



CITY OF PORT TOWNSEND BUDGET 2025



2025 ADOPTED BUDGET TABLE OF CONTENTS

Adopted December 2, 2024

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CITY OF PORT TOWNSEND VISION

A thriving community for all...

CITY OF PORT TOWNSEND MISSION STATEMENT

Champion aspirations for a thriving community as envisioned in our Comprehensive Plan

THE 2025 CITY MANAGER BUDGET

Message from the City Manager:

Over the past few years, in preparing the budget for City Council consideration, the City team has transitioned away from the fear and uncertainty of the pandemic, the myopia of simply thinking about the next year ahead, and the somewhat stale, hold-over approach of “this is always how we’ve done it.”

If you take the time to review the previous years’ budgets – or even just the budget messages from me – you’ll see them evolve into something increasingly clear-eyed, strategic, and honest.

This year we attempt to keep moving forward in a similar fashion, with a balanced, smart, and forward-thinking budget that reflects our community’s values and sets us up for enduring success.

Certainly, the team and I continue to be challenged by macroeconomic conditions beyond our control, like escalating costs of materials and labor, or local and regional conditions like seemingly impossible housing affordability. Add to that the discomfort of new or changing state and federal requirements or the accounting realities of keeping funds balanced and appropriately separated, and we’re already showing up to this budget race a bit on the back foot. Despite that, we’re always up for a challenge and keep a persistent focus on the future of our community. Over time, we believe that, by making tough decisions and sticking together, we can make things fairer and better for everyone.

To those ends, we have worked for at least half a year to prepare this budget. It started at a strategic workplan retreat in July with City Council and Department Directors when we honed in on our priorities with an appropriate mix of ambition and reality. Much of that retreat focused on how to balance both the year-on-year operational needs with the longer-term, integrated strategic thinking of the Financial Sustainability Initiative. That initiative grounds us in multi-year approach to fiscal responsibility that's game-changing – so it's perhaps no surprise it won a national award.

We then asked each department to provide their list of budget requests that would get those priorities done and worked together to consider “key moves” to continue our multi-year financial sustainability journey. All of this was balanced against 2025 revenue predictions and our policies that require all funds to stay in the black. Many of those items show up in this year's budget. A few examples:

- **Smart seed funding for facilities repair and replacement.** In the 2024 budget, we recognized that we do not plan well for facilities replacement and repair, often scrambling to find money after things inevitably break. We set aside funding to seed a repair/replacement fund to better anticipate and respond to facilities needs. This budget is the second year (of five) for investment into that fund.
- **Smart seed funding for fleets repair and replacement.** The facilities seed funding approach is working, so we are proposing a similar approach for fleets in this year's budget. Similarly, doing so puts fleet repair and replacement on a predictable schedule which means better predictability and financial stability.
- **Smarter investments.** The City takes in and pays out funds every day, but per policy and common sense, we need to ensure that the balance stays positive. Better financial planning means we put our balance to work earning interest, taking advantage of high interest rates and phasing the investments so we still have access to funds in case of unforeseen circumstances.
- **Fighting off our debt.** Debt is an inevitable reality for almost all cities as it helps spread longer-term investments more equitably to those who benefit. Too much debt, however, hinders our abilities to get more accomplished and the City and our community have suffered from the City overleveraging debt. Last year we paid off some debt early, but some of those payments return in 2026. This year's budget gets a jump on those 2026 payments by setting funding aside so we don't overextend this year. We will also, as per above, invest those funds this year while they sit in waiting for next year.
- **Rainy-day fund.** This fund strengthens our approach to preparing for unanticipated downturns and natural disasters to ensure stability of staffing and services. Putting aside one-time revenue like sales tax from major projects seeds the fund and will provide continuity when we need it most.
- **Bold housing action.** The Comprehensive Plan, a major priority for 2025, is crucial to housing availability and affordability – and fundamental to delivering

financial sustainability. More residents add character and help spread the costs of services that we all depend on. Plus, more attainable housing helps local businesses – and the City – recruit and retain employees who provide important services, amenities, and local economic development. Perhaps more importantly, many of our residents suffer from the lack of affordable housing options and housing action is key to a more healthy, safe, and equitable community.

- **Strategic staffing.** Our staff size has not grown consistently with the population of residents, and we've been chronically understaffed for many years. Adding positions like a Parks Maintenance Worker, a Water Distribution Maintenance Worker, a Streets Operator, and a Housing Coordinator help us deliver on our core priorities.
- **Departmental synergy.** The budget includes a change in how the City organizes some of our important community services: a combined Community Services Department that incorporates Parks and Facilities teams, the Library department, and adds an arts and culture component to oversee the PT Creative District. The aim is for better, more integrated, more stable delivery of these services to our community alongside a fiscally prudent way of doing so.
- **Major progress on infrastructure projects.** With over \$45m of funded infrastructure projects on the books, we continue to move forward with streets, water, sewer, stormwater, parks, facilities and other infrastructure projects that not just catch us up from years of deferred maintenance, but help take us forward in building a stronger, more resilient, and better community for us all.

These are but a few ideas captured in the 2025 budget. I encourage you to read through these pages, and I invite you to stay engaged in the budget process. I hope you find it a refreshing change to how we've always done things – perhaps even something that's more clear-eyed, strategic, and honest. Regardless, feel free to reach out to me with your thoughts by email at jmauro@cityofpt.us, attend one of my coffee conversations each first Friday of the month (see newsletter or the City's Facebook page for details), or tune in to my regular show on KPTZ each Thursday at 12:30. Better yet, I invite you to explore and discover ways you might be able to get involved to help us deliver on our collective aspirations for a healthier, more resilient, more inclusive Port Townsend for us all.

John Mauro

City Manager

2025 CITY MANAGER FINAL ADOPTED BUDGET

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 2025 BUDGET FUND SUMMARY					2024 Est.		2025 est.		2025 Projected
	Ending Fund Balance	Revenue Budget*	Revenue YTD Actual	ACTUAL Rev - BUDGET Rev	% from Budget	Expense Budget*	Rev vs. Exp Y/E Target	Rev vs. Exp Budget	Ending Fund Balance	
GENERAL FUND	4,954,075	16,085,911	0	16,085,911	0	17,091,233	(1,005,322)	(1,005,322)	3,948,753	
Drug Enforc. / Contingency	255,664	25,000	0	25,000	0	0	25,000	25,000	280,664	
A.R.P.A.	281,878	0	0	0	0	265,000	(265,000)	(265,000)	16,878	
Street/Transportation Benefit Dist	288,938	2,760,962	0	2,760,962	0	2,136,962	624,000	624,000	912,938	
Library	605,635	1,356,000	0	1,356,000	0	1,231,379	124,621	124,621	730,256	
Real Estate Excise Tax	1,266,011	685,000	0	685,000	0	897,355	(212,355)	(212,355)	1,053,656	
Lodging Tax	1,250,331	615,000	0	615,000	0	972,751	(357,751)	(357,751)	892,580	
Fire / EMS	7,756	0	0	0	0	0	0	0	7,756	
Affordable Housing	77,556	92,896	0	92,896	0	92,896	0	0	77,556	
Community Development Block Grant	189,433	28,000	0	28,000	0	20,000	8,000	8,000	197,433	
Community Services	1,224,598	3,273,679	0	3,273,679	0	3,273,679	0	0	1,224,598	
TOTAL SPECIAL REV FUNDS	5,447,800	8,836,537	0	8,836,537	0	8,890,022	(53,485)	(53,485)	5,394,315	
DEBT SERVICE FUND	2,071,203	1,114,712	0	1,114,712	0	1,114,712	0	0	2,071,203	
General Capital	213,528	1,367,699	0	1,367,699	0	1,391,133	(23,434)	(23,434)	190,094	
Street Capital	624,869	3,371,305	0	3,371,305	0	3,961,488	(590,183)	(590,183)	34,686	
CAPITAL PROJECTS FUNDS	838,397	4,739,004	0	4,739,004	0	5,352,621	(613,617)	(613,617)	224,780	
Golf Course	1,776	31,000	0	31,000	0	31,000	0	0	1,776	
System Development	2,467,917	385,000	0	385,000	0	1,645,950	(1,260,950)	(1,260,950)	1,206,967	
Water / Sewer Operations	6,191,132	10,126,000	0	10,126,000	0	13,697,750	(3,571,750)	(3,571,750)	2,619,382	
Water / Sewer Capital	127,325	12,510,710	0	12,510,710	0	12,541,313	(30,603)	(30,603)	96,722	
1956 Trans Line Replacement	8,979,537	4,975,000	0	4,975,000	0	1,639,134	3,335,866	3,335,866	12,315,403	
Utility Debt Reserve	585,362	100,000	0	100,000	0	0	100,000	100,000	685,362	
Storm Operations	408,345	1,445,000	0	1,445,000	0	1,429,972	15,028	15,028	423,373	
Storm Capital	193,688	90,000	0	90,000	0	93,389	(3,389)	(3,389)	190,299	
ENTERPRISE FUNDS	18,955,082	29,662,710	0	29,662,710	0	31,078,508	(1,415,798)	(1,415,798)	17,539,284	
Public Works Admin	470,595	861,845	0	861,845	0	733,201	128,644	128,644	599,239	
IT Equipment O&M / Replacement	231,188	542,425	0	542,425	0	523,891	18,534	18,534	249,722	
Fleet Equipment O&M / Replacement	2,247,076	2,024,531	0	2,024,531	0	1,785,127	239,404	239,404	2,486,480	
Engineering Services	236,065	2,298,982	0	2,298,982	0	1,450,356	848,626	848,626	1,084,691	
Unemployment Self-Insurance	15,342	10,000	0	10,000	0	10,000	0	0	15,342	
INTERNAL SERVICE FUNDS	3,200,266	5,737,783	0	5,737,783	0	4,502,575	1,235,208	1,235,208	4,435,474	
Firemen's Pension	372,121	27,500	0	27,500	0	1,374	26,126	26,126	398,247	
Custodial / Refundable Deposits	38,694	0	0	0	0	0	0	0	38,694	
Memorial Fund	0	0	0	0	0	0	0	0	0	
FIDUCIARY FUNDS	410,815	27,500	0	27,500	0	1,374	26,126	26,126	436,941	
GRAND TOTAL	35,877,637	66,204,157	0	66,204,157	0	68,031,045	(1,826,888)	(1,826,888)	34,050,749	

AMERICAN RESCUE PLAN ACT

The American Rescue Plan Act of 2021 (ARPA) provided \$350 billion in funding for state and local governments. The City of Port Townsend was awarded \$2,755,388. The first tranche of this funding, \$1,373,493, was received in July 2021. The second half was received in July 2022. The funding has limited eligible uses but, in general, can be used for:

- Revenue replacement for the provision of government services to the extent the reduction in revenue was due to the COVID-19 public health emergency.
- COVID-19 expenditures or negative economic impacts of COVID-19, including assistance to small businesses, households, industries, and economic recovery.
- Premium pay for essential workers.
- Investments in water, sewer, and broadband infrastructure.

Based on updated guidance received from the Federal Treasury in March 2022, the City determined that the best use of the funds received from ARPA is Revenue Replacement.

These funds are temporary in nature and non-recurring, so care has been used in allocating these funds in ways that do not add programs that require ongoing financial commitments.

In September 2021, the City Council discussed the adoption of three priority pillars when determining the programs/projects these funds would be allocated to. These pillars are 1) support staff, 2) support financial sustainability, and 3) deliver an integrated community backed vision for parks and recreation. Based on these pillars, an array of projects was presented for consideration in both 2021 and 2022. In 2022, 2023, and 2024 all prior projects were reviewed to ensure federal guidance requirements will be met. In addition, all projects were reviewed for funding needs and project timeline. Columns were added to reflect changes each year and a revised 2022-2025 allocation representing the total allocated amount for the project.

The funds must be obligated before December 31, 2024, and spent by the end of 2026 as specified in the ARPA Treasury guidelines.

The updated project list below totals \$2,755,388 and allocates both tranches of fund:

AMERICAN RESCUE PLAN ACT (ARPA) FUNDS						
2025 BUDGET						
TOTAL ALLOCATION - \$2,755,388						
Priority Pillar	Project	2022 Allocation	2023-2024 Allocation	2024 Change	2025 Change	Revised 2022-2025 Allocation
Staff Support	Public Records Scanning	\$ 50,000	\$ 50,000			\$ 100,000
Staff Support	Strategic Department Reviews	\$ 22,500		\$ (22,500)		\$ -
Staff Support	Advanced police recruitment	\$ 4,155		\$ (100)		\$ 4,055
Staff Support	Engagement Survey	\$ 40,000		\$ 10,000		\$ 50,000
Staff Support	Key position recruitment	\$ 5,500	\$ 34,500	\$ (10,000)		\$ 30,000
Staff Support	Improve IT Infrastructure		\$ 100,000	\$ (50,000)		\$ 50,000
Staff Support	Police staff vehicle replacement		\$ 25,000	\$ (1,700)		\$ 23,300
Staff Support	Two-year term Long Range Planner		\$ 225,000	\$ 15,000		\$ 240,000
Financial Sustainability	Library Window/Bathroom		\$ 100,000		\$ (17,000)	\$ 83,000
Financial Sustainability	Pink House renovations / Pope Marine	\$ 10,000	\$ 100,000	\$ (6,500)	\$ (91,000)	\$ 12,500
Financial Sustainability	Kah Tai Restrooms		\$ 35,000		\$ (23,000)	\$ 12,000
Financial Sustainability	Parking Management		\$ 83,533	\$ (83,533)		\$ -
Financial Sustainability	Pool Roof Repair			\$ 91,500		\$ 91,500
Financial Sustainability	Sims Way		\$ 50,000	\$ 50,000		\$ 100,000
Financial Sustainability	Street match Kearney				\$ 50,000	\$ 50,000
Financial Sustainability	MVC boiler repair				\$ 50,000	\$ 50,000
Financial Sustainability	Professional Service Attorney Services				\$ 300,000	\$ 300,000
Financial Sustainability & Staff Support	Kubota Bobcat excavator				\$ 40,000	\$ 40,000
Financial Sustainability & Staff Support	Chamber Upgrades	\$ 35,000	\$ 85,500		\$ (52,500)	\$ 68,000
Financial Sustainability & Staff Support	Electronic permit submittal/plan review	\$ 8,200			\$ (525)	\$ 7,675
Financial Sustainability & Staff Support	Police vehicles x2	\$ 178,000	\$ 178,000			\$ 356,000
Financial Sustainability & Staff Support	Kick off broom	\$ 23,500		\$ (5,000)		\$ 18,500
Financial Sustainability & Staff Support	Kubota for use with rebooted volunteer program	\$ 25,000		\$ (500)	\$ (1,950)	\$ 22,550
Financial Sustainability & Staff Support	Mini-excavator	\$ 65,000		\$ (6,275)		\$ 58,725
Financial Sustainability & Staff Support	Parks lift gate	\$ 6,000		\$ (1,825)		\$ 4,175
Financial Sustainability & Staff Support	Parks Vehicles		\$ 85,000		\$ (42,000)	\$ 43,000
Financial Sustainability & Staff Support	Pickup	\$ 31,000		\$ (525)	\$ 100,000	\$ 130,475
Financial Sustainability & Staff Support	Tree pruning at Chetz/Gateway	\$ 15,000				\$ 15,000
Financial Sustainability & Staff Support	Facility planning, phase 1: DSD/PW shades, furniture, climate control, door locks	\$ 130,000				\$ 130,000
Financial Sustainability & Staff Support	City Hall Carpet Floor 1 and 3		\$ 90,000		\$ (13,500)	\$ 76,500
Financial Sustainability & Staff Support	Construct City Hall Phase 3 improvements to support staff work environment		\$ 310,000	\$ 91,000		\$ 401,000
Vision for Parks & Recreation	Communications and professional consultant support	\$ 25,000			\$ 66,931	\$ 91,931
Vision for Parks & Recreation	Development and implementation of a Community Health and Wellness Center plan	\$ 30,000		\$ 50,000		\$ 80,000
Vision for Parks & Recreation	Golf Course Vision			\$ 11,000	\$ 33,069	\$ 44,069
Vision for Parks & Recreation	Director of Parks and Recreation Strategy	\$ 100,000	\$ 400,000	\$ (130,042)	\$ (100,000)	\$ 269,958
	TOTAL 2022 - 2024 ARPA Requests	\$ 803,855	\$ 1,951,533	\$ -	\$ 298,525	\$ 3,053,913

In 2022, a Special Revenue Fund was established to monitor the ARPA revenues and proposed expenditures based on best practice guidance received from the State Auditor’s Office to ensure proper accounting and coding for these funds. Anticipated operating expenses and corresponding transfers are reflected in the graphs and materials presented in the budget.

2025 BUDGET ASSUMPTIONS

The 2025 City Manager Budget allocates resources to initiatives included in the City's 2025 strategic workplan. This workplan was developed by staff and reviewed and workshopped with the City Council at an all-day retreat held on July 22, 2024.

The 2025 strategic workplan is broken down into five major categories:

- **INVEST IN OUR PEOPLE**
Build and nurture the capacity of our staff, teams, volunteers, advisory board members, Councilmembers and partnerships and provide them the toolsets, skillsets, and mindsets to achieve more together.
- **ENGAGE OUR COMMUNITY**
Build beyond notification and response to more deeply and inclusively engage our community in decisions that affect their lives and livelihoods as well as ground civic dialogue in civility and kindness.
- **INNOVATE OUR SYSTEMS, STRUCTURES & PROCESSES**
Set the City and community up for sustained success through process and structure improvements and optimization.
- **ENVISION OUR SUSTAINABLE FUTURE AND DELIVER OUR PRIORITY INITIATIVES**
Deliver the 2025-2045 Comprehensive Plan and associated priorities to catalyze a financially, socially, and environmentally sustainable future.
- **DELIVER THE BASICS**
Provide consistent critical operations, ongoing statutory responsibilities, and core City functions.

Associated funding in the 2025 budget has been given to specific budgeted items. Staff time for many of the projects is a key component to successful completion. A summary of the City's 2025 strategic workplan is included as part of the 2025 Budget Book.

AFFORDABLE HOUSING

Affordable Housing is a key priority for 2025 and beyond. The City continues its work to support efforts for affordable and attainable housing in the city and region. The City has made significant contributions to housing in a variety of ways. Some key examples of these contributions are:

- Implementation of a Sales & Use Tax for Affordable and Supportive Housing (Substitute House Bill 1406) in the 4th quarter of 2020. This tax is a tax credit against the state portion of our City sales tax and did not increase the total amount of retail sales tax. *Investment of approximately \$21,000 per year; cumulative total of \$91,000 through 2024.*

- Fee deferrals for housing providers for certain permit fees and system development charges. Providers include Habitat for Humanity, Peninsula Housing, Olympic Housing Trust, Olympic Community Action Program and Bayside Housing & Services. *Total investment from 2011-2024 of \$813,610.*
- The City obtained a Connecting Housing through Infrastructure Program grant from Department of Commerce to reimburse City utility enterprise funds with \$58,055 for the Olympic Housing Trust Dundee Hill utility connections and System Development Charge fee deferrals.
- Investment of approximately \$62,000 annually for debt service payment with a total commitment over a 20-year period of \$1,324,125 for total principal and interest payments.
- The City obtained a grant from the Department of Commerce in 2021 to acquire property that will be earmarked for affordable housing – *Grant provided investment of \$1,375,000 for the property purchase. Fourteen acres was acquired for the Evans Vista Neighborhood.*
- The City obtained a grant from the Department of Commerce in 2021 to build utility infrastructure to support affordable housing – *Grant provides investment of \$1,700,000 for the extension of utilities to lower the cost of building affordable housing.*
- The City obtained a Middle Housing grant from the Department of Commerce in 2023 to develop middle housing policies and codes—Grant provides \$50,000.
- The City obtained a Paper to Digital grant from the Department of Commerce in 2024 to transition land use permit for housing to digital in an effort to streamline the housing pipeline—Grant provides \$60,000.
- The City secured \$500,000 in 2022 to Master Plan the Evans Vista neighborhood from the Jefferson County American Rescue Plan Act funds and completed a Master Plan and Pro Forma in 2023. In 2025, the City will draft and market a RFP for development with \$115,000 general fund investment, along with 1x personnel increase for a housing grants coordinator over a 2-year term.
- In March and September 2024, the City initiated an interim parking ordinance to remove minimum parking requirements for new development to reduce over-parking, impervious surfaces, and housing construction costs (Ordinance 3339).

The City Council has also made legislative changes related to housing including:

- Adopted a package of code updates, The “Tactical Infill Housing Code Update” with \$50,000 investment, which included:
 - Allowing two ADUs per residence, allowed Tiny Houses on Wheels to be used as ADUs.
 - Eliminated barrier design requirements for cottage housing.
 - Reducing parking for duplex/triplex/fourplex. Relaxed parking for multifamily in mixed use.

- Creating new unit lot subdivision (ULS) tool to enable attached housing to be built on zero lot line and conveyed fee simple.
- Allowing ULS for cottage housing, attached fee simple housing, and Tiny House on Wheel Communities.
- Allowing employer-provided housing in certain zones to enable housing in zones where it is otherwise prohibited. (Ordinance 3306, 2023)

Much of this work was made possible through a 2-year American Rescue Plan Act allocation for a Long-Range Planner and a Professional Services Budget for code amendments.

- Adopted 2023 Annual Comprehensive Plan Updates (Ordinances 3322 and 3323), which included:
 - Permitting greater maximum housing density in the R-IV High Density Multifamily, C-I/MU Neighborhood Serving Mixed Use, Center C-II/MU Community Serving Mixed Use Center, and M/C(S) Mixed Light Manufacturing and Commercial Rainier Subarea zones.
 - Permitting higher building height in the C-I/MU, C-II/MU, and M/C(S) zones.
 - Specifying that height restrictions apply to habitable space, not rooftop appurtenances such as elevator towers or water towers. The previous height definition had limited the amount of habitable space since developers were constrained by the height of appurtenances that are necessary for taller buildings, such as elevators.
 - Permitting greater lot coverage in the R-IV, C-I/MU, C-II/MU, and M/C(S) zones.
 - Permitting a mixture of vertical and horizontal uses in the mixed-use zones.
 - Replacing Building Frontage with Minimum Commercial Space and Clear Ceiling Height Requirements in the mixed-use zones. This allows more flexibility in how mixed-use spaces are developed while still preserving the ability to rent commercial space.
 - Altering floor area ratio (FAR) requirements in the mixed-use zones and M/C(S) zone to encourage greater housing density.
 - Removing minimum lot size requirement in the M/C(S) zone.
 - Reducing the minimum lot width required for townhouses/rowhouses in the M/C(S) zone.
 - Allowing projects in the R-IV, C-I/MU, C-II/MU, and M/C(S), to substitute one developed on-street parking space for three developed off-street parking spaces. This preserves more land within lots for the development of housing, commercial space, or other non-parking amenities. It also encourages the development of the right of way.

The City also worked in partnership with Jefferson County through our Interlocal Agreement to support affordable housing and homeless housing programs. The Housing Fund Board builds on collaborative efforts from the previous Joint Oversight Board and Housing Task Force to create a budget and plan for the use of collective affordable housing funds like the aforementioned Sales and Use Tax as well as other local-authority

funding. This effort aims at greater participation by elected officials and greater transparency in the granting process for a more successful and coordinated program.

The City continues to explore additional strategies to promote affordable housing. Grant awards totaling \$1.13 million for 2024 and 2025 expenditure, with \$501,141 estimated revenues for 2025 to support code and policy updates that will enhance and streamline housing. These grants will include considerable community engagement on how to holistically address housing and quality of life in Port Townsend. These grants include the 2025 Comprehensive Plan Periodic Update, active transportation and climate resiliency, shoreline periodic update, middle housing, paper to digital permitting, and urban forestry plan and tree ordinance amendment.

Grant program public outreach activities and deliverables to date on housing included:

1. Middle Housing Gap Memo Draft
2. Middle Housing Focus Group
3. Housing Needs Assessment Draft
4. Comprehensive Plan Open House May 2024
5. Comprehensive Plan Storefront Studio Sessions July 2024
6. Comprehensive Plan Scenarios Workshop October 2024
7. Briefings with City Council, Planning Commission, Parks, Recreation, Trees and Trails, Housing Fund Board, and Climate Action Committee
8. Golf Park outreach booth
9. Elementary and High School classroom presentations
10. Workplace worker meet-up's (Port of Port Townsend September 2024)
11. Farmers Market Comprehensive Plan Booth (June-September 2024)
12. Active Transportation Stakeholder Subcommittee
13. Land Capacity Analysis
14. Open Space Subcommittee
15. Rotary Club presentation
16. Multiple public surveys: Planning Priorities Poll, Active Transportation survey, Vision Swap

KEY REVENUE ASSUMPTIONS

The City's Property Tax Levy for 2025 is proposed at \$4,084,500, which includes the allowable statutory increase of 1.0% plus an adjustment for the value of new construction and refunds. The 1% statutory increase is budgeted at \$12,190 for the Library levy and \$25,989 for the general fund for 2025. New construction in the city is estimated at \$47 million. 2024 Assessed values for 2025 taxes are estimated at \$2,990,339,293. The General Levy is allocated via internal transfers to Public Safety & General Services, Community Services (Parks, Trails, Facilities), Affordable Housing initiatives, Debt Service and Fireman's Pension. The Library Lid Lift component of the levy is budgeted at \$1,259,500 and is available to be used for library operations.

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.

The City had \$908,724 of banked levy capacity related to the annexation of City fire services into the East Jefferson Fire District service area. The City Council adopted a post-annexation policy which allowed the City to levy the banked capacity incrementally over a 3-year period.

- In 2020, the City Council adopted post-annexation policy allowing the City to levy the first 33% of the banked capacity. Due to the economic conditions during the pandemic, the Council chose not to levy the banked capacity in 2020 for 2021 taxes.
- In 2021, the City Council adopted post-annexation policy allowed the City to levy 66%, or \$602,610 of the banked capacity in 2021 for 2022 taxes.
- In 2022, the City Council adopted post-annexation policy that would allow the City to levy the remaining 34%, or \$306,114 of this banked capacity in 2022 for 2023 taxes.

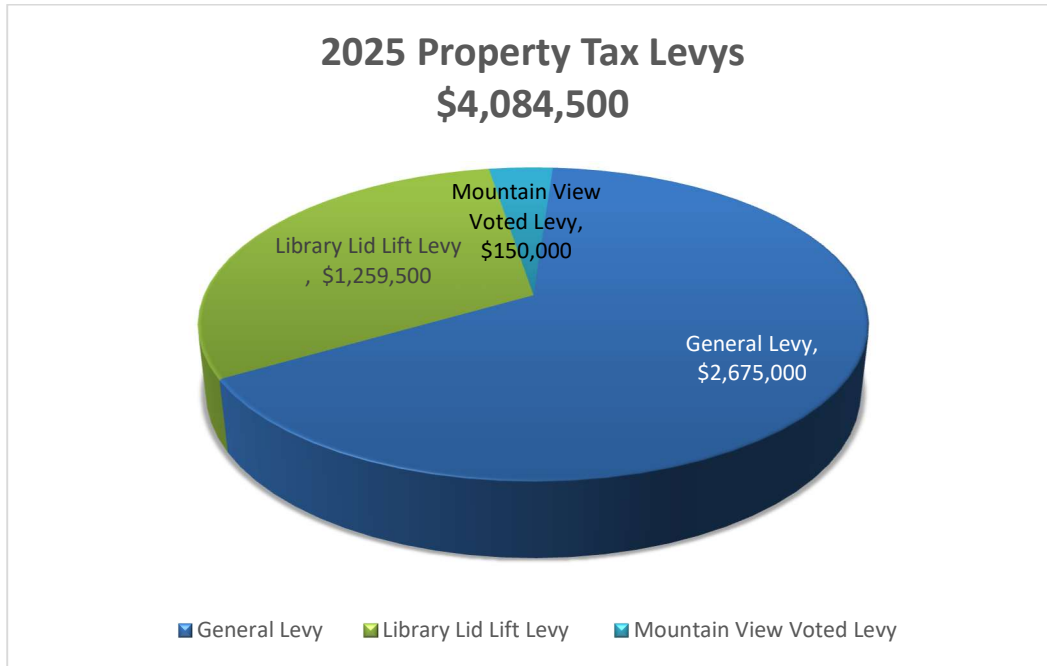
The 2022 and 2023 allocations of banked capacity funds for specific projects will be fully expended by the end of 2025. These projects are included in the Capital Improvement Project section of the budget book.

The post-annexation policy restricted the use of these funds from 2020 through 2023 for specific uses. The restricted banked capacity funds from both the 2022 and 2023 property taxes have been set aside for specific purpose as outlined in the post-annexation policy. As per the policy and agreement, funds are unrestricted beginning in 2024.

The 2024 budget did not allocate funds specifically for projects and instead was included in the General Fund budget as part of the property tax levy. Increases in general fund expenses and streets have put banked capacity funds to work for the benefit of the community. For example, since 2020, the street fund budget has increased by approximately \$600,000.

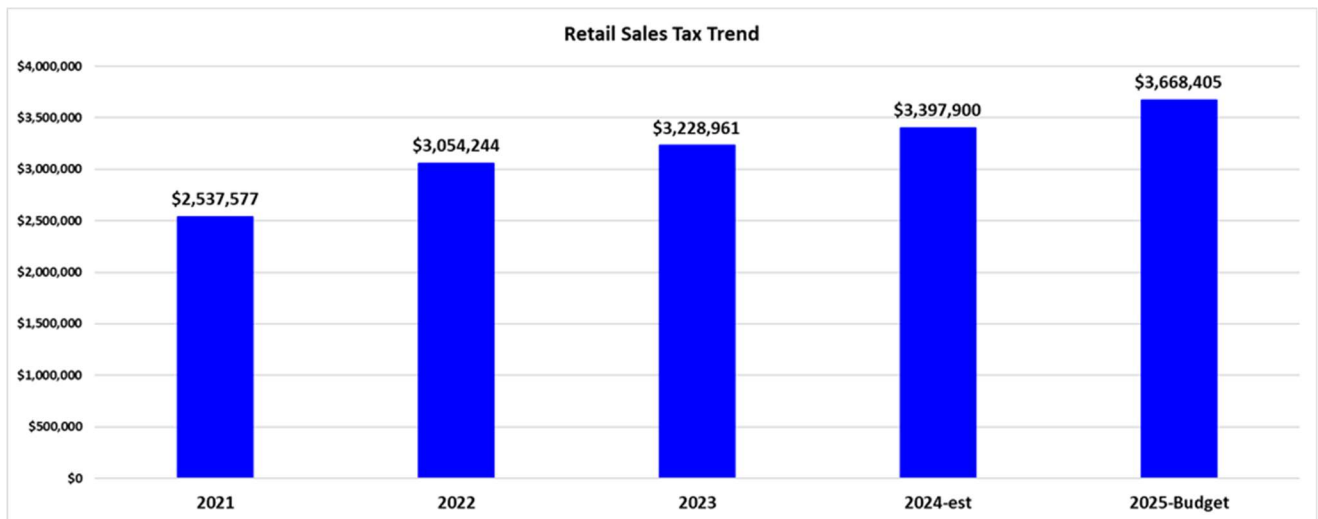
Additional details are provided in the Capital Improvement Projects section of the budget book.

