-	-	-	-	-	300,000
	Expenditures									
	Line of Credit (LOC)	300,000								300,000
	Interest on LOC	9,040								9,040
	Project Management									-
	Total	309,040	-	-	-	-	-	-	-	309,040
1106	Water St Overlay - Taylor to Ferry Terminal									
	Funding Sources									
	TIB									-
	2017 Bond									-
	Total	-	-	-	-	-	-	-	-	-
	Expenditures									
	Interest on LOC	10,247								10,247
	Construction									-
	Project Management									-
	Total	10,247	-	-	-	-	-	-	-	10,247
1067	Jefferson St									
	Funding Sources									
	2017 Bond	50,000								50,000
	TIB	50,000								50,000
	Total	100,000	-	-	-	-	-	-	-	100,000
	Expenditures									
	Design									-
	Construction	60,000								60,000
	Project Management	40,000								40,000
	Total	100,000	-	-	-	-	-	-	-	100,000

Capital Improvement Plan 2019 - 2024

Street

* This plan shows the 6-year plan for capital projects.

Project		2019	2019	2019	2020	2021	2022	2023	2024	6-Year Total
		Preliminary	Supplemental 1	Revised						
1008	Visitor Center Sims Way Frontage									
	Funding Sources									
	LTAC									-
	2017 Bond	650,000								650,000
	Total	650,000	-	-	-	-	-	-	-	650,000
	Expenditures									
	Design									-
	Construction	509,500								509,500
	Project Management	150,000								150,000
	Total	659,500	-	-	-	-	-	-	-	659,500
1145	SR 20 Pedestrian Walkway - Logan to Hancock									
	Funding Sources									
	2017 Bond	20,000								20,000
	TAP	95,000								95,000
	Unsecured Funds					640,000				640,000
	Total	115,000	-	-	-	640,000	-	-	-	755,000
	Expenditures									
	Design	50,000								50,000
	Construction					600,000				600,000
	Project Management	30,000				60,000				90,000
	Total	80,000	-	-	-	660,000	-	-	-	740,000
1009	Complete Sts (TIB)									
	Funding Sources									
	Note: \$250,000 Grant Funds received in 2017									
	TIB									-
	Line of Credit	40,000								40,000
	Total	40,000	-	-	-	-	-	-	-	40,000
	Expenditures									
	Design	10,000								10,000
	Construction	230,000								230,000
	Project Management	37,500								37,500
	Total	277,500	-	-						277,500

Capital Improvement Plan 2019 - 2024

Street

* This plan shows the 6-year plan for capital projects.

Project		2019	2019	2019	2020	2021	2022	2023	2024	6-Year Total
		Preliminary	Supplemental 1	Revised						
1047	7th St Preliminary Design	Rainier to Discovery Rd								
	Funding Sources									
	2017 Bond	5,000								-
	Unsecured Funds				800,000					5,000
	Total	5,000	-	-	800,000	-	-			805,000
	Expenditures									
	Design									-
	Construction				700,000					700,000
	Project Management	5,000			100,000					105,000
	Total	5,000	-	-	800,000	-	-			805,000
1207	Discovery Road Design	Sheridan to Rainier								
	Funding Sources									
	WSDOT - STP Funds	435,000								435,000
	Line of Credit	80,000								80,000
	Unsecured Funds				1,300,000			7,000,000		8,300,000
	Total	515,000	-	-	1,300,000	-	-	7,000,000	-	8,815,000
	Expenditures									
	Design	403,000								403,000
	Construction				1,150,000			6,400,000		7,550,000
	Project Management	100,000			150,000			600,000		850,000
Total	503,000	-	-	1,300,000	-	-	7,000,000	-	8,803,000	
	Washington St Downtown Streetscape									
	Funding Sources									
	Unsecured Funds							350,000	2,000,000	2,350,000
	Total	-	-	-	-	-	-	350,000	2,000,000	2,350,000
	Expenditures									
	Design							350,000		350,000
	Construction								2,000,000	2,000,000
Total	-	-	-	-	-	-	350,000	2,000,000	2,350,000	

Capital Improvement Plan 2019 - 2024

Street

* This plan shows the 6-year plan for capital projects.

Project	2019	2019	2019	2020	2021	2022	2023	2024	6-Year Total
	Preliminary	Supplemental 1	Revised						
Sims Way Improvements II									
Funding Sources									
WSDOT - Unsecured						600,000	4,000,000		4,600,000
Unsecured Funds						150,000	1,000,000		1,150,000
Total	-		-	-	-	750,000	5,000,000	-	5,750,000
Expenditures									
Design						750,000			750,000
Construction							5,000,000		5,000,000
Total	-		-	-	-	750,000	5,000,000	-	5,750,000
Sidewalk Project - ADA									
Funding Sources									
Unsecured Funds				50,000	50,000	50,000	50,000	50,000	250,000
Total	-		-	50,000	50,000	50,000	50,000	50,000	250,000
Expenditures									
Construction				50,000	50,000	50,000	50,000	50,000	250,000
Project Management									-
Total	-		-	50,000	50,000	50,000	50,000	50,000	250,000

Capital Improvement Plan 2019 - 2024

Water

* This plan shows the 6-year plan for capital projects.

Project		2019	2019	2019	2020	2021	2022	2023	2024	6-Year Total
		Preliminary	Supplemental 1	Revised						
6041	Big Quil Diversion									
	Funding Sources									
	OGWS									-
	Port Townsend Paper Company									-
	Total	-	-	-	-	-	-	-	-	-
	Expenditures									
	Interest on LOC	23,000								23,000
	Design/Construction									-
	Project Management									-
	Total	23,000	-	-	-	-	-	-	-	23,000
6161	LT2									
	Note: for expenditures in 2017									
	Funding Sources									
	PWTF									-
	DWSRF									-
	Total	-	-	-	-	-	-	-	-	-
	Expenditures									
	Interest on LOC	18,000								18,000
	Design/Construction									-
	Project Management									-
	Total	18,000	-	-	-	-	-	-	-	18,000
6000	Water General									
	Funding Sources									
	Operating Transfer	250,000			200,000	200,000	200,000	200,000	200,000	1,250,000
	SDC	50,000								50,000
	Total	300,000	-	-	200,000	200,000	200,000	200,000	200,000	1,300,000
	Expenditures									
	Design/Construction	250,000			200,000	200,000	200,000	200,000	200,000	1,250,000
	Project Management	50,000								50,000
	Total	300,000	-	-	200,000	200,000	200,000	200,000	200,000	1,300,000

Capital Improvement Plan 2019 - 2024

Water

* This plan shows the 6-year plan for capital projects.

Project		2019	2019	2019	2020	2021	2022	2023	2024	6-Year Total
		Preliminary	Supplemental 1	Revised						
1MG - Re-Coat										
	Funding Sources									-
	Unsecured Funds				750,000					750,000
	Total	-	-	-	750,000	-	-	-	-	750,000
	Expenditures									-
	Design/Construction				720,000					720,000
	Project Management				30,000					30,000
	Total	-	-	-	750,000	-	-	-	-	750,000

Capital Improvement Plan 2019 - 2024

Sewer

* This plan shows the 6-year plan for capital projects.

Project	2019 Preliminary	2019 Supplemental 1	2019 Revised	2020	2021	2022	2023	2024	6-Year Total
7001 Collection System Improvements									
Funding Sources									
Operating Transfer	22,900								22,900
Sewer Capital Surcharge	17,100			160,000	160,000	160,000	160,000	160,000	817,100
Total	40,000	-	-	160,000	160,000	160,000	160,000	160,000	840,000
Expenditures									
Design/Construction				160,000	160,000	160,000	160,000	160,000	800,000
Project Management	40,000								40,000
Total	40,000	-	-	160,000	160,000	160,000	160,000	160,000	840,000
7013 Outfall Replacement									
Infrastructure Condition									
Funding Sources									
CCWF Loan/Grant	200,000								200,000
SDC	100,000			37,500					137,500
Unsecured Funds				4,400,000					4,400,000
Total	300,000	-	-	4,437,500	-	-	-	-	4,737,500
Expenditures									
Design/Construction	225,000			4,080,000					4,305,000
Project Management	75,000			350,000					425,000
Total	300,000	-	-	4,430,000	-	-	-	-	4,730,000
7026 Gaines Street Pump Station	" Shoreline Stabilization - Not Currently Funded								
Infrastructure Condition Mandate (Vulnerability)									
Funding Sources									
Sewer Capital Surcharge	130,000								130,000
SDC	100,000								
Unsecured Funds							400,000		400,000
Total	230,000	-	-	-	-	-	400,000	-	630,000
Expenditures									
Design/Construction	200,000						350,000		550,000
Project Management	30,000						50,000		80,000
Total	230,000	-	-	-	-	-	400,000	-	630,000

Capital Improvement Plan 2019 - 2024

Sewer

* This plan shows the 6-year plan for capital projects.

Project	2019 Preliminary	2019 Supplemental 1	2019 Revised	2020	2021	2022	2023	2024	6-Year Total
7104 7th & Holcomb Sewer									
Funding Sources									
SDC	50,000								50,000
Unsecured Funds				250,000					250,000
Total	50,000	-	-	250,000	-	-	-	-	300,000
Expenditures									
Design/Construction				200,000					200,000
Project Management	50,000			50,000					100,000
Total	50,000	-	-	250,000	-	-	-	-	300,000
Visitor Center Restrooms									
Funding Sources									
LTAC	100,000								100,000
Unsecured Funds				220,000					220,000
Total	100,000	-	-	220,000	-	-	-	-	320,000
Expenditures									
Design/Construction	60,000			200,000					260,000
Project Management	40,000			20,000					60,000
Total	100,000	-	-	220,000	-	-	-	-	320,000
South West Sewer Pump Station									
Contributes to Economic Development									
Funding Sources									
Unsecured Funds							4,330,000		4,330,000
Total	-	-	-	-	-	-	4,330,000	-	4,330,000
Expenditures									
Design/Construction							4,000,000		4,000,000
Project Management							330,000		330,000
Total	-	-	-	-	-	-	4,330,000	-	4,330,000

Capital Improvement Plan 2019 - 2024

Sewer

* This plan shows the 6-year plan for capital projects.

Project	2019	2019	2019	2020	2021	2022	2023	2024	6-Year Total
	Preliminary	Supplemental 1	Revised						
Cliff Street Sewer									
Funding Sources									
Unsecured Funds					425,000				425,000
									-
Total	-	-	-	-	425,000	-	-	-	425,000
Expenditures									
Design/Construction					375,000				375,000
Project Management					50,000				50,000
									-
Total	-	-	-	-	425,000	-	-	-	425,000
Infiltration/Inflow Removal									
Desirable Investment in System									
Funding Sources									
Unsecured Funds						260,000			260,000
									-
Total	-	-	-	-	-	260,000	-	-	260,000
Expenditures									
Design/Construction						200,000			200,000
Project Management						60,000			60,000
									-
Total	-	-	-	-	-	260,000	-	-	260,000
Wastewater Master Plan/WWTP									
Funding Sources									
Sewer Capital Surcharge					130,000				130,000
									-
Total	-	-	-	-	130,000	-	-	-	130,000
Expenditures									
Design/Construction					100,000				100,000
Project Management					30,000				30,000
									-
Total	-	-	-	-	130,000	-	-	-	130,000

Capital Improvement Plan 2019 - 2024

Storm

* This plan shows the 6-year plan for capital projects.

Project		2019	2019	2019	2020	2021	2022	2023	2024	6-Year Total
		Preliminary	Supplemental 1	Revised						
8001	Stormwater Management Plan									
	Funding Sources									
	Storm Capital Surcharge									-
	Line of Credit	30,000	-							30,000
	Total	30,000		-	-	-	-	-	-	30,000
	Expenditures									
	Design/Construction									-
	Project Management	30,000								30,000
	Total	30,000		-	-	-	-	-	-	30,000
8028	CERB Regional Facility									
	Funding Sources									
	CERB	800,000								800,000
	Operating Transfer	30,000								30,000
	Total	830,000		-	-	-	-	-	-	830,000
	Expenditures									
	Design/Construction	708,000								708,000
	Project Management	100,000								100,000
	Total	808,000		-	-	-	-	-	-	808,000
8022	Logan Street									
	Funding Sources									
	Operating Transfer	10,000			50,000					60,000
	Total	10,000		-	50,000	-	-	-	-	60,000
	Expenditures									
	Design/Construction	5,000			35,000					40,000
	Project Management	5,000			15,000					20,000
	Total	10,000		-	50,000	-	-	-	-	60,000

Capital Improvement Plan 2019 - 2024

Storm

* This plan shows the 6-year plan for capital projects.

Project		2019	2019	2019	2020	2021	2022	2023	2024	6-Year Total
		Preliminary	Supplemental 1	Revised						
8000	Storm System Improvements									
	Funding Sources									
	Operating Transfer	120,000			120,000	120,000	120,000	120,000	120,000	720,000
	Unsecured Funds				400,000				400,000	800,000
	Total	120,000	-	-	520,000	120,000	120,000	120,000	520,000	1,520,000
	Expenditures									
	Design/Construction	90,000			345,000	90,000	90,000	90,000	345,000	1,050,000
	Project Management	30,000			175,000	30,000	30,000	30,000	175,000	470,000
	Total	120,000	-	-	520,000	120,000	120,000	120,000	520,000	1,520,000
	16th St - Sheridan to Landes									
	Funding Sources									
	Unsecured Funds					60,000	127,460			187,460
	Total	-	-	-	-	60,000	127,460	-	-	187,460
	Expenditures									
	Design/Construction					40,000	87,460			127,460
	Project Management					20,000	40,000			60,000
	Total	-	-	-	-	60,000	127,460	-	-	187,460
	Hancock St & 32nd St									
	Funding Sources									
	Unsecured Funds						60,000	121,300		181,300
	Total	-	-	-	-	-	60,000	121,300	-	181,300
	Expenditures									
	Design/Construction						40,000	81,300		121,300
	Project Management						20,000	40,000		60,000
	Total	-	-	-	-	-	60,000	121,300	-	181,300

Capital Improvement Plan 2019 - 2024

Storm

* This plan shows the 6-year plan for capital projects.

Project		2019	2019	2019	2020	2021	2022	2023	2024	6-Year Total
		Preliminary	Supplemental 1	Revised						
Center St - San Juan Ave to Olympic Ave										
Funding Sources										
	Unsecured Funds							125,000	262,940	387,940
	Total	-	-	-	-	-	-	125,000	262,940	387,940
Expenditures										
	Design/Construction							85,000	172,940	257,940
	Project Management							40,000	90,000	130,000
	Total	-	-	-	-	-	-	125,000	262,940	387,940
12th St ROW, Logan St & 14th St										
Funding Sources										
	Unsecured Funds					150,000	351,620			501,620
	Total	-	-	-	-	150,000	351,620	-	-	501,620
Expenditures										
	Design/Construction					100,000	251,620			351,620
	Project Management					50,000	100,000			150,000
	Total	-	-	-	-	150,000	351,620	-	-	501,620
Lawrence St at Polk St, Taylor St & Tyler St										
Funding Sources										
	Unsecured Funds							300,000	528,380	828,380
	Total	-	-	-	-	-	-	300,000	528,380	828,380
Expenditures										
	Design/Construction							200,000	348,380	548,380
	Project Management							100,000	180,000	280,000
	Total	-	-	-	-	-	-	300,000	528,380	828,380

Capital Improvement Plan 2019 - 2024

Storm

* This plan shows the 6-year plan for capital projects.

Project	2019 Preliminary	2019 Supplemental 1	2019 Revised	2020	2021	2022	2023	2024	6-Year Total
Basin Planning Studies									
Funding Sources									-
Unsecured Funds				50,000		50,000		50,000	150,000
Total	-	-	-	50,000	-	50,000	-	50,000	150,000
Expenditures									-
Design/Construction				25,000		25,000		25,000	75,000
Project Management				25,000		25,000		25,000	75,000
Total	-	-	-	50,000	-	50,000	-	50,000	150,000

Capital Improvement Plan 2019 - 2024

City-Wide

* This plan shows the 6-year plan for capital projects.