Below is a chart showing the distribution of property taxes:

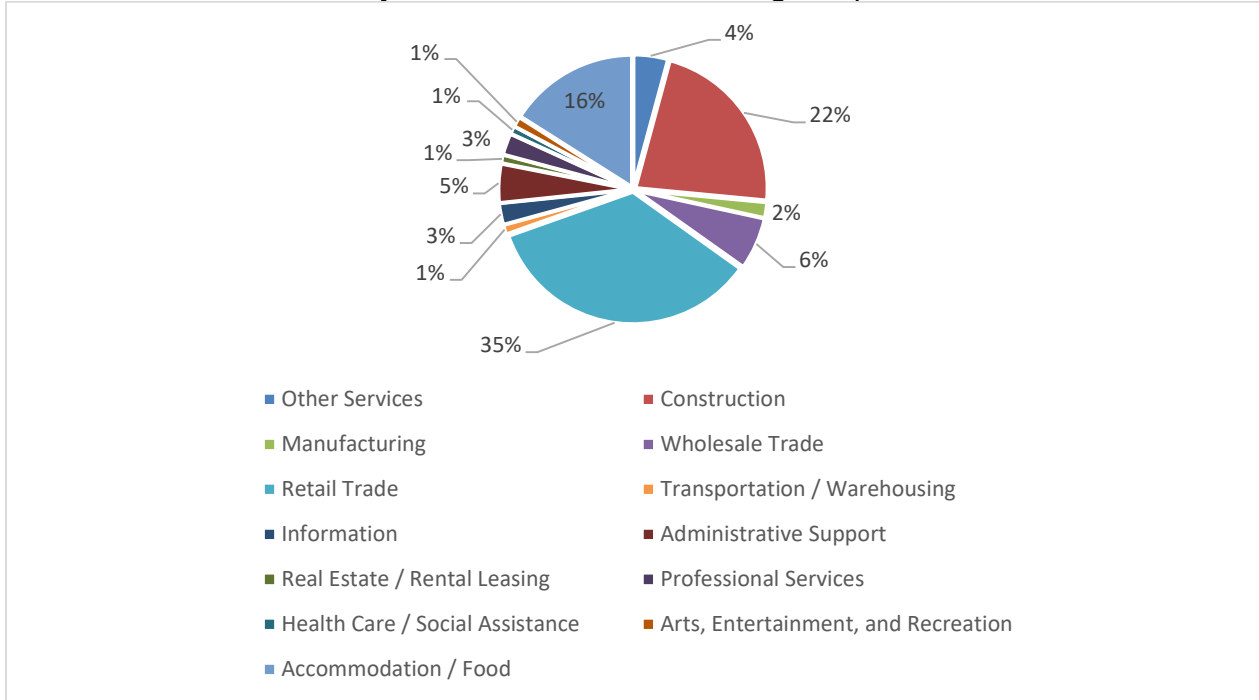


Retail Sales Taxes in 2025 are projected to come in at 12% above the 2024 adopted budget. A year-over-year comparison for the year-to-date period through September of sales tax data indicates that all sectors showed improvement in 2024 as compared to 2023. In 2025 the City’s budget anticipates sales tax to remain on track with the 2024 actual estimates.

Below is a chart demonstrating the trend of retail sales taxes over the last five years showing the forecasted growth experienced in 2024 with the expectation to maintain for 2025.

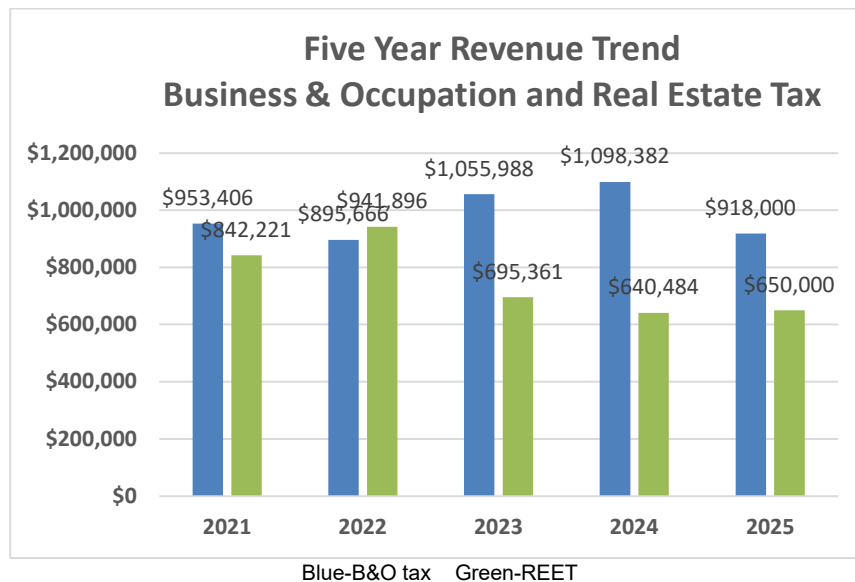


Retail sector as a % 2024 year-to-date Revenue through September.



Business & Occupation Taxes are projected to be above the budgeted amount of \$900,000 by 22% for 2024. The 2025 amount is forecast to decrease by nearly 16% to \$918,000.

Real Estate Excise Taxes (REET) 2025 REET revenues are budgeted at \$650,000 based on the 2024 trends. It is difficult to forecast when large commercial properties or large dollar home sales will occur, which can disproportionately distort this revenue source. These funds are restricted to capital improvements or debt service, which reduces the City’s reliance on general fund dollars to make up City matching project Funds.



Utility Tax revenues in the proposed 2025 budget are based on all City water, sewer, storm water and garbage services. The City imposes an 18% tax on the revenues of the City's storm and surface water, water system and sewer utilities. The City also imposes a 22% utility tax on the revenues of the City's solid waste utility. The 2025 budget is forecasted based on the continuation of the tax.

Total public utility tax forecasted for 2025 is \$3,078,786 and is intended to support all the general services of the City.

Garbage service is required within the City. Garbage utility tax is slated to increase at the monthly service rate increase of approximately 3% (contracted CPI adjustment), or \$562,000.

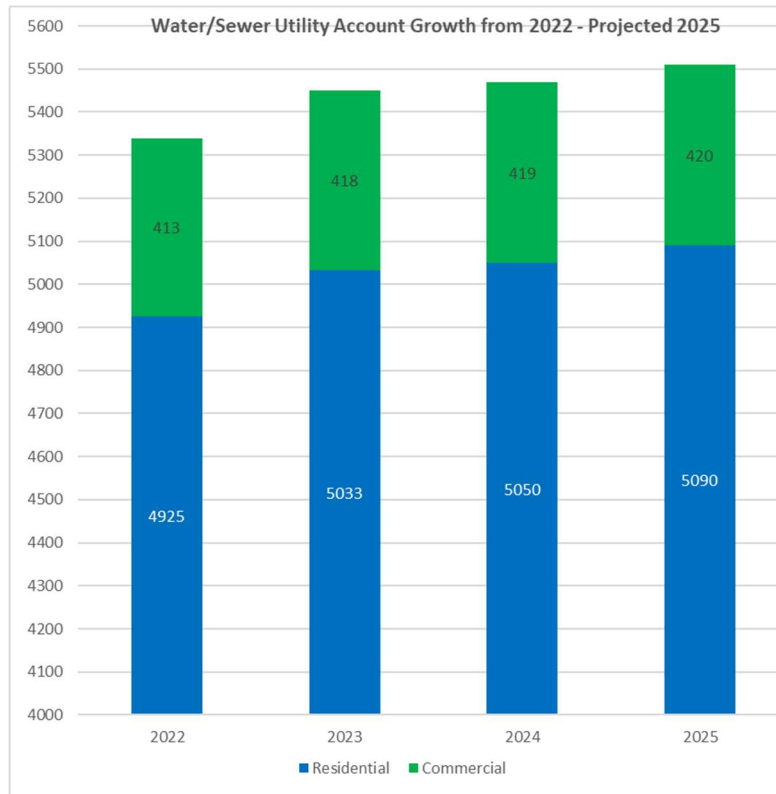
Private utility tax rates are 6% of the private utility revenue. The 2024 telephone and electric private utility taxes are estimated to be \$928,200.

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 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 2024 listed by the Office of Financial Management as 10,530. 2025 projected state shared revenue is \$412,175.

Overhead Cost Recovery is projected to decrease by approximately \$24,500, or 1.5% in 2025. The decrease is the result of several factors that are inputs in the City's adopted overhead cost recovery model. The allocation model looks back two years to recover overhead costs occurring in 2022 for 2024. The slow growth revenue in 2024 is primarily the result of allocating less overhead to the Streets, Water, Sewer, and Community Funds due to increased property valuations, increasing costs of services and Council agenda bills in those funds.

Utility Revenues (Water, Sewer and Stormwater) are budgeted at the adopted rate increases outlined in the rate tables in Ordinance 3332. The City uses utility rate models provided by FCS Consulting Group to analyze whether our utility rates fully support capital infrastructure and operations of water, sewer, and stormwater. A sewer and stormwater rate study was completed in early 2024 with new utility rates effective April 1, 2024.

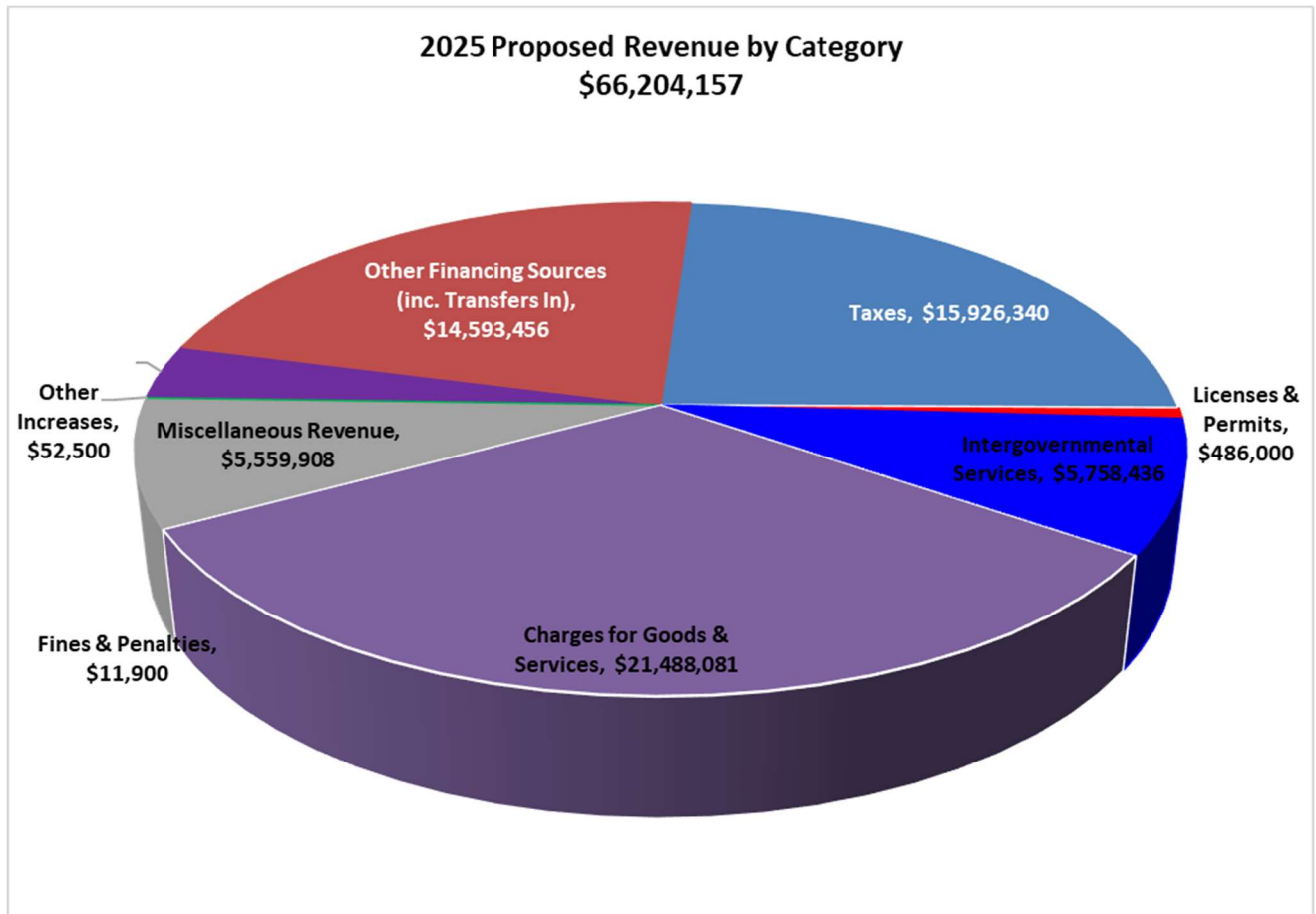
In 2025, the City is projected to have a total of 5,090 water/sewer accounts with 420, or 7.6%, of those projected to be commercial accounts. Below is a chart demonstrating the growth in commercial and residential water/sewer accounts from 2021 through projected 2025:



A rate study was completed in 2024 and the water, sewer, and stormwater rate model projects revenues for 2025 at \$4,206,692, \$4,915,034, and 1,611,205 respectively. Total water/sewer/stormwater revenue is forecasted to be \$12,633,586 as compared to \$11,408,201 in 2024, or a 10.7% increase. As noted earlier, this represents scheduled rate increases in ordinance 3332, and 1% account growth. Raw water sales are made to both the City and the Paper Mill. The OGWS fund expects raw water sales to total \$5,204,771 in 2025 to fund the operations of the system and capital sinking fund.

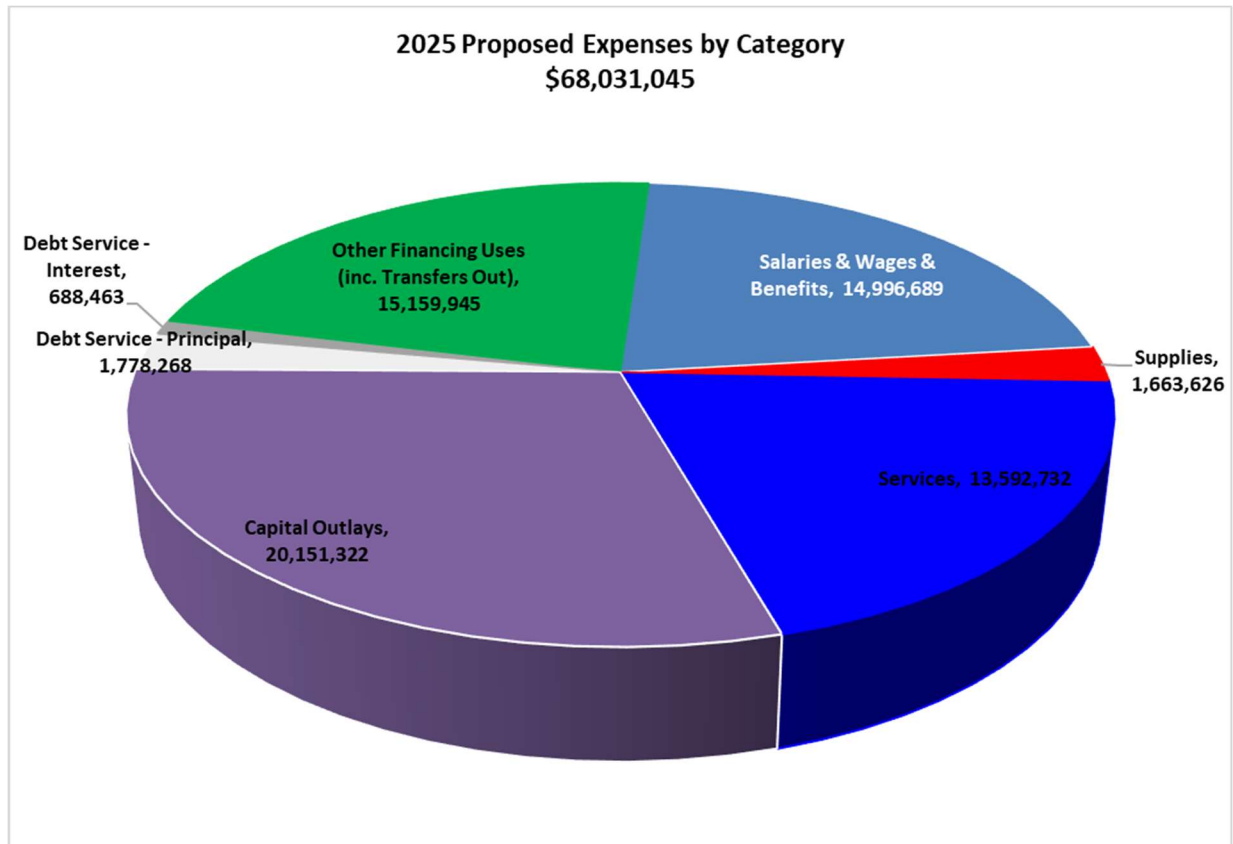
Capital Revenues provide substantial funding for general government, street and utility projects through state and federal grants, Public Works Board, and Department of Ecology loan proceeds. A smaller amount of capital funding may be administered with inter-fund loans, transfers, bank lines of credit or other debt financing. Additional details regarding capital projects are provided later in the budget document.

Total Revenues budgeted for 2025 are \$66,204,157 and include all anticipated revenue for capital funding, operating funding, and fiduciary funds.



KEY EXPENDITURE ASSUMPTIONS

Total Expenditures budgeted for 2025 are \$68,031,045 and include all operating fund appropriations in addition to water, sewer, general and street capital funds.



Labor

Personnel Wages & Benefits represent a significant portion of the City’s operating expenses at \$14,966,689 or 22% of proposed operating costs. Removing internal transfers and debt service from operating costs, staffing is 31% 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. A salary survey was conducted in 2023 which has resulted in an updated compensation policy for non-represented employees. Recruitment of key positions will continue to be a challenge in 2025 due to a competitive labor market and housing affordability and availability.

Elected position salary and health benefits – City Council Member salaries will increase based on the compensation study that was completed in the fall of 2021 by an independent salary commission. Council wages increased in 2024, additional increases will happen in 2026 and 2028. Additional details can be found in the staffing section. City Council Members are eligible to enroll in health benefits as part of the elected position group. Coverage is dependent on group participation, with minimum requirements for the group plan.

For non-elected positions, the 2025 budget proposes an increase of 4 positions. There is a total of 113.6 Full Time Equivalent (FTE) positions in the 2025 budget. New budgeted positions include Community Services Director, Arts and Culture Coordinator, Water Maintenance Worker, Streets Operator, and Parks Maintenance Worker. The positions are outlined by departments in the chart below:

CITY OF PORT TOWNSEND - AUTHORIZED POSITIONS *						
Department/Division	2021	2022	2023	2024	2025	2025 Increase
General Government						
City Manager	1.0	1.0	1.0	1.0	1.0	0.00
City Attorney	2.0	2.0	2.0	2.0	2.0	0.00
Communications & Marketing			1.0	1.0	1.0	0.00
Planning & Community Development	8.0	8.5	9.5	10.0	11.0	0.00
Finance, UB, PRR	9.0	9.0	9.0	9.8	11.0	0.00
Police Admin & Operations	18.6	20.1	22.1	22.3	20.0	0.00
City Clerk/Human Resources	3.6	4.0	5.0	4.8	3.5	0.00
Street	1.7	1.7	1.7	1.9	2.7	0.50
ERR - Fleet & IT	3.0	3.0	3.0	4.0	4.0	0.00
Total General Government	46.9	49.3	54.3	56.8	56.2	0.50
Community Services						
Comm Svcs Administration	0.0	0.0	0.0	0.0	0.7	0.67
Arts & Culture	0.0	0.0	0.0	0.0	1.0	1.00
Facilities	3.5	3.5	3.5	5.5	4.9	0.00
Parks Maintenance & Recreation	3.5	4.2	4.2	4.5	5.5	1.00
Pool	4.0	0.0	0.0	0.0	0.0	0.00
Library	8.9	8.9	8.9	8.9	8.0	-0.67
Total Community Services	19.9	16.6	16.6	18.9	20.0	2.00
Public Works & Utilities (excl UB)						
Public Works Administration	2.5	2.5	2.5	3.5	2.5	0.0
Public Works Engineering	5.9	6.5	6.5	6.5	8.5	0.0
Utilities						
Water Distribution	5.0	5.0	5.0	5.0	7.8	1.0
Water Quality & Resource	4.0	4.0	4.0	4.0	3.5	0.0
Wastewater Collection	2.2	2.2	2.2	2.6	3.4	0.5
Wastewater Treatment	3.5	3.5	3.5	5.0	4.4	0.0
Biosolids	2.5	2.5	2.5	3.0	3.0	0.0
Stormwater	3.1	3.1	3.1	3.8	4.3	0.0
Total Public Works & Utilities	28.7	29.3	29.3	33.4	37.3	1.50
TOTAL CITY FTES	95.5	95.2	100.2	109.1	113.6	4.00
Percentage Change					4.2%	
Positions not currently counted as						
FTES						
	2021	2022	2023	2024	2025	
Mayor/Council	7.0	7.0	7.0	7.0	7.0	
* Total City FTES does not include leave payouts or seasonal positions salaries within the number of FTEs & within the budgeted salaries & benefits amounts.						

The 2025 budget includes 3 Seasonal Staff for Streets maintenance, Parks Maintenance, Stormwater, Water Distribution, and Wastewater Collection. Seasonal staff are typically hired between May and October and are budgeted at an equivalent to 0.50 FTE each.

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 ratified in 2024. Recruiting and retaining officers continues to be a high priority for Port Townsend. The 2025 budget assumes full staffing which includes 16.0 full-time officers.

The General Government Collective Bargaining Unit contract expires December 31, 2024. Negotiations for a new contract are in process at this time. Wage increases for this bargaining unit are not included and will be considered as part of a future budget supplement.

A salary survey was conducted in 2023 and all positions are placed in Grade Ranges based on current market data. A full list of authorized positions along with the position classification salary schedule, and more detailed budget assumptions 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. Teamsters Local 589 benefit plan, covers both the Police and General Government union employees. Association of Washington Cities (AWC) provides benefits to non-represented employees.

Retirement contributions for most employees (PERS) are funded at 9.11% of eligible employee wages. The PERS contribution increased in September 2024. Police officers are covered by the LEOFF retirement system at a rate of 5.32% of eligible employee wages. This participation rate is mandated by the Washington State Retirement System. Employees also have the choice of enrolling in either the MissionSquare (formerly ICMA) or Washington State deferred compensation program which is not employer funded.

Washington State minimum wage increases in 2025 to \$16.66 per hour, which is a \$0.38 per hour, or 2.35%, increase. This increase impacts seasonal wage rates and entry level library staff. Additionally, the increase impacts higher level position through wage compression. Wage compression occurs when pay adjustments regardless of experience, skills or seniority increase the base wage and bring those wages closer to the wages of more senior, experienced, skilled positions. The Director of People & Performance will continue to monitor the impact of minimum wage adjustments on all City positions.

2025 CAPITAL PROJECTS

The 2025 budget has a variety of capital projects that add new infrastructure investment and improve aging infrastructure. A breakdown of planned projects is listed in the Capital Project section of the budget.

City of Port Townsend General Fund Budget Detail and Summary

City of Port Townsend GENERAL FUND BUDGET SUMMARY

General Fund	2022	2023	2024	2024	2025	Increase/Decrease 2025 Proposed vs 2024 Budget
	Actual	Actual	Actual	Budget	Proposed	
Beginning Fund Balance	5,311,932	6,905,588	6,554,219	6,554,219	4,954,075	
Revenues						
Taxes	9,019,078	10,804,663	9,627,535	10,786,698	11,769,552	9.1%
Licenses & Permits	638,236	521,806	451,481	496,500	486,000	-2.1%
Intergovernmental Services	1,841,711	476,915	531,804	1,268,657	896,378	-29.3%
Charges for Goods & Services	2,055,288	2,245,457	1,736,743	2,358,475	2,347,084	-0.5%
Fines & Penalties	2,474	3,877	3,734	9,900	11,900	20.2%
Miscellaneous Revenue	206,956	404,609	322,731	306,781	378,997	23.5%
Other Increases	20,841	390	500	35,000	35,000	0.0%
Other Financing Sources (inc. Transfers In)	142,735	105,462	-	305,000	161,000	-47.2%
Total Revenue	13,927,319	14,563,178.82	12,674,529	15,567,011	16,085,911	3.3%
Expenditures						
Salaries & Wages & Benefits	4,508,624	5,232,921	4,553,506	6,647,404	6,841,374	2.9%
Supplies	85,736	91,507	87,817	208,400	183,156	-12.1%
Services	2,346,578	2,977,112	3,567,572	5,059,299	4,231,000	-16.4%
Capital Outlays	177,785	287,213	181,797	199,650	134,000	-32.9%
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	5,214,941	6,325,795	5,883,981	5,905,089	5,701,703	-3.4%
Total Expenditure	12,333,664	14,914,548	14,274,672	18,019,842	17,091,233	-5.2%
Net Change in Fund Balance	1,593,656	(351,369)	(1,600,144)	(2,452,831)	(1,005,322)	-59.0%
Ending Fund Balance	6,905,588	6,554,219	4,954,075	4,101,388	3,948,753	
Fund Bal. 8-15 % of Revenue	49.6%	45.0%	39.1%	26.3%	24.5%	MEETS POLICY
General Fund - Expenditures by Department						
Mayor & Council	122,362	136,662	169,565	291,434	237,581	-18.5%
City Manager	369,151	312,247	273,461	329,518	357,377	8.5%
City Attorney	483,504	647,013	654,887	826,288	762,723	-7.7%
Communications	-	40,000	40,000	75,000	187,736	150.3%
Human Resources	340,690	367,008	398,217	519,562	495,865	-4.6%
Planning & Development Services	1,108,492	1,257,465	1,308,201	2,510,217	2,140,316	-14.7%
Finance Department	465,764	594,106	847,010	1,090,846	1,055,130	-3.3%
Police Administration	552,993	943,289	1,035,890	1,360,288	1,219,402	-10.4%
Police Operations	2,791,357	3,061,826	2,386,899	3,731,219	3,753,359	0.6%
Police Training	21,073	15,181	10,355	41,750	44,100	5.6%
City Clerk	294,896	424,890	311,610	415,503	254,588	-38.7%
Contracts & Intergovernmental	663,083	884,767	923,901	984,339	978,843	-0.6%
PEG Access	1,716	3,211	1,905	9,000	2,000	-77.8%
Non-Departmental (inc. Transfers Out)	5,118,584	6,226,882	5,912,771	5,909,878	5,602,213	-5.2%
Total Expenditures	12,333,664	14,914,548	14,274,672	18,094,842	17,091,233	-5.5%

Mayor & Council

Goal Statement:

To provide strategic decision-making and policy direction as elected leaders and positive change-makers for the community they represent and serve, clearly understood and operationalized by City staff.

2025 Key Goal:

- Mayor and City Council are equipped with the training, tools, and technical know-how to do their jobs well on behalf of the community they serve.

2025 Work Plan:

- Invest in our people – build and nurture the capacity of... Councilmembers and partnerships and provide them the toolsets, skillsets, and mindsets to achieve more together.
- Engage our community – nurture civil civic dialogue, effective provision of information, and a more productive, active, and positive partnership with our community.
- Envision our sustainable future and deliver our priority initiatives – deliver the Comprehensive Plan and associated priorities to catalyze a financially, socially, and environmentally sustainable future.

City Manager

Goal Statement:

To deliver integrated, strategic, and sustainable value from the City organization to the community by operationalizing City Council policy direction, developing and leveraging partnerships, enhancing staff and team performance, providing clear direction, nurturing deep community participation and engagement, and ensuring continuous delivery of quality services.

2025 Key Goal:

- Organization aligns short and long-term decision-making with the foundational work of the Financial Sustainability Initiative, nurturing a collaborative and can-do organizational culture, and bringing strategy and synergy to the City’s work and our success in partnering and stewarding our collective future with the community we serve.

2025 Work Plan:

- Integration of core strategic workplan pillars like invest in our people, engage our community, and innovate our systems as the “how” to more effectively deliver the “what” of the Comprehensive Plan and associated initiatives, and aligning with the “why” of fiscal, social, and environmental sustainability for a better and more equitable community.

City Attorney

Goal Statement:

To ensure the City’s compliance with regulatory and legal requirements, including the open public meetings act, the public records act, and bidding requirements; to provide clear and direct legal advice and risk management services; and to support the other City departments in completing their priorities.

2025 Key Goal:

- Effective stewardship and resolution of litigation.

2025 Work Plan:

- Support other departments in work plan items, particularly land-use, Comprehensive Plan, and public works-related priorities and well as providing public records support and guidance.

Communications

Goal Statement:

Ensure our community is deeply engaged in decisions that affect their lives and livelihoods, and ensure our teams are supported and aligned in our strategies for engagement.

2025 Key Goals:

- Refine and stabilize systems for aligned communications across City channels.
- Build lasting relationships and trust for our internal teams and community, including support for staff engagement and facilitating strong community partnerships.
- Facilitate kindness & connectivity in community dialogue and welcome diverse viewpoints.
- Support public education around the City's work with a focus on financial sustainability.

2025 Work Plan:

- Refresh the City website and increase accessibility tools, including building a library of people-centered creative assets.
- Broaden the reach of our print and digital newsletters and address barriers to access.
- Collect, analyze, and utilize data on engagement across our channels.
- Define roles and train PELs for sustainable contributions to communications and marketing.
- Broaden our relationships with media & partner organizations and develop new pathways for city communications and educational materials.
- Work with Department staff and Advisory Boards to initiate and continue targeted and forward-thinking outreach on policy and projects.

People & Performance/Human Resources and City Clerk

Goal Statement:

To recruit, develop, and retain a high-performing and diverse workforce, to assist in providing accessibility and transparency in effective public meetings and contracting, and to create and support a culture of growth and development, accountability, engagement, productivity, and effective communication.

2025 Key Goal:

- Attract and hire qualified candidates.
- Reduce employee turnover and maintain a high level of employee engagement.
- Provide opportunities for continuous learning and professional growth.
- Improve staff engagement and job satisfaction.