	2019	2019	2019	2020	2021	2022	2023	2024	6-Year Total
General Government									
Funding Sources									
	Preliminary	Supplemental 1	Revised						
CDBG	45,000	-	-	-	-	-	-	-	45,000
Donations	75,000	-	-	-	-	-	-	-	75,000
Voted Bond	97,500	-	-	-	-	-	-	-	97,500
2017 Bond	50,000	-	-	-	-	-	-	-	50,000
Fund Balance	-	-	-	-	-	-	-	-	-
Total	267,500	-	-	-	-	-	-	-	267,500
Expenditures									
Design/Construction	195,000	-	-	-	-	-	-	-	195,000
Project Management	30,000	-	-	-	-	-	-	-	30,000
Total	225,000	-	-	-	-	-	-	-	225,000
Street									
Funding Sources									
WSDOT - STP funds	435,000	-	-	-	-	-	-	-	435,000
TAP	95,000	-	-	-	-	-	-	-	95,000
TIB	50,000	-	-	-	-	-	-	-	50,000
2017 Bond	725,000	-	-	-	-	-	-	-	725,000
CERB	300,000	-	-	-	-	-	-	-	300,000
REET	-	-	-	-	-	-	-	-	-
Fund Balance	-	-	-	-	-	-	-	-	-
Line of Credit	120,000	-	-	-	-	-	-	-	120,000
WSDOT - Unsecured	-	-	-	-	-	600,000	4,000,000	-	4,600,000
Unsecured Funds	-	-	-	2,150,000	690,000	200,000	8,400,000	2,050,000	13,490,000
Total	1,725,000	-	-	2,150,000	690,000	800,000	12,400,000	2,050,000	19,815,000
Expenditures									
ROW	-	-	-	-	-	-	-	-	-
Line of Credit (LOC)	300,000	-	-	-	-	-	-	-	300,000
Interest on LOC	19,287	-	-	-	-	-	-	-	19,287
Design	463,000	-	-	-	-	750,000	350,000	-	1,563,000
Construction	799,500	-	-	1,900,000	650,000	50,000	11,450,000	2,050,000	16,899,500
Project Management	362,500	-	-	250,000	60,000	-	600,000	-	1,272,500
Total	1,944,287	-	-	2,150,000	710,000	800,000	12,400,000	2,050,000	20,054,287
Water									
Funding Sources									
Capital Surcharge	-	-	-	-	-	-	-	-	-
DWSRF	-	-	-	-	-	-	-	-	-
PWTF	-	-	-	-	-	-	-	-	-
Operating Transfer	250,000	-	-	200,000	200,000	200,000	200,000	200,000	1,250,000
SDC	50,000	-	-	-	-	-	-	-	50,000
OGWS	-	-	-	-	-	-	-	-	-
Unsecured Funds	-	-	-	750,000	-	-	-	-	750,000
Total	300,000	-	-	950,000	200,000	200,000	200,000	200,000	2,050,000
Expenditures									
Design/Construction	250,000	-	-	920,000	200,000	200,000	200,000	200,000	1,970,000
Project Management	50,000	-	-	30,000	-	-	-	-	80,000
Interest on LOC	41,000	-	-	-	-	-	-	-	41,000
Total	341,000	-	-	950,000	200,000	200,000	200,000	200,000	2,091,000
Sewer									
Funding Sources									
Sewer Capital Surcharge	147,100	-	-	290,000	160,000	160,000	160,000	160,000	1,077,100
SDC	250,000	-	-	37,500	-	-	-	-	287,500
CCWF Loan/Grant	200,000	-	-	-	-	-	-	-	200,000
Operating Transfer	22,900	-	-	-	-	-	-	-	22,900
LTAC	100,000	-	-	-	-	-	-	-	100,000
Unsecured Funds	-	-	-	4,870,000	425,000	260,000	4,730,000	-	10,285,000
Total	720,000	-	-	5,197,500	585,000	420,000	4,890,000	160,000	11,972,500
Expenditures									
Design/Construction	485,000	-	-	4,740,000	535,000	360,000	4,510,000	160,000	10,790,000
Project Management	235,000	-	-	450,000	50,000	60,000	380,000	-	1,175,000
Total	720,000	-	-	5,190,000	585,000	420,000	4,890,000	160,000	11,965,000
Storm									
Funding Sources									
CERB	800,000	-	-	-	-	-	-	-	800,000
Storm Fund	-	-	-	-	-	-	-	-	-
Operating Transfer	160,000	-	-	170,000	120,000	120,000	120,000	120,000	810,000
Line of Credit	30,000	-	-	-	-	-	-	-	30,000
Unsecured Funds	-	-	-	450,000	210,000	589,080	546,300	1,241,320	3,036,700
Total	990,000	-	-	620,000	330,000	709,080	666,300	1,361,320	4,676,700
Expenditures									
Design/Construction	803,000	-	-	405,000	230,000	494,080	456,300	891,320	3,279,700
Project Management	165,000	-	-	215,000	100,000	215,000	210,000	470,000	1,375,000
Total	968,000	-	-	620,000	330,000	709,080	666,300	1,361,320	4,654,700

RESOLUTION NO. 18-029

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORT TOWNSEND, WASHINGTON, APPROVING THE 2019-2024 SIX-YEAR TRANSPORTATION IMPROVEMENT PROGRAM AND AUTHORIZING THE CITY MANAGER TO SUBMIT THIS TO THE STATE

WHEREAS, the City Council has reviewed the 2019-2024 Six-Year Transportation Improvement Program (TIP) and held a public hearing on June 18, 2018 for public comment; and,

WHEREAS, the City is required by the State of Washington Department of Transportation (WSDOT) to adopt its annual six-year Transportation Improvement Program (TIP) by June 30 of each year; and,

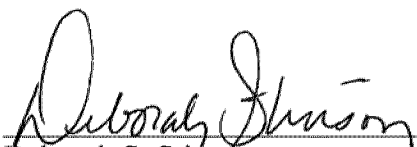
WHEREAS, the TIP is primarily intended to designate federally funded and regionally significant projects; and,

WHEREAS, the City Council has established priorities for transportation improvement projects and these are reflected in the TIP;

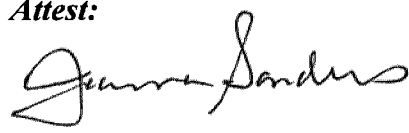
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Port Townsend that the Mayor is hereby authorized to sign this resolution approving the Six-Year Transportation Improvement Program for 2019-2024 for submission to the State Department of Transportation for their State Transportation Improvement Program (STIP).

And that the City Manager may make minor modifications to the TIP for the next 12 months to reflect changes in project funding or implementation schedules that may more closely align with actual project progress and to meet the needs of WSDOT and the STIP.

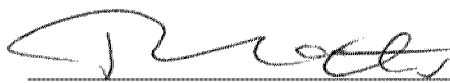
ADOPTED by the City Council of the City of Port Townsend at a regular meeting thereof, held this 18th day of June 2018.


Deborah S. Stinson
Mayor

Attest:


Joanna Sanders, MMC
City Clerk

Approved as to form:


John Watts
Acting City Attorney

Six Year Transportation Improvement Program (2019 - 2024)

County Name: Jefferson County
MPO/RTPO: NON/PEN

Port Townsend
Co. No.: 16
City No.: 1005

Functional Class	Priority Number	Project	Project Length	Fund Source Information						Expenditure Schedule						Environment Type	RW Required		
				Phase	Phase Start Year	Funding Status	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	1st	2nd	3rd	4th			5th	6th
16	1	SR 20 Pedestrian Walkway from: Logan Street to: Hancock Street Construction of an elevated walkway over a ravine that is an 800' gap along a popular, heavily used route by both pedestrians and bicyclists.	0.14	CN	2020	P	TAP	97,692			1,102,308							CE	Y
16	2	Discovery Road I from: Rainier Street to: Sheridan Street Rebuild roadway, sidewalks, drainage, shoulder improvements, bike lanes	0.74	PE CN	2020 2021	P P								770,000		7,580,000		CE	Y
14	3	Washington Street from: Monroe Street to: Taylor Street Streetscape improvements; new curb, gutter, pavement, sidewalk repair and replacement	0.30	PE CN	2022 2023	P P										350,000 2,000,000		CE	N
14	4	Sims Way Improvements III from: Sheridan Street to: SR 20 Ferry Terminal Turn lanes, shoulder improvements, intersection improvements, bike lanes, transit pullouts, sidewalks, mitigation of ferry traffic impacts	1.60	PE CN	2023 2024	P P			WSDOT WSDOT		600,000 6,000,000							CE	N
14	5	Sims Way Improvements II from: Logan Street to: Sheridan Street Intersection improvements; shoulder improvements; drainage; transit pullouts; sidewalks; pedestrian crossings; stormwater treatment	0.20	PE CN	2023 2024	P P			WSDOT WSDOT		600,000 5,000,000							CE	N
14	6	Sims Way (SR 20) Intersection Improvements from: Kearney Street to: Washington Street Intersection improvements	0.10	ALL	2024	P			WSDOT		2,000,000							CE	N
16	7	Discovery Road II from: City Limits to: Howard Street Rebuild roadway, bike lanes, sidewalks, pathway, transit pullouts, drainage, intersection improvements	0.74	PE CN	2022 2024	P P			OTHER OTHER		300,000 3,000,000	200,000 300,000						CE	N
16	8	San Juan Improvements II from: Lopez & San Juan to: 49th & Jackman Grind and install new road surface. Replace utility lines. Sidewalk and bike lanes.	0.75	ALL	2024	P												CE	N

Six Year Transportation Improvement Program (2019 - 2024)

County Name: Jefferson County
MPO/RTPO: NON/PEN

Port Townsend
Co. No.: 16
City No.: 1005

Functional Class	Priority Number	Project	Project Length	Fund Source Information						Expenditure Schedule						Environment Type	RW Required		
				Phase	Phase Start Year	Funding Status	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	1st	2nd	3rd	4th			5th	6th
16	9	Hastings Avenue Improvements from: Discovery Road to: City Limits Shoulder widening, bike lanes, pavement overlay, drainage improvements, sidewalks or multi use pathway	1.60	ALL	2024	P					3,725,000						3,725,000	CE	N
16	10	Lawrence Street Improvements from: Kearney Street to: Harrison Street Grind, base upgrade, repave, sidewalks, shoulder improvements	0.50	ALL	2024	P					1,000,000						1,000,000	CE	N
16	11	Jackson / Walnut Improvements from: Reed Street to: W Street Shoulder improvements, overlay, drainage improvements, sidewalks	0.45	ALL	2024	P					700,000						700,000	CE	N
16	12	Howard Street / Rainier Street Extension II from: Discovery Road to: 20th Street New street extension	0.60	PE CN	2023 2024	P P			OTHER OTHER	200,000 2,000,000	500,000 4,000,000				700,000		6,000,000	CE	N
14	13	Mill Road Intersection from: SR 20 to: Discovery Road Intersection improvements	0.00	ALL	2024	P			WSDOT		10,000,000						10,000,000	CE	Y
16	14	Admiralty Avenue Improvements from: San Juan Avenue to: Fort Worden State Park Shoulder improvements, sidewalk, bike lanes, drainage	0.17	ALL	2024	P					700,000						700,000	CE	N
16	15	Monroe Street Improvements from: Washington Street to: Lawrence Street Address road settlement, re-do subgrade, repave	0.22	ALL	2024	P					1,000,000						1,000,000	CE	N
16	16	McPherson Street Improvements from: Sims Way SR 20 to: Discovery Road Roadway rebuild, sidewalks, bike lanes	0.57	ALL	2024	P					1,780,000						1,780,000	CE	N
16	17	Blaine Street Improvements from: Walker Street to: Tyler Street Sidewalk, shoulder improvements, drainage, curb and gutter	0.50	ALL	2024	P					500,000						500,000	CE	N
00	18	Non-Motorized Multi Modal Loop Trail from: Kearney Street to: Discovery Rd Loop trail as identified in Non-Motorized Transportation Plan	1.94	ALL	2024	P	STP (E)	150,000	OTHER	350,000	200,000						700,000	CE	N
19	19	10th Street from: SR 20 to: Sheridan Sidewalks, bike lanes, drainage, shoulders	0.33	ALL	2024	P					600,000						600,000	CE	N

Six Year Transportation Improvement Program (2019 - 2024)

County Name: Jefferson County
MPO/RTPO: NON/PEN

Port Townsend

Co. No.: 16

City No.: 1005

Functional Class	Priority Number	Project	Project Length	Fund Source Information					Expenditure Schedule						Environment Type	RW Required			
				Phase	Phase Start Year	Funding Status	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	1st	2nd	3rd			4th	5th	6th
17	20	9th Street from: McPherson to: Sheridan Sidewalks, bike lanes	0.40	ALL	2024	P					700,000						700,000	CE	N
16	21	12th Street from: Landes to: Sheridan Sidewalks, shoulders, drainage improvements	0.38	ALL	2024	P					700,000						700,000	CE	N
16	21a	14th Street from: Landes St to: Sheridan St Sidewalks, Shoulder improvements, drainage improvements	0.38	ALL	2024	P					700,000						700,000	CE	N
16	22	Cherry / Redwood Improvements from: F St to: W St Shoulder improvements, overlay, drainage improvements	0.80	ALL	2024	P					1,000,000						1,000,000	CE	N
16	23	Discovery Road Improvements III from: Hastings Avenue to: 19th Street Rebuild roadway, shoulder improvements, bike lanes, sidewalks, drainage, intersection improvements	0.70	PE CN	2024 2024	P P			TIB OTHER	350,000 1,600,000	50,000						400,000 1,600,000	CE	N
16	24	49th Street / Cook Ave Improvements from: Jackman Avenue to: City Limits Shoulder widening, drainage improvements, pavement overlay, bike and pedestrian accommodations	2.00	ALL	2024	P					1,200,000						1,200,000	CE	N
16	25	W Street Improvements from: Walnut Street to: Admiralty Avenue Shoulder widening, overlay, drainage improvements, sidewalks	0.70	ALL	2024	P					800,000						800,000	CE	N
16	26	Lawrence from: Monroe to: Harrison Road rebuild	0.46	ALL	2024	P					500,000						500,000	CE	N
16	27	Washington II from: Harrison to: Pierce Road rebuild	0.11	ALL	2024	P					500,000						500,000	CE	N
16	28	Monroe from: Roosevelt to: Reed Road rebuild	0.30	ALL	2024	P					500,000						500,000	CE	N
16	29	Sheridan Street from: 10 th St to: 15 th St Road rebuild	0.25	ALL	2024	P					700,000						700,000	CE	N

CITY OF PORT TOWNSEND, WASHINGTON

FINANCIAL POLICIES

The City Council adopted updated “Finance and Budget Policy Guidelines” in July 16, 2018 (Resolution 18-034). These policy guidelines lay the framework for fund reserves, revenue policies, transfers and inter-fund loans, general expenditure policies, debt management, grant administration and budget and long-range forecasting.

Fund Reserve Policy

Fund Reserve targets were adopted to allow the City to maintain sufficient working capital and to weather emergencies or unexpected revenue declines. The 2019 budget was developed to ensure that ending fund balance amounts would align with the City Council Fund Balance Reserve Policy.

The supplemental budget for 2018 includes a transfer of \$9,000 from the General Fund to the Contingency Fund to bring the reserve balance to 2% of General Fund Operating Revenues to meet its reserve target.

The financial policies were changed to update the fund target for Public Works Administration from 2-3% of expenditures to “Sufficient to Meet Obligations”. This is an internal service fund, providing administrative services to Streets, the Water/Sewer utility, the Storm utility and the Equipment Rental & Replacement funds. An internal service fund would typically not have a substantial fund reserve. The City Council ratified staff’s recommendation to change the fund reserve requirement to “sufficient to meet obligations”.

The Stormwater Operations Fund is projected to fall below the reserve balance of 60 Days of Operating Expenses in 2019. This is primarily due to funding storm capital project investments. The city is currently working on a rate study to determine adequate funding levels to bring the Stormwater Operations Reserve balance back in to compliance with the fund balance reserve policies.

Along with Fund Reserve requirements, our financial policies provide that, in general, operating revenues should cover operating expenditures. For 2019, the Street Fund, Library Fund, Water/Sewer Operations Funds, and Stormwater Operations Funds have expenditures in excess of revenues.

For both the Street and Library Funds, the City has specific strategic goals that outline the need to find permanent sources of funding for these funds. A pavement analysis and street inventory is being completed in 2018 to better inform the needs for the Street Fund. This analysis will provide data that will help our Public Works department prioritize City street maintenance and improvements, as well as forecast needed funding levels. The Library is also working on its own analysis of Library level of service needs. The Berk Consulting firm

was hired in mid 2018 to perform this work and the results of their study will be reviewed in at the end of 2018 or in early 2019.

The Water/Sewer and Stormwater Operations Funds are both Enterprise funds. Rate payers fund the cost of these operating expenses. As mentioned above, the Stormwater Fund is completing a rate study that will provide projected rate changes needed to bring the operating fund into compliance and to forecast long term capital needs. The Water/Sewer Fund will also undergo a rate study update in 2019. With the completion of several large capital projects, the update of the Water System plan in 2018 and changes to plant operations with the new treatment plant, an update of the rate model is prudent.

Equipment Rental & Replacement (ERR)

During 2018, considerable work was done to analyze the Equipment Rental & Replacement (ERR) fund. As part of this work, the Finance staff has developed policy framework and recommendation for the establishment of additional funds to adequately track both the equipment maintenance and operating costs for both the fleet component of the fund and the information technology component of the fund. The City Council is slated to review these policies and ordinances establishing the new funds in November 2018. The 2018 supplemental budget includes transfers from the General Fund to fund some shortfalls in the information technology portion of the fund prior to the establishment of the new funds. The new fund structure, if adopted, is slated to be implemented as of January 1, 2019. Once policy framework is adopted,

Fund Balance Reserve Summary:

The following reserve balance scorecard shows the fund balance reserve results:

STATUS OF PERFORMANCE COMPARED TO FINANCIAL POLICIES

City of Port Townsend Ending Fund Balance Scorecard

FUNDS	COUNCIL POLICY FUND TARGET (Policy Adopted July, 2018)	2015	2016	2017	2018	2019
		Actual Fund Reserve %	Actual Fund Reserve %	Actual Fund Reserve %	Estimated Fund Reserve %	Budget Fund Reserve %
General Operating Fund						
General Fund	8 - 15% of operating revenue	13.0%	17.2%	20.4%	16.1%	16.2%
Special Revenue Funds						
Contingency Fund	No less than 2% of operating revenue	2.0%	1.5%	2.1%	2.1%	2.1%
Street Fund	2 - 3% of expenditures	28.9%	42.2%	47.1%	22.3%	17.9%
Library Fund	5 - 8% of property tax revenue	15.1%	20.1%	23.2%	18.4%	12.1%
Real Estate Excise Tax Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Lodging Tax Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Fire & EMS Services Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Affordable Housing Trust Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Community Development Block Grant Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Community Services Fund	2 - 3% of expenditures	7.7%	7.5%	4.6%	4.9%	5.6%
General Obligation Debt Service Fund						
G.O. Debt Service Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Capital Projects Funds						
General Capital Improvement Funds	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Street Vacation Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Street Capital Improvement Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
2015 Bond Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
2017 Bond Fund	Sufficient to meet obligations	N/A	N/A	Meets	Meets	Meets
Enterprise Funds						
System Development Charges Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Water Sewer Operating Fund	60 days of operating expenses	186	247	226	100	105
Water Sewer Capital Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Stormwater Operating Fund	60 days of operating expenses	76	45	137	66	50
Stormwater Capital Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Transmission Line Replacement Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
78 Water Sewer Revenue Bond Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	N/A
Utility Debt Reserve Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Internal Service Funds						
Public Works Admin Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Equipment Rental & Replacement Fund	Sufficient to meet obligations	under review			Meets	Meets
Engineering Service Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Self-Insurance Unemployment Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Fiduciary Funds						
Firemen's Pension Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Refundable Deposits Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Agency Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Memorial Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
Golf Course Fund	Sufficient to meet obligations	Meets	Meets	Meets	Meets	Meets
GO Debt Service as a % of General Government Revenue						
		2015 Actual	2016 Actual	2017 Actual Fund	2018 Estimated	2019 Budget
Annual Debt Service as % of Revenue	Less than 15%	8.5%	10.1%	11.0%	10.4%	10.6%
Parks & Pool Fees						
		2015 Actual	2016 Actual	2017 Actual Fund	2018 Estimated	2019 Budget
Operating revenues 50% or more than pool operating expenses		45.9%	41.6%	43.2%	43.6%	38.5%

OVERHEAD INDIRECT COST RECOVERY POLICY

The City adopted a policy that allocates the indirect overhead costs, from the General Fund to other funds. Consistent with the prior three years, City staff used the cost recovery model developed by FCS Consultants to identify city-wide overhead costs, which include Council, City Manager, City Clerk/Human Resources, City Attorney, Finance and Facility related overhead costs. The model uses actual costs from two years previous; that is, the 2018 allocation was based on 2016 historical costs and the 2019 budget allocation was based on 2017 historical costs and activities.

Allocations to funds are based on pre-determined allocation factors. The chart below represents the City-wide overhead costs for 2019 and the associated allocation factors that determine how much each receiving fund is charged for overhead services.

Funds that had increases in allocation statistics, such as an increase in full time equivalents (staff positions), increase in total expenditures, or an increase in department related council agenda bills will receive a greater share of the overhead allocation. Conversely, funds that use less administrative resources receive a smaller portion of allocated costs. Allocation statistics are reviewed each year for appropriateness and updated as necessary.

Budget 2019 - Indirect Cost Pools and Allocation Factors			
Indirect cost pools		Total Citywide Allocable Costs	Allocation Factor
011	Mayor & Council	\$ 141,009	Council Bills
012	City Manager	354,030	50/50 Split: Actual Expenditures & FTEs
013	City Attorney - Civil	231,478	33/33/33 Split: Actual Expenditures, FTEs, & Council Bills
041	Finance - General	315,305	Actual Expenditures
041	Finance - AP	102,178	AP Invoices
015	Payroll	145,910	FTEs
015	Human Resources	202,670	FTEs
080	City Clerk - Council Support	127,129	Council Bills
080	City Clerk - General Other	48,432	Vehicle Insurance
080	City Clerk - Records Management	57,975	Records Count
FD 199	Community Services - City Facilities	469,166	Square Feet by Building
	Liability Insurance	286,475	FTEs
	Property Insurance	57,943	Value of Insured Property
	Vehicle Insurance	2,297	# of Vehicles
	TOTAL	\$ 2,541,997	

A comparison of the 2019 and 2018 overhead allocation charged to funds is shown on the following table:

Funds Charged with Overhead / Indirect Costs				
City Department		Adopted Cost Recovery Budget 2018	2019 Proposed Overhead Allocation Charges	Increase / (Decrease)
FD 110	Street	\$ 45,642	\$ 45,743	\$ 101
FD 120	Library	\$ 214,972	\$ 232,915	\$ 17,943
FD 140	Public Works Administration	\$ 58,810	\$ 52,547	\$ (6,263)
FD 150	Lodging Tax	\$ 12,838	\$ 9,908	\$ (2,930)
FD 199	Community Services	\$ 225,017	\$ 246,324	\$ 21,308
FD 301	General CIP Projects	\$ 25,841	\$ 29,331	\$ 3,490
FD 305	CIP Street	\$ 39,489	\$ 96,704	\$ 57,215
FD 411	Water Sewer Fund (excl. Utility Billing)	\$ 275,370	\$ 327,983	\$ 52,613
FD 411	Finance - Utility Billing	\$ 55,294	\$ 38,952	\$ (16,342)
FD 412	Storm Fund	\$ 50,800	\$ 52,612	\$ 1,812
FD 415	Water Sewer CIP	\$ 276,590	\$ 96,379	\$ (180,211)
FD 417	1956 Trans Line Replacement	\$ 2,304	\$ 10,702	\$ 8,398
FD 500	Equipment Rental - Fleet	\$ 44,269	\$ 45,992	\$ 1,722
FD 500	Equipment Rental - IT	\$ 27,129	\$ 30,259	\$ 3,130
FD 555	Engineering Services	\$ 84,211	\$ 105,222	\$ 21,011
FD 610	Firemen's Pension and Relief	\$ 1,414	\$ 1,852	\$ 439
FD 623	Golf Course	\$ 5,419	\$ 7,229	\$ 1,811
Total Overhead Charged to Funds		\$ 1,445,408	\$ 1,430,655	\$ (14,753)
Total Calculated Overhead				
		\$ 2,218,983	\$ 2,434,337	\$ 215,354

For 2019, the overhead allocation recovered by the General Fund decreased by \$14,753 largely due to a reduction in overhead charges to the Water/Sewer capital project funds which had decreased dollar amount of capital projects in 2017 as compared to 2016. The General Fund transfers funds to support the overhead allocation for both the Community Services Fund and the General and Street Capital Project Funds. The net result of the changes in the overhead allocation received by the General Fund in 2019 is \$96,766 less than the amount received in 2018.

RESOLUTION NO. 18-034

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORT TOWNSEND,
WASHINGTON, ESTABLISHING FINANCE AND BUDGET POLICY GUIDELINES
AND REPEALING RESOLUTION 16-042**

WHEREAS, the City Council adopted a set of Financial Policies and Budget Guidelines relating to Revenues, Expenditures, Reserves and general Budget goals and guidelines in Resolution 99-051; and

WHEREAS, the City Council adopted an updated set of Financial Policies and Budget Guidelines relating to Revenues, Expenditures, Reserves and general Budget goals and guidelines in Resolution 14-042; and

WHEREAS, the City Council adopted an updated set of Financial Policies and Budget Guidelines relating to Revenues, Expenditures, Reserves and general Budget goals and guidelines in Resolution 16-042; and

WHEREAS, the State Auditor's Office and the Government Finance Officers Association recommends the adoption of Financial Policies and the periodic updates of these policies; and

WHEREAS, the City's Finance and Budget Committee has reviewed the Comprehensive Financial Policies at its April 24, 2018 meeting; and

WHEREAS, the City's Finance and Budget Committee recommend moving these updated policies forward to Council for review and adoption;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Port Townsend, Washington, as follows:

Section 1. Resolution 16-042 is repealed and replaced by the attached Comprehensive Financial Policy Guidelines (Exhibit A to this Resolution);


Section 2. The annual budget ordinance and supplemental ordinances shall be considered as a part of and implementing document for the City's Finance and Budget Policy Guidelines.

ADOPTED by the City Council of Port Townsend, WA at a regular meeting thereof, held this 16th day of July 2018.



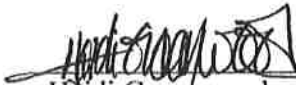
Deborah S. Stinson
Mayor

Attest:



Joanna Sanders, *MMC*
City Clerk

Approved as to form:



Heidi Greenwood
City Attorney

City of
Port Townsend

Comprehensive
Financial
Management
Policy Guidelines

Adopted July 16, 2018

Comprehensive Financial Management Policies Index

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I. FINANCIAL POLICY GUIDELINES

The financial policies outlined in this document have been developed in accordance with the Government Finance Officers Association's "Best Practices". These policy guidelines are intended to aid the City Council and City management in financial decision making. These policy guidelines also provide a means to test short term financial and budget decisions to help ensure the City is able to meet its immediate and long term financial service objectives and obligations.

The City of Port Townsend is accountable to its citizens for the use of public funds. Municipal resources must be wisely used to ensure adequate funding for services, public facilities and infrastructure needed to meet the community's present and future needs. These policies are designed to help safeguard the fiscal stability required to achieve the City's goals and objectives.

The City's Comprehensive Financial Policies have the following objectives:

- To guide the City Council and management policy decisions that have significant financial impact.
- To set forth operating principles which minimize the cost of government and financial risk to the City.
- To employ balanced, consistent and fair revenue policies that provide adequate funding for desired programs.
- To promote sound financial management by providing accurate and timely information on the City's financial condition.
- To protect the City's credit rating and provide for adequate resources to meet the provision of the City's debt obligations for all municipal debt.
- To ensure the legal use of financial resources through an effective system of internal controls.

II. ORGANIZATION

The City provides municipal services for its citizens, including protection of life and property, public health and welfare, and improved quality of life. The City Council deems it a high priority to deliver municipal services in the manner consistent for all citizens, and with maximum efficiency and financial prudence.

The Council, as the legislative and governing body, sets the City's Financial and Budget Policy Guidelines, and through its Finance and Budget Committee, monitors and reviews the City's overall financial performance.

The City Manager, as the City's Chief Executive Officer and Chief Budget Officer, is responsible to the Council for managing City operations and program services, and preparation of the City's Annual Budget consistent with established Financial and Budget Policy Guidelines.

The Director of Finance and Administrative Services, as the City's Chief Financial Officer and Chief Auditing Officer, is responsible to the City Manager for the preparation of accurate and timely financial and budget reporting. Additional responsibilities include human resource and information technology administration, general accounting, business license/tax administration and utility billing operations, grant, federal & state funding compliance, purchasing administration, as well as policy advice to the City Manager and Council.

The Department Heads are responsible to the City Manager for department operations budget observance, capital project management, and grants administration. Department Heads monitor related revenue performance and expenditure control with the assistance of the Finance Department.

The City must prioritize its services and, should revenues become constrained, the following services are considered priorities in the following general order:

1. Public Life, Health and Safety: Police, fire, emergency medical services; building inspections; and traffic control; water, sewer, and storm drainage service and streets infrastructure maintenance.
2. Legal Mandates: Accounting/auditing/financial reporting; land-use planning; required staff certifications and training.
3. City Facilities and Property: maintenance of parks, buildings, public rights of way, and City equipment (including information technology equipment);
4. Council and community goals, both annual and long-range, including strategic plan goals.

III. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

The City will maintain a system of financial monitoring, control and reporting for all operations and funds to provide effective means of ensuring that overall City goals and objectives are met.

Accounting Records and Reporting – The City will maintain its accounting records in accordance with state and federal regulations. Budgeting, accounting and reporting activities will conform to the Budgeting, Accounting and Reporting System (BARS) for Governments as prescribed by the Washington State Auditor. The City maintains its accounting and budgeting records on a cash basis and adheres to the cash basis BARS manual.

Capital Assets – As a cash basis entity, the City records and reports only inflows and outflows of cash. When a capital asset is purchased the entire expenditure is recorded when the cash is expended and depreciation is not recorded. The City considers capital assets to be real and intangible assets above \$5,000 in value that have an anticipated life of one year or more. Capital assets are tracked by the Finance Department as a fixed asset inventory. Items that are no longer needed or no longer functional will be disposed according to the City surplus policy and state law.

Capital assets that are purchased with grant funds may be subject to additional compliance requirements. The department obtaining the grant is responsible for understanding any compliance requirements related to acquiring, inventorying, tracking and disposing of assets obtained through these types of funds.

Small and Attractive Assets - The City identifies small and attractive assets as items with a cost greater than \$300 but less than \$5,000. These items have a life expectancy of more than one year AND are not likely to be immediately missed upon disappearance. These items are generally mobile in nature and may be easily transported from the workplace. Some exceptions to the \$300 minimum include tablets, phones, personal computers and other lower cost items that have ongoing maintenance or service costs associated with them. Department Heads are accountable for the security of these items and are responsible for following the Small and Attractive Assets Policy and Procedures that have been adopted by Council. The Finance and Administrative Services Director has oversight responsibility for this policy and the associated inventory of these items.

Auditing – The State Auditor will perform the City’s financial, federal single audit and accountability/compliance audits in accordance with state and federal laws. Results of the audit will be provided to the Council in a timely manner.

Cash Management – The Finance & Administrative Services Director will ensure that cash management systems are developed to ensure accurate and timely accounting for all cash and security of all cash assets.

Careful financial control of the City’s daily operations is an important part of the City’s overall fiscal management practices. Achieving adequate cash management and investment control requires sound financial planning to ensure that sufficient revenues are available to meet the current expenditures of any operating period.

The City’s cash management and investment guidelines are as follows:

- The City will maintain a cash management program, which includes internal control practices for collection of accounts receivable, disbursement of funds, and prudent investment of its available cash.
- The Finance & Administrative Services Director (Finance Director) serves as the investment officer of the City of Port Townsend. The Finance Director is authorized to oversee the investment program and to develop operating procedures to administer the program. The Finance Director may delegate the authority to conduct investment transactions and manage the operation of the investment portfolio to one or more subordinates as outlined in the investment program operating procedures. All participants in the City’s investment process shall act responsibly as custodians of the public trust.

- As permitted by law and City ordinances and to maximize the effective investment of assets, all funds needed for general obligations may be pooled into one account for investment purposes. The income derived from this account will be distributed to the various funds based on their average fund balances on a periodic basis.

See Appendix A for Full Investment Policy.

IV. FUND STRUCTURE & FUND RESERVE GUIDELINES

The City's accounting and budgeting systems are organized and operated on a fund basis. Funds are accounting entities used to record revenues and expenditures. By definition, balanced funds mean that total revenues equal total expenditures. The budgeted funds are grouped into categories: General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Internal Service.

The following provides a brief description of the fund types and reserve guidelines for each fund. The numbers in parentheses represent the BARS manual fund series numbering scheme.

GENERAL FUND (010) -- This is the primary operating fund or current expense fund of the City. To maintain the City's credit rating and meet seasonal cash flow, the budget shall provide for an anticipated undesignated fund balance between 8% and 15% of estimated annual revenues for general government fund types. The fund balance shall be exclusive of all reserves not anticipated to be readily available for use in emergencies and contingencies. Should the fund balance fall below 8% of revenues, a plan for expenditure reductions and/or revenue increases shall be submitted by the City Manager to the Council. If, at the end of a fiscal year, the fund balance falls below 8%, then the City shall rebuild the balance within a period not to exceed three fiscal years.

GENERAL FUND COUNCIL RESERVE (*Included in the General Fund*) – In addition to the Fund balance and the Contingency Fund, the budget for the General Fund shall provide for a "Council Reserve" equivalent to approximately 1% of estimated operating revenues in the General Fund (010). Only the General Fund shall maintain a "Council Reserve." The Council Reserve is established to provide for non-recurring community requests or unanticipated needs deemed necessary by Council. The Council Reserve shall be suspended during times of significant economic downturn, especially during years when the General Fund ending fund balance falls below 5%. The Council Reserve is a budgeted appropriation expected to be specifically allocated at the Council's discretion.