2025 Work Plan:

- Develop programs to recognize and reward employee performance.
- Launch engagement survey, evaluate and analyze results, and incorporate suggestions for improving employee engagement.
- Identify skill or development gaps and develop training programs to address them.
- Update employee policies and programs to ensure best practices are in place.

Planning & Development Services

Goal Statement:

To steward the public engagement and community visioning process with Planning Commission and City Council to update the Comprehensive Plan in such a way that ensures equity, sustainability, and consistent implementation. Administer and enforce provisions of building, zoning, land division, environmental protection, streets, and relevant utility codes to ensure compliance with the Comprehensive Plan, state, federal and other city statutes.

2025 Key Goal:

- Initiate and complete Phase II of the 2025 Comprehensive Plan Periodic Review process to update elements and implementation actions for the plan with additional appendices including an Urban Forestry Plan, Housing Needs Assessment as well as an update to the Active Transportation Plan. Prepare proposed development regulation amendments for 2025 adoption to implement the new Comprehensive Plan and ensure consistency with newly adopted state laws such as those pertaining to design review, meeting housing forecast for various income groups, ADU's, and permitting timelines.
- Streamline the process of adding housing units to the development pipeline with policy, regulatory, and procedural improvements.
- Complete the Shoreline Master Program update with focus on climate resilience goals, policies, and implementation for the downtown Water walk to provide public access and sea level rise protection.
- Update Critical Areas Ordinance according to Best Available Science.
- Use state grant funding through HB 5290 to final e-permitting enhancements to support customer stakeholders and construction/housing data analysis reporting. Use grant funds to complete informative videos on how to avoid frequent permit application mistakes.
- Hire Housing Coordinator to assist with Evans Vista marketing, proposal evaluation, and construction agreements.
- Execute development agreement for Evans Vista.
- Hold public hearing on Evans Vista subdivision and issue permitting decision.
- Conduct public outreach and begin drafting Urban Forestry Plan and tree conservation ordinance amendments with USDA IRA grant funds.
- Initiate annual fire life safety inspections for commercial and multifamily occupancies in concert with East Jefferson Fire Rescue

2025 Work Plan:

- Continue to develop, implement, and refine code and Comprehensive Plan changes to help unlock and inspire affordable, dense, quality infill development.
- Implement the community's vision for Evans Vista neighborhood and deliver infrastructure to make it development ready.
- Develop and market RFP for Evans Vista phased development.
- Develop an open space plan including 2025 Comprehensive Plan update assessment of buildable lands inventory/land capacity analysis.
- Revisit Tree Conservation Ordinance for private property and tree retention policies for right of way.
- Complete Shoreline Master Program and Critical Area Ordinance updates.
- Develop strategic plan for housing, including housing assessment and inventory.

Finance Department

Goal Statement:

Provide required and desired financial reporting and practices, steward preparation and collective oversight of balanced funds and budgets needs to ensure the success of all departmental and organizational activities.

2025 Key Goal:

- Work closely with the City Council and City Leadership to deliver Council actions from Financial Sustainability Initiative.

2025 Work Plan:

- Address streets, parks, facilities funding needs and prioritize investments, considering future year priorities and phased investments.
- Revise budget schedule, process and reporting through improved processes and integrated software.

Police Department

Goal Statement:

To work in partnership with our community to provide a safe and compassionate environment while reducing crime and the fear of crime.

2025 Key Goal:

- Become fully staffed using innovative recruiting and retention strategies.
- Train and equip officers so they can provide the best possible service to the community while maintaining a high level of morale.
- Partner with the community to build trust while solving crime and reducing the fear of crime.
- Hold officers to the highest standards through the use of policing best practices.

2025 Work Plan:

- Sustainable staffing for Police Team
- Path to Accreditation
- Strategic Planning
- Chief's Cabinet/Advisory Forum

**City of Port Townsend
CONTINGENCY FUND
RAINY DAY FUND
BUDGET SUMMARY**

Contingency Fund	2022	2023	2024	2024	2025	Increase/Decrease
Rainy Day Fund	Actual	Actual	Actual	Budget	Proposed	2025 Proposed vs 2024 Budget
Beginning Fund Balance	200,828	202,060	202,965	202,965	254,579	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	1,232	904	6,615	-	13,000	
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	-	-	45,000	45,000	55,000	22.2%
Total Revenue	1,232	904	51,615	45,000	68,000	51.1%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	-	-	-	-	-	
Capital Outlays	-	-	-	-	-	
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	
Net Change in Fund Balance	1,232	904	51,615	45,000	68,000	51.1%
Ending Fund Balance	202,060	202,965	254,579	247,965	322,579	
<i>Fund Balance must be less than</i>						
<i>Assessed Valuation:</i>					2,806,305,510	
<i>37.5 cents per \$1,000</i>					1,052,365	MEETS RCW
Fund Balance 2% of GF Rev	1.5%	1.4%	1.7%	2.0%	2.0%	MEETS POLICY

**City of Port Townsend
ARPA American Rescue Plan Act Fund
BUDGET SUMMARY**

ARPA	2022 Actual	2023 Actual	2024 Actual	2024 Budget	2025 Proposed	Increase/Decrease 2025 Proposed vs 2024 Budget
Beginning Fund Balance	-	2,299,505	1,718,771	1,718,771	265,000	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	-	40,883	24,115	25,000	-	-100.0%
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	<u>2,755,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Revenue	2,755,388	40,883	24,115	25,000	-	-100.0%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	-	-	-	-	-	
Capital Outlays	-	-	-	-	-	
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	<u>455,883</u>	<u>621,617</u>	<u>25,499</u>	<u>1,500,000</u>	<u>265,000</u>	-82.3%
Total Expenditure	455,883	621,617	25,499	1,500,000	265,000	-82.3%
Net Change in Fund Balance	2,299,505	(580,734)	(1,384)	(1,475,000)	(265,000)	-82.0%
Ending Fund Balance	2,299,505	1,718,771	1,717,387	243,771	0	
Sufficient to Meet Obligations	16.5%	11.8%	11.8%	1.9%	0.0%	MEETS POLICY

City of Port Townsend Library Fund Budget Detail and Summary

City of Port Townsend LIBRARY FUND BUDGET SUMMARY

Library Fund	2022 Actual	2023 Actual	2024 Actual	2024 Budget	2025 Proposed	Increase/Decrease 2025 Proposed vs 2024 Budget
Beginning Fund Balance	523,690	610,946	644,959	644,959	605,635	
Revenues						
Taxes	1,155,744	1,185,069	892,528	1,229,005	1,259,500	2.5%
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	8,233	-	-	-	
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	1,135	1,099	1,199	-	-	
Miscellaneous Revenue	9,849	26,044	55,201	33,700	96,500	186.4%
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	-	-	-	-	-	
Total Revenue	1,166,728	1,220,445	948,929	1,262,705	1,356,000	7.4%
Expenditures						
Salaries & Wages & Benefits	614,872	683,615	577,138	731,752	675,139	-7.7%
Supplies	100,869	117,116	67,697	93,779	96,736	3.2%
Services	363,117	379,879	343,418	419,902	389,504	-7.2%
Capital Outlays	614	5,823	-	1,000	5,000	400.0%
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	-	-	-	-	65,000	
Total Expenditure	1,079,472	1,186,433	988,253	1,246,433	1,231,379	-1.2%
Net Change in Fund Balance	87,256	34,012	(39,324)	16,272	124,621	665.9%
Ending Fund Balance	610,946	644,959	605,635	661,230	730,256	
Fund Balance 5-8% of Tax Rev.	52.9%	54.4%	67.9%	53.8%	58.0%	MEETS POLICY

Goal Statement:

The City Library's mission is: *Uplifting our community through reading, learning, connection, and creativity.*

Main areas of work:

- Books and material circulation, databases, e-books and e-audiobooks, children's web resources, interlibrary loan
- Programs and events, including youth, teen, and adult programming.
- Staff response to patron requests and associated services
- Building strong relationships with community partners to deliver strong social and emotional infrastructure to the community.
- Access to technology
- Access to services, collections, and spaces with diversity, equity, and inclusion being paramount to library work

Link to library's strategic plan:

https://ptpubliclibrary.org/sites/default/files/fileattachments/library/page/7905/ptpl_strategic_plan_2021-25_updated_for_2024_.pdf

2025 Key Goals:

- We will use our Core Services, partnerships, assets, and resources to continue to advance four Strategic Initiatives designed to help us be the best possible library for the Port Townsend community:
 - Increase equitable access to library offerings to serve all Port Townsend residents and visitors according to their needs, interests, and abilities.
 - Build community as a trusted convener and connector, both within and beyond library walls.
 - Help our Port Townsend community learn, do, create, and share.
 - Make efficient and effective use of local and regional resources.

2025 Work Plan:

- Library Capital Projects: Pink House exterior restoration
- Help further produce "How Your City Works" programs and materials.
- Work through issues with financial sustainability, including options analysis on balancing revenues and levels of service.

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

REET	2022	2023	2024	2024	2025	Increase/Decrease
	Actual	Actual	Actual	Budget	Proposed	2025 Proposed vs 2024 Budget
Beginning Fund Balance	801,111	1,203,130	1,335,631	1,335,631	1,266,011	
Revenues						
Taxes	941,896	695,361	492,539	675,000	650,000	-3.7%
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	6,420	25,209	31,715	20,000	35,000	75.0%
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	-	-	-	-	-	
Total Revenue	948,316	720,570	524,255	695,000	685,000	-1.4%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	-	-	-	-	-	
Capital Outlays	-	-	-	-	-	
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	546,296	588,069	593,875	704,700	897,355	27.3%
Total Expenditure	546,296	588,069	593,875	704,700	897,355	27.3%
			593,875			
Net Change in Fund Balance	402,019	132,501	(69,620)	(9,700)	(212,355)	2089.2%
Ending Fund Balance	1,203,130	1,335,631	1,266,011	1,325,931	1,053,656	
Sufficient to Meet Obligations						MEETS POLICY

City of Port Townsend Lodging Tax Fund Budget Detail and Summary

City of Port Townsend LODGING TAX FUND BUDGET SUMMARY

Lodging Tax	2022	2023	2024	2024	2025	Increase/Decrease 2025 Proposed vs 2024 Budget
	Actual	Actual	Actual	Budget	Proposed	
Beginning Fund Balance	415,629	721,406	1,006,981	1,006,981	1,250,331	
Revenues						
Taxes	602,167	640,736	528,096	525,000	600,000	14.3%
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	3,426	14,960	11,177	10,000	15,000	50.0%
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	-	-	-	-	-	
Total Revenue	605,593	655,696	539,273	535,000	615,000	15.0%
Expenditures						
Salaries & Wages & Benefits	-	30,920	60,878	75,199	83,282	10.7%
Supplies	-	-	-	-	-	
Services	149,641	212,117	116,443	309,918	447,469	44.4%
Capital Outlays	25,175	12,500	14,435	20,000	67,000	235.0%
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	125,000	114,583	104,167	125,000	375,000	200.0%
Total Expenditure	299,816	370,121	295,923	530,117	972,751	83.5%
Net Change in Fund Balance	305,777	285,576	243,350	4,883	(357,751)	-7426.5%
Ending Fund Balance	721,406	1,006,981	1,250,331	1,011,864	892,580	
Sufficient to Meet Obligations						MEETS POLICY

Goal Statement:

Port Townsend Lodging Tax Advisory Committee's (LTAC's) vision of sustainable tourism is to reinvest community resources to enhance the lives of both residents and visitors.

2025 Key Goals:

- Gather and analyze data to use in planning and grant-making decisions.
- Support a balance of infrastructure and marketing investment.
- Build key relationships to further LTAC's vision of sustainable tourism

2025 Work Plan:

- Provide sustainable, long-term support to the Port Townsend Creative District with partial funding for a staff position and programs;
- Continue the Community Marketing Grants program;
- Fund continued operations of a new model for Port Townsend Visitor Information Services including an in-person hub at Fort Worden, a mobile greeter program Downtown, event promotion via our readerboard, a new brand identity, and refreshed website;
- Explore the path forward for a digital readerboard to replace analog readerboard;
- Increase downtown winter lighting;
- Hire consultant for Downtown economic impact study with a focus on tourism and arts and culture;
- Begin planning for Downtown restroom and visitor kiosk project.

**City of Port Townsend
AFFORDABLE HOUSING FUND
BUDGET SUMMARY**

Affordable Housing	2022	2023	2024	2024	2025	Increase/Decrease 2025 Proposed vs 2024 Budget
	Actual	Actual	Actual	Budget	Proposed	
Beginning Fund Balance	87,658	83,535	113,046	113,046	77,556	
Revenues						
Taxes	92,688	21,329	16,013	30,000	18,140	-39.5%
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	375	78	77	-	100	
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	-	70,000	-	65,000	74,656	14.9%
Total Revenue	93,064	91,407	16,090	95,000	92,896	-2.2%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	35,291	-	-	31,000	31,000	0.0%
Capital Outlays	-	-	-	-	-	
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	61,896	61,896	51,580	61,896	61,896	0.0%
Total Expenditure	97,187	61,896	51,580	92,896	92,896	0.0%
Net Change in Fund Balance	(4,123)	29,511	(35,490)	2,104	-	-100.0%
Ending Fund Balance	83,535	113,046	77,556	115,150	77,556	
Sufficient to Meet Obligations						MEETS POLICY

**City of Port Townsend
COMMUNITY DEVELOPMENT BLOCK GRANTS
BUDGET SUMMARY**

CDBG	2022	2023	2024	2024	2025	Increase/Decrease 2025 Proposed vs 2024 Budget
	Actual	Actual	Actual	Budget	Proposed	
Beginning Fund Balance	163,538	159,317	159,216	159,216	189,433	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	15,718	18,341	23,347	20,000	23,000	15.0%
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	995	937	6,870	-	5,000	
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	-	-	-	-	-	
Total Revenue	16,713	19,278	30,217	20,000	28,000	40.0%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	20,935	19,378	-	20,000	20,000	0.0%
Capital Outlays	-	-	-	-	-	
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	-	-	-	-	-	
Total Expenditure	20,935	19,378	-	20,000	20,000	0.0%
Net Change in Fund Balance	(4,222)	(100)	30,217	-	8,000	
Ending Fund Balance	159,317	159,216	189,433	159,216	197,433	
Sufficient to Meet Obligations						MEETS POLICY

**City of Port Townsend
GENERAL OBLIGATION DEBT SERVICE
BUDGET SUMMARY**

G.O. Debt Service	2022	2023	2024	2024	2025	Increase/Decrease
	Actual	Actual	Actual	Budget	Proposed	2025 Proposed vs 2024 Budget
Beginning Fund Balance	155,559	397,719	1,115,855	1,115,855	2,071,203	
Revenues						
Taxes	636,687	420,506	348,673	415,000	150,000	-63.9%
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	6,874	15,971	20,443	10,000	22,501	125.0%
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	1,309,180	3,024,538	863,162	1,082,896	942,211	-13.0%
Total Revenue	1,952,740	3,461,014	1,232,278	1,507,896	1,114,712	-26.1%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	2,400	700	-	2,500	-	-100.0%
Capital Outlays	-	-	-	-	-	
Debt Service - Principal	1,286,413	2,190,265	198,165	542,580	605,513	11.6%
Debt Service - Interest	421,767	551,914	78,765	523,100	509,199	-2.7%
Other Financing Uses (inc. Transfers Out)	-	-	-	-	-	
Total Expenditure	1,710,580	2,742,879	276,929	1,068,180	1,114,712	4.4%
Net Change in Fund Balance	242,160	718,136	955,348	439,716	-	-100.0%
Ending Fund Balance	397,719	1,115,855	2,071,203	1,555,571	2,071,203	
Sufficient to Meet Obligations						MEETS POLICY

City of Port Townsend Combined - Community Services Fund Budget Detail

Community Services – Parks Fund Facilities Replacement & Reserve Fund Arts Component (PTAC, Creative District)

City of Port Townsend COMMUNITY SERVICES FUND BUDGET SUMMARY

Community Svs	2022	2023	2024	2024	2025	Increase/Decrease 2025 Proposed vs 2024 Budget
	Actual	Actual	Actual	Budget	Proposed	
Beginning Fund Balance	535,955	594,848	703,032	703,032	1,224,598	
Revenues						
Taxes	599,812	231,550	214,550	247,000	279,148	13.0%
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	100,000	(100,000)	-	-	-	
Charges for Goods & Services	5,735	50,775	27,997	55,000	1,500	-97.3%
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	79,588	62,856	73,907	79,550	67,000	-15.8%
Other Increases	24,958	15,650	15,320	2,000	17,500	775.0%
Other Financing Sources (inc. Transfers In)	1,285,607	2,259,521	2,228,488	2,633,462	2,908,531	10.4%
Total Revenue	2,095,700	2,520,353	2,560,261	3,017,012	3,273,679	8.5%
Expenditures						
Salaries & Wages & Benefits	825,003	1,021,085	838,305	1,296,743	1,204,846	-7.1%
Supplies	169,250	229,896	168,720	222,056	295,126	32.9%
Services	925,954	1,068,859	910,203	1,262,060	1,623,707	28.7%
Capital Outlays	31,954	77,116	87,167	105,996	90,000	-15.1%
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Refundable Deposits	81,511	15,212	15,300	-	-	
Other Financing Uses (inc. Transfers Out)	3,259	-	19,000	-	60,000	
Total Expenditure	2,036,931	2,412,169	2,038,695	2,886,856	3,273,679	13.4%
Net Change in Fund Balance	58,769	108,183	521,566	130,156	-	-100.0%
Ending Fund Balance	594,723	703,032	1,224,598	833,188	1,224,598	
Fund Bal. 2-3 % of Expenditures						MEETS POLICY
Community Services Fund - Expenditures by Department						
City Facilities	601,174	872,933	758,578	1,117,430	1,232,430	10.3%
Mountain View Facilities	174,725	161,333	157,879	180,101	221,101	22.8%
Parks Maintenance	654,839	785,181	403,046	764,311	1,093,896	43.1%
Parks Strategy	-	-	273,424	273,424	124,427	-54.5%
Events	320	-	2,998	5,000	-	-100.0%
Pool	390,001	343,215	277,067	366,389	368,325	0.5%
Non-Departmental (inc. Transfers Out)	84,321	53,691	36,825	12,000	233,500	1845.8%
Total Expenditures	1,905,380	2,216,353	1,909,817	2,718,656	3,273,679	20.4%

Community Services – Facilities, Parks, (Library separate fund), and Arts

Goal Statement:

Proposal: A combined Community Services (Parks, Facilities) and Library department (the library is a separate fund) with the addition of an arts and culture element to oversee the existing PT Creative District.

Ultimately the reason for the change is for better, more integrated, more stable delivery of services to our community – with inclusive programming for all ages and an emphasis on youth and families. There are many elements to the why, including how we enhance each team and set ourselves up for sustained success.

The City of Port Townsend Community Services Department is responsible for managing and maintaining city buildings and parks, stewarding the pool contract with the YMCA and the golf park contract for operations, and stewarding leases on the Mountain View Campus. The mission of the Department is to provide safe, equitable, and inclusive access to parks, recreation, and city facilities that strengthen the bonds of the community by enriching and enhancing the quality of life for the Port Townsend community. Additionally, we look to be stewards for self-sustaining urban and community forestry programs that look to preserve, establish and maintain trees, forest and understory for the community and increase the quality of life.

2025 Key Goals:

- Create an integrated Community Services Department that combines Parks, Facilities, Library, and Arts.
- Add the PROS plan to the Comprehensive Plan update.
- With the addition of two new full-time staff in a dedicated custodian and a new city-wide electrician our facilities team will continue to work towards improving efficiency and effectiveness of preventative maintenance as well as system repairs.
- The facilities division goal for next year is to improve internal service through training and upgrades to city systems. The aging Mountain View Pool also is challenging for the facilities team to maintain and keep operational.
- Achieving facilities goals is reliant on an additional full-time employee for janitorial support included in this year's budget proposal. This strategy will provide time for skilled employees to perform proactive maintenance and special projects such as small remodels typically contracted.
- The parks division proposes to expand deferred maintenance for trails and trees. The division looks forward to expanding the volunteer program consistent with the work plan goals. The department will look to hire and manage seasonals based on behalf of parks and streets which also will leverage the volunteer efforts.
- Develop an urban forestry program.
- Continue to implement building repair and remodel projects.
- Develop sustainable park funding and strive for equitable distribution of funds in parks and trails.
- Implement decisions made around the future of the aquatics/community health and wellness center.

2025 Work Plan:

- The division also will complete repairs of the Pink House and Pope Marine for restoration opportunities.
- The facilities division will invest in ADA upgrades to the Council Chambers elevator street access door.
- The facilities division will support investments of grant funding for upgrades to the library.
- The parks division will complete the kitchen shelter project based on the 2022 banked capacity funding.
- The parks division will contract for a master plan for a future neighborhood park on property located near Madrona Ridge.
- The facilities division seeks to perform a buildings assessment and capital improvement plan to better understand investment needs based on proactive maintenance and develop a model for a facilities repair and replacement fund.
- With the new addition of caretaker, the parks division has the goal of rehabilitating the Kah Tai restrooms.
- The parks division will also be part of an open space planning effort in the coordination of maintenance with the Jefferson Land Trust.
- The parks division will continue to further short-term funding for parks strategy which includes significant projects of evaluating a health and wellness center to replace Mountain View Pool as well as evaluation of the Golf Course and its future use.
- Participate in open space planning and the Non-Motorized Plan update associated with the Comprehensive Plan update.
- Perform asbestos abatement in preparation for demolish the Golden Age Club and Parks House buildings which have fallen into disrepair.
- The parks division will begin the process of removing poplars along Sims Way in Kah Tai nature park according to the updated Gateway Development Plan.
- As part of the periodic Comprehensive Plan update, the PROS plan will be updated as well to meet State requirements and maintain eligibility for RCO.
- The ADA transition plan will be updated for parks
- Create a new Arts & Culture position funded in part by LTAC.
- PT Main Street transitions the stewardship of the Creative District to the City under the enhanced Community Services Department
- Plan an integrated All Staff Day for teambuilding and staff training for the Parks, Facilities, Library, and Arts staff.

**City of Port Townsend
GENERAL CAPITAL IMPROVEMENTS
BUDGET SUMMARY**

General Capital Improvements	2022	2023	2024	2024	2025	Increase/Decrease 2025 Proposed vs 2024 Budget
	Actual	Actual	Actual	Budget	Proposed	
Beginning Fund Balance	5,661	550,806	95,586	1,006,024	338,551	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	500,000	179,533	-	-	196,450	
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	20,382	14,101	1,130	7,500	1,500	-80.0%
Other Increases	(1,490)	-	-	-	-	
Other Financing Sources (inc. Transfers In)	248,820	736,257	989,413	919,807	1,164,249	26.6%
Total Revenue	767,712	929,891	990,543	927,307	1,362,199	46.9%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	24,808	18,630	15,525	18,630	18,630	0.0%
Capital Outlays	190,054	1,366,482	442,691	923,421	1,303,254	41.1%
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Retainage Disbursements	(2,004)	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	-	-	289,362	-	-	
Total Expenditure	212,858	1,385,112	747,579	942,051	1,321,884	40.3%
Net Change in Fund Balance	554,854	(455,220)	242,965	(14,744)	40,315	-373.4%
Ending Fund Balance	560,515	95,586	338,551	991,280	378,866	
Sufficient to Meet Obligations						MEETS POLICY

**City of Port Townsend
STREET CAPITAL IMPROVEMENT FUND
BUDGET SUMMARY**

Street Capital Improvement	2022	2023	2024	2024	2025	Increase/Decrease
	Actual	Actual	Actual	Budget	Proposed	2025 Proposed vs 2024 Budget
Beginning Fund Balance	40,410	124,173	795,802	795,802	1,094,374	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	461,383	373,723	2,724,174	4,981,146	2,508,608	-49.6%
Charges for Goods & Services	-	-	-	-	10,000	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	355	6,725	10,895	187,500	33,000	-82.4%
Other Increases	2,055	-	-	-	-	
Other Financing Sources (inc. Transfers In)	242,507	1,002,352	4,586,557	1,169,893	613,355	-47.6%
Total Revenue	706,299	1,382,800	7,321,627	6,338,539	3,164,963	-50.1%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	45,182	34,978	29,148	34,978	34,978	0.0%
Capital Outlays	572,778	676,194	4,515,204	5,535,510	3,926,510	-29.1%
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Retainage Disbursements	4,576	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	-	-	2,478,702	-	-	
Total Expenditure	622,536	711,172	7,023,055	5,570,488	3,961,488	-28.9%
Net Change in Fund Balance	83,763	671,629	298,572	768,051	(796,525)	-203.7%
Ending Fund Balance	124,173	795,802	1,094,374	1,563,853	297,849	
Sufficient to Meet Obligations						MEETS POLICY

City of Port Townsend Stormwater Operations Fund Budget Detail and Summary

City of Port Townsend STORMWATER OPERATIONS BUDGET SUMMARY

Stormwater	2022 Actual	2023 Actual	2024 Actual	2024 Budget	2025 Proposed	Increase/Decrease 2025 Proposed vs 2024 Budget
Beginning Fund Balance	738,472	677,661	510,609	510,609	408,345	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	1,236,391	1,239,893	1,239,386	1,209,324	1,425,000	17.8%
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	6,015	15,362	21,244	14,500	20,000	37.9%
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	-	-	-	-	-	
Total Revenue	1,242,406	1,255,255	1,260,630	1,223,824	1,445,000	18.1%
Expenditures						
Salaries & Wages & Benefits	311,131	330,071	315,379	461,731	413,929	-10.4%
Supplies	36,701	67,174	63,300	82,539	79,527	-3.6%
Services	449,786	438,759	427,799	535,601	484,712	-9.5%
Capital Outlays	9,033	-	-	6,000	6,000	0.0%
Debt Service - Principal	49,225	50,702	52,223	60,000	50,702	-15.5%
Debt Service - Interest	32,136	30,660	29,139	40,000	30,660	-23.4%
Other Financing Uses (inc. Transfers Out)	415,205	504,941	475,055	715,515	364,442	-49.1%
Total Expenditure	1,303,217	1,422,307	1,362,895	1,901,386	1,429,972	-24.8%
Net Change in Fund Balance	(60,811)	(167,052)	(102,264)	(677,562)	15,028	-102.2%
Ending Fund Balance	677,661	510,609	408,345	(166,953)	423,373	
60 Days of Operating Expenses	190	131	109	(32)	108	MEETS POLICY

Stormwater Operations

Goal Statement:

The City of Port Townsend owns and operates a stormwater collection system that includes roadside ditches, wedge asphalt curbs, concrete curbs, rain gardens, and stormwater facilities such as Froggy bottoms. The Streets and Collections Division of Public Works is responsible for annual maintenance which includes cleaning, street sweeping, and stormwater repairs. This includes responding to heavy rain events to manage localized flooding. Leaf control is a major proactive maintenance strategy.

The stormwater system is also managed by the engineering division to implement the Western Washington Stormwater Manual for water quality improvement.

2025 Key Goals:

- The Streets division continues to transition the shift of resource investment from vegetation control to street repair. Stormwater management is a key function that needs to be restored prior to street investments. The division will spend considerable time in 2025 working on restoring ditches and making small drainage improvements.

City of Port Townsend Water & Sewer Operations Fund Budget Detail and Summary

City of Port Townsend WATER/SEWER OPERATIONS BUDGET SUMMARY

Water Sewer Op	2022	2023	2024	2024	2025	Increase/Decrease 2025 Proposed vs 2024 Budget
	Actual	Actual	Actual	Budget	Proposed	
Beginning Fund Balance	3,713,169	4,088,263	5,020,708	5,020,708	6,191,132	
Revenues						
Taxes	-	-	(195)	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	7,480,449	8,295,876	8,459,493	9,110,005	9,840,000	8.0%
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	127,465	240,444	325,064	362,500	248,500	-31.4%
Other Increases	60,000	-	-	-	-	
Other Financing Sources (inc. Transfers In)	<u>1,855,334</u>	<u>1,511,430</u>	<u>1,139,518</u>	<u>1,243,581</u>	<u>37,500</u>	-97.0%
Total Revenue	9,523,247	10,047,750	9,923,881	10,716,086	10,126,000	-5.5%
Expenditures						
Salaries & Wages & Benefits	2,331,251	2,412,171	2,176,836	3,086,303	3,253,352	5.4%
Supplies	523,532	525,865	368,615	624,452	659,245	5.6%
Services	3,958,482	4,389,673	3,825,249	5,167,530	4,833,976	-6.5%
Capital Outlays	46,109	84,441	54,719	487,727	512,320	5.0%
Debt Service - Principal	1,246,889	1,181,901	1,093,906	1,130,653	1,122,053	-0.8%
Debt Service - Interest	164,920	154,262	125,195	153,613	148,604	-3.3%
Other Financing Uses (inc. Transfers Out)	<u>876,970</u>	<u>366,991</u>	<u>1,108,936</u>	<u>1,359,309</u>	<u>3,168,200</u>	133.1%
Total Expenditure	9,148,153	9,115,304	8,753,457	12,009,587	13,697,750	14.1%
Net Change in Fund Balance	375,094	932,446	1,170,424	(1,293,501)	(3,571,750)	176.1%
Ending Fund Balance	4,088,263	5,020,708	6,191,132	3,727,207	2,619,382	
60 Days of Operating Expenses	163	201	258	113	70	MEETS POLICY
Water Sewer Fund - Expenditures by Department						
Utility Billing	42	597,390	687,878	870,530	768,175	-11.8%
Water Distribution	403	3,279,323	3,156,287	3,286,063	4,365,384	32.8%
Water Quality / WTF	404	2,147,383	2,140,141	1,996,651	2,999,675	50.2%
Wastewater Treatment	405	1,516,143	1,643,775	1,358,109	2,475,839	99.7%
Wastewater Collection	406	1,088,510	923,609	739,255	2,069,565	180.0%
Biosolids	407	519,405	563,615	502,848	783,036	55.7%
Non-Departmental (inc. Transfers Out)	000	-	-	-	-	
Total Expenditures	9,148,153	9,115,304	8,753,457	12,009,587	13,697,750	56.5%

Water & Sewer Operations

The water/sewer operating fund shows a decrease in fund balance due to transfers out to support Water and Sewer Capital (Fund 415). In 2024 the City Council adopted new sewer rates that look forward to funding the needed repairs in the sewer collection and treatment systems in the city.

Goal Statement:

The City of Port Townsend water and sewer (wastewater) fund is a combined fund although expenditures and revenues are tracked separately between water and sewer. The goal of these enterprise utilities is to work as a business unit to ensure that expenses do not exceed revenues while providing reliable utility services as an essential public service.

2025 Key Goal:

- The water division of public works will seek to implement the new cross connection program adopted by the City Council in 2022 as required by the Washington Administrative Code.
- The water division will continue replacing aging pipelines to make the system more reliable and minimize distribution system leakage.
- The water division will begin to implement the first year of five to replace all of the water meters across the city.
- The water division will continue to implement the Water Supply Agreement with the Port Townsend Paper Mill and facilitate capital improvements into the Olympic Gravity Water System
- The wastewater division anticipates updating the NPDES Permit for the Wastewater Treatment Plant Discharge to the Salish Sea.
- The wastewater division will be implementing new sewer rates and begin to implement capital improvements identified in the sewer plan.
- The collections division will implement a rigorous sewer inspection program to prioritize pipe rehabilitation investments.
- The wastewater division will begin implementing a number of key capital projects resulting from the General Sewer Plan
- The wastewater division will work with the County on expanding septage handling at the Compost Facility

2025 Work Plan:

- The work plan for the water division is mostly focused on capital projects,
- The water division has several capital projects such as the OGWS pipeline assessment, Lords Lake East Dam stability improvement design, 1 MG standpipe coating design, cathodic protection of the OGWS, landslide mitigation and pipeline support at Snow Creek, and rehabilitation of the control valve structure at the Big Quilcene Diversion.
- The water division will begin the process of system wide meter replacement.
- The work plan for the wastewater division is focused on capital projects such as the outfall, Water Street sewer replacement, Mill Road Lift Station, and Wastewater Treatment Plant rehabilitation projects. , .
- The wastewater division will begin the process of purchasing additional land near the WWTP.
- The Wastewater Treatment operators will coordinate plant operations around treatment plant projects. This adds additional challenges to operations.
- Both the water and wastewater division will evaluate replacement and/or rehabilitation of pipe associated with street repair projects such that pipes are evaluated before paving.

- Capital improvements on the stormwater system are also necessary. Much of the stormwater infrastructure is lacking or in a state of disrepair. Lawrence Street stormwater is piped into the Sanitary Sewer System and thus a new pipeline is needed in Lawrence Street. The city received a loan/grant to design this project.
- The new stormwater rates provide an urban forestry fee. These fees will help plant and replace trees to enhance mitigation measures of the effects of impervious surface.

2025 Work Plan:

- Staff will complete the 60% design for the Lawrence Street stormwater system project.
- The stormwater improvements associated with the banked capacity street repairs were initiated in 2023 and will be completed in 2025.
- Staff will support the installation of rain gardens by community members.

**City of Port Townsend
STORMWATER CAPITAL
BUDGET SUMMARY**

Stormwater CIP	2022	2023	2024	2024	2025	Increase/Decrease
	Actual	Actual	Actual	Budget	Proposed	2025 Proposed vs 2024 Budget
Beginning Fund Balance	580	26,773	197,064	197,064	193,743	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	351	77	67	-	-	
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	102,836	200,000	260,000	598,655	90,000	-85.0%
Total Revenue	103,187	200,077	260,067	598,655	90,000	-85.0%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	22,185	29,510	-	10,000	3,389	-66.1%
Capital Outlays	54,809	276	47,711	598,665	90,000	-85.0%
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	-	-	215,677	-	-	
Total Expenditure	76,994	29,786	263,388	608,665	93,389	-84.7%
Net Change in Fund Balance	26,194	170,291	(3,321)	(10,010)	(3,389)	-66.1%
Ending Fund Balance	26,773	197,064	193,743		190,355	
Sufficient to Meet Obligations						MEETS POLICY

**City of Port Townsend
WATER SEWER CAPITAL
BUDGET SUMMARY**

Water Sewer CIP	2022 Actual	2023 Actual	2024 Actual	2024 Budget	2025 Proposed	Increase/Decrease 2025 Proposed vs 2024 Budget
Beginning Fund Balance	74,398	91,829	26,854	26,854	127,414	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	72,405	4,302	5,000	1,920,000	38300.0%
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	1,972	82	107	4,314,900	4,284,310	-0.7%
Other Increases	62,715	-	-	-	-	
Other Financing Sources (inc. Transfers In)	<u>1,606,515</u>	<u>989,898</u>	<u>1,505,194</u>	<u>2,975,315</u>	<u>6,306,400</u>	112.0%
Total Revenue	1,671,203	1,062,385	1,509,603	7,295,215	12,510,710	71.5%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	24,895	17,917	14,931	17,917	-	-100.0%
Capital Outlays	1,624,816	1,109,442	1,394,112	7,581,298	12,541,313	65.4%
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Retainage Disbursements	4,061	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Expenditure	1,653,772	1,127,359	1,409,043	7,599,215	12,541,313	65.0%
Net Change in Fund Balance	17,430	(64,975)	100,560	(304,000)	(30,603)	-89.9%
Ending Fund Balance	91,829	26,854	127,414		96,811	
Sufficient to Meet Obligations						MEETS POLICY

**City of Port Townsend
Olympic Gravity Water System (OGWS)
BUDGET SUMMARY**

Olympic Gravity Water System	2022	2023	2024	2024	2025	Increase/Decrease
	Actual	Actual	Actual	Budget	Proposed	2025 Proposed vs 2024 Budget
Beginning Fund Balance	545,056	1,837,082	5,710,763	5,710,763	8,979,537	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	86,900	-	-100.0%
Charges for Goods & Services	2,464,976	4,733,337	4,115,082	5,043,382	4,900,000	-2.8%
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	130	60,997	61,831	105,000	75,000	-28.6%
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	-	-	-	-	-	
Total Revenue	2,465,106	4,794,334	4,176,913	5,235,282	4,975,000	-5.0%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	628,024	902,755	534,755	1,175,645	13,134	-98.9%
Capital Outlays	-	-	-	-	-	
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)***	545,056	17,898	373,383	890,100	1,626,000	82.7%
Total Expenditure	1,173,080	920,653	908,138	2,065,745	1,639,134	-20.7%
Net Change in Fund Balance	1,292,026	3,873,681	3,268,774	3,169,537	3,335,866	5.2%
Ending Fund Balance	1,837,082	5,710,763	8,979,537	8,880,300	12,315,403	

**City of Port Townsend
GOLF COURSE FUND
BUDGET SUMMARY**

Golf Course	2022 Actual	2023 Actual	2024 Actual	2024 Budget	2025 Proposed	Increase/Decrease 2025 Proposed vs 2024 Budget
Beginning Fund Balance	5,484	2,500	2,151	2,151	7,776	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	8,041	10,376	3,899	16,000	-	-100.0%
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	-	5,000	11,000	5,000	31,000	181.8%
Total Revenue	8,041	15,376	14,899	21,000	31,000	108.1%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	177	-	-	16,000	-	
Services	10,849	15,724	9,274	5,000	31,000	234.3%
Capital Outlays	-	-	-	-	-	
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	-	-	-	-	-	
Total Expenditure	11,026	15,724	9,274	21,000	31,000	234.3%
Net Change in Fund Balance	(2,984)	(349)	5,625	-	-	-100.0%
Ending Fund Balance	2,500	2,151	7,776	2,151	7,776	
Sufficient to Meet Obligations						MEETS POLICY

City of Port Townsend Equipment Rental & Replacement Fund Budget Detail and Summary

Fleet Rental & Replacement

City of Port Townsend FLEET REPLACEMENT FUND BUDGET SUMMARY

Fleet Replacement	2022	2023	2024	2024	2025	Increase/Decrease 2025 Proposed vs 2024 Budget
	Actual	Actual	Actual	Budget	Proposed	
Beginning Fund Balance	1,860,903	2,133,591	2,187,918	2,187,918	2,592,390	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	253,867	281,836	333,428	400,113	-	-100.0%
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	19,627	48,063	67,149	35,000	65,000	-3.2%
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	-	-	490,000	490,000	490,000	0.0%
Total Revenue	273,494	329,899	890,577	925,113	555,000	-37.7%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	-	-	-	-	-	
Capital Outlays	806	275,572	486,105	535,000	1,143,000	135.1%
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	-	-	-	-	-	
Total Expenditure	806	275,572	486,105	535,000	1,143,000	135.1%
Net Change in Fund Balance	272,688	54,327	404,472	390,113	(588,000)	-245.4%
Ending Fund Balance	2,133,591	2,187,918	2,592,390	2,578,031	2,004,390	
Sufficient to Meet Obligations						MEETS POLICY

Goal Statement:

The City of Port Townsend Fleet division is a Public Works internal service function. The division focuses on repair and maintenance of the City's fleet. The division also purchase replacement vehicles for those departments contributing to the replacement funds. A key goal of the division is to restore general fund replacement funding of vehicles. The Police Department, Community Services Department, and other administration departments currently do not pay for replacement.

The division seeks to provide reliable internal service to sustain an aging fleet.

2025 Key Goal:

- Purchase of a new Elgin Street Sweeper, loader for the compost facility, backhoe for water distribution, three pickup trucks and adding one hybrid motor pool car. Additional purchases may be necessary depending on budget availability for multiple other supporting equipment.
- Subject to funding, purchase of a small equipment trailer and tac trailer for pavement repairs.

2025 Work Plan:

- Work with the General Fund divisions and the Community Services Department options for development of a sustainable funding program for vehicle replacement. Currently, the budget proposals include making sure that any new vehicles are placed on replacement. The budget also includes infusion 2 of 5 to return general fund vehicles to the replacement program for fiscal sustainability.
- Continue to evaluate implementation of electric vehicle conversion.

Information Technology (IT) Rental & Replacement

**City of Port Townsend
IT REPLACEMENT FUND
BUDGET SUMMARY**

IT ERR	2022	2023	2024	2024	2025	Increase/Decrease 2025 Proposed vs 2024 Budget
	Actual	Actual	Actual	Budget	Proposed	
Beginning Fund Balance	40,885	57,985	92,207	92,207	103,617	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	67,167	86,500	38,833	46,600	46,050	18.6%
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	328	71	22	-	-	-100.0%
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	-	-	-	-	-	
Total Revenue	67,495	86,571	38,855	46,600	46,050	18.5%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	-	-	-	-	-	
Capital Outlays	50,395	52,349	27,445	33,350	35,250	28.4%
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	-	-	-	-	-	
Total Expenditure	50,395	52,349	27,445	33,350	35,250	28.4%
Net Change in Fund Balance	17,100	34,222	11,410	13,250	10,800	-5.3%
Ending Fund Balance	57,985	92,207	103,617	105,457	114,417	
Sufficient to Meet Obligations						MEETS POLICY

Goal Statement:

The City of Port Townsend Information Technology (IT) division is a Finance and Technology Services internal service function. The division focuses on the repair and maintenance of the City’s technology infrastructure. The division replaces technology equipment across all City departments based on equipment age and functional needs.

2025 Key Goal:

- Support departments at all levels with technology needs through computer hardware, software programs and technology-related projects.
- Achieving Information Technology goals is reliant on maintaining two full-time employees for network and information technology support.

2025 Work Plan:

- Improve IT infrastructure, robustness, and cybersecurity.
- Support the City’s preparedness for disasters, including support of a continuity of operations plan.

City of Port Townsend Public Works Administration Fund Budget Detail and Summary

City of Port Townsend PUBLIC WORKS ADMINISTRATION BUDGET SUMMARY

PW Admin Service Fund)	(Internal	2022	2023	2024	2024	2025	Increase/Decrease
		Actual	Actual	Actual	Budget	Proposed	2025 Proposed vs 2024 Budget
Beginning Fund Balance		90,290	139,877	280,346	280,346	470,595	
Revenues							
Taxes		-	-	-	-	-	
Licenses & Permits		-	-	-	-	-	
Intergovernmental Services		-	-	-	-	-	
Charges for Goods & Services		540,445	601,983	566,954	680,345	680,345	20.0%
Fines & Penalties		-	-	-	-	-	
Miscellaneous Revenue		740	90	174	7,500	1,500	761.8%
Other Increases		-	-	-	-	-	
Other Financing Sources (inc. Transfers In)		-	-	-	180,000	180,000	
Total Revenue		541,185	602,073	567,128	867,845	861,845	52.0%
Expenditures							
Salaries & Wages & Benefits		387,578	288,716	271,528	520,643	564,265	107.8%
Supplies		3,898	1,733	3,665	6,652	6,652	81.5%
Services		100,122	171,155	101,687	339,259	159,784	57.1%
Capital Outlays		-	-	-	1,000	2,500	
Debt Service - Principal		-	-	-	-	-	
Debt Service - Interest		-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)		-	-	-	-	-	
Total Expenditure		491,598	461,604	376,879	867,554	733,201	94.5%
Net Change in Fund Balance		49,587	140,469	190,249	291	128,644	-32.4%
Ending Fund Balance		139,877	280,346	470,595	280,637	599,239	
Sufficient to Meet Obligations							MEETS POLICY

Public Works Administration

Goal Statement:

The City of Port Townsend Public Works Administration division is responsible for providing oversight and direction of the Public Works Department. The division goal is to provide support to all the divisions of public works in terms of budgeting and team development, compliance with regulations, development of partnerships, and implementation of best available science and practices subject to available resources. The division also leads large special projects and public engagement. Engineering also supports Public Works Administration with 50% of the City Engineer being funded from revenues of this division.

2025 Key Goals:

- The number one goal for this division is to fill the Deputy Public Works/City Engineer position. Until this position and the empty project engineer is filled, the capacity of Public Works to take on capital and special projects is limited.
- Develop GIS program as an overhead based program to support all city operations and data management.
- Support the implementation of key strategic projects including supporting economic development.

2025 Work Plan:

- Support director team development of management and leadership training.
- Support the Planning and Community Development in housing solutions such as code updates, Cherry Street, and Evans Vista development.
- Support the Periodic update of the City's Comprehensive Plan.
- Support the engineering department in the update of engineering standards
- Support the Administration and Finance Departments in the implementation of the Financial Sustainability Task Force Report
- Support the HR Department with training and skills development program.
- Support implementation of the Comprehensive Streets program, particularly associated with banked capacity projects.
- Serve as support to the Parks Recreation Trails and Tree Advisory Board.
- Support Planning and Community Development Department in Open Space Planning and Buildable Lands Inventory as part of the Comprehensive Plan periodic update.
- Help implement capital Projects
- Support implementation of the Water Supply Agreement projects and coordination.
- Support the Mill Road roundabout planning and funding acquisition in partnership with WSDOT and Jefferson County.
- Support Sims Way and Boatyard Expansion project in cooperation with the Port of Port Townsend.
- Participate in the Solid Waste Advisory Committee as a representative of Port Townsend.
- Manager the Solid Waste Collections contract
- Support work with Jefferson County regarding Glen Cove UGA expansion possibilities.

City of Port Townsend Street Operations Fund Budget Detail and Summary

City of Port Townsend STREET FUND BUDGET SUMMARY

Street Fund	2022	2023	2024	2024	2025	Increase/Decrease 2025 Proposed vs 2024 Budget
	Actual	Actual	Actual	Budget	Proposed	
Beginning Fund Balance	474,400	479,484	299,466	299,466	276,079	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	231	-	-	-	-	
Intergovernmental Services	205,329	203,894	160,646	400,000	214,000	-46.5%
Charges for Goods & Services	1,056	695	672	-	750	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	7,164	8,326	7,397	7,500	7,500	0.0%
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	823,098	937,578	1,283,417	1,363,503	1,338,712	-1.8%
Total Revenue	1,036,877	1,150,493	1,452,133	1,771,003	1,560,962	-11.9%
Expenditures						
Salaries & Wages & Benefits	185,117	228,883	191,135	286,828	306,567	6.9%
Supplies	73,981	119,536	81,099	126,928	136,185	7.3%
Services	515,645	572,926	474,174	685,110	744,060	8.6%
Capital Outlays	77,901	143,406	249,750	244,501	120,000	-50.9%
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	179,150	265,759	479,362	270,843	209,150	-22.8%
Total Expenditure	1,031,794	1,330,511	1,475,520	1,614,210	1,515,962	-6.1%
Net Change in Fund Balance	5,084	(180,017)	(23,387)	156,793	45,000	
Ending Fund Balance	479,484	299,466	276,079	456,259	321,079	
Fund Bal. 2-3 % of Expenditures	46.5%	22.5%	18.7%	28.3%	21.2%	MEETS POLICY

Street Operations

Goal Statement:

The City of Port Townsend Streets and Collections Division of Public Works has the primary responsibility of maintaining city streets, the wastewater collections system, and the stormwater collection system. Maintenance includes street repair, vegetation control, garbage management, special projects in right of way, event support, sidewalk repairs, annual cleaning of sewer and stormwater pipes, catch basin and maintenance holes maintenance, sweeping, and snow plowing.

2025 Key Goal:

- A primary goal of this division is to continue to increase investment on drainage and street repairs. This will involve drainage control work and moving to hot mix asphalt patching compared to cold mix pothole repairs. This transition was successful in 2023 with investment of banked capacity (property tax) into a number of City streets that have fallen into disrepair.
- Another primary goal is to implement the General Sewer Plan with methodic inspection and to begin to rehabilitate the aging sewer collection system.

2025 Work Plan:

- The division will continue complete the 2022 and 2023 banked capacity road restoration projects..
- Implement the Comprehensive Streets Program through investment of new revenue associated with the Transportation Benefit District.
- Perform annual hot spot pavement repairs.
- Support an arterial street chip seal preservation project.
- Support overlay of Tyler Street
- Begin systematic sewer inspection program with new video camera documentation equipment..
- The street division works closely with the engineering division to implement a number of projects throughout the year. Please refer to the engineering writeup for more details.
- Continue to implement a newly developed city-wide ditch maintenance program. This program strives to correct drainage deficiencies ahead of paving project to prevent premature deterioration of pavement due to saturation of the underlying soils.

**City of Port Townsend
TRANSPORTATION BENEFIT FUND
BUDGET SUMMARY**

Transportation Benefit	2022	2023	2024	2024	2025	Increase/Decrease
	Actual	Actual	Actual	Budget	Proposed	2025 Proposed vs 2024 Budget
Beginning Fund Balance	-	-	-	-	12,859	
Revenues						
Taxes	-	-	528,859	626,500	1,200,000	91.5%
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	-	-	-	-	-	
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	-	-	-	-	-	
Total Revenue	-	-	528,859	626,500	1,200,000	91.5%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	-	-	-	-	-	
Capital Outlays	-	-	-	-	-	
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	-	-	516,000	626,500	621,000	-0.9%
Total Expenditure	-	-	516,000	626,500	621,000	-0.9%
Net Change in Fund Balance	-	-	12,859	-	579,000	
Ending Fund Balance	-	-	12,859	-	591,859	
Fund Bal. 2-3 % of Expenditures	0.0%	0.0%	2.5%	0.0%	95.3%	MEETS POLICY

City of Port Townsend Engineering Fund Budget Detail and Summary

City of Port Townsend ENGINEERING FUND BUDGET SUMMARY

Engineering Internal Service Fund	2022	2023	2024	2024	2025	Increase/Decrease 2025 Proposed vs 2024 Budget
	Actual	Actual	Actual	Budget	Proposed	
Beginning Fund Balance	56,459	71,900	111,027	111,027	236,065	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	752,563	973,767	1,042,050	1,879,091	2,298,982	120.6%
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	267	104	281	-	-	-100.0%
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	-	8,981	-	-	-	
Total Revenue	752,830	982,852	1,042,331	1,879,091	2,298,982	120.6%
Expenditures						
Salaries & Wages & Benefits	557,838	740,370	768,291	987,964	1,114,548	45.1%
Supplies	4,490	3,342	3,487	10,799	13,299	281.4%
Services	159,967	171,548	142,460	207,101	269,509	89.2%
Capital Outlays	15,094	28,465	3,055	9,000	53,000	1634.9%
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	-	-	-	-	-	
Total Expenditure	737,389	943,725	917,293	1,214,864	1,450,356	58.1%
Net Change in Fund Balance	15,441	39,127	125,038	664,227	848,626	578.7%
Ending Fund Balance	71,900	111,027	236,065	775,254	1,084,691	
Sufficient to Meet Obligations						MEETS POLICY

Engineering

Goal Statement:

The City of Port Townsend engineering division is an enterprise fund within the Public Works Department. This means that the division bills other funds for every hour worked. As such, the revenues in the budget often are shown to exceed expenses indicating that there is more work than can be performed by the division staff. In actuality, the division struggles to cover costs and the fund balance is near zero making it challenging for the division to take on tasks unless there is billing authority granted from other departments.

The underlying goal of the division is to provide technical support for management of existing assets and the development of new public infrastructure. Engineering is a key division providing support to Public Works administration. This support comes in the form of internal service to other departments such as GIS mapping, software support, development review, contracting, bidding, purchasing, code enforcement, planning for future infrastructure and technical support to operations, planning for future infrastructure. External services are also a key element of engineering's responsibilities such as right of way management, permitting, franchise utility management, traffic analysis, and environmental compliance.

Design of capital projects makes up over half of the engineering division's work which includes design and development of new infrastructure as well as capital repairs replacements, grant procurement, and capital funding program management.

2025 Key Goals:

- Become fully staffed if not accomplished in 2024.
- Support other divisions such as the Planning and Community Development Department in development review and comprehensive planning.
- Engineering provides administration and design services in the deliver Capital Projects. Many projects are behind schedule. New staffing will help get projects completed.
- Support Public Works Division with operations
- Support traffic safety, traffic calming, and street right of way management.

2025 Work Plan:

- Support the parking meter pilot project installation in Downtown.
- Deliver a number of transportation, water, sewer, and stormwater capital projects. (See capital budgets).
- Improved development review and infrastructure inspection in coordination with the Planning and Community Development Department.
- Support the Planning and Community Development Department during the Comprehensive Plan update.
- Lead an update to the Non-motorized Plan.
- Perform an arterial street cohesive investment strategy.
- Update of engineering standards and related codes.
- Develop a streets master circulation plan.
- Continued development of a city-wide infrastructure extension plan for 2025 code updates.
- Move to a digital office and records management through training and use of digital resources in coordination with the public records officer.

**City of Port Townsend
SYSTEM DEVELOPMENT CHARGES
BUDGET SUMMARY**

SDCs	2022 Actual	2023 Actual	2024 Actual	2024 Budget	2025 Proposed	Increase/Decrease 2025 Proposed vs 2024 Budget
Beginning Fund Balance	1,463,326	2,156,674	2,465,341	2,465,341	2,467,917	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	781,031	739,315	309,222	745,000	300,000	-3.0%
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	12,317	53,022	92,951	40,000	85,000	-8.6%
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	-	-	-	-	-	
Total Revenue	<u>793,348</u>	<u>792,337</u>	<u>402,173</u>	<u>785,000</u>	<u>385,000</u>	-4.3%
Expenditures						
Salaries & Wages & Benefits	-	-	-	-	-	
Supplies	-	-	-	-	-	
Services	-	-	-	-	-	
Capital Outlays	-	-	-	-	-	
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	<u>100,000</u>	<u>483,669</u>	<u>399,598</u>	<u>705,906</u>	<u>1,645,950</u>	<u>311.9%</u>
Total Expenditure	<u>100,000</u>	<u>483,669</u>	<u>399,598</u>	<u>705,906</u>	<u>1,645,950</u>	311.9%
Net Change in Fund Balance	693,348	308,667	2,576	79,094	(1,260,950)	-4905.8%
Ending Fund Balance	2,156,674	2,465,341	2,467,917	2,544,435	1,206,967	
Sufficient to Meet Obligations						MEETS POLICY

**City of Port Townsend
UNEMPLOYMENT RESERVE FUND
BUDGET SUMMARY**

Unemployment Service Fund	Internal	2022 Actual	2023 Actual	2024 Actual	2024 Budget	2025 Proposed	Increase/Decrease 2025 Proposed vs 2024 Budget
Beginning Fund Balance		22,232	22,346	22,339	22,339	15,342	
Revenues							
Taxes		-	-	-	-	-	
Licenses & Permits		-	-	-	-	-	
Intergovernmental Services		-	-	-	-	-	
Charges for Goods & Services		-	-	-	-	-	
Fines & Penalties		-	-	-	-	-	
Miscellaneous Revenue		116	76	61	-	-	-100.0%
Other Increases		-	-	-	-	-	
Other Financing Sources (inc. Transfers In)		4,389	-	-	25,000	10,000	
Total Revenue		4,505	76	61	25,000	10,000	16207.9%
Expenditures							
Salaries & Wages & Benefits		4,391	83	7,058	25,000	10,000	41.7%
Supplies		-	-	-	-	-	
Services		-	-	-	-	-	
Capital Outlays		-	-	-	-	-	
Debt Service - Principal		-	-	-	-	-	
Debt Service - Interest		-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)		-	-	-	-	-	
Total Expenditure		4,391	83	7,058	25,000	10,000	41.7%
Net Change in Fund Balance		114	(7)	(6,997)	-	-	-100.0%
Ending Fund Balance		22,346	22,339	15,342	22,339	15,342	
Sufficient to Meet Obligations							MEETS POLICY

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

LEOFF 1 Fiduciary Fund	2022	2023	2024	2024	2025	Increase/Decrease 2025 Proposed vs 2024 Budget
	Actual	Actual	Actual	Budget	Proposed	
Beginning Fund Balance	294,571	313,510	341,573	341,573	372,121	
Revenues						
Taxes	-	-	-	-	-	
Licenses & Permits	-	-	-	-	-	
Intergovernmental Services	-	-	-	-	-	
Charges for Goods & Services	-	-	-	-	-	
Fines & Penalties	-	-	-	-	-	
Miscellaneous Revenue	-	7,724	15,321	8,500	-	-100.0%
Other Increases	-	-	-	-	-	
Other Financing Sources (inc. Transfers In)	34,235	34,235	22,917	27,500	27,500	20.0%
Total Revenue	34,235	41,959	38,238	36,000	27,500	-28.1%
Expenditures						
Salaries & Wages & Benefits	13,936	12,551	6,556	25,000	-	-100.0%
Supplies	-	-	-	-	-	
Services	1,360	1,346	1,133	1,360	1,374	21.3%
Capital Outlays	-	-	-	-	-	
Debt Service - Principal	-	-	-	-	-	
Debt Service - Interest	-	-	-	-	-	
Other Financing Uses (inc. Transfers Out)	-	-	-	-	-	
Total Expenditure	15,296	13,897	7,690	26,360	1,374	-82.1%
Net Change in Fund Balance	18,939	28,063	30,548	9,640	26,126	-14.5%
Ending Fund Balance	313,510	341,573	372,121	351,213	398,247	
Sufficient to Meet Obligations						MEETS POLICY

CITY OF PORT TOWNSEND, WASHINGTON STAFFING AND COMPENSATION SUMMARY

The City of Port Townsend employs approximately 114 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, 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.

The Police Collective Bargaining Unit contract was ratified December 31, 2023, and will expire December 31, 2026. 15.0 full-time officers and 1 provisional officer were included in the budget. Recruitment for the police department has been effective, the department anticipates full staffing in 2025. Retaining officers will continue to be a priority for Port Townsend.

2025 wage rates for police are contracted to increase 3%. Due to current labor market conditions and higher than normal inflationary times, salary increases for staff continue to be above average. All known increases are included in the budget estimates for 2025.

The General Government Collective Bargaining Unit agreement expires December 31, 2024. Negotiations are currently underway. A budget supplement will be submitted for Council approval in 2025 when negotiations have been completed.

Changes to Council members’ compensation were considered by an independent Salary Commission during the fall of 2021. Council compensation had not been changed since 2007. Five commission members were appointed to determine whether and what changes were necessary to monthly salaries for these elected officials. The commissioners considered multiple points of data including cost of living changes during the period of 2007-2021, salaries for officials in comparable communities, time required to carry out the functions of the office, and salaries received by members of other governing boards in Jefferson County. Individual interviews with Council members were conducted by the commission to better assess time commitment to the position. The commission’s binding decision on compensation was presented to the City Clerk on November 9, 2021. Based on the commission’s determination, compensation levels for 2024-5 are as follows:

- Effective January 1, 2025 – the Mayor’s monthly salary will be \$1,075
- Effective January 1, 2025 – each Council member’s monthly salary will be \$725

Council salaries will increase in 2026. In 2028 a subsequent Salary Commission consideration is statutorily required. The binding decision can be challenged by referendum within 30 days. The process is defined in Port Townsend Municipal Code 2.90 Salary Commission.

City Council members are eligible to enroll in health benefits as part of the elected position group. Coverage is dependent on group participation, with minimum requirements for the group plan.

The 2025 budget reflects a total of 113.6 full-time equivalents (FTEs) excluding Council members and seasonal staff. The FTE count reflects an increase of 4 positions compared to the 2024 budgeted positions. The Community Services Director will replace the Library Director in the 2025 budget.

Additions include:

- Community Services Director
- Arts & Culture Coordinator
- Water Maintenance Worker
- Streets Operator I
- Parks Maintenance Worker

Despite these additions, service requests from our community often exceed our staff's capacity to respond; setting service level expectations and matching the City's ability to fund these service levels is a key focus area of the report delivered by the Financial Sustainability Task Force.

Details on the assumptions used in preparation of the 2025 salary and benefit budget, including details regarding the proposed staff reductions, are provided below.

2025 Budget Assumptions for General Government Agreement

The General Government Agreement covers Public Works, Planning and Community Development, Finance, Police Administration, and some library employees. The General Government Collective Bargaining Unit contract expires December 31, 2024. Negotiations are in progress for a new contract. The General Government Agreement with the Teamsters defines the pay scales, seniority rates and annual inflationary adjustments to salaries for this group of employees. 2025 budget assumptions do not include a COLA increase; any wage rate increases will be determined when a new agreement is ratified, and the costs will be brought back to Council in a 2025 budget supplemental.

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 budgeted to increase 4.0% in 2025.

2025 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 Police Collective Bargaining Unit contract expires December 31, 2026. The current contract was ratified on December 31, 2023.

2025 budget assumptions include a contracted hourly rate increase of 2.8%. 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 budgeted to increase 4.0% in 2025.

2025 Budget Assumptions for Non-represented Employees

The non-represented employee group is made up of management and professional level staff, non-union part-time library staff, and confidential/administrative staff. This group has no formal contractual agreement and benefit, and wage increases have historically been dictated by the performance and availability of budget dollars. Full-time employees receive a full benefit package through AWC 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 7.3% which is partially offset by a 2.0% discount for WellCity designation. Employees may choose from two dental plans. The dental premiums are budgeted for no increases in 2025. There are no increases forecasted for vision benefit rates.

Due to the increasingly competitive recruitment and retention environment of the past few years, a comprehensive review of both represented and non-represented was completed in 2023. Based on the results of the market study, a new grade-based system has been put in place for non-represented employees. In addition, the compensation policy has been updated and incorporated into the City's personnel policies. The represented positions included in the salary were reviewed in 2024.