SPECIAL REVENUE FUNDS (101-199) -- These funds account for revenues derived from special taxes, grants or other restricted sources designed to finance particular activities. Apart from any unrestricted General Fund contributions to a Special Revenue Fund, the unexpended ending fund balances carry over year to year and should retain

enough revenue to cover operating cash flow and anticipated major project or program obligations of the fund.

Of these funds, the Street, Library, and Community Services funds are of an operations nature. The Street and Community Services Funds reserve balance will be equivalent to 2-3% of fund expenditures. The Library Fund reserve is set at 5-8% of Library property tax revenue.

Other Special Revenue Funds are more cyclical or project related and only need retained ending fund balances or transfers in to cover anticipated obligations: Drug Enforcement, Lodging Tax, Fire/EMS, Affordable Housing, and CDBG Grants.

CONTINGENCY (102) – While classified as a Special Revenue Fund, the City’s Contingency Fund is more of a strategic reserve to meet emergency conditions or to help maintain essential services during periods of economic downturn. Each fund should retain enough in its own Ending Fund Balance Reserves to offset minor non-recurring or unanticipated expenses during the budget year. The City’s Contingency Fund is intended for major events and should be maintained at no less than 2% of the General Fund annual operating revenues. If the contingency falls below 2% of operating revenue, the City will initiate a plan that will restore the balance to the required level over a three-year period.

DEBT SERVICES FUND (200) – These funds are used to pay general government debt. The City shall retain or transfer in funds sufficient to cover the annual debt service obligations, and retain such “coverage” amounts to comply with bond covenants or other loan restrictions.

CAPITAL PROJECTS FUNDS (300) – These funds are established for the acquisition or construction of general government (non-utility) capital improvements. Ending Fund Balance Reserves should be maintained at levels sufficient to cover anticipated annual expenditures with transfers in from supporting funds (General, REET, etc.) to cover project needs.

ENTERPRISE FUNDS (400) – These funds are the proprietary or “business-like” funds for operations providing services to the general public supported primarily through user’s fees (Water, Sewer, Stormwater, and Utility Revenue Bond). The Ending Fund Balances of these funds should be equal to or greater than 60 days of operating expenditures and any additional amounts needed to build towards future project cash or debt payment needs. To the extent that the reserved Fund Balance and operating cash flow are not adequate to fund needed utility system improvements, additional rate increases or surcharges may be adopted by Council. Included in the Enterprise funds are Debt Service Reserve Funds, Utility Capital Project Funds and System Development Fund.

Revenue bonds may be issued by the Enterprise Funds. Investors may require additional lending requirements or covenants. The ending fund balance of the Enterprise Funds should include a reserve to cover any additional covenant requirements

INTERNAL SERVICE FUNDS (500) – These funds are also internal “business-like” funds for operations providing services to other City departments (funds) on a direct cost-reimbursement basis (e.g. Equipment Rental including Information Technology services and equipment, Public Works Administration and internal Engineering Services). Fund balances should break even, after set aside of funds for future capital equipment replacements.

FIDUCIARY FUNDS (600) – These funds account for assets held by the City as a trustee or as an agent on behalf of others. Ending Fund Balances and any transfers in should be maintained consistent with fund restrictions.

ENDING FUND BALANCE, RESERVES, CONTINGENCY SUMMARY

The following is a summary of the reserves guidelines. Guidelines will be reviewed annually as a part of the Budget process:

- General Fund 8-15% of operating revenue
- Library 5-8% of property tax
- Street..... 2-3% of expenditures
- Community Services 2-3% of expenditures
- Other Special Revenue Funds Sufficient to meet obligations
- Contingency..... No less than 2% of operating revenue
- Debt Service Sufficient to meet obligations
- General Capital..... Sufficient to meet obligations
- Enterprise Funds..... 60 days of operating expenditures
- System Development Charges Fund (Enterprise)Sufficient to meet obligations
- Internal Service..... Sufficient to meet obligations
- Fiduciary Funds..... Sufficient to meet obligations

The undesignated General Fund Balance (the balance not tied to a known project) will be maintained at a level that provides the City with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing. The City should not use the undesignated General Fund Balance to finance recurring operating expenditures. Annual General Fund revenues should be equal to or greater than annual regular operating expenditures.

Reserves above the target can be used for new expenditures, with emphasis placed on one time uses that achieve future operating cost reductions.

General Fund revenues will be used for general government, street and community service programs only. General Fund revenue for other purposes will require approval by the City Council.

General Fund revenues will not be used to subsidize utility or enterprise operations, which will be self-supporting through user rates.

V. REVENUE POLICIES

General Revenue Policies - The City will strive to maintain a diversified and stable revenue system to shelter the government from short-run fluctuations in any one revenue source and ensure its ability to provide ongoing service.

Restricted revenue shall only be used for the purposes legally permissible and in a fiscally responsible manner. Programs and services funded by restricted revenue will be clearly designated as such.

One-time revenues shall support one-time expenditures.

County, state or federal funding will be used to finance only those capital improvements that are consistent with the capital improvement plan and local government priorities, and whose operation and maintenance costs have been included in operating budget forecasts.

Enterprise Fund Revenue Policies – Enterprise funds will be operated in a manner that maintains a minimum ending fund balance that is not less than 60 days of operating expenditures.

Utilities will be self-supporting through user rates and charges.

Utility user charges for each of the City utilities will be based on cost of service (i.e., set to full support the total direct, indirect, and capital costs) and established so that the operating revenues of each utility are at least equal to its operating expenditures and annual debt service obligations. The user rates of a utility shall be designated so that a portion covers replacement of the utility's facilities.

The Utility will conduct a study of its user rates no less than every 5 years to ensure rates are adequate to fund operations and meet future needs.

Fund balances may be used to temporarily offset rate increases, after sufficient funds have been accumulated for identified capital improvement needs or alternative funding for projects has been secured.

Fees and Charges (Non-Utility) – All fees for licenses, permit, fines, and other miscellaneous charges shall be set to recover the City's expense in providing the attendant service. Average cost or actual cost methodology may be used. These fees will be reviewed periodically and will be incorporated into the budget process for possible action by Council.

Fees and charges for services will generally be set to recover the actual cost of service delivery. Fees that are set lower than the cost of service delivery will be reviewed at least every other year to determine if those fees are still appropriate based on City finances and the community needs.

Where direct beneficiaries of a city program or services can be identified, fees will be established to recover the costs of that program or service. Fees will also be set in a manner that protects tax payers from subsidizing special service users. A fee shall be charged for any service that benefits limited interests within the community, except for human needs type services to persons with limited ability to pay.

Rental fees will be established to recover full cost of use of the property or facility. Fees related to the rental of City properties may be waived only through approval of the City Manager. The waiver of fees will only be provided if the purpose of the rental or its associated event will benefit the community at large.

Some services provide greater benefit to the community. When a greater community benefit is identified, the Council may choose to subsidize, either whole or in part, such services.

Park and Pool Fees – The Pool division will strive to recover 50% of Pool costs by generating revenues through special programs, fees, charges, donations and/or designated use of City-operated facilities.

Through a volunteer recruitment program, the Parks will seek to minimize the subsidy required for partial and minimum fee support programs.

Solicitation of funds through donations, fund raising events, non-traditional sources, and various other modes will be encouraged by the City through its park and pool user groups. Funds collected for any special purpose shall be earmarked for that purpose.

VI. OVERHEAD COST RECOVERY (COST ALLOCATION)

As provided in the State Auditor’s Office guidelines, “Cost allocation is a method to determine and assign the cost of central services to the internal-government users of those services. Cost allocation thereby enables local governments to more accurately account for the complete cost of the services it provides to the public—and to better assess the fees it should charge them.” Included in cost allocation are direct costs (not otherwise charged to budget units) and indirect costs. Direct Costs are those costs that can be specifically identified with a particular service or unit if not already charged directly (e.g. facilities, janitorial, etc.) Indirect Costs are costs incurred for common or joint purposes, benefiting more than one unit, not readily assignable to a specific unit (e.g. legal, human resources, administration, clerk, etc.).

The term “allocation” implies that there is no overly precise method available for direct charging a cost to a unit, so the City is using the most appropriate method available for doing so. However, a cost allocation plan should be designed and used to provide a reasonable, consistent and equitable means to allocate costs. Inequitable charges result in questionable charges to grant, utilities and restricted funds. For grant purposes, costs that

benefit the public at large cannot be included and should follow the OMB A-87 and/or 2CFR Part 200 guidelines.

The Council adopted a Cost Allocation Plan in Resolution 14-035 on June 25, 2014. In addition to using the overhead cost recovery model to assess the appropriate amount of overhead to utilize for establishing user fees, the model will be used to apply charges to Departments/Funds for City-wide overhead indirect cost recovery where allowed (Council, City Manager, City Clerk, City Attorney and Finance).

The Council may authorize waiver of the overhead cost-recovery in all or part if Council determines doing so will provide a general benefit to the citizens, taxpayers or utility rate payer. If a portion of the overhead cost-recovery is waived, the General Fund must absorb these costs; waived costs may not be absorbed by or reallocated to a Special Revenue or Enterprise Fund.

VII. GENERAL BUDGET POLICIES

Annual Budget – The City’s annual budget will be developed in accordance with the policies and priorities set forth in the comprehensive plan, the City Council’s strategic plan, City Council goals and priorities, the needs of the community, and federal and state laws.

In general, budgeted revenues must meet or exceed budgeted appropriations each year. Current year operating expenses, maintenance costs and direct and indirect costs of services provided will be covered by current year revenues. One-time expenditures may be appropriated if one-time revenues or excess fund balance (in excess of reserve requirements) are available.

The City budget appropriations are adopted at the fund level. Department heads are responsible for preparing a budget that reflects realistic expense projections and that adhere to guidelines within this policy document.

Expense (Appropriation) Policies – Operating expenditures will be proposed at a level that will be supported by ongoing annual operating revenues.

Staffing Budget – Salary and benefit costs are the City’s most significant operating expense. The City will strive to provide a total compensation package that is comparable to other cities and similar type positions within the same labor market or other cities of a similar size with comparable type and quality services in order to recruit and retain high quality staff.

The City Manager’s proposed budget will identify staffing levels and provide justification for any increases or decreases in overall City staffing.

Union Contract negotiations may impact budget expenditures annually. However, if a collective bargaining agreement is, or will be, under negotiation, a specific amount will not be included in the budget from potential wage adjustments resulting from the negotiation, other than a base COLA adjustment. This is to protect the City from any claims of not “bargaining in good faith”. Funding for unknown contract terms must be considered in balancing ongoing revenues with ongoing expenses.

Equipment Replacement & Maintenance - Equipment replacement and maintenance projections will be updated each year. Replacement of items with a cost of \$5,000 or more will be reviewed to time such expenditures at stable intervals to preserve cash flow, when possible. Deferment of regular repair and maintenance will not be used to balance the budget.

Training and Travel – City employees or others on official City business or training may be required to travel outside the City to conduct their business or training for the City. City employees and officials will be reimbursed for reasonable and customary expenses incurred in the conduct of their business for the City, including food, lodging and travel expenses while away, excluding any expenses for personal entertainment or alcoholic beverages, as provided in the City’s Personnel Policies Manual for business or training travel. Such training or travel shall be as provided either specifically or generally in the annual budget.

Training is an investment in maintaining the certifications and skills of the City’s employees. At least 1% of the department’s budgeted salary expense will be allocated for certifications and skills training. The City will also include a targeted amount of 1% of City-wide salaries for organizational development and process improvement.

Investments that Forestall Adding Permanent Staff - Since personnel-related expenditures represent the largest portion of the City’s budget, funding of technology or process improvements that increase efficiency and effectiveness of the delivery of City services should receive priority funding.

Budget Monitoring-

The Finance & Administrative Services Director will maintain a system for monitoring the City's budget performance. This system will provide timely information to Department Heads and the City Manager to ensure accuracy of financial data and compliance with budget appropriations. The Council will receive (at a minimum) quarterly reports regarding fund level revenues and expenditure performance compared to budget.

Significant financial issues that need to be addressed between regular monitoring reports will be provided to Council as warranted.

The Finance Director will monitor unanticipated needs or emergency expenditures and prepare budget amendments in compliance with State Law.

VIII. FINANCIAL PLANNING POLICIES

FINANCIAL FORECAST – The City will develop a 5-year Financial Plan and Forecast Model based on these financial policy guidelines and a best estimate of likely revenues and expenditures. The model will be used to test the policies against likely surrounding economic conditions. The model will be used for long-range financial planning and is not a replacement for budgeting.

The City’s financial planning will include the current year budget plus five additional years of projected data. The City may elect to extend its planning horizon further if conditions warrant.

The long range financial plan operating revenues and expenses will include data for the General Fund, Contingency Fund, Library Fund and Community Services Fund. In addition to ongoing revenues and expenses, this forecast will utilize assumptions that forecast general obligation debt and general fund contributions to capital projects.

The long range financial plan should present trends and projections in key financial indicators, such as:

- Revenues and expenses per capita including nominal and inflation adjusted data.
- Staffing levels per 1,000 population: total and by major department.
- Projected annual growth rates of revenues and expenses including personnel costs.

The long range financial plan may include comparisons to other cities and benchmarks, recognizing that the data for comparable cities may reflect differences in service delivery, financial structure and financial policies. Comparative information may include:

- Comparative revenues and expenses by major type to include:
 - Total revenues and expenses per capita.
 - Taxes per capita by tax source.

IX. ENTERPRISE FUNDS

The Water, Sewer and Stormwater utilities will be managed as self-supporting business enterprises. Each utility will be managed in a professional manner in accordance with applicable laws and standards. The long range financial plan model for each utility will analyze rate revenues, rate structure, operating costs, replacement capital costs, debt service and other utility considerations (special rate programs, paybacks, etc). The City may utilize specialized rate consultants to evaluate the rate and cost structure of the utilities.

X. CAPITAL INVESTMENT PROGRAM PLAN POLICIES

General Policy Considerations - The major resources for funding capital improvement and capital maintenance programs are revenues, grants and debt. Financing planned

capital replacement costs are an ongoing challenge. Preparing for the challenges of infrastructure replacement or enhancements demands a long-term view of replacement needs. In order to plan for these needs the City will develop a six-year Capital Improvement Plan (CIP) for adoption by Council as required by the Washington's Growth Management Act. The CIP will be consistent with the Capital Facilities Element of the City's Comprehensive Plan. A capital project over \$15,000 with a minimum of a five-year anticipated life will be included in the CIP.

XI. DEBT MANAGEMENT POLICY

Long Term Debt - The City will manage its long-term debt in a manner designed to utilize its credit to optimize City services while balancing overall debt levels and annual debt service obligations. Long-term debt includes Bonds, Federal or State loans (e.g. PWTF, FHA), or private placement financing. The City shall only use long-term debt for capital projects that cannot be financed out of current revenues. Annual debt payments should not exceed 15% of the total of annual General Government operating revenues plus budgeted transfers from capital funding sources. General Government Funds include the General Fund, Contingency Fund and Special Revenue Funds.

Debt financing will generally be limited to one-time capital improvement projects and only under the following circumstances:

- When the project's useful life will exceed the term of the financing;
- When project revenue or specific resources as identified will be sufficient to service the debt;
- When projects cannot be cash funded.

Debt financing will not be considered appropriate for:

- Current operating and maintenance expenses (except for issuing short-term instruments such as revenue anticipation notes or tax anticipation notes); and any recurring purpose (except as indicated above).

Tax anticipation debt will be retired annually, and bond anticipation notes will be retired within six months of the completion of the project. Short-term debt outstanding at the end of the year will not exceed 5% of net operating revenue (including tax anticipation notes but excluding bond anticipation notes.)

The City's Limited (non-voted) General Obligation (LTGO) Debt Capacity per State Law is 1.5% of total assessed value. The City should seek to retain 5-10% of its LTGO Debt Capacity for unforeseeable catastrophic emergencies.

Options for Interim or "Bridge" financing may include:

- Bond Anticipation Notes (BANS)
- Tax Anticipation Notes (TANS)
- Lines of Credit with major financial institutions
- Interfund Loans

Short Term Debt – Transfers and Interfund Loans – General Fund transfers to other funds are intended as payments for the support of specific programs or services. Amounts not needed to support such specific program or service expenses will remain in the General Fund’s fund balance. For example, the General Fund may make transfers to the Debt Fund to fund annual debt service payments or to the Community Services Fund to support parks or service programs.