The 2025 budget does not include a cost of living wage adjustment for non-represented employees, this will be brought back to council as a supplemental after the General Government Agreement has been ratified.

Minimum Wage - For 2025, the minimum wage will increase \$0.38 or 2.35% to \$16.66 per hour. This increase impacts library and seasonal wage rates. Additionally, the increase begins to impact higher level position through wage compression. Wage compression occurs when pay adjustments regardless of experience, skills or seniority increase the base wage and bring those wages closer to the wages of more senior, experienced, skilled positions. The Director of People & Performance will continue to monitor the impact of minimum wage adjustments on all City positions.

Recruiting Staff, Succession Planning and Best Practices

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

In 2022, the City Manager restructured the Human Resources Department by hiring a Director of People & Performance. This position reports directly to the City Manager and is a key member of the City's leadership team. This position is supported by a full-time Human Resource Generalist, a part-time Human Resource Assistant as well as support from the Payroll Administrator. The Director will continue to focus on recruitment, retention, and development of City staff. Development of career pathing and City-wide training opportunities for growth will enhance the City's ability to retain valued employees and set standards for a high-performance culture. The 2025 budget adds resources for staff training and education.

A total of 113.6 positions are included in the budget for 2025, not including Council members, seasonal workers, volunteer hours or accrued leave payouts. Seasonal workers consist of 2.0 FTEs or 4 short-term employees to assist with Streets and Parks operations. Volunteer hours amount to approximately 3.36 FTEs and assist with police operations, library operations, and parks maintenance.

A chart below shows the trend by department of authorized staffing over the last five years. Previous years totals are reflective of the council adopted budget for each year, numbers may change after adoption due to mid-year Council authorized positions but are included for rough comparison.

CITY OF PORT TOWNSEND - AUTHORIZED POSITIONS *

Department/Division	2021	2022	2023	2024	2025	2025 Increase
General Government						
City Manager	1.0	1.0	1.0	1.0	1.0	0.00
City Attorney	2.0	2.0	2.0	2.0	2.0	0.00
Communications & Marketing			1.0	1.0	1.0	0.00
Planning & Community Development	8.0	8.5	9.5	10.0	11.0	0.00
Finance, UB, PRR	9.0	9.0	9.0	9.8	11.0	0.00
Police Admin & Operations	18.6	20.1	22.1	22.3	20.0	0.00
City Clerk/Human Resources	3.6	4.0	5.0	4.8	3.5	0.00
Street	1.7	1.7	1.7	1.9	2.7	0.50
ERR - Fleet & IT	3.0	3.0	3.0	4.0	4.0	0.00
Total General Government	46.9	49.3	54.3	56.8	56.2	0.50
Community Services						
Comm Svcs Administration	0.0	0.0	0.0	0.0	0.7	0.67
Arts & Culture	0.0	0.0	0.0	0.0	1.0	1.00
Facilities	3.5	3.5	3.5	5.5	4.9	0.00
Parks Maintenance & Recreation	3.5	4.2	4.2	4.5	5.5	1.00
Pool	4.0	0.0	0.0	0.0	0.0	0.00
Library	8.9	8.9	8.9	8.9	8.0	-0.67
Total Community Services	19.9	16.6	16.6	18.9	20.0	2.00
Public Works & Utilities (excl UB)						
Public Works Administration	2.5	2.5	2.5	3.5	2.5	0.0
Public Works Engineering	5.9	6.5	6.5	6.5	8.5	0.0
Utilities						
Water Distribution	5.0	5.0	5.0	5.0	7.8	1.0
Water Quality & Resource	4.0	4.0	4.0	4.0	3.5	0.0
Wastewater Collection	2.2	2.2	2.2	2.6	3.4	0.5
Wastewater Treatment	3.5	3.5	3.5	5.0	4.4	0.0
Biosolids	2.5	2.5	2.5	3.0	3.0	0.0
Stormwater	3.1	3.1	3.1	3.8	4.3	0.0
Total Public Works & Utilities	28.7	29.3	29.3	33.4	37.3	1.50
TOTAL CITY FTES	95.5	95.2	100.2	109.1	113.6	4.00
Percentage Change					4.2%	
Positions not currently counted as FTES						
	2021	2022	2023	2024	2025	
Mayor/Council	7.0	7.0	7.0	7.0	7.0	

* Total City FTES does not include leave payouts or seasonal positions within the number of FTEs & within the budgeted salaries & benefits amounts.

CITY OF PORT TOWNSEND
NON-BARGAINING EMPLOYEE POSITION CLASSIFICATION SALARY SCHEDULE
BUDGET 2025, Salary Schedule effective January 1, 2025

Elected Officials			
	Classification	Minimum	Maximum
	Mayor	\$ 12,900	\$ 12,900
	Councilmembers	\$ 8,700	\$ 8,700
Non Represented Employees			
Range	Classification	Step 1	Step 9
600	City Manager	Per Contract	
631	City Attorney	\$ 146,591	\$ 181,773
631	Chief of Police	\$ 146,591	\$ 181,773
630	Public Works Director	\$ 139,610	\$ 173,117
630	Finance and Technology Director	\$ 139,610	\$ 173,117
629	Planning & Community Development Director	\$ 126,631	\$ 157,022
629	Community Services Director	\$ 126,631	\$ 157,022
628	Deputy Police Chief	\$ 126,631	\$ 157,022
628	Deputy Public Works Director/City Engineer	\$ 126,631	\$ 157,022
627	Deputy Public Works Director/Engineering Svcs Mgr	\$ 120,601	\$ 149,545
627	Director of People & Performance	\$ 120,601	\$ 149,545
627	City Engineer	\$ 120,601	\$ 149,545
626	Assistant City Engineer	\$ 114,858	\$ 142,424
625	Prosecuting Atty/Asst City Attorney	\$ 109,388	\$ 135,642
625	Human Resources Manager	\$ 109,388	\$ 135,642
625	Communications & Marketing Director	\$ 109,388	\$ 135,642
624	Planning Manager	\$ 104,179	\$ 129,182
624	Civil Engineer III	\$ 104,179	\$ 129,182
624	Public Works Operations Manager - Streets	\$ 104,179	\$ 129,182
624	PW Ops Manager - Water	\$ 104,179	\$ 129,182
624	PW Ops Manager - WWTP	\$ 104,179	\$ 129,182
623	Library Director	\$ 99,218	\$ 123,031
623	Finance Manager	\$ 99,218	\$ 123,031
623	Building Official	\$ 99,218	\$ 123,031
623	Project Manager III	\$ 99,218	\$ 123,031
622	Parks & Facilities Manager	\$ 94,494	\$ 117,172
622	Communications & Marketing Manager	\$ 94,494	\$ 117,172
622	Civil Engineer II	\$ 94,494	\$ 117,172
622	Accounting Manager	\$ 94,494	\$ 117,172
622	City Clerk	\$ 94,494	\$ 117,172
621	Project Manager II	\$ 89,994	\$ 111,593
620	Library Manager - Public & Tec Svs	\$ 85,709	\$ 106,279
620	Library Manager - Youth Services	\$ 85,709	\$ 106,279
620	Senior Planner	\$ 85,709	\$ 106,279
620	Civil Engineer I	\$ 85,709	\$ 106,279
620	Finance & Budget Analyst	\$ 85,709	\$ 106,279
620	Long Range Planner (Limited Term)	\$ 85,709	\$ 106,279
619	Project Manager I	\$ 81,627	\$ 101,218
618	Housing Grants Coordinator	\$ 77,740	\$ 96,398

618	Civil Engineer EIT	\$	77,740	\$	96,398
617	Public Records Officer	\$	74,038	\$	91,808
617	Human Resources Specialist or Generalist	\$	74,038	\$	91,808
617	Executive Assistant to City Manager	\$	74,038	\$	91,808
616	Payroll Administrator	\$	70,513	\$	87,436
616	Deputy City Clerk	\$	70,513	\$	87,436
616	Legal Assistant	\$	70,513	\$	87,436
616	Legal Assistant/Deputy Clerk	\$	70,513	\$	87,436
615	Executive Assistant to Chief of Police	\$	67,155	\$	83,272
610	Navigator (Limited Term)	\$	52,618	\$	65,246
Hourly Part-Time Positions					
612	Human Resources Assistant	\$	58,011	\$	71,934
10	Library Associate	\$	25.30	\$	31.37
5	Library Assistant Substitute	\$	19.82		
3	Library Courier	\$	17.98	\$	22.29
1	Library Page	\$	16.31	\$	20.22
Reserve and Seasonal Positions ** Seasonals not included in Total FTE count					
	Seasonal Workers	\$	16.31	\$	20.22
Total Non-Represented Employees					

**CITY OF PORT TOWNSEND
UNCLASSIFIED EMPLOYEE POSITION CLASSIFICATION SALARY SCHEDULE
BUDGET 2025, Salary Schedule effective January 1, 2025**

	Non-Represented Classification	Minimum	Maximum
	Union/Represented Classification	Minimum	Maximum
	Total Unclassified Employees		

**CITY OF PORT TOWNSEND
UNION/REPRESENTED EMPLOYEE POSITION CLASSIFICATION SALARY SCHEDULE
BUDGET 2025, Salary Schedule effective January 1, 2025**

Grade	Union/Represented Employees		
	Classification	Minimum/hr	Maximum/hr **
31	IT Network Administrator	\$ 45.43	\$ 51.56
29.5	Accountant	\$ 39.17	\$ 44.45
29.3	Associate Planner	\$ 37.80	\$ 45.73
29.3	GIS III	\$ 37.80	\$ 45.73
29	Master Electrician	\$ 37.08	\$ 42.12
29	Crew Chief	\$ 37.08	\$ 42.12
25	IT Technical Support	\$ 36.40	\$ 41.38
23	Building Inspector	\$ 35.54	\$ 40.37
23	Code Compliance Officer	\$ 35.54	\$ 40.37
23	Public Works Inspector	\$ 35.54	\$ 40.37
23	Crew Chief Apprentice	\$ 35.54	\$ 40.37
23	GIS II	\$ 35.54	\$ 40.37
23	Journey-level Electrician	\$ 35.54	\$ 40.37
23	Project Accounting Specialist III	\$ 35.53	\$ 40.36
21	Operator II	\$ 34.49	\$ 39.18
21	Arts & Culture Coordinator	\$ 34.49	\$ 39.18

21	Police Records Lead	\$	34.49	\$	39.18
19	Assistant Planner	\$	33.93	\$	38.53
19	Finance Specialist	\$	33.93	\$	38.53
19	Land Use Specialist	\$	33.93	\$	38.53
19	Project Accounting Specialist II	\$	33.93	\$	38.53
19	Purchasing/Contracts Specialist	\$	33.93	\$	38.53
17	Mechanic	\$	32.94	\$	37.42
15	Apprentice Electrician	\$	32.21	\$	36.44
15	Operator I	\$	32.21	\$	36.44
13	Associate Librarian	\$	29.04	\$	32.97
13	Finance Tech III	\$	29.04	\$	32.97
13	Police Clerk	\$	29.04	\$	32.97
13	Public Works/Engineering Support Specialist III	\$	29.04	\$	32.97
13	Permit Technician III	\$	29.04	\$	32.97
13	Project Accounting Specialist I	\$	29.04	\$	32.97
11	Parks, Rec & Comm Services Admin Support Spec	\$	26.97	\$	30.53
11	Public Experience Liaison	\$	26.97	\$	30.53
11	Utility Billing / Collection Specialist	\$	26.97	\$	30.53
11	Permit Technician II	\$	26.97	\$	30.53
11	GIS I	\$	26.97	\$	30.53
9	Community Services Officer	\$	26.48	\$	30.28
9	Finance Tech II	\$	26.48	\$	30.28
9	Maintenance Worker	\$	26.48	\$	30.28
9	Permit Technician I	\$	26.48	\$	30.28
9	Public Works/Engineering Support Specialist II	\$	26.48	\$	30.28
7	Maintenance Worker Apprentice	\$	25.61	\$	29.09
7	GIS Apprentice	\$	25.61	\$	29.09
7	Administrative Assistant	\$	25.61	\$	29.09
7	Facilities Custodian	\$	25.61	\$	29.09
7	Finance Tech I	\$	25.61	\$	29.09
5	Library Assistant	\$	20.95	\$	23.52
	Police Officer	\$	37.79	\$	43.37
	Sergeant	\$	48.58	\$	53.14
Total Union/Represented Employees					
<i>** max pay does not include longevity or other premiums as may be applicable</i>					
TOTAL CITY POSITIONS (Excluding Elected Officials, Seasonals & Reserve Officers)					

Debt Capacity

Based on Prior Year Assessed Value

<i>Amount at End of Year</i>	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actual	2025 Budget
Prior Year Assessed Property Value	2,011,668,000	2,215,011,000	2,657,118,000	2,806,305,000	2,990,339,293
			<small>per Jefferson County Assessor</small>		
General Obligation Debt Capacity (up to 7.5%)					
General Purpose Debt Limit (2.5%)					
NonVoted Debt Limit 1.5% (councilmanic)	30,175,020	33,225,165	39,856,770	42,094,575	44,855,089
Voted Debt Limit 1.0%	20,116,680	22,150,110	26,571,180	28,063,050	29,903,393
Debt Limit 2.5%	50,291,700	55,375,275	66,427,950	70,157,625	74,758,482
Utility Purpose Debt Limit (2.5%)					
Voted Debt Limit 2.5%	50,291,700	55,375,275	66,427,950	70,157,625	74,758,482
Open Space, Park & Capital Facilities Debt Limit (2.5%)					
Voted Debt Limit 2.5%	50,291,700	55,375,275	66,427,950	70,157,625	74,758,482
Total General Obligation Debt Capacity	150,875,100	166,125,825	199,283,850	210,472,875	224,275,447
NonVoted General Obligation Debt Outstanding					
LTGO 2017A (2008 Refi) NonTaxable Bond	9,155,000	9,155,000	9,155,000	9,155,000	9,155,000
LTGO 2017B (2008 Refi) Taxable Bond	1,060,000	1,060,000	1,060,000	-	-
LTGO 2020 (Refi 2010 LTGO)	3,868,350	3,658,350	3,053,000	2,747,200	2,440,000
LTGO Refi 2012 (PORTOWGORE12)	1,660,000	1,135,000	585,000	-	-
LTGO 2018 Homeward Bound Debt Svc	808,104	781,069	752,846	723,381	692,621
NonVoted GO Debt Outstanding	16,551,454	15,789,419	14,605,846	12,625,581	12,287,621
Voted General Obligation Debt Outstanding					
LTGO Refi 2015 (PORTOWUTGO15)	2,640,000	2,440,000	2,235,000	2,025,000	1,805,000
Voted GO Debt Outstanding	2,640,000	2,440,000	2,235,000	2,025,000	1,805,000
Total General Obligation Debt Outstanding	19,191,454	18,229,419	16,840,846	14,650,581	14,092,621
NonVoted Debt Capacity	13,623,566	17,435,746	25,250,924	29,468,994	32,567,468
Voted Debt Capacity	120,700,080	132,900,660	159,427,080	168,378,300	179,420,358
Available GO Debt Capacity	134,323,646	150,336,406	184,678,004	197,847,294	211,987,826

Industry Bond Rating Standard						
GO Debt as % of Assessed Value		0.95%	0.82%	0.63%	0.52%	0.47%
Industry Standard not to exceed	4.5%	90,525,060	60,255,689	119,570,310	126,283,725	134,565,268
GO Debt per Capita		1,891	1,784	1,637	1,418	1,351
Population*		10,148	10,220	10,290	10,330	10,433
<small>* Per WA State OFM</small>						<small>est based upon 1% growth</small>

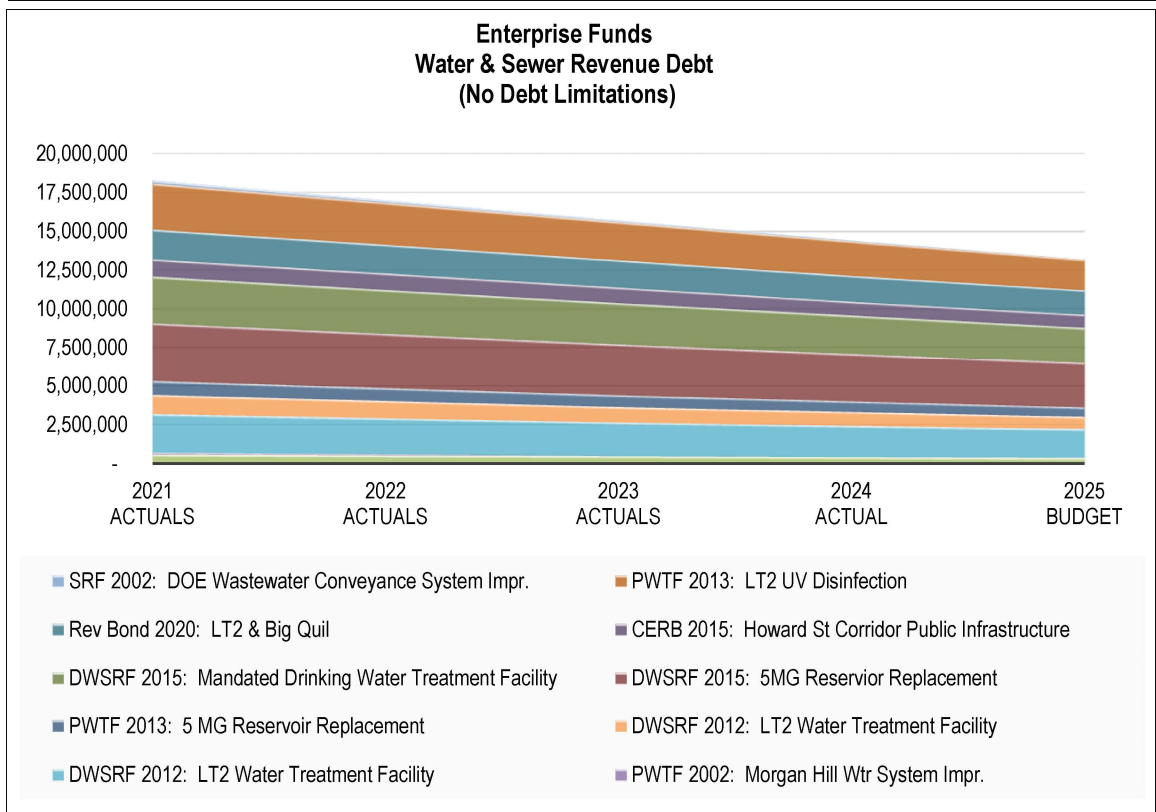
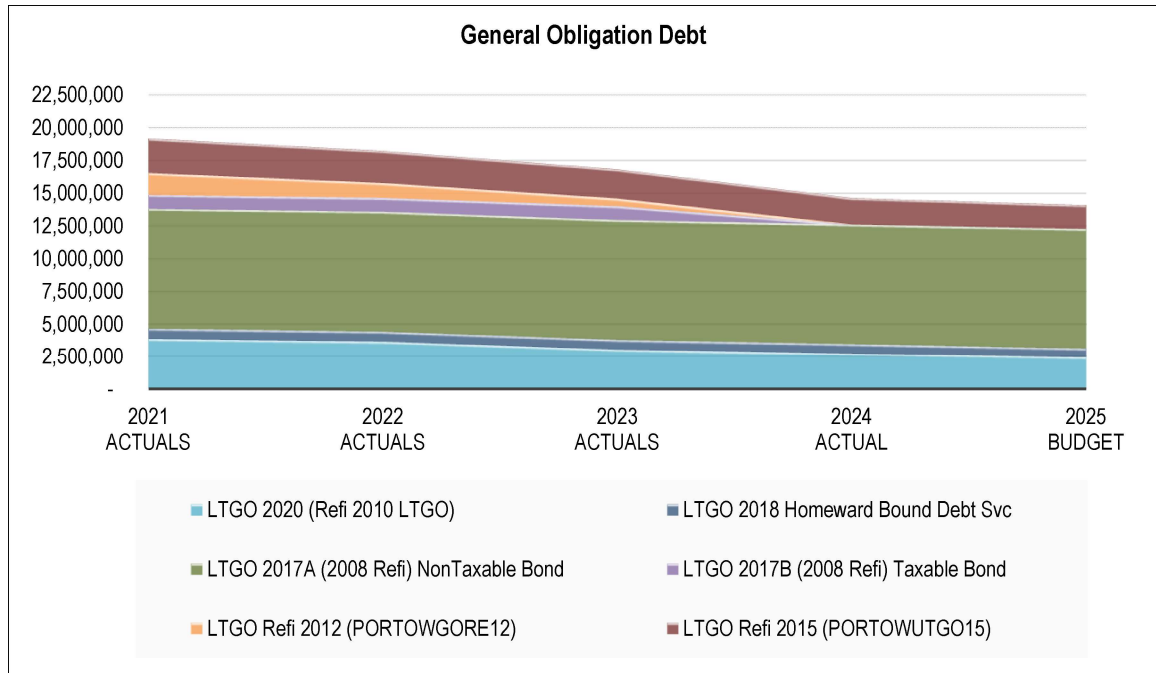
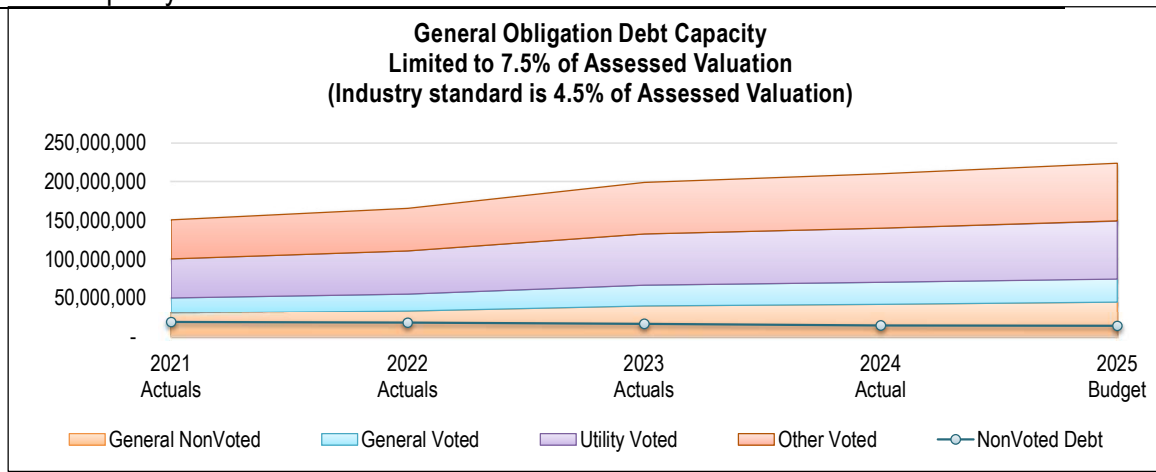
Revenue Debt Outstanding (excluded from General Purpose Debt limits)

Amount Outstanding at End of Year

	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actual	2025 Budget
PWTF 2002: Morgan Hill Wtr System Impr.	133,404	66,702	-	-	-
SRF 2002: DOE Wastewater Conveyance Sys	196,950	148,811	99,947	50,347	-
PWTF 2012 City Lake Loan	578,947	526,316	473,684	421,053	368,421
DWSRF 2012: LT2 Water Treatment Facility	1,231,135	1,119,214	1,007,293	895,371	783,450
DWSRF 2012: LT2 Water Treatment Facility	2,472,911	2,318,354	2,163,797	2,009,240	1,854,683
PWTF 2013: 5 MG Reservoir Replacement	900,750	825,687	750,625	675,562	600,500
PWTF 2013: LT2 UV Disinfection	2,957,571	2,711,107	2,462,642	2,218,178	1,971,714
DWSRF 2015: Mandated Drinking Water Treat	3,006,684	2,829,820	2,652,956	2,476,093	2,299,229
DWSRF 2015: 5MG Reservoir Replacement	3,765,189	3,543,707	3,322,225	3,100,744	2,879,262
CERB 2015: Howard St Corridor Public Infrastr	1,119,007	1,071,216	1,021,991	892,297	840,074
Rev Bond 2020: LT2 & Big Quil	1,914,980	1,834,800	1,751,300	1,667,000	1,581,800
	18,277,528	16,995,734	15,706,460	14,405,885	13,179,133

Per amortizaton Schedule Principal outstanding (cash basis: interest not recorded until due)

Debt Capacity



Fund 301 General Government CIP

Projected Revenues and Expenses		2024	2025	Future	Total
General Government					
Funding Sources					
010	General Fund	167,327	270,000	-	437,327
103	Arpa	443,808	-	-	443,808
110	Street Operations	-	30,000	-	30,000
135	REET	-	175,000	-	175,000
150	Lodging Tax Fund	-	95,000	155,000	250,000
180	Affordable Housing	-	-	-	-
199	Community Services Fund	19,000	60,000	-	79,000
301	Grants for General CIP Proj	170,142	261,450	232,900	664,492
305	Grants for Street CIP	-	-	-	-
350	Bond (cherry)	-	-	-	-
355	Bond	65,000	69,249	-	134,249
411	Water Sewer	-	310,000	-	310,000
412	Storm Operations	-	30,000	-	30,000
495	SDC	-	-	-	-
510	Fleet Ops & Maint.	-	30,000	-	30,000
010	General Fund Overhead	62,068	-	-	62,068
Total Revenue GG	Rev Total	927,345	1,330,699	387,900	2,645,944
Expenditures					
Total Expense		729,119	1,303,654	547,900	2,580,673
	G/F OH and Misc	18,360	18,360		
Fund 301	Exp Total	747,479	1,322,014	547,900	2,617,393

City Hall Upgrades Phase 2 & Council Chambers Audio Visual Updates

Project Description

City Hall underwent a remodel in 2007 and left many parts of the project incomplete. In 2021 a front counter was added to the lobby. After space planning in 2022, a continued phased approach to upgrading the City Hall office spaces on floors 2R and 3 were recommended. These floors were never completed in the earlier remodels of City Hall. The work proposed includes sound control, HVAC, carpet replacement, furniture, and conference room development. In addition to the office space modifications, ARPA funding provided for Council upgrade of badly outdated electronics associated with audio and visual equipment.



Revenue					Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Budget	Total Revenues
		Project Budget	Revised Project Budget 9/23	Revised Project Budget 2024							
1	ARPA Phase 2 and Carpets	\$ 400,000	\$ 400,000	\$ 400,000							-
1	ARPA Phase 1	\$ 130,000	\$ 130,000	\$ 130,000	378,687	103,971		151,313			530,000
1	Council Chambers (ARPA)		\$ 120,500	\$ 70,000			85,500	70,000			70,000
1	Jefferson Co. Historical Society	\$ 10,131	\$ 10,131	\$ 10,131	10,131			-			10,131
1	ARPA - Second Floor		\$ 90,000	\$ 90,000			90,000	90,000			90,000
1	ARPA - First Floor Carpet			\$ 30,000				30,000			30,000
											-
Total Revenue		\$ 540,131	\$ 750,631	\$ 730,131	388,818	103,971	175,500	341,313	-	-	730,131
Expense					Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Budget	Total Expenditures
Design Engineering / Permitting											
	City Hall Phase II										-
	City Hall Phase I										-
	City Hall Phase III (2nd floor conference room)										-
	Permit										-
	Subtotal	\$ -	\$ -	\$ -							-
Construction											
	City Hall Phase I, II, III, Chambers	\$ 350,000	\$ 400,000	\$ 680,000	312,468	222,737		367,532			680,000
											-
											-
	Jefferson Co. Hist. Society		\$ 10,131	\$ 10,131	10,131						10,131
	First Floor Carpet			\$ 30,000				30,000			30,000
	Subtotal	\$ 350,000	\$ 410,131	\$ 720,131							-
Project Management											
	General Government	\$ 50,000	\$ 10,000	\$ 10,000	6,558	2,078		3,442			10,000
											-
											-
	Subtotal	\$ 50,000	\$ 10,000	\$ 10,000							-
Project Contingency											
	Eligible for 1% for the Arts Grant	N/A									-
											-
											-
Total Expense		\$ 400,000	\$ 420,131	\$ 730,131	329,157	224,815	-	400,974	-	-	730,131

USDA USF

Project Description

Sather park and Bishop Canyon are the beneficiaries of a Department of Natural Resources Grant. This project aims to remove invasive species from Bishop park (passive) and planting of new trees in both Sather Park and Bishop Park over the next three years. Grant will be managed by the Parks Department.



Revenue				Project Budget	Prior Year Revenues	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1	301	Washington State DNR Community Forestry Assistance Grant	\$	349,350			116,450	232,900	349,350
							-		-
									-
									-
									-
Total Revenue				\$ 349,350	-	-	116,450	232,900	349,350
Expense					Prior Year Expenditures	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
		Community Engagement	\$	16,750			5,583	11,167	16,750
		Tree Inventory	\$	15,000			5,000	10,000	15,000
		Consultant Assistance	\$	67,500			22,500	45,000	67,500
									-
		Subtotal	\$	99,250					-
Construction / Supplies									-
		Tree Planting	\$	218,100			72,700	145,400	218,100
									-
									-
									-
		Subtotal	\$	218,100					-
Project Management									-
		Admin	\$	32,000			10,667	21,333	32,000
		Consultants							-
									-
		Subtotal	\$	32,000					-
Project Contingency									-
			\$	-					-
Eligible for 1% for the Arts									-
		Grant	\$	-					-
									-
Total Expense				\$ 349,350	-	-	116,450	232,900	349,350

New Restroom Downtown

Project Description

Additional public restrooms downtown have been discussed for a number of years. In particular, a restroom facility toward the Ferry Terminal would nicely compliment the existing Cotton Building Restrooms. Funding of restrooms is a shared between Lodging Tax dollars and Sewer Fund resources. The sewer fund is able to contribute to restrooms to support public health and sanitation, while lodging tax recognizes the tourism benefits of public restrooms.



Revenue		Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Lodging Tax	\$ 250,000					95,000	155,000	250,000
4	Sewer Operating	\$ 250,000					250,000	-	250,000
									-
									-
									-
									-
Total Revenue		\$ 500,000	-	-	-	-	345,000	155,000	500,000
Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
	Architectural	\$ 75,000					75,000		75,000
	Property Purchase	\$ 100,000					100,000		100,000
									-
									-
									-
	Subtotal	\$ 175,000							-
Construction									
	Construction	\$ 305,000						305,000	305,000
									-
									-
									-
	Subtotal	\$ 305,000							-
Project Management									
	Staff Admin	\$ 17,500					10,000	7,500	17,500
									-
									-
	Subtotal	\$ 17,500							-
Project Contingency									
	Eligible for 1% for the Arts	\$ 2,500						2,500	2,500
									-
									-
Total Expense			-	-	-	-	185,000	315,000	500,000

Affordable Housing

Project Description

The City received two grants for affordable housing in 2021 from the State Department of Commerce. An additional Federal Grant was received for sewer infrastructure. The funding is directed to create land available for affordable housing through acquisition of property and the construction of sewer infrastructure to support full development of the land. The project has been master planned and will provide over 300 housing units serving a range of income levels. The sewer portion of this project is included on a separate capital sheet entitled the "Mill Road Lift Station".