Interfund loans are temporary in nature. The requirements for interfund loans are as follows:

- The Council must approve all interfund loans by resolution. The resolution will include a planned schedule of repayment of the loan principal as well as setting a reasonable rate of interest to be paid to the lending fund.
- The borrowing fund must reasonably be able to anticipate sufficient revenue to repay the principal and interest payments as required by the authorizing resolution.
- The rate of interest should not be lower than the “opportunity cost” if the funds were otherwise invested, such as the LGIP (Local Government Investment Pool) rate or a bank CD rate for a similar term; not higher than the external rate available to the municipality.
- Interest is not required in the following circumstances:
 - If the borrowing fund has no independent source of revenue other than the lending fund;
 - The lending fund is the General Fund, which, being unrestricted, can provide interest free loans to other funds.
- The term of the interfund loan will not exceed three years. Any interfund loans that are not repaid within three years will be scrutinized for a “permanent diversion” of moneys. (Note: These restrictions and limitations do not apply to those funds which are legally permitted to support one another through appropriations, transfers, advances, etc.)

For short-term cash deficits in non-General Fund operating funds during the course of the year, City interfund loans are preferable to outside short-term or private sector lines of credit.

XII. PURCHASING POLICY

Purchases of goods, services and capital items will be made consistent with the annual budget appropriations, state and federal law, the City’s Purchasing Ordinance and the State Auditor’s requirements. The City’s Purchasing Ordinance will outline the City Manager’s spending and contracting authority. Any purchases or contracts above those authority limits must be authorized in advance by City Council (some exceptions for public emergencies will apply). The City Manager may delegate spending authority (within his/her limits) to Department Heads to facilitate operating efficiency.

The City Manager and Department Heads purchase goods and services at a reasonable cost, using an open, fairly documented and competitive process whenever reasonable and

possible. The Finance & Administrative Services Director is charged with developing administrative/operating procedures to implement sound purchasing policies. These procedures will be based on guidelines provided in State Law and by the State Auditor's Office. All purchase made by the City will ultimately be approved by the Council through the voucher approval process.

XIII. GRANTS MANAGEMENT POLICY

Leveraging City and community resource with external financial assistance can enhance the quality and level of public services, facilities and infrastructure. City Policy is to seek and accept grants and other financial assistance consistent with the City's strategic plan.

External assistance also carries with it the goals and restrictions of the grantor. Grant relationships are partnerships where the goals of both the City and grantor must be in alignment. The benefits, costs and long-term implications of the partnership must be considered prior to formal application. The City's Grants Management Policy involves the following steps:

Search – City department staff and officials are encouraged to actively search out and identify potential grants which may further the City's vision and goals, within the City's financial limitations.

Pre-Application – Department Directors and staff shall pursue grants within their purchasing authority identified in City Purchasing Policies. The City Manager shall be advised of all grant considerations over a \$10,000 total.

Formal Application – Formal applications directly by the City, or indirectly by other agencies involving the City, must fall within Departmental Purchasing levels.

All grants will seek reimbursement of direct cost departmental and City wide indirect or administrative costs to the maximum extent allowable by the grantor.

Grants by other agencies involving the City or by the City involving other grantees must have City Manager, or Council approval beyond the \$60,000 Purchasing levels.

Award and Contract – Upon formal Notice of Grant Award (NOGA) or informal notification, a written contract must be approved prior to any City commitment, formal or otherwise. All grant contracts must be within the City's Purchasing levels. Any needed budget amendments for grant match not otherwise within general budget authority shall be adopted prior to formal grant acceptance and contract signing.

Accounting and Reporting – City departments shall coordinate with Finance to assure that grants comply with Federal, State and local requirements for timely reimbursements, monitoring of vendors and sub recipients, as well as City Purchasing Policies. Any notification of audit of grant programs or funds should be sent to the Director of Finance and Administrative Services even if the audit is coordinated in another department.

Close Out – Multi-year grants shall have periodic accounting reviews not less than at the close of each fiscal year. Upon conclusion of each grant, the Department grant manager shall prepare a grant close-out report in coordination with the City’s Finance Department. A complete grants management file record shall be maintained per City policy, either in the Department, Finance or Clerk’s Office.

The City Council Adopted Federal Awards Standards, Procurement Policy and Code of Conduct Policy for all Federal Loans and Grants on July 10, 2017. Standards for federal awards are detailed in Appendix A.

APPENDIX A: INVESTMENT POLICY –

To the extent possible, funds not needed for operations should be invested in approved investment vehicles. Investments shall be made with judgment and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investments officials shall be the prudent person standard and shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and the investments policy and exercising due diligence shall be relieved of personal responsibility for an individual’s security’s credit risk of market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

The City will strive to maximize the return on its investments, with the primary objective of preserving capital and prudent investment practices, including diversification.

Investments will be made in accordance with the following objectives:

- 1) Legality: Funds of the City will be invested in accordance with the Revised Code of Washington (RCW), the BARS manual, these policies and any applicable administrative procedures.
- 2) Safety: Investments of the City will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated by other investments.
- 3) Liquidity: The City’s investments will remain sufficiently liquid to enable the city to meet all operating requirements that might be reasonably anticipated.
-) Yield: The City’s investments will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City’s investment risk constraints and cash flow characteristics.

The Finance & Administrative Services Director will approve financial institutions to be eligible to conduct investment business with the City, in accordance with Washington State Law.

The Finance & Administrative Services Director will periodically furnish the City Manager and Council with a report that shall include the amount of interest earned to date. At least annually, a report summarizing investment activity and rate of return will be provided.

APPENDIX B- CITY OF PORT TOWNSEND FEDERAL AWARDS STANDARDS, PROCUREMENT POLICY & CODE OF CONDUCT

CITY OF PORT TOWNSEND FEDERAL AWARD STANDARDS

PURPOSE

Establish and maintain internal controls that provide reasonable assurance that Federal awards are being managed in compliance with all federal regulations and with the terms and conditions of the award. The City of Port Townsend will follow the Uniform Guidance, the Local Agency Guidelines (LAG) distributed by The Washington State Department of Transportation (WSDOT), and the City of Port Townsend's Comprehensive Financial Management Policy Guidelines.

INTERNAL CONTROLS

The City of Port Townsend will maintain effective internal control over the Federal award providing reasonable assurance that the City of Port Townsend is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

- Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive.

ADVANCE PAYMENTS AND REIMBURSEMENTS

Payment methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the City of Port Townsend whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.

- Advanced payments must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the City of Port Townsend to carry out the purpose of the approved program or project. Any advanced payments must be consolidated to cover anticipated cash needs.
- The City of Port Townsend shall minimize the time elapsed between receipt of federal aid funds and subsequent payment of incurred costs.

ALLOWABLE COSTS

Federal awards will meet the following general criteria to be allowable except where otherwise authorized by statute:

- Be necessary and reasonable for the performance of the Federal award;
- Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items;
- Be consistent with policies and procedures that apply uniformly to both Federally- financed and other activities of the City of Port Townsend;
- Be accorded consistent treatment;
- Not be included as cost or used to meet cost sharing or matching requirements of any other Federally-financed program in either the current or a prior period;
- Be adequately documented.

PROCUREMENT

When procuring property and services under a Federal award, the City of Port Townsend will follow 2 CFR §200.318 General procurement standards through §200.326 Contract provisions or City of Port Townsend purchasing procedures whichever is more restrictive. The following table outlines procurement requirements when using Federal funds.

Procurement Method	Goods	Services
Micro-Purchase - No required quotes. However, must consider price as reasonable, and, to the extent practical, distribute equitably among suppliers.	\$3,000 or less <i>Must use</i> more restrictive \$3,000 federal threshold	\$3,000 or less <i>Must use</i> more restrictive \$3,000 federal threshold
Small Purchase Procedures (Informal) - Obtain/document quotes from a reasonable number of qualified sources (at least three).	\$3,000 - \$40,000 (Single trade); \$3,000 - \$65,000 (Multi trade); \$3,000 - \$50,000 (Non-Public Works projects) <i>Must use</i> more restrictive City threshold instead of \$150,000 Federal threshold	\$3,000 - \$40,000 (Single trade); \$3,000 - \$65,000 (Multi trade); \$3,000 - \$50,000 (Non- Public Works projects) <i>Must use</i> more restrictive City threshold instead of \$150,000 Federal threshold

Sealed Bids / Competitive Bids (Formal)	<p>\$40,000 or more (Single trade); \$65,000 or more (Multi trade); \$50,000 or more (Non-Public Works Projects)</p> <p><i>Must use</i> more restrictive City threshold instead of \$150,000 Federal threshold</p>	<p>\$40,000 or more (Single trade); \$65,000 or more (Multi trade); \$50,000 or more (Non-Public Works Projects)</p> <p><i>Must use</i> more restrictive City threshold instead of \$150,000 Federal threshold</p>
Competitive proposals	<p>Used when conditions are not appropriate for the use of sealed bids.</p> <ul style="list-style-type: none"> • Must publicize request for proposals soliciting from an adequate number of qualified sources • Maintain written method for conducting technical evaluations • Contract must be awarded to the responsive and responsible firm whose proposal is most advantageous to the program 	
Non-competitive proposals	<p>Appropriate only when:</p> <ul style="list-style-type: none"> • Available only from a single source; or • Public emergency; and • Expressly authorized by awarding or pass-through agency in response to written request from the City of Port Townsend; or • After soliciting a number of sources, competition is deemed inadequate. 	

Contracts for more than the simplified acquisition threshold currently set at \$150,000 must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

Contracts and sub-grants of amounts in excess of \$150,000 require that the City of Port Townsend will comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act.

The City of Port Townsend will monitor procurements to avoid duplicative purchases, and exhaust all mandated sources before soliciting new sources. The City will also

continue to enter into inter-entity agreements to realize cost savings for shared goods and services when possible.

The City will verify and document that vendors are not suspended or debarred from doing business with the Federal government.

SINGLE AUDIT ACT

The City of Port Townsend, as a recipient of Federal funds, shall adhere to the Federal regulations outlined in 2 CFR §200.501 as well as all applicable Federal and State statutes and regulations.

CLOSURE

A project agreement end date will be established in accordance with 2 CFR §200.309. Any costs incurred after the project agreement end date are not eligible for Federal reimbursement.

CITY OF PORT TOWNSEND CODE OF CONDUCT

PURPOSE

The purpose of the Code of Conduct is to ensure the efficient, fair and professional administration of federal grant funds in compliance with 2 CFR §200.112, 2 CFR §200.318 and other applicable federal and state standards, regulations, and laws.

APPLICATION

This Code of Conduct applies to all elected officials, employees or agents of the City of Port Townsend engaged in the award or administration of contracts supported by federal grant funds.

REQUIREMENTS

No elected official, employee or agent of the City of Port Townsend shall participate in the selection, award or administration of a contract supported by federal grant funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following has a financial or other interest in the firm selected for award:

- The City employee, elected official, or agent; or
- Any member of their immediate family; or
- Their partner; or
- An organization which employs, or is about to employ any of the above.

The City of Port Townsend's elected officials, employees or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors or subcontractors.

REMEDIES

To the extent permitted by federal, state or local laws or regulations, violation of these standards may cause penalties, sanctions or other disciplinary actions (up to and including employment or contract termination) to be taken against the City of Port Townsend's elected officials, employees or agents, or the contractors, potential contractors, subcontractors or their agents. Any potential conflict of interest will be disclosed in writing to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

CITY OF PORT TOWNSEND, WASHINGTON, GENERAL GOVERNMENT DEBT, UTILITY & INTERGOVERNMENTAL DEBT AND INTERFUND LOANS

The City issues long-term debt instruments to finance large capital project investments. These debt instruments may include tax-exempt bonds, intergovernmental loan programs and inter-fund loans. State law limits the amount of debt the City may issue. The following is a summary of the types of debt and their associated debt limits:

General Government Debt

General obligation bonds may be issued through voted or non-voted bonds. Debt capacity is limited to certain percentages of the City's total assessed property value (AV). Voted bonds require a 60% majority vote to pass. The statutory debt limits are as follows:

- General obligation bonds are limited to 2.5% of the City's current AV. Of this 2.5%, non-voted (councilmanic) debt is limited to 1.5% of the City's current AV.
- General obligation *voted bonds* can be issued for parks and open space up to 2.5% of the City's current AV.
- General obligation *voted bonds* can be issued for utility purposes up to 2.5% of the City's current AV.

During 2018, the City issued Limited Tax General Obligation bonds for a total of \$834,000 to fund the Homeward Bound/Cherry Street affordable housing project. This bond was a private placement with *Kitsap Bank*. The term of the bond is 22 years with interest only payments for the first two years and principal and interest payments of \$65,610 per year for the final 20 years. The interest rate for this bond is 4.85%. The proceeds from this bond will be used to provide funds to *Homeward Bound* for a four-plex affordable housing project on Cherry Street. Upon completion of the project, *Homeward Bound* will serve as property manager and will use cash flow from the rental income of these properties to make payments on its debt with the City, which will help offset the loan payments to *Kitsap Bank*. Until the housing units begin generating positive cashflow, the City Council has designated a portion of its council reserve as a source of funds for the debt payments to *Kitsap Bank*.

The City's total non-voted debt will have an outstanding balance of \$16,884,000 as of January 1, 2019. Principal payments on the outstanding non-voted debt for 2019 are \$710,000, due on December 1, 2019.

Currently the City has four outstanding councilmanic bond issues:

1. **Series 2010** Limited Tax General Obligation bonds issued for sidewalks, utility and street improvements, and Carnegie Library retrofit. *Outstanding balance as of January 1, 2019 - \$3,155,000.*
2. **Series 2012** Limited Tax General Obligation Refunding bond issue, refunded 1999 bonds and a portion of the 2002, 2003 and 2005 general obligation bonds. *Outstanding balance as of January 1, 2019 - \$2,680,000.*

3. **Series 2017 (Series A & B)** Limited Tax General Obligation bonds issued to refund the Series 2008 bonds and to finance road and sidewalk improvements, tourism, infrastructure and waterfront access improvements. *Outstanding balance as of January 1, 2019 - \$10,215,000.*
4. **Series 2018** Limited Tax General Obligation bond issued to fund the Homeward Bound/Cherry Street affordable housing project. *Outstanding balance as of January 1, 2019 - \$834,000*

In February 2015, 71.37% of the voters of the City of Port Townsend approved a ballot measure to authorize the City to issue up to \$3,600,000 in bonds for the Mountain View Commons energy retrofit and other campus improvements. The bonds were issued in June 2015 in the amount of \$3,385,000, with a net interest cost of 3.06%. The annual debt service will be just under \$300,000 in 2019. The City will levy property taxes in the amount of \$150,000. The remainder of the debt service will be funded by Special Purpose Sales Tax receipts. *Outstanding balance as of January 1, 2019 - \$3,020,000*

General Obligation Line of Credit

The City Council authorized the City Manager to execute an agreement with *Cashmere Valley Bank* to provide a line of credit for \$1,500,000 in November 2014. In November 2017, the City Council voted to approve Ordinance 3186, amending Ordinance 3123, as amended by Ordinance 3157, to extend the maturity date of the note an additional eighteen months to May 31, 2019. The line of credit is available to be used for interim cash flow needs for General Government and Street Capital Projects while permanent financing is obtained or while the City awaits reimbursement on grant funded projects.