Revenue		Project Budget	Revised Budget 9/24	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1	State Affordable Housing Grant	1,372,000	1,372,000	26,695						26,695
4	City Funds Affordable Housing funds	43,500	-							-
1	Jefferson County ARPA	507,000	500,000	500,000						500,000
4	City General Funds (Abatement and Mowing)	100,000	162,951	162,951						162,951
4	City General Funds Transfer In 2025		115,000					115,000		115,000
1	Federal Grant for Sewer (EPA)	2,500,000	-			252,000				-
1	State Utility Grant (CHIP) for Sewer	1,700,000	-			252,000				-
4	Sewer SDC (Fund 495)	150,000	-			80,000				-
6	Jefferson County Health		7,000	7,000						7,000
Total Revenue		\$ 6,372,500	\$ 2,149,951	696,646	-	584,000	-	115,000	-	804,646
Expense				Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Land Purchase / Permitting / Design										
	Land Purchase	\$ 1,372,000	\$ 1,372,000							-
	Planning and Permitting	\$ 500,000	\$ 475,107	452,712	6,597	100,000	22,395			475,107
	Cultural resources	\$ 43,500	\$ 36,491	36,461						36,461
	Mill Road Lift Station	\$ 504,000	\$ -			504,000	-			-
	Marketing		\$ 151,557				45,000	106,557		151,557
	Subtotal	\$ 2,419,500	\$ 2,035,155							-
Construction										
	Cleanup	\$ 25,000	\$ 41,326	19,607	15,430			-		19,607
	Mowing	\$ 75,000	\$ 49,859	49,859						49,859
	Garbage		\$ 6,069	6,421	368					6,421
	Sewer Lift Station and Force main	\$ 3,150,000	\$ -							-
	Construction engineering	\$ 546,000	\$ -							-
	Subtotal	\$ 3,796,000	\$ 97,254							-
Project Management/Design Engineering										
		\$ 7,000	\$ 7,000	3,297				3,703		7,000
		\$ 150,000	\$ -			80,000				-
	Miscellaneous		\$ 10,533	10,533						10,533
	Subtotal	\$ 157,000	\$ 17,533							-
Project Contingency										
										-
	Eligible for 1% for the Arts	\$ -	\$ -							-
	Not eligible - Grants and Utilities									-
Total Expense		\$ 6,372,500	\$ 2,149,942	578,889	22,395	684,000	67,395	110,260	-	756,544

Kah Tai Restrooms and Care Taker Facility

Project Description

The existing Kah Tai restrooms were originally constructed with grant funding from RCO. The restrooms have fallen into disrepair and have suffered severe vandalism over the years. As a result, the restrooms have been closed for a number of years. The City desires to re-open the restrooms and establish an RV caretaker site to minimize the effects of vandalism. RCO funding was not received and thus the City is utilizing General Fund reserves to complete the project.



Revenue			Project Budget	Revised Project Budget 9/24	Prior Year Revenues	2024 Actual year to date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues	
4	2023 Banked Capacity	\$	40,000	\$	40,000		40,000				40,000	
1	ARPA			\$	12,150		12,150	12,150			12,150	
1	RCO Grant (Unsecured) - No match required	\$	90,000	\$	-						-	
1	General Fund Transfer In	\$	35,000	\$	75,000				75,000	-	75,000	
										-	-	
										-	-	
										-	-	
										-	-	
Total Revenue		\$	165,000	\$	127,150	40,000	-	52,150	12,150	75,000	-	127,150

Expense				Prior Year Expenditures	2024 Actual year to date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures		
Design Engineering / Permitting										-		
A										-		
A	Plumbing Permit	\$	10,000	\$	171	171				171		
A	Demo Permit									-		
A										-		
A										-		
	Subtotal	\$	10,000	\$	171					-		
Construction										-		
B	Phase 1 - care taker site	\$	60,000	\$	52,069	29,101	22,967	22,967		52,068		
B		\$	90,000							-		
B	Phase III (restroom repairs)			\$	75,000				75,000	75,000		
B										-		
B										-		
	Subtotal	\$	150,000	\$	127,069					-		
Project Management										-		
C		\$	5,000							-		
C										-		
C										-		
C										-		
	Subtotal	\$	5,000	\$	-					-		
D	Project Contingency									-		
										-		
	Eligible for 1% for the Arts									-		
	Repair work and grants									-		
Total Expense		\$	165,000	\$	127,240	29,272	22,967	-	22,967	75,000	-	127,239

Library Windows & Restrooms

Project Description

The 1989 addition to the Port Townsend Library has windows with frames that are beginning to rot due to moisture intrusion and window failure. This project replaces the windows for this portion of the library. The source of funds for this project are bond revenues as well as American Rescue Plan Act funds as well as a Department of Commerce Grant. This project also rehabilitates the outdated bathrooms. Additional funds from the grant will be used in 2025 to make other upgrades to improve the longevity of this building.



Revenue				Project Budget	Revised Project Budget 9/23	Revised Project Budget 9/24	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues	
3	Bond Fund - Windows	\$	62,209	\$	62,209	\$	-	-					-	
4	Real Estate Excise Tax - Windows	\$	7,791	\$	7,000	\$	-	-					-	
1	Federal Grant (ARPA) - Windows	\$	100,000	\$	100,000	\$	76,987	76,987		76,987			76,987	
1	DOC (added in 2024) - Windows	\$	167,810	\$	167,810	\$	79,142	79,142		79,142			79,142	
3	Bond Fund - Restrooms	\$	33,000	\$	33,000	\$	-						-	
1	DOC Phase II Grant					\$	80,000				80,000		80,000	
1	General Fund Transfer In					\$	80,000				80,000		80,000	
Total Revenue		\$	370,810	\$	370,019	\$	316,128	-	156,128	-	156,129	160,000	-	316,129
Expense							Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures	
Design Engineering / Permitting														0
A														-
A														-
A														-
A														-
A														-
	Subtotal	\$	-	\$	-	\$	-							-
Construction														-
B	Windows	\$	167,500	\$	79,097	\$	79,098	79,098		79,098	-			79,098
B	Restrooms	\$	30,500	\$	95,209	\$	79,186	56,275	22,911	22,911	-			79,186
B	Phase II remaining grant					\$	155,000				155,000			155,000
B														-
	Subtotal	\$	198,000	\$	174,306	\$	313,284							-
Project Management														-
C	Windows	\$	2,500	\$	5,000	\$	715	197	518	518				715
C	Restrooms	\$	2,500	\$	5,000	\$	106	106						106
C														-
	Phase II remaining grant					\$	2,023				2,023			2,023
	Subtotal	\$	5,000	\$	10,000	\$	2,844							-
D	Project Contingency			\$	25,000									-
														-
	Eligible for 1% for the Arts	N/A												-
	Repair work and partial grant													-
														-
														-
Total Expense		\$	203,000	\$	184,306	\$	316,128	56,578	102,527	-	102,527	157,023	-	316,128

Parks 22 Banked Capacity

Project Description

The City Council allocated funding to several parks project as part of the 2022 Banked Capacity (property tax). The projects include reconstruction of the Kitchen Shelter at Chetzemoka Park, installation of Kiosks at the City Parks and install trail signs identifying the right of way, and installation of a new swing set at Bishop Park. A donation dedicated to Chetzemoka Park also will be applied to the kitchen shelter reconstruction.



Revenue				Project Budget	Revised Project Budget 9/24	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Banked Capacity					100,000	-		91,000			191,000
4	Kitchen Shelter		\$ 100,000	117,697								-
4	Kiosks Signs		\$ 61,000	52,334								-
4	Bishop Playground		\$ 30,000	29,969						-		-
6	Donations - Kitchen Shelter		\$ 50,000	50,000					127,327			127,327
												-
												-
Total Revenue				\$ 241,000	\$ 250,000	100,000	-	-	218,327	-	-	318,327
Expense					Prior Year Expenditures	2024 Actual year to date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures	
Design Engineering / Permitting												
A	bishop permit		\$ 3,000		854				2,146		3,000	
A											-	
A											-	
A											-	
	Subtotal		\$ -	\$ 3,000							-	
Construction												
B	Kitchen Shelter		\$ 150,000	\$ 161,165	10,246	714	135,000	20,000	130,919		161,165	
B	Kiosks Signs		\$ 59,000	\$ 52,334	52,334		11,485				52,334	
B	Bishop Playground		\$ 28,500	\$ 29,969	29,969		(2,019)				29,969	
B											-	
B											-	
	Subtotal		\$ 237,500	\$ 243,468							-	
Project Management												
C	Kitchen Shelter		\$ 2,000	\$ 3,000	386		614	1,500	1,114		3,000	
C	Kiosks Signs		\$ 1,000	\$ 106	106		500				106	
C	Bishop Playground		\$ 500	\$ 426	426		-				426	
C											-	
	Subtotal		\$ 3,500	\$ 3,532							-	
D	Project Contingency										-	
	Eligible for 1% for the Arts	No									-	
	Bank Capacity Agreement does not allow for art contribution										-	
											-	
Total Expense				\$ 241,000	\$ 250,000	94,320	714	145,580	21,500	134,179	-	249,999

Pink House & Pope Marine

The Charles Pink House and Pope Marine buildings are suffering severe exterior deterioration in the siding and trim. The City has evaluated the repair costs and will be making repairs to the degree that funding is available. This budget transfers revenues from ARPA to REET.



Revenue				Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
	Project Budget	Revised Budget 9/23	Revised Budget 9/24							
1 ARPA (Initial Allocation) (103-)	\$ 100,000	\$ 100,000	\$ 22,368			95,307	13,358			13,358
1 Pink House				5,177						5,177
1 Pope Marine				3,833	1,228					3,833
6 Friends of Library			\$ 65,000					65,000		65,000
3 Bond			\$ -							-
1 Future Grant	\$ 205,000	\$ 40,000								-
4 General Fund Transfer In										-
4 Real Estate Excise Tax			\$ 175,000					175,000		175,000
Total Revenue	\$ 305,000	\$ 140,000	\$ 262,368	9,010	1,228	95,307	13,358	240,000	-	262,368
Expense				Prior Year Expenditures	2024 Actual year to date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting										
Terrapin Contract \$12,000										-
	Pink House	\$ 35,000	\$ 12,000	\$ 22,368	5,715	2,949	7,489	13,256		18,971
	Pope Marine				3,398	2,697	(182)	-		3,398
	Pink House									-
	Permit Pope Marine					1,228				-
	Subtotal	\$ 35,000	\$ 12,000	\$ 22,368						-
Construction										
	Pink House	\$ 250,000	\$ 86,500	\$ 188,000			86,500	-	188,000	188,000
	Pope Marine		\$ 40,000	\$ 50,000				50,000		50,000
	Miscellaneous Pink House									-
	Miscellaneous Pope Marine									-
	Subtotal	\$ 250,000	\$ 126,500	\$ 238,000						-
Project Management										
	Engineering Administration	\$ 20,000	\$ 1,500	\$ 2,000			1,500	500	1,500	2,000
	Subtotal	\$ 20,000	\$ 1,500	\$ 2,000						-
Project Contingency										
	Eligible for 1% for the Arts	N/A								-
	Repair work and grant funding									-
Total Expense	\$ 305,000	\$ 140,000	\$ 262,368	9,112	6,874	95,307	13,756	239,500	-	262,368

Public Works Shops

Project Description

The existing PW shops located on Beech St. houses the Public Works Department divisions of fleet maintenance, streets, wastewater collections, storm water collections, and water distribution crews. In addition, the parks maintenance and facilities maintenance divisions do not have adequate shops with parks based out of the old water barn on Harrison Street and the offices located at Mountain View. This current Beech street site consists of older portable units that have reached their useful life expectancy and is undersized for such a large crew. The site is also located in the middle of a residential neighborhood and the property could be better suited for housing. This first step in this project will be to hire a consultant to develop a schematic design towards building a new Municipal Service Center adjacent to our Water Quality site. Funds for this project will be split between the seven departments that will operate out of this facility.



Revenue				Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Water Distribution	411-403	\$	30,000					30,000		30,000
4	WW Collections	411-405	\$	30,000					30,000		30,000
4	Storm	412-	\$	30,000					30,000		30,000
4	Streets	110	\$	30,000					30,000		30,000
4	Fleet	510	\$	30,000					30,000		30,000
4	Facilities	199-091	\$	30,000					30,000		30,000
4	Parks	199-132	\$	30,000					30,000		30,000
Total Revenue				\$ 210,000	-	-	-	-	210,000	-	210,000
Expense					Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting											
	Schematic Design Consultant		\$	200,000					200,000		200,000
											-
											-
	Subtotal		\$	200,000							-
Construction											
											-
											-
											-
	Subtotal		\$	-							-
Project Management											
	Staff support and management		\$	10,000							-
											-
											-
	Subtotal		\$	10,000					10,000		10,000
Project Contingency											
	Eligible for 1% for the Arts	N/A - design study									-
											-
Total Expense				\$ 210,000	-	-	-	-	210,000	-	210,000

Skate Park Lighting Project

Project Description

In 2024 with the recommendation from PRTTAB, and approval by the City Council along with fund raising from the community, installation solar lighting at the Skate Park will occur. Council accepted a gofund me donation in the amount in the amount of \$19k from local community members. Lighting of the skate park is referenced in the PROS Plan as a need for more night time activities for the youth of Port Townsend.



Revenue	Project Budget	Revised Project Budget 9/24	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4 General Fund Transfer In		\$ 40,000				40,000			40,000
6 Parks Donation		\$ 19,000				19,000			19,000
									-
									-
									-
Total Revenue	\$ -	\$ 59,000	-	-	-	59,000	-	-	59,000

Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									-
Schematic Design and engineering		\$ 5,000				5,000			5,000
Permit		\$ 1,000				1,000			1,000
									-
									-
Subtotal	\$ -	\$ 6,000							-
Construction									-
Installation		\$ 22,000					22,000		22,000
Materials - solar lights		\$ 29,000				29,000	-		29,000
									-
									-
Subtotal		\$ 51,000							-
Project Management									-
engineering services		\$ 1,600					1,600		1,600
									-
									-
		\$ 1,600							-
Project Contingency									-
Eligible for 1% for the Arts	Yes								-
For city funds only		\$ 400					400		400
									-
									-
Total Expense	\$ -	\$ 59,000	-	-	-	35,000	24,000	-	59,000

Fund 305 Streets CIP

Projected Revenues and Expenses		2024	2025	Future	Total
Street					
Funding Sources					
103	Arpa	100,000	-	-	
110	Street Operations	262,155	-	-	262,155
111	TBD	516,000	521,000	50,000	1,087,000
135	REET	167,542	92,355	15,000	274,897
305	Grants/Loans for Streets	4,866,602	2,029,108	765,000	7,660,710
412	Storm Operations	215,055	206,342	-	421,397
414	Storm Cap	-	500,000	-	500,000
495	SDC	260,397	-	-	260,397
540	PW Admin	2,981	2,019	-	5,000
010	General fund overhead	460,000	-	-	460,000
Total Revenue St	Rev Total	6,850,731	3,350,824	830,000	11,031,555
Expenditures					
Total Expense		6,986,769	3,936,510	830,000	11,753,279
	G/F OH and Misc	36,286	34,978	-	
Fund 305	Exp Total	7,023,055	3,971,488	830,000	11,824,543

19th Street Safety Project

Project Description

19th Street is a main corridor for pedestrians, bicyclists, and motorists. The corridor connects the Mountain View Campus, Golf Course, Salish Coast School as well as crosses the valley separating Castle Hill from Uptown. The existing roadway configuration is a large open street which induces high vehicle speeds. About half of the corridor has sidewalks. This project will enhance pedestrian safety by installing sidewalks between Landes and the existing sidewalk near San Juan. It will also include traffic calming and enhanced crossings. This project is funded through the State Highway Safety Improvement Program and reflects improvements needed in the City's Local Road Safety Plan.



Revenue		Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1	HSIP Grant (Federal)	\$ 763,000					113,000	650,000	763,000
1	Transportation Improvements Funded (TBD)	\$ 75,000					25,000	50,000	75,000
									-
									-
									-
									-
									-
Total Revenue		\$ 838,000	-	-	-	-	138,000	700,000	838,000
Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
	Consultant	\$ 113,000					113,000		113,000
									-
									-
									-
									-
	Subtotal	\$ 113,000							-
Construction									
	Construction Contract	\$ 587,000						587,000	587,000
	CN Engineering	\$ 88,000						88,000	88,000
									-
									-
	Subtotal	\$ 675,000							-
Project Management									
	Eng Interfund	\$ 50,000					25,000	25,000	50,000
									-
									-
	Subtotal	\$ 50,000							-
Project Contingency									-
Eligible for 1% for the Arts									-
									-
									-
Total Expense		\$ 838,000	-	-	-	-	138,000	700,000	838,000

2022 Banked Capacity - 1000.1 (Pacific Avenue), 1000.2 (9th Street Sidewalk), 1000.3 (ADA Ramps)

Project Description

The City Council authorized expenditure of 2022 banked capacity (property tax) revenue for parks and streets projects. The Street projects in this budget include construction of sidewalks on 9th Street between Hancock and McPherson, ADA improvements at Mountain View on Blaine Street, ADA improvements at the intersection of Lawrence and Tyler Street, and paving of Milo Street, a portion of the Valley Trail.



Revenue		Project Budget	Project Budget 10/24	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Banked Capacity	\$ 414,000	\$ 404,000	110,000			304,000			414,000
4	Water SDC (495)	\$ 75,000	\$ -							-
4	Sewer SDC (495)	\$ 60,000	\$ -							-
4	Stormwater (412)	\$ 40,000	\$ 40,000					40,000		40,000
										-
										-
										-
Total Revenue		\$ 589,000	\$ 444,000	110,000	-	-	304,000	40,000	-	454,000
Expense				Prior Year Expenditures	2024 Actual to Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting										
A	Design Consultant 9th, Blaine	\$ 50,000	\$ 50,000	18,353	12,118	50,000	25,000	6,647		50,000
	Design Pacific									-
										-
										-
	Subtotal	\$ 50,000	\$ 50,000							-
Construction										
B	9th St, and Blaine	\$ 293,309	\$ 282,000		-	275,264		282,000		282,000
	Pacific	\$ 60,000	\$ 60,000		-	30,000		60,000		60,000
		\$ 49,000	\$ -		-	49,000				-
		\$ 31,000	\$ -		-	31,000				-
	Subtotal	\$ 433,309	\$ 342,000							-
Project Management										
C	9th St, and Blaine	\$ 32,000	\$ 32,000	3,126	4,627	17,000	10,000	18,874		32,000
	Pacific	\$ 15,000	\$ 20,000	7,702		3,222	5,000	7,298		20,000
		\$ 11,000	\$ -			6,000				-
		\$ 9,000	\$ -			8,000				-
	Subtotal	\$ 67,000	\$ 52,000							-
D	Project Contingency	\$ 38,691				38,691				-
										-
	Eligible for 1% for the Arts									-
	Banked Capacity Agreement Does not allow for a	No								-
										-
Total Expense		\$ 589,000	\$ 444,000	29,180	16,745	508,177	40,000	374,820	-	444,000

2023 Banked Capacity Street Repair Projects - 1000.4

Project Description

The City proposes to invest up to 868,000 of banked capacity (property tax) into repair of streets. This project will include a number of stormwater management improvements prior to applying repair treatment to the street.



Revenue				Project Budget		Prior Year Revenues	2024 Actual To date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Banked Capacity		\$ 868,000	868,000								868,000
4	Stormwater		\$ 251,970	34,128	19,320	125,985	65,000	152,842				251,970
												-
												-
												-
												-
Total Revenue			\$ 1,119,970	902,128	19,320	125,985	65,000	152,842			-	1,119,970
Expense				Prior Year Expenditures	2024 Actual To date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures		
Design Engineering / Permitting												
A	In-house engineering	Street						-		-		-
		Storm						-		-		-
												-
												-
												-
												-
			\$ -									-
Construction												-
B		Street	\$ 819,702	142,839		737,800	\$ 125,000	551,862				819,702
		Storm	\$ 107,075		36,438	188,977	50,000	57,075				107,075
		Water										-
												-
												-
			\$ 926,777								-	-
Project Management												-
C		Street (25%)	\$ 48,298	5,534		130,200	5,000	37,764				48,298
		Storm (75%)	\$ 144,895	16,603		62,993	15,000	113,292				144,895
												-
												-
			\$ 193,193		11,398						-	-
Project Contingency												-
Eligible for 1% for the Arts												-
Banked Capacity does not allow for art contribution												-
Total Expense				\$ 1,119,970	164,976	47,836	1,119,970	195,000	759,994		-	1,119,970

2025 Active Transportation Project (Traffic Calming and Sidewalks)

Project Description

The voter enacted Transportation Benefit District sales tax of 0.3% funding includes approximately \$25,000 for traffic calming and approximately \$50,000 for pedestrian safety. Additionally, the City fee in lieu collections for sidewalk are lumped into this project with the goal of connecting the city's sidewalk network and providing improved comfort for non-motorized users.

Revenue				Project Budget	Prior Year Revenues	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	TIF - Traffic Calming	111	\$	25,000			25,000		25,000
4	TIF - Pedestrian Safety - Sidewalks	111	\$	50,000			50,000		50,000
4	Fee in lieu for Sidewalk Construction	111	\$	25,000			25,000		25,000
									-
									-
									-
									-
Total Revenue				\$ 100,000	-	-	100,000	-	100,000

Expense				Prior Year Expenditures	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures	
Design Engineering / Permitting									
	In house traffic calming Engineering		\$	5,000		5,000		5,000	
	In house Sidewalk Design Engineering		\$	15,000		15,000		15,000	
								-	
								-	
								-	
	Subtotal		\$	20,000				-	
Construction									
	Traffic calming Infrastructure		\$	15,000		15,000		15,000	
	Sidewalk Construction		\$	50,000		50,000		50,000	
								-	
								-	
								-	
	Subtotal		\$	65,000				-	
Project Management									
	Traffic Calming Guide Book		\$	10,000		10,000		10,000	
	Admin		\$	5,000		5,000		5,000	
								-	
								-	
	Subtotal		\$	15,000				-	
Project Contingency								-	
Eligible for 1% for the Arts								-	
	N/A given funding is from TBD and fee in lieu							-	
Total Expense				\$ 100,000	-	-	100,000	-	100,000

2025 Chip Seal Project

Project Description

Every other year, funds from the Transportation Benefit District will go to pavement preservation in order to extend the life of the City streets. Pavement preservation usually consists of Chip Seal or Overlays along with spot repairs. 2025 will be the first year of implementing a pavement preservation project since the beginning of the Transportation Benefit District in 2024. The City received a TIB grant to support this effort in 2024.

Revenue		Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Transportation Improvement Funded (TBD)	\$ 170,000					170,000		170,000
							-		-
1	TIB APP Grant Application - Chip Seal	\$ 264,618					264,618		264,618
							-		-
							-		-
							-		-
Total Revenue		\$ 434,618	-	-	-	-	434,618	-	434,618

Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
	In-house Engineering - TIB Grant	\$ 15,000					15,000		15,000
							-		-
							-		-
							-		-
	Subtotal	\$ 15,000					-		-
Construction									
	Contract - TIB Grant	\$ 264,618					264,618		264,618
	Match	\$ 140,000					140,000		140,000
							-		-
							-		-
	Subtotal	\$ 404,618					-		-
Project Management									
	Administration - TIB Grant	\$ 15,000					15,000		15,000
							-		-
							-		-
	Subtotal	\$ 15,000					-		-
Project Contingency									
	Eligible for 1% for the Arts	\$ -							-
									-
									-
Total Expense		\$ 434,618	-	-	-	-	434,618	-	434,618

Discovery Road

Project Description

The Discovery Road Project includes constructing a bicycle way, sidewalks, and curb ramps between the roundabout at Rainier Street and McClellan Street near Salish Coast Elementary School. The project will completely rebuild the failing pavement as well. The City received several grants to fund this large project. Discovery Road is an important arterial street connecting SR20 to Fort Worden. The City and stakeholders evaluated options for this project in the spring of 2021. City Council approved the concept design on May 17, 2021. Construction was completed in 2024 with only wetland mitigation work remaining in 2025.



Revenue	Project Budget	Revised Project Budget 7/23	Revised Project Budget 9/24	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1 Transportation Improvement Board - State Grant (UAP)	\$ 2,629,618	\$ 2,493,288	\$ 2,709,868	477,909	1,252,128	2,065,077	2,003,515	228,444		2,709,868
1 Washington State Department Of Transportation	\$ 1,442,082	\$ 1,442,082	\$ 1,442,082	38,420	1,328,120	1,367,082	1,403,662			1,442,082
1 Federal Grant Funds STP	\$ 621,515	\$ 621,515	\$ 621,515	617,190						617,190
4 Local - Street Funds	\$ 270,000	\$ 363,693	\$ 363,693	101,538	11,439	68,693	262,155			363,693
1 Transportation Infrastructure Funded (TBD 111)	\$ -	\$ -	\$ 202,000				138,000	64,000		202,000
4 Water (495)	\$ 240,000	\$ 234,263	\$ 241,202	47,047	94,213	100,649	194,155			241,202
4 Sewer (495)	\$ 115,000	\$ 75,831	\$ 85,702	19,460	38,449	(6,555)	66,242			85,702
4 Storm (412)	\$ 250,000	\$ 342,680	\$ 402,680	302,625	777	342,680	100,055			402,680
6 Misc.				2,413						2,413
Total Revenue	\$ 5,568,215	\$ 5,573,352	\$ 6,068,742	1,606,602	2,725,126	3,937,626	4,167,784	292,444	-	6,066,830
Expense	Project Budget	Revised Project Budget 7/23	Revised Project Budget 9/24	Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting										
A Street	\$ 755,854	\$ 608,387	\$ 613,387	\$ 678,581	441	(43,992)	-	-		678,581
A Water	\$ 34,216	\$ 30,792	\$ 30,629				-	-		-
A Sewer	\$ 13,217	\$ 7,926	\$ 8,228				-	-		-
A Misc			\$ 26,337				-	-		-
Subtotal	\$ 803,287	\$ 647,105	\$ 678,581							-
Construction										
B Street	\$ 3,322,829	\$ 3,888,122	\$ 4,487,806	336,492	3,979,256	3,738,122	4,101,314	50,000		4,487,806
B Water	\$ 190,937	\$ 190,537	\$ 189,455			140,537	189,455	-		189,455
B Sewer	\$ 92,877	\$ 63,588	\$ 70,077			13,588	70,077	-		70,077
B Storm	\$ 250,000	\$ 342,680	\$ 342,680			342,680	-	-		-
Subtotal	\$ 3,856,643	\$ 4,484,927	\$ 4,747,338							-
Project Management										
C Street	\$ 197,810	\$ 417,498	\$ 622,873	\$ 203,871		35,634	404,938	14,064		622,873
C Water	\$ 12,833	\$ 10,769	\$ 14,831			8,344	14,831			14,831
C Sewer	\$ 6,242	\$ 3,593	\$ 5,174			\$ 2,070	\$ 5,174			5,174
Subtotal	\$ 216,885	\$ 431,860	\$ 642,878		103,235					-
D Project Contingency		\$ 9,460	\$ -			9,460				-
D Eligible for 1% for the Arts	No	\$ -	\$ -							-
Grant funding not eligible and Staff Administration										-
Total Expense	\$ 4,876,815	\$ 5,563,892	\$ 6,068,797	\$ 1,218,944	\$ 4,082,932	\$ 4,246,444	\$ 4,785,789	\$ 64,064	\$ -	\$ 6,068,797

Discovery Road/Sheridan/19th Street Intersection Safety Improvements

Project Description

The City secured a second grant to improve the remaining portion of Discovery Road between the Salish Coast Elementary School and the Sheridan intersection. The grant also makes improvements to the intersection for pedestrian and Bicycle safety. Federal HSIP funding is intended for City's to make safety improvements according to the Local Road Safety Plan.



Revenue			Project Budget	Revised Project Budget 10/24	Prior Year Revenues	2024 Year to Date 7/1/24	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1	Federal Grant Funds (HSIP)		\$ 233,000	\$ 233,000		3,899	228,000	23,000	210,000		233,000
4	Real Estate Excise Tax		\$ 15,000	\$ 35,000	2,645	5,415	10,000	10,000	22,355		35,000
1	Additional Federal Funds (Anticipated)			\$ 50,000					50,000		50,000
											-
											-
											-
											-
Total Revenue			\$ 248,000	\$ 318,000	2,645	9,314	238,000	33,000	282,355	-	318,000
Expense					Prior Year Expenditures	2024 Year to Date Sept 24	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting											
A	Design Consultant		\$ 22,000	\$ 40,000	298		22,000	23,000	16,702		40,000
											-
											-
											-
											-
	Subtotal		\$ 22,000	\$ 40,000							-
Construction											-
B	Construction Contract		\$ 170,850	\$ 170,850			170,850		170,850		170,850
B	CN Engineering		\$ 30,150	\$ 30,150			30,150		30,150		30,150
											-
											-
											-
	Subtotal		\$ 201,000	\$ 201,000							-
Project Management											-
C	Staff administration non-eligible grant costs		\$ 15,000	\$ 25,000	8,181	542	10,000	15,000	1,819		25,000
C	Staff administration eligible grant costs			\$ 10,000			5,000		10,000		10,000
											-
											-
	Subtotal		\$ 15,000	\$ 35,000							-
D	Project Contingency										-
			\$ 10,000	\$ 42,000					\$ 42,000		42,000
	Eligible for 1% for the Arts		\$ -	\$ -							-
	N/A REET Used for staff administration										-
Total Expense			\$ 248,000	\$ 318,000	8,479	542	238,000	38,000	271,521	-	318,000

Kearney St - 1147

Project Description

Washington State Department Of Transportation is replacing signals at Mill Road/SR20 and Kearney/SR20 with compact roundabouts at each location. The City secured Federal Surface Transportation Block Grant funds through a competitive process administered by Jefferson County. The funds will be used to enhance the WSDOT project with improved pedestrian and bike facilities as well as work on the roundabout approaches. The project was approved by the City Council on August 16, 2021.

Revenue		Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1	Federal Grant Funds (STBG)	\$ 476,900				476,900			476,900
4	Real Estate Excise Tax	\$ 75,000	479	5,165		74,521			75,000
									-
									-
	Permit Refund		(440)						(440)
									-
Total Revenue		\$ 551,900	39	5,165	-	551,421	-	-	551,460
Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									-
A	WSDOT Agreement	\$ 50,750				50,750			50,750
									-
									-
									-
	Subtotal	\$ 50,750							-
Construction									-
B	WSDOT Agreement	\$ 465,400				465,400			465,400
									-
									-
									-
	Subtotal	\$ 465,400							-
Project Management									-
C	Engineering Serv.	\$ 35,000	17,498	4,900		17,043			34,541
			459	265					459
									-
	Subtotal	\$ 35,000							-
D	Project Contingency								-
									-
	Eligible for 1% for the Arts	\$ 750				750			750
	Estimate on budget for REET and not grants								-
									-
									-
Total Expense		\$ 551,900	17,957	5,165	-	533,943	-	-	551,900

Lawrence St Improvements - 1140.0

Project Description

Lawrence Street is a main pedestrian route. Disability Awareness Starts Here (DASH) has identified Lawrence Street as a key route that needs accessibility updates. Creating good pedestrian connections between the Library and Aldrich's would improve accessibility to the Uptown core as well as the Library. Adding bike lanes and narrowing the lanes will improve mobility for all in terms of traffic calming and providing space for bicycles. Construction was completed in 2024 with only project paperwork finalization occurring in 2025.



Revenue	Project Budget	Revised Budget 10/24	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4 Transportation Benefit District	\$ 75,000	\$ 319,000				300,000	19,000		319,000
6 ACAC	\$ 35,000	\$ -							-
6 Jefferson Transit	\$ -	\$ 40,000				40,000			40,000
4 Banked Capacity	\$ 10,000	\$ 10,000	10,000						10,000
1 Public Infrastructure Funding (PIF)	\$ -	\$ 160,592					160,592		160,592
4 Stormwater Fund	\$ 10,000	\$ 35,000				35,000			35,000
1 Transportation Improvement Board	\$ 493,500	\$ 565,525				565,525			565,525
									-
									-
Total Revenue	\$ 623,500	\$ 1,130,117	10,000	-	-	940,525	179,592	-	1,130,117
Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
A PE	\$ 33,257	\$ 55,187		55,187		55,187			55,187
									-
									-
									-
Subtotal	\$ 33,257	\$ 55,187							-
Construction									
B Construction									-
B Street	\$ 496,694	\$ 849,849				849,849			849,849
B Storm	\$ 10,000								-
CN Engineering - SCJ		\$ 28,000				28,000			28,000
Inspection - Vanir		\$ 37,000				37,000			37,000
Subtotal	\$ 506,694	\$ 914,849							-
Project Management									
C City Staff	\$ 42,615	\$ 60,000		9,727		40,000	20,000		60,000
									-
									-
Subtotal	\$ 42,615	\$ 60,000							-
D Project Contingency		\$ 100,000				\$ 50,000	\$ 50,000		100,000
D Eligible for 1% for the Arts									-
E Estimate on budget for REET and not grants									-
Total Expense	\$ 582,566	\$ 1,130,036	-	64,915	-	1,060,036	70,000	-	1,130,036

Multimodal Arterial Cohesive Investment Strategy

Project Description

This project evaluates approximately 15 of the City's arterial streets in an effort to determine the appropriate non-motorized facilities that are needed. The project will provide an opportunity for public outreach as part of the evaluation. Additionally, the project will provide grant level cost estimates to balance project feasibility and prepare for future grant applications.

Revenue		Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1	Transportation Alternatives Grant (Federal)	\$ 180,000				35,000	145,000		180,000
4	Transportation Benefit District	\$ 35,000				10,000	25,000		35,000
									-
									-
									-
									-
Total Revenue		\$ 215,000	-	-	-	45,000	170,000	-	215,000
Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
	Consultant for Planning Study	\$ 133,000				20,000	113,000	-	133,000
									-
									-
									-
	Subtotal	\$ 133,000							-
Construction									
									-
									-
									-
									-
	Subtotal	\$ -							-
Project Management									
	Adminstration	\$ 80,000				25,000	55,000	-	80,000
	WSDOT Adminstration	\$ 2,000				-	2,000	-	2,000
									-
									-
	Subtotal	\$ 82,000							-
Project Contingency									-
Eligible for 1% for the Arts									-
									-
									-
Total Expense		\$ 215,000	-	-	-	45,000	170,000	-	215,000

Olympic Discovery Trail - Larry Scott to Fort Worden Connection

Project Description

The City received a RAISE grant to develop a plan for connecting the Larry Scott Trail head to Fort Worden. This RAISE grant is part of the Puget Sound to Pacific (PS2P) Federal Grant.

Revenue				Project Budget	Prior Year Revenues	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1	RAISE Grant (Federal)		\$	250,000			110,000	115,000	225,000
4	REET		\$	50,000			10,000	15,000	25,000
									-
									-
									-
									-
									-
Total Revenue				\$ 300,000	-	-	120,000	130,000	250,000
Expense					Prior Year Expenditures	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
	Consultant		\$	200,000			100,000	100,000	200,000
									-
									-
									-
	Subtotal		\$	200,000					-
Construction									
									-
									-
									-
									-
	Subtotal		\$	-					-
Project Management									
	Admin Grant Eligible		\$	25,000			10,000	15,000	25,000
	Admin Grant Ineligible		\$	25,000			10,000	15,000	25,000
									-
	Subtotal		\$	50,000					-
Project Contingency									
									-
Eligible for 1% for the Arts									
	N/A given funding is from TBD and fee in lieu								-
Total Expense				\$ 250,000	-	-	120,000	130,000	250,000

Sims Way and Boatyard Expansion Project

Project Description

The Sims Way and Boatyard Expansion project was approved by the City Council, Port of Port Townsend, and Jefferson County PUD on 9/12/22. The construction of the south side of the project will be led by the Port with the City doing work overtime on the north side. The project involves removal of the existing Poplar trees, expanding the boatyard, and planting new trees on the south side. The project involves selective removal over time on the Kah Tai side by the City. The Port of Port Townsend is leading design and construction effort for this project. Subsequent funding through PIF was added to the project to cover inflationary costs as well as the results of the public process that yielded a final design concept of a parkway with a path.



Revenue		Project Budget	Revised Project Budget 9/24	Prior Year Revenues	2024 Actual To Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1	ARPA	\$ 100,000	\$ 100,000			100,000	100,000	-		100,000
4	In Kind Match - North Side - \$50,000		\$ -							-
1	PIF	\$ 185,000	\$ 500,000			185,000	-	500,000		500,000
4	City Admin Costs - PW Admin.		\$ 5,000				2,981	2,019		5,000
										-
										-
										-
Total Revenue		\$ 285,000	\$ 605,000	-	-	285,000	102,981	502,019	-	605,000
Expense				Prior Year Expenditures	2024 Actual To Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting										
A	Design Consultant - Port	\$ 30,000	\$ 100,000			100,000	100,000			100,000
										-
										-
										-
	Subtotal	\$ 30,000	\$ 100,000							-
Construction										
B	Pass thru of the Port for Construction Contract	\$ 190,000	\$ 500,000			170,000		500,000		500,000
										-
										-
										-
	Subtotal	\$ 190,000	\$ 500,000							-
Project Management										
C	Engineering Administration	\$ 15,000	\$ 5,000	1,981		12,642	1,000	2,019		5,000
										-
										-
	Subtotal	\$ 15,000	\$ 5,000							-
Project Contingency										
D										-
										-
	Eligible for 1% for the Arts	No								-
										-
Total Expense		\$ 235,000	\$ 605,000	1,981	-	282,642	101,000	502,019	-	605,000

Comprehensive Safety Action Plan (Safe Streets for All)

Project Description

The city was awarded a grant in 2023 in partnership with Jefferson County to develop the subject action plan. This action plan will evaluate the entire street system of the City and County. Additionally, this project provides an opportunity for the City and County to plan together for projects that span city county lines such as the Hastings Avenue and Mill Road Roundabout.



Revenue		Project Budget	Prior Year Revenues	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1	Safe Streets for All Grant (Federal)	\$ 164,000			164,000		164,000
4	Transportation Infrastructure Funded (TBD)	111 \$ 41,000			41,000		41,000
6	Jefferson County	\$ 20,500			20,500		20,500
							-
							-
							-
							-
Total Revenue		\$ 225,500	-	-	225,500	-	225,500
Expense			Prior Year Expenditures	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting							
	Planning Study City - Comprehensive Safety Action Plan	\$ 82,000			82,000		82,000
	Planning Study County - Comprehensive Safety Action Plan	\$ 82,000			82,000		82,000
							-
							-
	Subtotal	\$ 164,000					-
Construction							
	N/A						-
							-
							-
							-
	Subtotal	\$ -					-
Project Management							
	City Ineligible Engineering Admin	\$ 20,500			41,000		41,000
	City Grant Match	\$ 20,500			20,500		20,500
	County Grant Match	\$ 20,500					-
							-
	Subtotal	\$ 61,500					-
Project Contingency							
							-
	Eligible for 1% for the Arts						-
							-
							-
Total Expense		\$ 225,500	-	-	225,500	-	225,500

Tyler St Overlay

Project Description

The City secured a grant from the Transportation Improvement Board under the pavement preservation program. This project seeks to preserve the existing roadway and make ADA improvements along Tyler Street where the Farmers Market operates on Saturdays. The Street condition is deteriorating rapidly. This grant will help preserve the life of the pavement and improve accessibility for this important location in Uptown.



Revenue			Project Budget Adopted 2024	Project Budget Proposed 2025	Prior Year Revenues	2024 Actual Actuals to Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1	Transportation Improvement Board (TIB) Grant	\$	379,354	\$ 379,354			320,987		379,354		379,354
4	Real Estate Excise Tax	\$	75,000	\$ 75,000	6,979	\$ 11,748.82	64,700	68,021			75,000
1	Transportation Improvements Funded (TBD)			\$ 145,000				68,000	77,000		145,000
4	Storm - Operation Urban Forestry			\$ 13,500					13,500		13,500
4	Storm - Operations			\$ 15,000				15,000			15,000
											-
											-
											-
Total Revenue			\$ 454,354	\$ 627,854	6,979	11,749	385,687	151,021	469,854	-	627,854
Expense					Prior Year Expenditures	2024 Actual Actuals to Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting											
A	Design Consultant	\$	37,182	\$ 65,000		47,678	16,986	48,000	17,000		65,000
											-
											-
											-
	Subtotal	\$	-	\$ 65,000							-
Construction											-
B	Construction Contract	\$	284,516	\$ 284,516			284,516		284,516		284,516
B	Pavement Repair Ahead of Overlay (FDR)	\$	40,000	\$ 60,000			-	-	60,000		60,000
B	CN Engineering Consultant	\$	28,452	\$ 65,000			28,452		65,000		65,000
	Sidewalk Repair			\$ 75,000				75,000			75,000
	Street Crew Storm			\$ 15,000				15,000			15,000
	Street Tree Replacement			\$ 13,500					13,500		13,500
											-
	Subtotal	\$	352,967	\$ 513,016							-
Project Management											-
C	Grant ineligible staff time	\$	35,000	\$ 49,250	7,641	14,428	26,530	20,000	21,609		49,250
											-
	Subtotal	\$	35,000	\$ 49,250							-
D	Project Contingency										-
D		\$	28,455	\$ -		-	28,455				-
Eligible for 1% for the Arts											-
E	Not eligible - Grants and Design only	\$	750	\$ 750			750		750		750
Total Expense			\$ 387,967	\$ 628,016	7,641	62,107	385,688	158,000	462,375	-	628,016

Washington/Walker Sidewalk Project

Project Description

The City received a Transportation Improvement Board Grant in 2023 to construct sidewalk on Washington Street and Walker Street to connect Sims Way with the Courthouse with an accessible route.



Revenue		Project Budget	Prior Year Revenues	2024 Year to Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1	TIB	\$ 198,600				15,000	183,600		198,600
4	TBD	\$ -							-
4	REET	\$ 75,000				15,000	60,000		75,000
									-
									-
									-
									-
Total Revenue		\$ 273,600	-	-	-	30,000	243,600	-	273,600
Expense			Prior Year Expenditures	2024 Year to Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
	Design	\$ 28,050		-		15,000	13,050		28,050
									-
									-
	Subtotal	\$ 28,050							-
Construction									
	Construction Contract	\$ 187,000					187,000		187,000
	CN Engineering	\$ 18,550					18,550		18,550
									-
									-
	Subtotal	\$ 205,550							-
Project Management									
	In eligible Costs for admin	\$ 40,000							-
						15,000	25,000		40,000
									-
	Subtotal	\$ 40,000							-
Project Contingency									-
Eligible for 1% for the Arts									-
	REET								-
									-
Total Expense		\$ 273,600	-	-	-	30,000	243,600	-	273,600

Fund 415 Water Sewer CIP (Water)

Projected Revenues and Expenses		2024	2025	Future	Total
Water					
	Funding Sources				
411	Water Sewer	207,701	1,387,000	1,653,000	3,247,701
415	Grants/loans for Water	-	250,000	750,000	1,000,000
417	OGWS	373,383	1,626,000	4,295,000	6,294,383
430	Water/Sewer Debt Reserve	-	-	-	-
495	SDC	-	100,000	-	100,000
Total Revenue 415	Rev Total	581,084	3,363,000	6,698,000	10,642,084
	Expenditures				
Total Expense		517,366	3,361,803	6,698,000	10,577,168
	G/F OH and Misc (Water)	8,959	8,959		
Fund 415	Exp Total	526,324	3,370,761	6,698,000	10,595,085

1MG Standpipe Reservoir Steel Coating

Project Description

The 1-million gallon steel standpipe needs periodic repainting to preserve the structure. The tank has not been recoated since it was constructed in 1995. Engineering and design for painting and corrosion protection is scheduled for 2025. The project will require taking the standpipe offline for approximately 2 months to sandblast and recoat the tank.



Revenue		Project Budget	Prior Year Revenues	2024 Actual to Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Water SDC (495)								-
4	Water Capital Surcharge (430)								-
4	Water Operating (411)	\$ 850,000		4,654	110,000	10,000	840,000		850,000
									-
									-
									-
									-
									-
Total Revenue		\$ 850,000	-	4,654	110,000	10,000	840,000	-	850,000
Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
A	Consultant	\$ 100,000			90,000		100,000		100,000
									-
									-
									-
									-
	Subtotal	\$ 100,000							-
Construction									
B	Contractor	\$ 710,000			-		710,000		710,000
					-				-
									-
									-
									-
	Subtotal	\$ 710,000							-
Project Management									
C		\$ 40,000	1,198	4,654	20,000	10,000	28,803		40,000
									-
									-
									-
	Subtotal	\$ 40,000							-
Project Contingency									
D									-
	Eligible for 1% for the Arts	No							-
	Utilities not included								-
Total Expense		\$ 850,000	1,198	4,654	110,000	10,000	838,803	-	850,000

Big Quilcene Main Control Valve Building Replacement - 6404.4

Project Description

As part of the water supply agreement, a capital spending plan was developed to address system long term reliability. Investments in the diversions are anticipated in the long-term plan. The main control valve building at the Big Quilcene Diversion has experienced significant rot and needs replacing at the request of the operating crew.

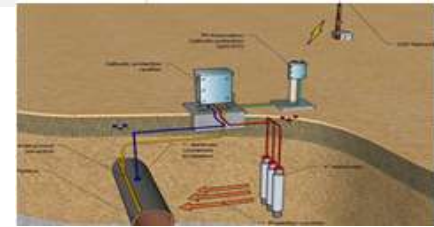


Revenue		Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Water - Olympic Gravity Water System Fund (417)	\$ 125,000	-		125,000	1,500	123,500		125,000
									-
									-
									-
									-
									-
									-
Total Revenue		\$ 125,000	-	-	125,000	1,500	123,500	-	125,000
Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
A	Design Consultant	\$ 15,000			15,000		15,000		15,000
									-
									-
									-
									-
	Subtotal	\$ 15,000							-
Construction									
B	Construction Contract	\$ 100,000			100,000	-	100,000		100,000
									-
									-
									-
									-
	Subtotal	\$ 100,000							-
Project Management									
C	Staff Admin	\$ 10,000		1,199	10,000	1,500	8,500		10,000
									-
									-
									-
	Subtotal	\$ 10,000							-
D	Project Contingency								-
	Eligible for 1% for the Arts	No							-
	Utilities not included								-
Total Expense		\$ 125,000	-	1,199	125,000	1,500	123,500	-	125,000

Cathodic Protection - 1928 OGWS Pipeline - 6404.3

Project Description

As part of the water supply agreement, a capital spending plan was developed to address system long term reliability. Cathodic protection is a key feature in the system needed to extend the life of the pipeline. Cathodic protection is missing in the area between the Master meters and south past Otto Street. This project will install a new cathodic system for this section of the pipeline.



Revenue			Project Budget	Revised Project Budget 10/24	Prior Year Revenues	2024 Actual YTD Q1,Q2	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues	
4	Water - Olympic Gravity Water System Fund (417)	\$	154,000	\$	245,000		142,000	45,000	149,000		194,000	
											-	
											-	
											-	
											-	
											-	
											-	
											-	
Total Revenue		\$	154,000	\$	245,000	-	-	142,000	45,000	149,000	-	194,000
Expense					Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures	
Design Engineering / Permitting												
A			\$	40,000				40,000			40,000	
											-	
											-	
											-	
											-	
	Subtotal	\$	-	\$	40,000						-	
Construction											-	
B		\$	130,000	\$	181,000		130,000		130,000		130,000	
											-	
											-	
											-	
	Subtotal	\$	130,000	\$	181,000						-	
Project Management											-	
C	Administration	\$	24,000	\$	24,000		693	12,000	5,000	19,000	24,000	
											-	
											-	
											-	
	Subtotal	\$	24,000	\$	24,000						-	
Project Contingency											-	
Eligible for 1% for the Arts											-	
Utilities not included											-	
Total Expense		\$	154,000	\$	245,000	-	693	142,000	45,000	149,000	-	194,000

Egglemont Property Purchase - 6404.1

Project Description

The City secured funding to purchase an easement between Anderson Lake Road and City Lake property for the purpose of future pipeline and co-located Olympic Discovery Trail. City received a direct allocation (Community Facilities Project) grant in 2023 to assist with purchase. Additionally, this project is funded through the RAISE grant which includes preliminary design and environmental review.



Revenue			Project Budget	Revised Project Budget 10/24	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues	
4	Water Operations (411) Timber Manag	\$	500,000	\$	-		490,000		-		-	
4	Water Operations (411) Land Sales	\$	80,000	\$	80,000	299	3,641.56	80,000	9,701	40,000	30,000	80,000
1	WA State Community Facilities Project	\$	750,000	\$	750,000			750,000			750,000	750,000
1	RAISE Grant - Jefferson County			\$	250,000					250,000		250,000
												-
												-
												-
Total Revenue			\$ 1,330,000	\$ 1,080,000	299	3,642	1,320,000	9,701	290,000	780,000		1,080,000
Expense					Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures	
Design Engineering / Permitting												
A	Appraisals	\$	20,000				20,000	-			-	
A	Cultural Resources Survey	\$	20,000				20,000	-			-	
A	Land Survey and Lot line Adjustment	\$	20,000				20,000	-			-	
	RAISE Grant - includes Pre-design and ROW			\$	250,000				250,000	-	250,000	
	Subtotal	\$	60,000	\$	250,000						-	
Construction												
B	Land Purchase	\$	951,000	\$	-			951,000	-		-	
	Easement/ROW			\$	750,000					750,000	750,000	
	Subtotal	\$	951,000	\$	750,000						-	
Project Management												
C	Staff Time Administration	\$	47,550	\$	80,000	299	4,219	37,550	9,701	40,000	30,000	80,000
	Subtotal	\$	47,550	\$	80,000							-
D	Project Contingency							\$ 271,450				-
	Eligible for 1% for the Arts	No										-
	Utilities not included											-
Total Expense			\$ 1,330,000	\$ 1,080,000	299	4,219	1,320,000	9,701	290,000	780,000		1,080,000

Lords Lake - Pipeline Improvements

Project Description

The Water Supply Agreement includes a pipeline modification project to improve water storage efficiency that would need to be built at the same time as any improvements of the Lords Lake Dam. This year's budget includes design which is coincident with the design work of the Lords Lake Dam stabilization project.



Revenue		Project Budget 2025	Prior Year Revenues	2024 Year To Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Olympic Gravity Water System Fund (417)	\$ 2,750,000					200,000	2,550,000	2,750,000
									-
									-
									-
									-
									-
Total Revenue		\$ 2,750,000	-	-	-	-	200,000	2,550,000	2,750,000

Expense			Prior Year Expenditures	2024 Year To Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
A									-
	Pre-Design Engineering / Permitting	\$ 200,000					175,000		175,000
	Final Design	\$ 100,000						100,000	100,000
									-
									-
	Subtotal	\$ 300,000							-
Construction									-
	Pipeline Improvements Contract	\$ 2,325,000						2,350,000	2,350,000
									-
									-
									-
	Subtotal	\$ 2,325,000							-
Project Management									-
C	Design Project Management	\$ 25,000					25,000		25,000
	Construction Project Management	\$ 100,000						100,000	100,000
									-
	Subtotal	\$ 125,000							-
Project Contingency									-
D									-
	Eligible for 1% for the Arts	No							-
	Utilities not included								-
Total Expense		\$ 2,750,000	-	-	-	-	200,000	2,550,000	2,750,000

Lords Lake - 6403

Project Description

Phase 1 - Stability Assessment

The City is required to retain an engineering consultant to develop alternatives for improving East Dam stability during possible seismic events. The alternatives will also examine minimizing earthquake-induced embankment deformations which can lead to uncontrolled release of reservoir contents.

Phase 2 - Design Engineering / Permitting

The City will be required to retain an engineering consultant for design engineering and permitting of the approved selected East Dam repair alternative.



Revenue	Project Budget 2024	Project Budget 2025	Prior Year Revenues	2024 Year To Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues	
4 Olympic Gravity Water System Fund (417)	\$ 88,100	\$ 2,293,281	17,898	58,430	73,100	130,383	400,000	1,745,000	2,293,281	
1 FEMA Grant - Hazard Mitigation Grant	\$ 86,900	\$ -							-	
									-	
									-	
									-	
									-	
Total Revenue	\$ 175,000	\$ 2,293,281	17,898	58,430	73,100	130,383	400,000	1,745,000	2,293,281	
Expense			Prior Year Expenditures	2024 Year To Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures	
Design Engineering / Permitting										
A	Stability Assessment	\$ 150,000	\$ 144,000	16,773	72,925	135,000	127,227		144,000	
	Design Engineering / Permitting	\$ -	\$ 350,000				350,000		350,000	
									-	
									-	
	Subtotal	\$ 150,000	\$ 494,000						-	
Construction										
	Repair - Buttress Alternative (2026)		\$ 1,700,000					1,700,000	1,700,000	
									-	
									-	
	Subtotal	\$ -	\$ 1,700,000						-	
Project Management										
C	Administration	\$ 25,000	\$ 100,000	1,843	173	10,000	2,438	50,000	45,000	99,281
									-	
									-	
	Subtotal	\$ 25,000	\$ 100,000						-	
D	Project Contingency								-	
	Eligible for 1% for the Arts	No	No						-	
	Utilities not included								-	
									-	
Total Expense	\$ 175,000	\$ 2,294,000	18,616	73,098	145,000	129,665	400,000	1,745,000	2,293,281	

Pipeline Condition Assessment - 6404.2

Project Description

As part of the water supply agreement, a capital spending plan was developed to address system long term reliability. Evaluation of the 1928 section of the pipeline is included in the plan to accurately assess the remaining useful life. This study will guide replacement strategies to ensure water delivery is sustained.



Revenue			Project Budget	Revised Budget September 24	Prior Year Revenues	2024 Actual YTD Q1,Q2	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues	
4	Olympic Gravity Water System Fund (417)	\$	550,000	\$	700,000			540,000	180,000	520,000	-	700,000
												-
												-
												-
												-
												-
												-
												-
Total Revenue		\$	550,000	\$	700,000	-	-	540,000	180,000	520,000	-	700,000
Expense					Prior Year Expenditures	2024 Actual YTD to Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures	
Design Engineering / Permitting												
A	Design Consultant	\$	425,000	\$	550,000	-	30,129	425,000	150,000	400,000		550,000
												-
												-
												-
												-
	Subtotal	\$	425,000	\$	550,000							-
Construction												
	n/a											-
												-
												-
												-
	Subtotal	\$	-									-
Project Management												
C	Staff Administration	\$	125,000	\$	150,000		4,375	115,000	30,000	120,000		150,000
												-
												-
	Subtotal	\$	125,000	\$	150,000							-
Project Contingency												
												-
	Eligible for 1% for the Arts	No										-
	Utilities not included											-
												-
												-
												-
												-
												-
Total Expense		\$	550,000	\$	700,000	-	34,504	540,000	180,000	520,000	-	700,000

2025 General Water Capital Replacement, Improvements, and Repairs

Project Description

Miscellaneous capital repairs and replacement work comes up most years. The rate analysis includes \$200,000 per year of miscellaneous and unforeseen capital improvements. These funds also support removal and replacement of several thousand feet of spaghetti lines (4" or smaller pipes) which are a sources of leaks and system service failures. The city has started replacing 20 year old water meters as well.



Revenue		Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Water Operating (411)	\$ 100,000			100,000	-	100,000		100,000
4	Water SDC (495)	\$ 100,000			100,000	-	100,000		100,000
									-
									-
									-
									-
									-
Total Revenue		\$ 200,000	-	-	200,000	-	200,000	-	200,000

Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									-
									-
									-
									-
									-
	Subtotal	\$ -							-
Construction									-
B		\$ 180,000			180,000		180,000		180,000
	water main break								-
	Golf course well								-
	Misc.								-
									-
	Subtotal	\$ 180,000							-
Project Management									-
C		\$ 20,000			20,000		20,000		20,000
	Admin and Design								-
									-
									-
	Subtotal	\$ 20,000							-
Project Contingency									-
									-
	Eligible for 1% for the Arts	No							No
	Utilities not included								-
Total Expense		\$ 200,000	-	-	200,000	-	200,000	-	200,000

Fund 415 Water Sewer CIP (Sewer)

Projected Revenues and Expenses		2024	2025	Future	Total
Sewer					
	Funding Sources				
	110 Street Ops	-	-	-	-
	301 General CIP	-	-	-	-
	411 Water Sewer	85,151	1,626,200	8,114,410	9,825,761
	412 Storm Ops	-	21,250	1,403,750	1,425,000
	415 Grants/loans for Sewer	951,226	5,954,310	10,583,943	17,489,479
	430 Water Sewer Debt	-	-	-	-
	495 Sewer SDC	(107,965)	1,545,950	1,517,337	2,955,322
Total Revenue 415	Rev Total	928,412	9,147,710	21,619,439	31,695,561
	Expenditures				
Total Expense		873,760	9,169,510	21,589,439	31,632,709
	G/F OH and Misc (Sewer)	8,959	8,959		
Fund 415	Exp Total	882,718	9,178,469	21,589,439	31,632,709

ARC Flash study							
Project Description							
The Wastewater Treatment Plant needs to have an evaluation of the and lift stations to identify hazards from ARC flash in our electrical systems for equipment protection and personnel safety. This is project number M1 in the General Sewer Plan.							
Revenue		Project Budget	Prior Year Revenues	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Sewer Rates 411	\$ 98,000			98,000		98,000
							-
							-
							-
							-
							-
							-
Total Revenue		\$ 98,000	-	-	98,000	-	98,000
Expense			Prior Year Expenditures	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting							-
							-
							-
							-
							-
	Subtotal	\$ -					-
Construction/Study							-
	Small Works Contract or In-house	\$ 89,000			89,000		89,000
							-
							-
							-
	Subtotal	\$ 89,000					-
Project Management							-
	Staff Administration - Facilities and Engineering Adm	\$ 9,000			9,000		9,000
							-
							-
	Subtotal	\$ 9,000					-
Project Contingency							-
	Eligible for 1% for the Arts						-
							-
Total Expense		\$ 98,000	-	-	98,000	-	98,000

New office and workshop building for Compost Facility

Project Description

The current compost facility office is an old trailer and the storage area is a connex container. This project construct a new office building for Compost Facility so they have a seperate lunch room from their work spaces. Also a new bathroom facility and storage area. This project is C8 in the General Sewer Plan.



Revenue		Project Budget	Prior Year Revenues	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4 Sewer Rates 411		\$ 327,000			60,000	267,000	327,000
							-
							-
							-
							-
							-
Total Revenue		\$ 327,000	-	-	60,000	267,000	327,000
Expense			Prior Year Expenditures	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting							
Assume deisgn build level of architectural		\$ 50,000			50,000		50,000
							-
							-
							-
Subtotal		\$ 50,000					-
Construction							
Metal building office and shop		\$ 247,000				247,000	247,000
							-
							-
							-
Subtotal		\$ 247,000					-
Project Management							
Staff administration		\$ 30,000			10,000	20,000	30,000
							-
							-
Subtotal		\$ 30,000					-
Project Contingency							-
Eligible for 1% for the Arts							-
							-
Total Expense		\$ 327,000	-	-	60,000	267,000	327,000

General Sewer Plan

Project Description

The General Sewer Plan for the City was last updated in 2000. This update involves a significant review of the entire sanitary sewer system to plan for the next 20 years. The City selected RH2 Engineering in 2021 to complete the plan update. The plan will result in an updated Capital Plan as well as project operational needs for operating the sewer system.

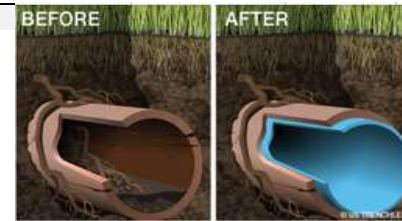


Revenue		Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Sewer System Development Charge (495)	\$ 230,000	331,128	8,266	20,257	(101,128)	-		230,000
1	Interlocal Agreement with Jeff. Co	\$ 30,000				30,000			30,000
									-
									-
									-
									-
									-
									-
Total Revenue		\$ 260,000	331,128	8,266	20,257	(71,128)	-	-	260,000
Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
A	RH2 Contract = 198522+189898 - less 160,000 for	\$ 228,420	348,639	6,773	20,257	(150,219)	-		198,420
A	RH2 Contract - Septage Handling 30,000					30,000			30,000
									-
									-
									-
	Subtotal	\$ 228,420							-
Construction									-
									-
									-
									-
									-
	Subtotal	\$ -							-
Project Management									-
C		\$ 30,000	24,036	1,214		5,964			30,000
									-
									-
	Subtotal	\$ 30,000							-
D	Project Contingency								-
									-
	Eligible for 1% for the Arts								-
	Utilities not included								-
									-
Total Expense		\$ 258,420	372,675	7,986	20,257	(114,255)	-	-	258,420

2025 General Sewer Capital Replacement, Improvements, and Repairs

Project Description

Miscellaneous capital repairs and replacement work comes up most years. The rate analysis includes \$350,000 per year of miscellaneous and unforeseen capital improvements. These funds support pipe replacement, and rehabilitation such as CIPP or slip lining.