As of the end of 2019, the City intends to have an outstanding balance of \$948,000 on the line of credit. The City will require permanent financing prior to May 31, 2019 or, alternatively, the line of credit may be renewed beyond May 31st. The following projects require funding:

- Water Street Overlay - \$360,000 for cost increases for the Street component of the project
- Water Street Overlay - \$200,000 for cost increases for the Storm component of the project
- Stormwater Masterplan - \$130,000 to fund project costs to complete the plan
- Stormwater projects - \$28,000 to fund various capital projects
- Complete Streets - \$40,000 for City match
- Discovery Road - \$80,000 for City match for design
- Historic City Hall - \$110,000 for elevator replacement

Inter-fund Loans

The City had one outstanding inter-fund loan outstanding in 2018 for \$250,000. In 2017, the City Council authorized an inter-fund loan from the Transmission Line Fund to the General Fund for \$250,000 for a term not to exceed 3 years and one month at an interest rate equal to the average LGIP investment interest rate for the loan term. The loan will be repaid no later than December 31, 2019. The loan was made to repay the

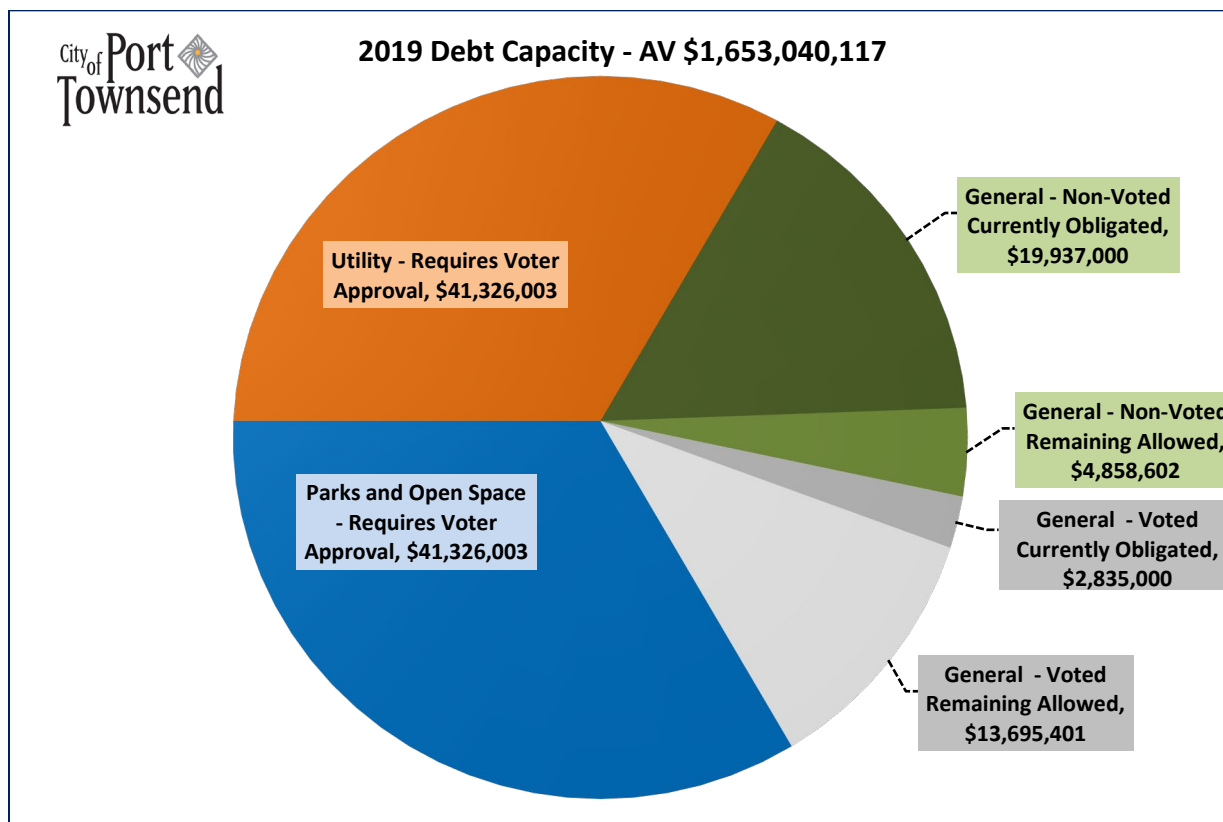
General Fund for the amount it loaned to Homeward Bound to expedite the purchase, move and delivery of a four-plex building to Cherry Street to be used for affordable housing. Permanent financing for this program is described in the General Government Debt section above.

Debt Financial Policies

The City Council adopted financial policies allow for annual debt payments on General Government obligations for capital improvements that cannot be funded out of current revenues. These annual debt payments should not exceed 15% of the total of annual General Government operating revenues plus budgeted transfers from capital funding sources. General Government Funds include the General Fund, Contingency Fund and Special Revenue Funds.

GO Debt Service as a % of General Government Revenue						
		2015 Actual	2016 Actual	2017 Actual Fund	2018 Estimated	2019 Budget
Annual Debt Service as % of Revenue	Less than 15%	8.5%	10.1%	11.0%	10.4%	10.6%

The following chart and table reflects the current general obligation *non-voted* and *voted* bond debt capacity based on the Jefferson County Assessor’s 2018 preliminary assessed values for 2019 taxes; preliminary assessed values increased by approximately 8.1%, consequently, increasing the City’s available debt capacity:



2018 Assessed Valuation (1)	\$ 1,653,040,117
General Purposes - Non-Voted	
Non-voted General Obligation Debt Capacity (1.50% of AV)	\$ 24,795,602
Less: Outstanding Non-voted General Obligation Debt (2)	\$ (19,009,000)
Less: Outstanding Line of Credit Balance (3)	\$ (948,000)
Remaining Non-Voted General Obligation Debt Capacity	\$ 4,838,602
Percent of Non-Voted Debt Capacity Remaining	19.51%
General Purposes - Requires Voter Approval	
Voted General Obligation Debt Capacity (1.00% of AV)	\$ 16,530,401
Less: Outstanding Voted General Obligation Debt	\$ (2,835,000)
Less: Outstanding Line of Credit Balance (3)	\$ -
Remaining Voted General Obligation Debt Capacity	\$ 13,695,401
Percent of Voted Total Debt Capacity Remaining	82.85%
Parks and Open Space Purpose - Requires Voter Approval	
Voted General Obligation Debt Capacity (2.50% of AV)	\$ 41,326,003
Less: Outstanding Voted Debt for Parks	\$ -
Remaining Voted Debt Capacity for Parks	\$ 41,326,003
Utility Purpose - Requires Voter Approval	
Voted General Obligation Debt Capacity (2.50% of AV)	\$ 41,326,003
Less: Outstanding Voted General Obligation Debt for Utility Purpo:	\$ -
Remaining Voted Debt Capacity for Utility Purpose	\$ 41,326,003
Notes:	
(1) Estimate from County Assessor's Preliminary Valuations 2018 Assessments for 2019 Taxes	
(2) Includes only LTGO Bonds issued through 2018. Other general obligation debts may count against debt capacity. Includes principal payments through 12/31/2019.	
(3) Line of credit for \$1,500,000 authorized by Council on 11/3/14; renewed 11/6/17; estimate draws in 2018 with permanent financing secured in 2019	

Utility & Intergovernmental Debt

The City has funded utility/public works projects with intergovernmental loans from the Public Works Board (Public Works Trust Fund loans used to fund public work projects) and the State Revolving Fund (Department of Ecology low interest loans for water quality projects). These loans are repaid from utility revenues rather than property tax revenues. Loan payments for 2019 for utility debt are budgeted at approximately \$1,400,000 for principal and interest combined. As the city draws on these loans the payment schedules and outstanding principle changes. Currently, the outstanding principal on utility debt at the end of 2019 is \$16,682,909.

In January 2017, the City's new drinking water treatment facility and reservoir, estimated cost of approximately \$24 million, were placed in service. Public Works Trust Fund Loans and Drinking Water State Revolving fund a significant portion of this project. The City's contribution for this project was approximately \$2,500,000 and was

funded through transfers from the System Development Fund and reserves in the Water/Sewer Operating and Capital funds.

Repayment of the loans will come from utility revenues, which include a capital surcharge that is currently being assessed. A utility debt reserve fund has been established to reserve collected surcharge amounts for these future debt payments. At the end of 2019, the debt reserve fund is estimated to have a fund balance of approximately \$1,900,000.

Utility Line of Credit

The City Council authorized the City Manager to execute an agreement with Kitsap Bank to provide a line of credit for \$3,000,000 in February 2016. This line of credit is used to fund vendor payments in advance of receiving loan/grant funding from state or federal agencies or to provide interim financing while permanent financing options are reviewed. The line of credit matured in March 2018 and the City subsequently renewed the line of credit through March 1, 2021.

As of the end of 2019, the City intends to have an outstanding balance of \$1,862,500 on the line of credit. The City will require permanent financing prior to May 31, 2019 or, alternatively, the line of credit may be renewed beyond May 31st. The following projects require funding:

- 5mg Reservoir & LTII Treatment Plant - \$1,100,000 for City match for the project
- Big Quil Diversion Dam - \$762,500 for project costs over the original project estimate

CITY OF PORT TOWNSEND, WASHINGTON
STAFFING AND COMPENSATION SUMMARY

The City of Port Townsend employs over 100 individuals. City employees are made up of four groups:

- General Government Bargaining Unit - employees who are members of the Local Union No. 589 of the International Brotherhood of Teamsters
- Police Department Bargaining Unit - employees who are members of the Local Union No. 589 of the International Brotherhood of Teamsters
- Non-represented management, library and “confidential” employees who do not belong to any bargaining group
- Part-time and temporary/seasonal employees

Compensation and benefits for the two Teamsters bargaining units are negotiated and certain wage changes, pay scales and benefit packages are administered based on the contractual agreements.

2019 Budget Assumptions for General Government Agreement

The General Government Agreement covers Public Works, Development Services, Finance and Police Administration employees. The General Government Agreement with the Teamsters defines the pay scales, seniority rates and annual inflationary adjustments to salaries for this group of employees. The proposed 2019 budget was prepared by reviewing each employee’s position and seniority as compared to the wage charts.

The contract agreement for these employees expires December 31, 2018 and is currently under negotiation. It is possible the negotiations will not be finalized until early 2019. The city has prepared the 2019 budget with only small inflationary adjustments to base wages, pending the outcome of these negotiations.

Full time employees receive a full benefit package that includes health, life, dental and retirement benefits. The current contract calls for employees in this group to contribute 10% of the total cost of the medical benefit costs for themselves and any covered dependents, which is how the city budgeted these costs. Teamster benefit rates are scheduled to increase 3.5% in 2019.

Any changes resulting from the finalized agreement will be incorporated into a supplemental budget request in 2019, if necessary.

2019 Budget Assumptions for Police Agreement

The Police Agreement with the Teamsters defines the pay scales, compensated hours, seniority rates and cost of living adjustments to salaries for police officers and

sergeants. The three-year agreement with the Police bargaining unit was finalized in early 2019 and will expire on December 31, 2021.

2019 Budget assumptions are forecasted with a cost of living increase of 2.0% per the contract agreement. Full-time employees receive a full benefit package that includes health, life, dental and retirement benefits. Employees contribute 10% of the medical benefit costs for themselves and any covered dependents. Teamster benefit rates are scheduled to increase 3.5% in 2019.

2019 Budget Assumptions for Non-represented employees

The non-represented employee group is made up of management and professional level staff, part-time pool staff, library staff, and confidential/administrative staff. This group has no formal contractual agreement and benefit and wage increases have historically been dictated by performance and availability of budget dollars. Full time employees receive a full benefit package that includes health, life, dental and retirement benefits. Employees contribute 15% of the total cost of these benefits for themselves and any covered dependents. Medical benefit rates are forecasted to increase 6.0% which is partially offset by a 2.0% discount for well city designation. Employees may choose from two dental plans. The Dental premiums for most employees are not scheduled to increase in 2019 and the premiums on the less used plan will only increase by 1.0%. There are no increases forecasted for Vision benefit rates.

A classification scale and compensation policy for non-represented employees was approved by the City Council in 2015 to formalize wages and establish a predictable compensation system. Wage scales for this group of employees are updated each year with inflationary increases and new positions.

The 2019 budget includes a cost of living adjustment for non-represented employees of 2.0%.

Recruiting Staff, Succession Planning and Best Practices

The city continues to strive to foster a healthy City organization through investing in leadership development and training and adopting and implementing best employment practices.

Human Resources continues to develop career pathing and city-wide training opportunities for growth for existing employees and to enhance the city's ability to retain valued employees will continue. The Council financial policies target 1% of salaries for spending on department level training and 1% of salaries for City wide training expenditures. The 2019 budget includes these resources. Department managers work with the Human Resources team to implement training that both ensures regulatory compliance in required certification programs as well as employee education and professional development programs.

In 2018, the Human Resource Manager sponsored city-wide training opportunities, all of which were well attended. Training classes included Respectful Workplace Anti-Harassment, Legal Must Knows for Managers, Conflict Resolution Skills Workshop, Hazard Communication Safety Training, First Aid/CPR, and Microsoft software training. In 2019, city-wide training will focus on the new Washington Paid Family Leave Act, Respiratory Safety, Lock Out Tag Out, Bloodborne Pathogens and continue Hazard Communication and First Aid/CPR.

Several management personnel have been participating in leadership development and conflict resolution skill training to better lead their teams and work successfully with each other. These training sessions were provided through our insurance authority, WCIA, and through City provided leadership opportunities here at City Hall.

A study was completed in 2017 to recommend efficiencies regarding the administration of Business & Occupation taxes and licensing in the Finance Department. City Council passed Ordinance 3187 in November 2017 and was implemented in 2018. We have been able to reduce the volume and time administering Business & Occupation taxes and have allocated staffing resources to more value-added assignments and training opportunities.

In mid-August, the city recruited a new accountant to assist in public works and finance. This was not a new position, rather a re-defined position after a staffing vacancy occurred in the Public Works Administration Department. Our new accountant has already implemented new efficiencies in capital reporting, assisted with data analysis in redefining the equipment rental and replacement fund, is providing technical support for the stormwater rate study, among other duties. This position has also been beneficial in assisting with bridging the gap between Finance and Public Works regarding capital finances and reporting needs.

The Police Chief recruited a Community Services Officer in May 2018 that was approved in the budget. This position was hired to promote traffic safety, manage parking enforcement and assist with city events. The Police Chief has also requested an additional position to assist in a county-wide effort to coordinate benefits and resources to homeless and other people in need. This position is currently on the unmet needs list until funding can be identified to support it.

The 2019 budget includes requests for seasonal help for parks & recreation, Streets/Storm-water/Waste-water. Due to difficulties recruiting seasonal help in 2018, the budgeted wage was adjusted to \$15.00 per hour for 2019. These positions are critical to assist with managing fast growing vegetation during the spring and summer months, among other assignments.

City Finance and Administration carefully monitor sustainable funding before recommending new staff for authorization. When Department Heads request additional staff with no funding sources, they are deferred for future consideration. The current deferred/unmet needs schedule includes four deferred positions, the coordinator noted

above, a volunteer coordinator, communication specialist and additional parks maintenance personnel. A chart below shows the trend by department of authorized staffing changes in the last five years:

CITY OF PORT TOWNSEND - AUTHORIZED POSITIONS *								
Department/Division	2014	2015	2016	2017	2018	2019	2019 vs 2018	2019 vs 2017
General Government								
City Manager	2.0	2.0	2.0	2.0	2.0	2.0	0.0	0.0
City Attorney	2.7	3.5	3.6	3.6	3.6	3.6	0.0	0.0
Development Service & Planning	6.2	6.8	7.3	8.3	8.3	8.3	0.0	0.0
Finance & Utility Billing (UB)	6.1	6.1	6.1	6.4	6.0	6.3	0.3	-0.2
Police Admin & Operations	17.0	17.4	18.0	19.0	19.8	20.0	0.3	1.0
City Clerk/Human Resources	2.9	4.0	3.8	5.0	5.0	5.0	0.0	0.0
PEG TV Studio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
City Events, Facilities & Restrooms	2.7	2.9	3.5	3.5	3.5	3.5	0.0	0.0
Street	1.8	1.8	2.1	2.1	2.2	2.2	0.0	0.1
Parks Maintenance & Recreation	2.8	2.4	3.5	4.2	4.2	4.5	0.3	0.3
Pool	5.5	4.9	6.9	7.7	7.9	8.3	0.4	0.6
Library	11.0	10.2	9.6	9.6	9.6	9.6	0.0	0.0
Equipment Rental	3.8	3.8	3.9	4.3	4.3	4.0	-0.3	-0.3
Total General Government	64.5	65.8	70.3	75.7	76.4	77.3	1.6	1.6
Public Works & Utilities (excl UB)								
Public Works Administration	2.1	2.1	2.1	3.2	3.3	4.2	0.8	1.0
Public Works Engineering	6.6	6.7	8.3	5.9	7.8	6.7	-1.1	0.8
Utilities							0.0	0.0
Water Distribution	5.0	5.0	5.0	5.0	5.8	5.5	-0.3	0.5
Water Quality & Resource	3.0	3.0	3.0	3.0	3.8	3.5	-0.3	0.5
Wastewater Collection	2.5	2.5	2.5	2.5	2.7	2.5	-0.2	0.0
Wastewater Treatment	3.3	3.3	3.5	3.5	3.5	3.8	0.3	0.3
Biosolids	2.3	2.3	2.5	2.5	2.5	2.5	0.0	0.0
Stormwater	3.1	3.1	3.5	3.5	3.6	3.3	-0.2	-0.2
Total Public Works & Utilities	27.9	28.0	30.4	29.1	33.0	31.9	-1.1	2.8
TOTAL CITY FTES	92.4	93.8	100.7	104.9	109.3	109.2	0.5	4.3
Percentage Change							0.4%	4.1%
Positions not currently counted as FTES								
	2014	2015	2016	2017	2018	2019		
Mayor/Council	7.0	7.0	7.0	7.0	7.0	7.0		
<i>* Does not include leave payouts</i>								

With the seasonal help, a total of 109.2 positions are included in the proposed budget for 2019, not including volunteer hours, overtime, or accrued leave payouts. Volunteer hours amount to approximately 3.36 FTEs and assist with police operations, library operations, and parks maintenance. City wide overtime hours are also budgeted at 3,385 hours with most of those hours dedicated to police operations.

Below are two tables that outline salary schedules and positions budgeted in 2019 for Elected Officials, Non-represented Employees and Represented Employees positions:

**CITY OF PORT TOWNSEND
NON-BARGAINING EMPLOYEE POSITION CLASSIFICATION SALARY SCHEDULE
BUDGET 2019**

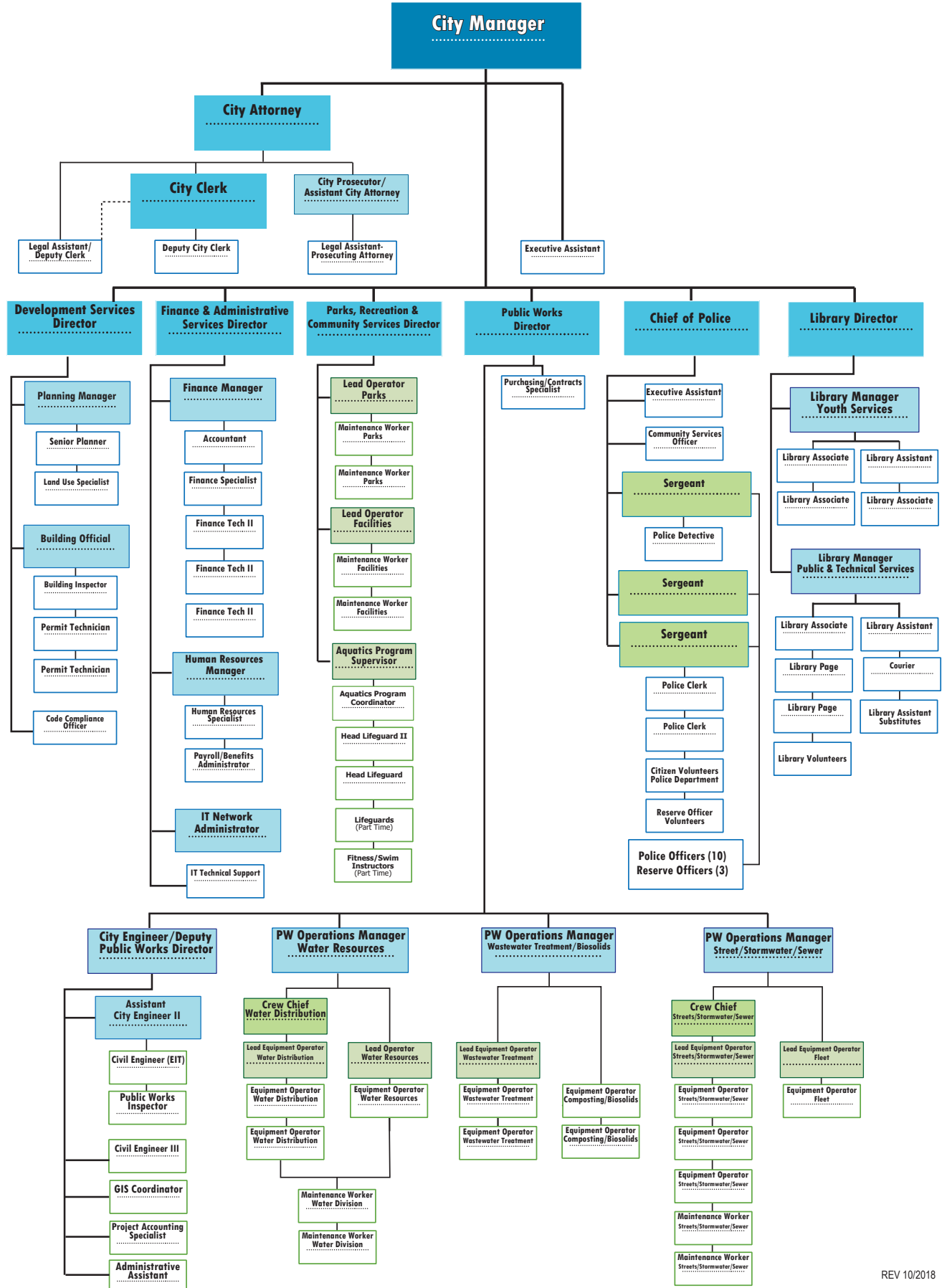
Elected Officials			
Classification	Minimum	Maximum	Positions
Mayor	\$ 9,000.00	\$ 9,000.00	1.00
Councilmembers	\$ 6,000.00	\$ 6,000.00	6.00
Non Represented Employees			
Classification	Minimum	Maximum	Positions
City Manager	\$ 130,010	\$ 158,271	1.00
Public Works Director	\$ 113,018	\$ 138,308	1.00
City Attorney	\$ 110,835	\$ 133,002	1.00
Chief of Police	\$ 102,523	\$ 130,643	1.00
Finance and Administrative Services Director	\$ 99,751	\$ 127,461	1.00
Planning Director - Development Services	\$ 99,751	\$ 121,918	1.00
Deputy Police Chief	\$ 90,620	\$ 110,441	0.00
Deputy Public Works Director/City Engineer	\$ 90,620	\$ 110,441	1.00
Parks, Recreation & Community Services Director	\$ 90,620	\$ 110,441	1.00
Assistant City Engineer II	\$ 83,168	\$ 104,321	1.00
Assistant City Engineer I	\$ 80,355	\$ 100,794	0.00
Library Director	\$ 80,355	\$ 99,751	1.00
Human Resources Manager	\$ 79,801	\$ 99,750	1.00
Prosecuting Attorney/Assistant City Attorney	\$ 77,150	\$ 94,862	1.00
Planning Manager	\$ 77,150	\$ 94,862	1.00
Building Official	\$ 76,199	\$ 91,438	1.00
Public Works Operations Manager WW/Bio	\$ 76,199	\$ 91,438	1.00
Public Works Operations Manager - Water Resources	\$ 76,199	\$ 91,438	1.00
Public Works Operations Manager - Streets/Sewer/Stormwater	\$ 76,199	\$ 91,438	1.00
City Clerk	\$ 73,649	\$ 95,666	1.00
Operations Manager - Parks, Recreation & Facilities	\$ 72,043	\$ 99,751	1.00
Finance Manager	\$ 72,043	\$ 96,426	1.00
Civil Engineer III	\$ 70,365	\$ 97,045	1.00
Senior Planner	\$ 69,428	\$ 88,745	1.00
Library Manager - Public and Technical Services	\$ 60,843	\$ 71,625	1.00
Library Manager - Youth Services	\$ 60,843	\$ 71,625	1.00
Civil Engineer EIT	\$ 56,861	\$ 73,495	1.00
Deputy City Clerk	\$ 54,356	\$ 71,950	1.00
Executive Assistant to City Manager	\$ 54,356	\$ 71,950	1.00
Human Resources Specialist	\$ 54,356	\$ 71,950	1.00
Legal Assistant/Deputy Clerk	\$ 54,356	\$ 71,950	1.00
Legal Assistant	\$ 54,356	\$ 71,950	0.60
Payroll and Benefits Administrator	\$ 54,356	\$ 71,950	1.00
Executive Assistant to Chief of Police	\$ 51,337	\$ 67,992	1.00
Hourly Part-Time Positions			
Library Associate	\$ 19.23	\$ 22.66	2.77
Library Assistant	\$ 14.49	\$ 17.10	2.13
Library Assistant Substitute	\$ 14.49	\$ 14.49	0.54
Library Courier, Library Page	\$ 12.34	\$ 14.92	1.19
Aquatics Recreation Aide	\$ 11.73	\$ 11.73	0.00
Lifeguard, Swim Instructor	\$ 12.34	\$ 13.73	2.72
Fitness Instructor	\$ 14.66	\$ 16.40	0.36
TEMPORARY PART TIME Hourly Pool Positions			
Assistant Swim Team Coach	\$ 14.66	\$ 22.13	0.50
Head Swim Team Coach	\$ 16.04	\$ 24.59	0.30
Total Non-Represented Employees			42.11

**CITY OF PORT TOWNSEND
UNION/REPRESENTED EMPLOYEE POSITION CLASSIFICATION SALARY SCHEDULE
BUDGET 2019**

Union/Represented Employees			
Classification	Minimum/hr	Maximum/hr **	Positions
Accountant	\$ 31.38	\$ 35.62	1.00
Aquatics Program Coordinator	\$ 20.52	\$ 23.31	1.00
Aquatics Program Supervisor	\$ 25.81	\$ 29.20	1.00
Assistant Planner	\$ 27.18	\$ 30.88	0.00
Associate Planner	\$ 30.29	\$ 36.65	0.00
Building Inspector	\$ 28.47	\$ 32.34	1.00
Code Compliance Officer	\$ 28.47	\$ 32.34	1.00
Community Services Officer	\$ 21.22	\$ 24.26	1.00
Crew Chief	\$ 29.72	\$ 33.75	2.00
Equipment Operator	\$ 25.81	\$ 29.20	9.00
Finance Specialist	\$ 27.18	\$ 30.88	1.00
Finance Tech II	\$ 20.52	\$ 23.31	3.00
Finance Tech III	\$ 23.27	\$ 26.42	0.00
GIS Coordinator	\$ 29.16	\$ 33.17	1.00
Head Lifeguard I	\$ 14.37	\$ 16.08	1.00
Head Lifeguard II	\$ 15.57	\$ 17.46	1.00
IT Network Administrator	\$ 36.39	\$ 41.31	1.00
IT Technical Support	\$ 29.16	\$ 33.17	1.00
Land Use Specialist	\$ 27.18	\$ 30.88	1.00
Lead Equipment Operator	\$ 27.65	\$ 31.39	5.00
Lead Operator	\$ 27.65	\$ 31.39	3.00
Maintenance Worker	\$ 21.22	\$ 24.26	9.00
Mechanic	\$ 26.40	\$ 29.98	0.00
Permit Tech	\$ 20.52	\$ 23.31	2.00
Police Clerk	\$ 23.27	\$ 26.42	2.00
Police Officer	\$ 31.75	\$ 36.42	11.00
Sergeant	\$ 40.80	\$ 44.63	3.00
Reserve Police Officers		\$ 15.00	0.75
Project Accounting Specialist	\$ 27.18	\$ 30.88	1.00
Public Works Inspector	\$ 28.47	\$ 32.34	0.00
Public Works/Engineering Support Specialist III	\$ 23.27	\$ 26.42	0.00
Public Works/Engineering Support Specialist II	\$ 20.52	\$ 23.31	0.00
Purchasing/Contracts Specialist	\$ 27.18	\$ 30.88	1.00
Public Works Administrative Assistant		\$ 19.90	1.00
Seasonal Workers		\$ 15.00	1.38
Total Union/Represented Employees			67.13
<i>**max pay does not include longevity or other premiums as may be applicable</i>			
TOTAL CITY POSITIONS (Excluding Elected Officials)			109.24

CITIZENS OF PORT TOWNSEND

Mayor Deborah Stinson	Deputy Mayor David Faber	Council Member Amy Howard	Council Member Ariel Speser	Council Member Michelle Sandoval	Council Member Pamela Adams	Council Member Robert Gray
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REV 10/2018

CITY OF PORT TOWNSEND, WASHINGTON

PROPERTY TAX

Property valuations are established by the Jefferson County Assessor's Office in accordance with state law. State law restricts the amount of property taxes the City can levy. Typically, the maximum the City can levy, without the vote of the people, is 101% of the highest lawful levy amount plus the impact of new construction at the previous year's levy rate plus the impact of new construction at the previous year's levy rate.

In early October, the Jefferson County Assessor provides the City's assessed value (AV) for use in computing the levy rates for the following tax year. The City's 2018 AV grew by 8.1% from the 2017 AV. New construction in the City was \$19,375,000 for 2018 which adds to the City's tax base.

The total proposed property tax levy for the City General 2018 property tax levy for 2019 taxes is \$4,176,303, or approximately \$2.53 per \$1,000 AV. This levy includes the levy lid lift for the Port Townsend Library authorized by the voters in 2008 as well as the Fire/EMS lid lift approved by the voters in 2011. The Library lid lift provides funds to pay for operating expenses for the Carnegie Library and Pink House. The Fire/EMS lid lift provides funds for fire and emergency rescue services and the receipts from this levy are remitted to Jefferson County Fire District No. 1 (East Jefferson Fire Rescue).

In 2010, Port Townsend voters approved an emergency medical service (EMS) levy lid lift to \$0.50 per \$1,000 of AV. These taxes are remitted to East Jefferson Fire Rescue as part of an Interlocal agreement. The total proposed tax levy for EMS levy lid lift for 2018 is \$774,000.

In February 2015, the voters of the City of Port Townsend approved a ballot measure to authorize the City to issue up to \$3,600,000 in bonds for the Mountain View Commons energy retrofit and other building improvements. The bond will be partially paid with an additional property tax levy for a period not to exceed 15 years. The annual debt payments are approximately \$300,000 a year. The City Council intends to use special purpose sales tax revenue to fund 50% of the payment and to levy an additional amount equivalent to the remainder of the bond payment. The levy for the Mountain View Commons bond is \$150,000 for 2019. This excess levy amount is approximately \$0.09261 per \$1,000 of assessed values.

The City of Port Townsend records property tax amounts when collected (cash basis accounting recognition system). The following chart reflects the proposed property tax levies and budget allocations by fund. The total amount is slightly higher than the proposed levy amounts listed above to allow for 2019 new construction additions or refunds/changes that may be identified and valued by the County Assessor before the end of the year.

CITY OF PORT TOWNSEND PROPERTY TAX LEVY									
ASSESSED VALUE & LEVY RATES - BY TAX YEAR									
	2010 for 2011 taxes	2011 for 2012 taxes	2012 for 2013 taxes	2013 for 2014 taxes	2014 for 2015 taxes	2015 for 2016 taxes	2016 for 2017 taxes	2017 for 2018 taxes	2018 for 2019 taxes
Assessed Valuation (000's)	1,463,343	1,468,539	1,469,136	1,219,761	1,299,381	1,340,801	1,442,618	1,524,264	1,653,040
Levy Rate - General	1.39077	1.40521	1.42529	1.73897	1.66940	1.63449	1.56531	1.52015	1.42554
Levy Rate - Library Lid Lift	0.64563	0.65371	0.66400	0.80908	0.77421	0.76037	0.72350	0.70654	0.66291
Levy Rate - Fire Lid Lift	-	0.43117	0.43708	0.53429	0.51206	0.50217	0.48254	0.46682	0.43799
City of PT Total General Levy	2.03640	2.49009	2.52637	3.08234	2.95567	2.89703	2.77135	2.69351	2.52644
Levy Rate - EMS	0.50000	0.50000	0.50000	0.50000	0.50000	0.50000	0.50000	0.49598	0.46823
Excess Levy Rate - Mountain View	-	-	-	-	-	0.05093	0.10595	0.10595	0.09261
Total City Tax Levy Rate	2.53640	2.99009	3.02637	3.58234	3.45567	3.44796	3.37730	3.29544	3.08728
BUDGET ALLOCATIONS									
	2011	2012	2013	2014	2015	2016	2017	2018	2019
General	581,741	675,681	682,899	740,000	750,000	770,329	811,808	850,146	884,670
Contingency	21,000	21,000	39,689	4,000	4,000	-	-	-	-
Community Services	400,000	400,000	399,242	408,000	412,000	412,000	412,000	412,000	412,000
General Government Debt Service	150,000	101,000	99,823	102,000	102,000	102,000	102,000	102,000	102,000
Firemen's Pension	34,000	34,000	34,000	35,000	35,000	39,245	35,245	34,235	34,235
Housing Trust Fund	-	10,000	6,235	10,000	10,000	10,000	10,000	10,000	10,000
Library Fund	944,778	960,000	967,644	989,000	1,006,000	1,019,185	1,043,224	1,076,951	1,095,824
EMS Levy	740,000	740,000	673,319	610,000	655,000	675,000	742,000	765,000	774,000
Fire/EMS General Levy	848,039	1,463,319	1,474,972	1,511,598	1,542,721	1,559,047	1,583,723	1,620,276	1,637,574
Mountain View Levy	-	-	-	-	-	67,012	150,000	150,000	150,000
Total	3,719,558	4,405,000	4,377,823	4,409,598	4,516,721	4,653,818	4,890,000	5,020,608	5,100,303
Note: Budget Allocations are intentionally slightly higher than the Property Tax Levy amounts in the Ordinance. The County Assessor provides guidance on budgeting higher than the levy to account for new construction/refunds and other valuation adjustments.									

ORDINANCE NO. 3210

AN ORDINANCE OF THE CITY OF PORT TOWNSEND, WASHINGTON, FIXING AND ADOPTING 2019 PROPERTY TAX LEVIES FOR THE GENERAL LEVY WITH A TOTAL INCREASE OF ONE PERCENT (1.00%) AND FOR THE EMERGENCY MEDICAL SERVICES LEVY AN INCREASE OF ONE PERCENT (1.00%) AND A VOTER-APPROVED TAX LEVY FOR THE MOUNTAIN VIEW COMMONS CAPITAL IMPROVEMENTS OF \$150,000 FOR THE UNLIMITED TAX GENERAL OBLIGATION BONDS

WHEREAS, as provided by and pursuant to RCW 84.55.120 and other applicable statutes, the City of Port Townsend has properly given notice of the public hearing held on November 5, 2018, to consider the City of Port Townsend's General Fund, Contingency Fund, Library Fund, Fire and Emergency Medical Services Fund, Community Services Fund, Debt Service Fund and Firemen Pension Fund budget for the 2019 calendar year, pursuant to RCW 84.55.120; and

WHEREAS, RCW 84.52.070 requires the City to certify to the County the amount of taxes to be levied upon the property within the City by November 30th of each year; and,

WHEREAS, at the February 10, 2015 special election, the citizens of Port Townsend approved an additional property tax of \$0.1005 per \$1,000 of assessed property value for improvements to the Mountain View Commons facility and to repay any interim financing used for those improvements; and,

WHEREAS, the City of Port Townsend, after hearing, and after duly considering all relevant evidence and testimony presented, has determined that the City of Port Townsend requires an increase in real property tax revenue from the previous year, in addition to the increase in the value of state-assessed property, in order to discharge the expected expenses and obligations of the City of Port Townsend and in its best interest;

NOW THEREFORE, the City Council of the City of Port Townsend do ordain as follows:

Section 1. That an increase in the regular property tax levy of 1.0%, in addition to any amount resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, and any increase due to re-levying for any refunds made in the previous year, is hereby authorized for the 2019 levy in amounts as follows:

1.1. There is hereby levied upon all taxable property in the City of Port Townsend, for the year of 2019, the sum of \$4,119,669 as a general tax levy, which is a percentage increase of 1.0%, in addition to any amount resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, and any increase due to re-levying for any refunds and cancellations/supplementals made in the previous year, resulting in an increase of \$40,789 from the previous year.


1.2. In addition to the above, there is hereby levied upon all taxable property in the City of Port Townsend, for the year of 2019, the sum of \$764,092 as an emergency medical services property tax levy, which is a percentage increase of approximately 1.0%, resulting in an increase of \$7,565 from the previous year.

1.3. In addition to the above, there is hereby levied upon all taxable property in the City of Port Townsend, for the year of 2019, the sum of \$150,000 for the 2015 Unlimited Tax General Obligation Bonds approved by voters in February 2015 for capital improvements at the Mountain View Commons, which is a tax levy at approximately \$0.09261 per \$1,000 assessed value.

Section 2. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances, is not affected.

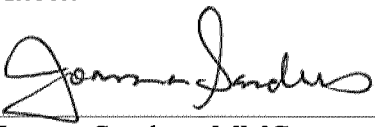
Section 3. This Ordinance shall take effect upon its passage, approval, and publication in the form and manner provided by law.

ADOPTED by the City Council of the City of Port Townsend, Washington, at a special meeting thereof, held this 13th day of November 2018.



Deborah S. Stinson
Mayor

Attest:



Joanna Sanders, MMC
City Clerk

Approved as to form:



Heidi Greenwood
City Attorney

City of Port Townsend Property Tax Calculation

Property Tax Estimate for 2019 Budget	General w/Library Lid Lift & Fire Lid Lift	General with Library Lid Lift Only	General without Library & Fire Lid Lifts	EMS Levy	Mountain View (MV)	TOTAL GENERAL + EMS + MV
2017 for 2018 - AV	1,528,558,379	1,528,558,379	1,528,558,379	1,528,558,379	1,497,191,373	
2017 New Construction	21,668,678	21,668,678	21,668,678	21,668,678		
2018 Levy Rate	2.6557	2.1953	1.4982	0.4928	0.1002	
2018 Actual Levy Amount (Per Ordinance)	4,059,328	3,355,648	2,290,158	753,266	150,000	4,962,594
Increase of 1% (Ordinance amount)	40,593	33,556	22,902	7,532.66	-	48,126
Banked Capacity	-	-	-	-	-	-
2019 New Const (Est) - \$19,375,000	51,700	42,741	29,174	9,589	-	61,289
Refunds (Est) - \$5,449	4,681	3,947	2,835	767	-	5,449
Total Calculated Levy Estimate	4,156,303	3,435,892	2,345,068	771,155	150,000	5,077,458
2018 for 2019 AV	1,653,040,117	1,653,040,117	1,653,040,117	1,653,040,117	1,619,766,431	
Levy Rate	2.51434	2.07853	1.41864	0.46651	0.09261	
Budget on the high side	4,176,303	3,452,292	2,356,468	774,000	150,000	5,100,303
Property Tax Budget	General	Library	FIRE	EMS	MV	Total
Budget on the high side	2,356,468	1,095,824	724,011	774,000	150,000	3,280,468
2019 Budget Levy Rate	1.42554	0.66291	0.43799	0.46823	0.09261	3.08727
ALLOCATION						
General	884,670					
Contingency	-					
Community Services	412,000					
General Government Debt Service	102,000					
Firemen's Pension	34,235					
Housing Trust Fund	10,000					
Library Fund	1,095,824					
EMS Levy	774,000					
Fire/EMS General Levy	1,637,574					
Total	4,950,303					
MV LEVY	150,000					
TOTAL CITY LEVY - BUDGET	5,100,303					
			Payment to EJFR:			
			FIRE	724,011		
			EMS	774,000		
			1% increase per contract	913,563		
			EJFR	2,411,574		
			2018 Base	878,924		
			1% Increase	8,789		
			2019 Base	887,713		
			1/2 New Construction	25,850		
			2019 Cap to EJFR	913,563		

CITY OF PORT TOWNSEND PROPERTY TAX LEVY									
ASSESSED VALUE & LEVY RATES - BY TAX YEAR									
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Levy Rate - General	1.39077	1.40521	1.42529	1.73897	1.66940	1.63449	1.56531	1.52015	1.42554
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City of PT Total General Levy	2.03640	2.49009	2.52637	3.08234	2.95567	2.89703	2.77135	2.69351	2.52644
Levy Rate - EMS	0.50000	0.50000	0.50000	0.50000	0.50000	0.50000	0.50000	0.49598	0.46823
Excess Levy Rate - Mountain View	-	-	-	-	-	0.05093	0.10595	0.10595	0.09261
Total City Tax Levy Rate	2.53640	2.99009	3.02637	3.58234	3.45567	3.44796	3.37730	3.29544	3.08728
BUDGET ALLOCATIONS									
	2011	2012	2013	2014	2015	2016	2017	2018	2019
General	581,741	675,681	682,899	740,000	750,000	770,329	811,808	850,146	884,670
Contingency	21,000	21,000	39,689	4,000	4,000	-	-	-	-
Community Services	400,000	400,000	399,242	408,000	412,000	412,000	412,000	412,000	412,000
General Government Debt Service	150,000	101,000	99,823	102,000	102,000	102,000	102,000	102,000	102,000
Firemen's Pension	34,000	34,000	34,000	35,000	35,000	39,245	35,245	34,235	34,235
Housing Trust Fund	-	10,000	6,235	10,000	10,000	10,000	10,000	10,000	10,000
Library Fund	944,778	960,000	967,644	989,000	1,006,000	1,019,185	1,043,224	1,076,951	1,095,824
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Mountain View Levy	-	-	-	-	-	67,012	150,000	150,000	150,000
Total	3,719,558	4,405,000	4,377,823	4,409,598	4,516,721	4,653,818	4,890,000	5,020,608	5,100,303
Note: Budget Allocations are intentionally slightly higher than the Property Tax Levy amounts in the Ordinance. The County Assessor provides guidance on budgeting higher than the levy to account for new construction/refunds and other valuation adjustments.									

2018 CITY COUNCIL

Name	Public Phone	Email	Term Expires
Michelle Sandoval	360-981-6562	msandoval@cityofpt.us	12/31/21 Pos. 1
Ariel Speser	508-496-0473	aspeser@cityofpt.us	12/31/21 Pos. 2
Deborah Stinson	360-531-1548	dstinson@cityofpt.us	12/31/19 Pos. 3
Robert Gray	360-643-3793	rgray@cityofpt.us	12/31/19 Pos. 4
Pamela Adams	360-774-2145	padams@cityofpt.us	12/31/21 Pos. 5
Amy Howard	360-550-0978	ahoward@cityofpt.us	12/31/19 Pos. 6
David Faber	360-821-9374	dfaber@cityofpt.us	12/31/19 Pos. 7

COUNCIL COMMITTEE ASSIGNMENTS

Updated July 11, 2018

COUNCIL STANDING COMMITTEES

Finance and Budget (*4th Tues. 3pm CH #3/Chambers*) ----- RG, AH (chair), DS
 Ad Hoc Committee on Committees (*2nd Tues. 1:30pm Chambers*)-----AH, AS (chair), DS
 Ad Hoc Committee on Housing (*3rd Thurs. 3pm Chambers*)-----MS (chair), AH, DF
 Ad Hoc Committee on Stormwater Management (*not currently meeting*)-----PA, RG, AS (chair)
 Community Development and Land Use----- Unassigned
 General Services and Special Projects----- Unassigned
 Information & Technology ----- Unassigned

CITY BODIES WITH COUNCIL REPRESENTATIVES

Alternative Electric Management Committee ----- Unassigned
 Lodging Tax Advisory Committee (LTAC) ----- MS
 PEG Access Coordinating Committee ----- RG

OUTSIDE BODIES WITH COUNCIL REPRESENTATIVES

Economic Development

North Olympic Development Council (NODC) ----- DS (DF alt.)

Health

Jefferson County Board of Health ----- AS
 Jefferson County Developmental Disabilities Advisory Board ----- PA
~~Jefferson County Substance Abuse Advisory Board ----- AS~~
 Jefferson County Clean Water District Advisory Council ----- DS
 Jefferson County Mental Health and Substance Abuse Advisory Committee ----- AS

Infrastructure

Public Infrastructure Board ----- DS

Law and Justice

Jefferson County/Port Townsend Regional Emergency Planning Committee ----- DS

Transportation

Jefferson Transit Authority Board ----- AS, DF
 Peninsula Regional Transportation Planning Organization Executive Board ----- DF (AS Alt)

Other

Climate Action Committee ----- DS
 Fort Worden Advisory Committee ----- PA
 Jefferson County/City of Port Townsend LEOFF I Retirement/Disability Board ----- DF
 Jefferson Higher Education Committee ----- MS
 East Jefferson Fire Rescue Joint Oversight Board ----- AH, MS, DS
 OlyCAP Board of Directors ----- RG
 Joint Growth Management Steering Committee ----- MS, DF, DS
 JeffCom Administrative Board ----- DS
 Port Townsend Main Street HUD Loan Committee ----- PA

City of Port Townsend Citizen Advisory Boards, Commissions and Committees

PARKS, RECREATION & TREE ADVISORY BOARD (5-7)		
Meets 4:30pm 4th Tuesday at City Hall		
Pos.	Name & Experience	Exp.
1	Paul Schutt	5/1/19
2	Jim Todd	5/1/20
3	Ed Robeau	5/1/20
4	Roarke Jennings, Chair	5/1/20
5	Daniel Greholver	5/1/19
6	Brenda McMillan	5/1/21
7	Deborah Jahnke, Vice Chair	5/1/21

HISTORIC PRESERVATION COMMITTEE (5-7)		
Meets 3:00pm 1st Tuesday at City Hall		
Pos.	Name	Exp.
1	Don Schussler	5/1/20
2	Cate Comerford	5/1/20
3	George Randels	5/1/20
4	Charles Paul, Chair	5/1/21
5	Richard Berg, Vice Chair	5/1/21
6	Craig Britton	5/1/19
7	Kathleen Croston	5/1/19

LODGING TAX ADVISORY COMMITTEE (11 voting)		
Meets 3:00pm quarterly 2nd Tuesday at City Hall		
Pos.	Name & Role	Exp.
1	Michelle Sandoval (Elected Official)	N/A
2	Sherri Hanke (At Large Position)	5/1/20
3	Amanda Milholland (At Large Position)	5/1/19
4	Robert Birman (Recipient)	5/1/19
5	Barb Trailer (Recipient)	5/1/21
6	Janette Force (Recipient)	5/1/19
7	Denise Winter (Recipient)	5/1/19
8	Cindy Finnie (Collector)	5/1/19
9	Port of PT Designee (Collector)	5/1/20
10	Fort Worden PDA Designee (Collector)	5/1/20
11	Nathan Barnett (Collector)	5/1/21
12	Main Street Designee (Nonvoting)	5/1/21
13	VACANT	
14	William Roney (Nonvoting)	5/1/20

ARTS COMMISSION (9 max.)		
Meets 3:00pm 1st Wednesday at City Hall		
Pos.	Name	Exp.
1	Stan Rubin	5/1/20
2	Matt Miner	5/1/20
3	Kris Morris	5/1/20
4	Owen Rowe, Chair	5/1/21
5	Dominica Lord-Wood	5/1/19
6	Lisa Wentworth, Vice Chair	5/1/19
7	Maryann Tapiro	5/1/21
8	Dan Groussman	5/1/19
9	Nhattaleah Nichols	5/1/21

NON-MOTORIZED TRANSPORTATION ADV. BOARD (9)		
Meets 4:30pm 1st Thursday at City Hall		
Pos.	Name	Exp.
1	Joseph Finn	5/1/20
2	Mike Kaill	5/1/20
3	VACANT	5/1/21
4	Hendrik Taatgen	5/1/21
5	Sam Feinson	5/1/21
6	VACANT	5/1/19
7	Pat Teal	5/1/19
8	Richard Dandridge	5/1/19
9	VACANT	5/1/20

LIBRARY ADVISORY BOARD (5-7)		
Meets Bi-monthly 3:30pm 2nd Monday at the LLC		
Pos.	Name	Exp.
1	Ann Raymond, Chair	5/1/19
2	Sarah Fairbank	5/1/21
3	Jacqueline Mention	5/1/21
4	Kathryn Ryan	5/1/20
5	Sidonie Wilson	5/1/20
6	Owen Rowe	5/1/20
7	Carol Klontz	5/1/21

PEG ACCESS COORDINATING COMMITTEE (8)		
Meets 3:30pm 2nd Tuesday at the Gael Stuart Building		
Name		
Robert Gray, City Council		
Joanna Sanders, City Clerk		
Melody Eisler, Library Director		
VACANT, School District Superintendent		
Mark Welch, School District Video Instructor (Chair)		
Steve Haveron, School District Representative		
VACANT, Video Professional		
Brian Moratti, Citizen Representative		
VACANT, Student Representative		
VACANT Producers Group Representative (Optional)		
VACANT Education Group Representative (Optional)		

CLIMATE ACTION COMMITTEE (15)		
Meets quarterly on 4th Wednesday		
Pos.	Name	Exp.
1	Jefferson County BoCC (Kate Dean)	N/A
2	City Council (Deborah Stinson)	N/A
3	JeffPUD (Jeff Randall - <i>Vice Chair</i>)	N/A
4	Jefferson County Public Health (Laura Tucker)	N/A
5	Jefferson Healthcare (Matt Ready)	N/A
6	Jeff. Transit (Tammi Rubert/Leesa Monroe)	N/A
7	Port of PT (Eric Toews/Sam Gibboney)	N/A
8	PT Paper Corp. (Kevin Scott)	N/A
9	Cindy Jayne - <i>Chair</i>	12/31/20
10	Sonja Hammar	12/31/19
11	David Wilkinson	12/31/19
12	Scott Walker	12/31/18
13	Ashley Rosser	12/31/18
14	VACANT	
15	VACANT	

PLANNING COMMISSION (7)		
Meets 6:30pm 2nd & 4th Thursday at City Hall		
Pos.	Name	Exp.
1	Paul Rice, Chair	12/31/18
2	Monica MickHager	12/31/20
3	Rick Jahnke, Vice Chair	12/31/18
4	James Lagergren	12/31/20
5	Lois Stanford	12/31/19
6	Robert Doyle	12/31/19
7	Aislinn Palmer	12/31/19

CIVIL SERVICE COMMISSION (3)		
Meets 6:30pm 2nd & 4th Thursday at City Hall		
Pos.	Name	Exp.
1	Gail Ryan	12/31/19
2	VACANT	12/31/19
3	Richard Knight	12/31/23

FORT WORDEN PDA (9-11)		
Meets at Fort Worden Commons B		
Pos.	Name	Exp.
1	Bill James	10/24/19
2	Jeff Jackson	10/24/19
3	Norm Tonina	10/24/19
4	Bill Brown	10/24/19
5	Gee Heckscher	10/24/20
6	Jane Kilburn	10/24/20
7	Lela Hilton	10/24/20
8	Cindy Hill Finnie	10/24/18
9	Todd Hutton	10/24/18
10	Herb Cook	10/24/18
11	Harold Andersen	10/24/20

Updated: 10/1/2018