Revenue		Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Sewer Operation	\$ 382,200					382,200		382,200
									-
									-
									-
									-
Total Revenue		\$ 382,200	-	-	-	-	382,200	-	382,200
Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
	Design Engineering / Permitting	\$ 45,000					45,000		45,000
									-
									-
									-
	Subtotal	\$ 45,000							-
Construction									-
B		\$ 287,200					287,200		287,200
									-
									-
									-
	Subtotal	\$ 287,200							-
Project Management									-
C	Admin	\$ 50,000					50,000		50,000
									-
									-
	Subtotal	\$ 50,000							-
D	Project Contingency								-
									-
	Eligible for 1% for the Arts								-
	Utilities not included								-
									-
									-
Total Expense		\$ 382,200	-	-	-	-	382,200	-	382,200

Holcomb and Wilson Sewer Upsizing Project

Project Description

The sewer trunk line leading from the Rainier Subarea to the sewer interceptor behind Safeway needs upsizing. The first segment to address is a Sims Way crossing in the vicinity of Wilson Street and Holcomb Streets. This is project SM1 in the General Sewer Plan.



Revenue		Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Sewer SDC	\$ 1,341,500		58		10,000	1,331,500		1,341,500
									-
									-
									-
									-
									-
									-
									-
Total Revenue		\$ 1,341,500	-	58	-	10,000	1,331,500	-	1,341,500
Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
		\$ 150,000					150,000		150,000
									-
									-
									-
									-
	Subtotal	\$ 150,000							-
Construction									
		\$ 1,116,500					1,116,500		1,116,500
									-
									-
									-
									-
	Subtotal	\$ 1,116,500							-
Project Management									
		\$ 75,000							-
									-
									-
									-
	Subtotal	\$ 75,000					\$ 75,000		75,000
Project Contingency									-
Eligible for 1% for the Arts									-
Total Expense		\$ 1,341,500	-	-	-	-	1,341,500	-	1,341,500

Influent Wetwell

Project Description

The Wastewater Treatment Plant Influent wetwell is where all sewage collected from the City first enters the treatment plant. This important portion of the plant has experience significant concrete corrosion and electrical failures. This project was identified in a Jacobs Engineering Study as a priority project and has been re-affirmed as a priority project in the General Sewer Plan as project number F1. The project will involve rehabilitating the influent wetwell concrete as well as replacing all plumbing and electrical equipment.



Revenue		Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Sewer Operations (411)	\$ 2,302,440			300,000	67,000	301,000	1,934,440	2,302,440
									-
									-
									-
									-
									-
									-
									-
Total Revenue		\$ 2,302,440	-	-	300,000	67,000	301,000	1,934,440	2,302,440
Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
A	Design Consultant (15%)	\$ 318,000			250,000	50,000	268,000		318,000
									-
									-
									-
									-
	Subtotal	\$ 318,000							-
									-
Construction									-
B	Construction Contract	\$ 1,560,440						1,560,440	1,560,440
B	Construction Engineering (10%)	\$ 212,000						212,000	212,000
									-
									-
									-
	Subtotal	\$ 1,772,440							-
									-
Project Management									-
C	Staff Administration (10%)	\$ 212,000		3,711	50,000	17,000	33,000	162,000	212,000
									-
									-
									-
	Subtotal	\$ 212,000							-
									-
D	Project Contingency								-
									-
	Eligible for 1% for the Arts								-
	Utilities not included								-
									-
Total Expense		\$ 2,302,440	-	3,711	300,000	67,000	301,000	1,934,440	2,302,440

Kuhn Street land purchase

Project Description

Due to the need for future expansion of the WWTP on Kuhn Street we need to look at the acquisition of the property that is SW of the current treatment facility between 51st and 53rd streets. Land purchase is included in the rate model and General Sewer Plan.



Revenue		Project Budget	Prior Year Revenues	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Sewer Rates	\$ 2,180,000			75,000	2,105,000	2,180,000
							-
							-
							-
							-
							-
							-
Total Revenue		\$ 2,180,000	-	-	75,000	2,105,000	2,180,000
Expense			Prior Year Expenditures	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting							
	Appraisal and Negotiation Services	\$ 75,000			50,000		50,000
							-
							-
							-
							-
	Subtotal	\$ 75,000					-
Construction							
							-
							-
							-
							-
	Subtotal	\$ -					-
Project Management							
	Land Purchase	\$ 2,105,000			25,000	2,105,000	2,130,000
							-
							-
	Subtotal	\$ 2,105,000					-
Project Contingency							
							-
	Eligible for 1% for the Arts						-
							-
Total Expense		\$ 2,180,000	-	-	75,000	2,105,000	2,180,000

Lawrence Street Combined Stormwater Sewer System Separation

Project Description

The Lawrence Street stormwater system is connected to the sewer system for a section of Lawrence Street in Uptown between the Library and Tyler Street. Separation of this system from the sewer system is a benefit to the Monroe Street sewer lift station as well as the Wastewater Treatment Plant. The cost of the project and scoping needs to be evaluated based on the road condition. Additionally, staff desires to secure grant resources. This project is the first phase to establish a pre-design for competitive grant applications. The sewer plan estimates the project at \$5.6 million. Funding was secured in 2024 for design, thus this project budget has been increased to represent the best information available at this time.



Revenue			Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues	
4	Sewer Operations (411)								-	
4	Sewer Capital Surcharge (430)	\$ 50,000			50,000				-	
4	Sewer SDC (495)					15,000	21,250	1,388,750	1,425,000	
4	Stormwater Operations (412)	\$ 50,000			10,000		21,250	1,403,750	1,425,000	
4	Streets (Paving)								-	
1	PWB Pre-construction Loan - Secured					50,000	214,310		264,310	
1	Loan/Grant (Unsecured)							2,850,000	2,850,000	
									-	
									-	
Total Revenue		\$ 100,000	\$ 5,964,310	-	-	60,000	65,000	256,810	5,642,500	5,964,310
Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures	
Design Engineering / Permitting									-	
A	Design Consultant	\$ 50,000	\$ 500,310	7,394	50,000	50,000	171,810	278,500	500,310	
A									-	
A									-	
A									-	
	Subtotal	\$ 50,000	\$ 500,310						-	
Construction									-	
B	Construction Contract		\$ 5,263,690					5,264,000	5,264,000	
B	Construction Engineering								-	
B									-	
B									-	
	Subtotal	\$ -	\$ 5,263,690						-	
Project Management									-	
C	Staff Administration and research - Loan eligible	\$ 50,000	\$ 100,000	7,423	10,000		42,500	50,000	92,500	
C	Staff Admin - non-eligible		\$ 100,000			15,000	42,500	50,000	107,500	
C									-	
	Subtotal	\$ 50,000	\$ 200,000						-	
D	Project Contingency								-	
									-	
	Eligible for 1% for the Arts								-	
	Utilities not included								-	
Total Expense		\$ 100,000	\$ 5,964,000	-	14,817	60,000	65,000	256,810	5,642,500	5,964,310

Mill Road Lift Station

Project Description

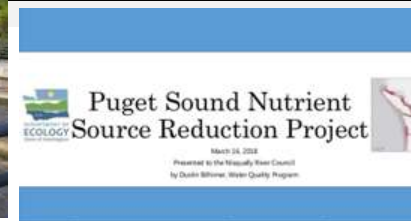
The Mill Road Lift Station has been funded through housing grants to support the development of the Evans Vista project. This project has perviously been shown in the General Capital projects and now is shown in sewer to appropriately represent the fund the work will be accounted within. The Lift Station also has the potential of serving Caswell Brown subject to UGA expansion.

Revenue		Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1	Federal Grant for Sewer (EPA)	\$ 2,500,000					1,670,000	830,000	2,500,000
1	State Utility Grant (CHIP) for Sewer	\$ 1,700,000					1,700,000		1,700,000
4	Sewer SDC	\$ 150,000	8,023			41,977	50,000	50,000	150,000
4	Sewer Operations (Local Facilities Charge)	\$ 2,000,000						2,000,000	2,000,000
	Jefferson County - Caswell Brown	\$ -							-
									-
									-
Total Revenue		\$ 6,350,000	8,023	-	-	41,977	3,420,000	2,880,000	6,350,000
Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
	Consultant	\$ 600,000				30,000	570,000		600,000
	Land Purchase	\$ 500,000					500,000		500,000
	Misc.			714					-
									-
	Subtotal	\$ 1,100,000							-
Construction									
	Construction Contract	\$ 4,600,000					2,300,000	2,300,000	4,600,000
	Construction Engineering	\$ 500,000						500,000	500,000
									-
									-
	Subtotal	\$ 5,100,000							-
Project Management									
	City Administration	\$ 150,000	10,059	29,210		39,941	50,000	50,000	150,000
									-
									-
	Subtotal	\$ 150,000							-
Project Contingency									-
Eligible for 1% for the Arts									-
Total Expense		\$ 6,350,000	10,059	29,924	-	69,941	3,420,000	2,850,000	6,350,000

Wastewater Nutrient

Project Description

The City's Wastewater Treatment Plant does an exceptional job removing nutrients from the waste stream before reclaimed water is released into the Straight of Juan De Fuca. In order to reduce nutrient loading to the Puget Sound, the Department of Ecology is expected to place new limits on the City's National Pollutant Discharge Elimination System (NPDES) permit. The City will receive a grant to perform a study of the plant to determine what upgrades are necessary to comply with the new permit.



Revenue		Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1	Department of Ecology (ECY) Nutrient Grant	\$ 160,000	68,774	4,302	115,000	91,226	-	-	160,000
4	Sewer Operations (411)	\$ 15,000	-		9,309	15,000			15,000
									-
									-
									-
									-
									-
Total Revenue		\$ 175,000	68,774	4,302	124,309	106,226	-	-	175,000
Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
A	Design Consultant (RH2 Contract - See Sewer Mast)	\$ 160,000	57,644		114,407	91,260			148,904
	Misc. Lab testing		11,096	8,532					11,096
	Misc.								-
									-
									-
	Subtotal	\$ 160,000							-
Construction									-
B									-
									-
									-
									-
	Subtotal	\$ -							-
Project Management									-
C	Staff Time and Reimbursable	\$ 15,000	1,216	2,082	9,902	13,784			15,000
									-
									-
	Subtotal	\$ 15,000							-
Project Contingency									-
D									-
	Eligible for 1% for the Arts								-
	Utilities not included								-
Total Expense		\$ 175,000	69,956	10,613	124,309	105,044	-	-	175,000

Sewer Outfall

Project Description

This project includes permitting, design and construction to replace or rehabilitate the off-shore portion of the existing wastewater treatment plant outfall system with a new outfall and diffuser. The City has secured Department of Ecology loans to help construct this project. In 2023, Department of Ecology and City Staff worked collaboratively to reduce the loan amount based on timelines. The City will have to re-apply for additional loan money in the future. The current budget shows no construction costs. These costs will be determined with approved permits.



Revenue		Project Budget	Project Budget Revised 7/23	Project Budget Revised 10/24	Prior Year Revenues	2024 Actual to Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
1	Department of Ecology (ECY) Loan/Grant	\$ 3,330,000	\$ 1,070,000	\$ 850,000	9,757		500,000	50,000	400,000	390,243	850,000
4	Sewer System Development Charge (495)	\$ 200,000		\$ 200,000	7,932			63,481	50,000	78,587	200,000
4	Sewer (411)	\$ 170,000	\$ 10,000	\$ 10,000	3,879	3,151		3,151		2,970	10,000
1	Future Loan/Grant			\$ 3,413,700						3,413,700	3,413,700
											-
											-
											-
Total Revenue		\$ 3,700,000.00	\$ 1,080,000	\$ 4,473,700	21,568	3,151	500,000	116,632	450,000	3,885,499	4,473,700
Expense		Project Budget	Project Budget Revised 7/23	Project Budget Revised 9/24	Prior Year Expenditures	2024 Actual to Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting											
A	Consultant Permitting and Eng. Report	\$ 805,000	\$ 770,000	\$ 850,000	17,925	8,227	400,000	50,000	400,000	382,075	850,000
	Consultant Engineering (Design and Bidding)			\$ 450,000						450,000	450,000
											-
											-
											-
	Subtotal	\$ 805,000	\$ 770,000	\$ 1,300,000							-
Construction											
B	Contractor	\$ 2,710,000	\$ -	\$ 2,863,700	-				-	2,863,700	2,863,700
											-
											-
											-
	Subtotal	\$ 2,710,000	\$ -	\$ 2,863,700							-
Project Management											
C	Admin	\$ 403,000	\$ 310,000	\$ 310,000	29,485	27,785	100,000	40,000	50,000	189,724	309,209
	Misc				791	5,291					791
											-
											-
	Subtotal	\$ 403,000	\$ 310,000	\$ 310,000							-
D	Project Contingency										-
	Eligible for 1% for the Arts										-
	Utilities not included										-
Total Expense		\$ 3,918,000	\$ 1,080,000	\$ 4,473,700	48,201	41,304	500,000	90,000	450,000	3,885,499	4,473,700

Oxidation Ditches - Near Term Upgrades

Project Description

In the coming years the wastewater treatment plant will be too small to handle all of the sewage that the City produces. When this happens expansion is required to comply with the City's NPDES permit. The first step in this expansion will be to build new aeration ditches and demolish the existing ones to make room for additional clarifiers. This is number F8 in the Sewer Plan. In the near term there may be some changes to the current ditches to help with nutrient removal, that will need to be made.



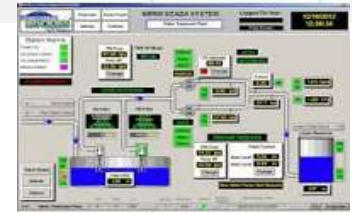
Revenue		Project Budget	Prior Year Revenues	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Sewer Rates	\$ 790,000			110,000	680,000	790,000
1	Future Sewer Bond or State Loans/Grants	\$ 3,100,000				3,100,000	3,100,000
							-
							-
							-
							-
							-
							-
Total Revenue		\$ 3,890,000	-	-	110,000	3,780,000	3,890,000

Expense			Prior Year Expenditures	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting							
	Pre-design and Engineering Report	\$ 99,000			99,000		99,000
	Consultant Services and Permitting	\$ 646,000				646,000	646,000
							-
							-
							-
	Subtotal	\$ 745,000					-
Construction							
	Construction Contract	\$ 2,945,000				2,945,000	2,945,000
							-
							-
							-
	Subtotal	\$ 2,945,000					-
Project Management							
	Staff Administration Engineering Report	\$ 11,000			11,000		11,000
	Staff Administration Design	\$ 34,000				34,000	34,000
	Staff Administration Construction	\$ 155,000				155,000	155,000
							-
	Subtotal	\$ 200,000					-
Project Contingency							-
Eligible for 1% for the Arts							-
Total Expense		\$ 3,890,000	-	-	110,000	3,780,000	3,890,000

SCADA Update

Project Description

The Wastewater Treatment Plant was constructed and put into service in 1994. The Supervisory Control and Data Acquisition (SCADA) system has not been upgraded since this time and is outdated. This technical system runs the plant with operator controls. This technical system is a key component of plant operation and needs to be replaced. Currently parts are no longer being produced, thus this project needs to be addressed soon. This project is included in the General Sewer Plan as project number F6.



Revenue			Project Budget	Revised Budget 9/24	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues	
4	Sewer Operations (411)	\$	1,140,000	\$	1,289,000			150,000		164,000	1,125,000	1,289,000
												-
												-
												-
												-
												-
Total Revenue		\$	1,140,000	\$	1,289,000	-	-	150,000	-	164,000	1,125,000	1,289,000
Expense					Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures	
Design Engineering / Permitting												
A	Design Consultant (10%)	\$	100,000	\$	139,000			100,000		139,000		139,000
												-
												-
												-
	Subtotal	\$	100,000	\$	139,000							-
Construction												
B	Construction Contract	\$	940,000	\$	1,015,000					1,015,000		1,015,000
B	Construction Engineering (10%)											-
												-
												-
	Subtotal	\$	940,000	\$	1,015,000							-
Project Management												
C	Staff Administration Design	\$	100,000	\$	25,000			50,000		25,000		25,000
	Staff Administration Construction			\$	110,000					110,000		110,000
												-
												-
	Subtotal	\$	100,000	\$	135,000							-
D	Project Contingency											-
												-
	Eligible for 1% for the Arts											-
												-
Total Expense		\$	1,140,000	\$	1,289,000	-	-	150,000	-	164,000	1,125,000	1,289,000

Washington Street Collapsed Sewer Replacement							
Project Description							
A section of pipe on Washington Street between Taylor and Filmore has suitcased and it at risk of total failure. The General Sewer Plan includes specifically includes this project number SM10 as a result of the 2022 camera inspections of AC pipe.							
Revenue		Project Budget	Prior Year Revenues	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
	4 Sewer Operations - WW Collections	\$ 436,000			436,000		436,000
							-
							-
							-
							-
							-
							-
							-
Total Revenue		\$ 436,000	-	-	436,000	-	436,000
Expense			Prior Year Expenditures	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting							
	In house engineering support	\$ 75,000			75,000		75,000
							-
							-
							-
							-
	Subtotal	\$ 75,000					-
Construction							
	Dig Out and Replace Failed Pipe	\$ 100,000			100,000		100,000
	Slip Lining	\$ 217,400			217,400		217,400
							-
							-
	Subtotal	\$ 317,400					-
Project Management							
	Admin	\$ 43,600			43,600		43,600
							-
							-
							-
	Subtotal	\$ 43,600					-
Project Contingency							
	Eligible for 1% for the Arts						-
							-
							-
Total Expense		\$ 436,000	-	-	436,000	-	436,000

Water St. Sewer Main Replacement

Project Description

After a section of asbestos concrete pipe collapsed during the December 27, 2022 King Tide event, the City evaluated the entire section of pipe between the Gaines Street Lift Station and the Ferry Terminal and determined that replacement is necessary. This trunk pipeline serves all of Downtown and most of Uptown and thus is critical sewer infrastructure. The City obtained a low interest loan in the amount of \$2.7 million from the Public Works Board



Revenue		Project Budget	Project Budget Revised 10/24	Prior Year Revenues	2024 Actual Year to Date	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Sewer SDC (495)	\$ 35,000	\$ 138,200	182,295	\$ 14,496.22		(137,295)	93,200		138,200
1	Public Works Trust Fund Loan/Grant	\$ 2,700,000	\$ 2,700,000			2,374,000	730,000	1,970,000		2,700,000
										-
										-
										-
										-
										-
Total Revenue		\$ 2,735,000	\$ 2,838,200	182,295	14,496	2,374,000	592,705	2,063,200	-	2,838,200

Expense				Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting										
A	Design Consultant	\$ 461,197	\$ 461,200	152,918	155,031	126,197	308,282	-		461,200
										-
										-
										-
	Subtotal	\$ 461,197	\$ 461,200							-
Construction										-
B	Construction Contract	\$ 1,997,060	\$ 2,100,000		1,059	1,997,060	250,000	1,850,000		2,100,000
B	Construction Engineering	\$ 40,000	\$ 40,000			88,803	-	40,000		40,000
										-
										-
	Subtotal	\$ 2,037,060	\$ 2,140,000							-
Project Management										-
C	Staff Administration	\$ 52,000	\$ 52,000	19,252	25,550	26,000	32,748	-		52,000
	Staff Construction Admin	\$ 48,803	\$ 49,000					49,000		49,000
										-
										-
	Subtotal	\$ 100,803	\$ 101,000							-
D	Project Contingency	\$ 135,940	\$ 136,000			135,940		\$ 136,000		136,000
										-
	Eligible for 1% for the Arts									-
										-
Total Expense		\$ 2,735,000	\$ 2,838,200	172,170	181,640	2,374,000	591,030	2,075,000	-	2,838,200

Fund 414 Storm CIP

Projected Revenues and Expenses		2024	2025	Future	Total
Storm					
Funding Sources					
110 Street Ops		-	-	-	-
411 Water Sewer		-	-	-	-
412 Storm Operations		260,000	90,000	-	350,000
414 Grants/loans for Storm		-	-	-	-
495 SDC		-	-	-	-
Total Revenue Storm	Rev Total	260,000	90,000	-	350,000
Expenditures					
Total Expense		260,000	90,000	-	350,000
	G/F OH and Misc	3,388	3,388		
Fund 414	Exp Total	263,388	93,388	-	350,000

Emergency Storm Repairs 2024

Project Description

A large rain storm in the spring of 2024 exacerbated a problem at Logan Street, cause a pipe failure on the bluff near Kanu Drive, and washed out a bank along SR20. An emergency declaration was passed by the City Council on April 15, 2024 to allow for design build solutions to expedite the process of addressing these three locations. The estimate at the Council meeting was a cost of at least \$200,000 for this challenging work. The rate model for storm included \$100,000 for Logan Street. This budget illustrates a need of an additional \$200,000. This project includes the previous budgets as well as the other two locations. The Stormwater rate model includes \$50,000 per year for misc. storm improvements as a contingency. This means that stormwater reserves will be dipped into in order to address this cost.



Revenue		Project Budget 9/24	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Stormwater Operations (412)	\$ 300,000		36,118		260,000	40,000		300,000
									-
									-
									-
									-
									-
									-
									-
									-
Total Revenue		\$ 300,000	-	36,118	-	260,000	40,000	-	300,000

Expense		Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures	
Design Engineering / Permitting								-	
A								-	
A	RH2ENGIN	\$ 50,000	36,468		50,000			50,000	
A								-	
A								-	
A								-	
	Subtotal	\$ 50,000						-	
Construction								-	
B	Kanu Dr	\$ 90,000			90,000			90,000	
B	Logan	\$ 100,000			100,000			100,000	
B	SR20	\$ 35,000				35,000		35,000	
B								-	
B								-	
	Subtotal	\$ 225,000						-	
Project Management								-	
C	City Administration	\$ 25,000	7,389		20,000	5,000		25,000	
C								-	
C								-	
C								-	
	Subtotal	\$ 25,000						-	
D	Project Contingency							-	
								-	
	Eligible for 1% for the Arts							-	
	Utilities - not eligible							-	
								-	
Total Expense		\$ 300,000	-	43,857	-	260,000	40,000	-	300,000

General Stormwater Capital Replacement, Improvements, and Repairs

Project Description

Miscellaneous capital repairs and replacement work comes up most years. The rate analysis includes \$50,000 per year of miscellaneous and unforeseen capital improvements.



Revenue		Project Budget	Prior Year Revenues	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Revenues
4	Stormwater Operations (412)	\$ 50,000	48,575		50,000		50,000		98,575
									-
									-
									-
									-
									-
									-
Total Revenue		\$ 50,000	48,575	-	50,000	-	50,000	-	98,575

Expense			Prior Year Expenditures	2024 Actual	2024 Budget	2024 Estimate Year End	2025 Budget	Future Years	Total Expenditures
Design Engineering / Permitting									
A									-
A									-
A									-
A									-
A									-
	Subtotal	\$ -							-
Construction									
B									-
B		\$ 50,000			50,000		50,000		50,000
B									-
B									-
B									-
	Subtotal	\$ 50,000							-
Project Management									
C				70					-
C									-
C									-
C									-
	Subtotal	\$ -							-
D	Project Contingency								-
									-
	Eligible for 1% for the Arts								-
	Utilities - not eligible								-
									-
Total Expense		\$ 50,000	-	70	50,000	-	50,000		50,000

2025 Strategic Workplan

FIVE KEY STRATEGIC PRIORITIES AND INITIATIVES	FSI	2024 CARRYOVER	STATUS	BUDGET IMPLICATIONS <i>Est: \$=\$1k, \$\$=\$10k, \$\$\$=\$100k</i>	POLICY DECISION
INVEST IN OUR PEOPLE - Build and nurture the capacity of our staff, teams, volunteers, advisory board members, Councilmembers and partnerships and provide them the toolsets, skillsets, and mindsets to achieve more together	FSI	2024	STATUS	BUDGET IMPLICATIONS Est: \$=\$1k, \$\$=\$10k, \$\$\$=\$100k	
<i>2025 Core Focus: Deepen employee engagement through our all-employee engagement cycle</i>		√		\$ ongoing	budget
Also: evaluate staffing needs, priorities, and changes to the labor market	√	√		\$ ongoing	personnel policy, budget
ENGAGE OUR COMMUNITY - Ground civic dialogue in equity and kindness and more deeply and inclusively engage our community in decisions that affect their lives and livelihoods	FSI	2024	STATUS	BUDGET IMPLICATIONS Est: \$=\$1k, \$\$=\$10k, \$\$\$=\$100k	
<i>2025 Core Focus: Nurture civil civic dialogue, effective provision of information, and a more productive, active, and positive partnership with our community</i>	√	√		\$ ongoing	LTAC, social media policy
Also: begin website overhaul				\$	budget
INNOVATE OUR SYSTEMS, STRUCTURES & PROCESSES - Set the City and community up for sustained success through process and structure improvements and optimization	FSI	2024	STATUS	BUDGET IMPLICATIONS Est: \$=\$1k, \$\$=\$10k, \$\$\$=\$100k	
<i>2025 Core Focus: Coordinated Community Services</i>	√			\$ ongoing	financial policies, resolutions, funding
Also: PEL/interdepartmental coordination					
Permitting procedures and technical funding (SB 5290)	√	√		\$ ongoing	code update
Fire inspections and business license integration				\$	budget, ILA, code
Financial planning (for return 2026 bond payment)	√				budget
Police strategic plan and path toward accreditation		√		\$ ongoing	rules amendment possibly needed

FIVE KEY STRATEGIC PRIORITIES AND INITIATIVES	FSI	2024 CARRYOVER	STATUS	BUDGET IMPLICATIONS <i>Est: \$=\$1k, \$\$=\$10k, \$\$\$=\$100k</i>	POLICY DECISION
ENVISION OUR SUSTAINABLE FUTURE AND DELIVER OUR PRIORITY INITIATIVES - Deliver the 2025-2045 Comprehensive Plan and associated priorities to catalyze a financially, socially, and environmentally sustainable future	FSI	2024	STATUS	BUDGET IMPLICATIONS <i>Est: \$=\$1k, \$\$=\$10k, \$\$\$=\$100k</i>	
2025 Core Focus: Deliver the 2025-2045 Comprehensive Plan, including:	✓	✓		-	-
Continue to develop, implement, and refine code and comp plan changes to help unlock and inspire affordable, dense, quality infill development	✓	✓		\$\$\$	code adoption, tasking PC, docketing
Implement the community's vision for Evans Vista neighborhood and deliver infrastructure to make it development-ready	✓	✓		\$\$\$ one-time	entitlements, ILAs, funding
Develop RFP for Evans Vista phased development	✓	✓		\$\$ one-time	proposal selection/land transfer
Develop strategic action plan for housing, including housing assessment and inventory	✓	✓		\$\$ one-time	budget
Explore options presented in the housing white paper for implementation - fee structures, incentives, infrastructure extensions	✓			\$\$ one-time	code and policy
Economic Development - Housing Infill	✓	✓		\$\$	strategy approval
Economic Development - Improve commercial intensity	✓			\$\$	strategy approval
Economic Development - Glen Cove UGA and Annexation coordination with the County	✓	✓		\$\$	strategy approval
Glen Cove Sewer Study	✓			\$\$\$	interlocal with Jefferson County
Develop an open space plan including 2025 comp plan update assessment of buildable lands inventory/land capacity analysis	✓	✓		\$\$ one-time	adopt plan
Urban Forestry Plan / Revisit Tree Conservation ordinance for private property and tree retention policies for right of way	✓	✓		\$\$ one-time (in-house)	adopt plan
Complete Shoreline Master Program and Critical Areas Ordinance updates	✓	✓		\$\$\$ one-time	decisions on assets, ILAs
Non-motorized Plan update	✓	✓		\$\$ one-time	decisions, policy, adoption
Rezoning considerations for golf park as per agreement with the Friends	✓	✓		\$	adoption
Multi-year Comp Plan implementation (2026+)	✓			\$\$ ongoing	code and project approvals
PROS update at 6-year cycle (or consider revision and push to 2030?)				\$\$\$ if full revision	prioritize and budget allocation
Other Priorities - Housing/Planning:				-	-
Anticipation and planning for the unhoused population's needs		✓		\$\$ ongoing	policy setting
Other Priorities - Transportation:				-	-
Mill Road Roundabout				\$\$\$ one-time	leg. priorities, grant agmt., ILA JC
Determine a strategic direction, approach to and implementation of parking management with a focus on the downtown core	✓	✓		\$\$\$	strategy approval, implementation
Streets improvements concept plans (like Washington St, San Juan/F, Hastings, Admiralty)	✓			\$\$	strategy approval
Puget Sound to Pacific/Olympic Discovery Trail - in-town connection to Fort Worden and land purchase near Eaglemount (City Lake)	✓	✓		\$\$\$	approve STIP and street concept plans
Grant-related Street projects - Washington/Walker SW, 19th St?, Sims Way at Bishop, SS4A, Discovery/Sheridan, TIB grant? (? = subject to grant receipt)	✓			\$\$\$	budget approval, construction contract
Complete 2022 and 2023 Banked Capacity Projects	✓	✓		\$\$\$	already approved
Continue to refine Engineering Design Standards	✓	✓		\$\$	approval of updated standards
Transportation Benefit District implementation and process for prioritization of investment	✓	✓		\$\$\$	budget approval and project priorities
Streets Master Plan	✓			\$\$\$	plan adoption for code requirements

FIVE KEY STRATEGIC PRIORITIES AND INITIATIVES	FSI	2024 CARRYOVER	STATUS	BUDGET IMPLICATIONS	
				Est: \$=\$1k, \$\$=\$10k, \$\$\$=\$100k	POLICY DECISION
Other Priorities - Parks/Facilities (Community Services):					
Address parks and facilities funding needs and prioritize future phased investments (i.e. Library Strategic Plan, Parks Foundation, etc.)	✓			-	-
Determine an approach to deer management in partnership with State Fish & Wildlife		✓		\$\$\$	authorize implementation
Anticipated RCO grant implementation (also consider needed 2025 match in budget)		✓		\$\$	approve mitigation measures (if any)
Inventory public art and consider links to functional plans, maintenance planning for artworks, infusion of art into infrastructure projects		✓		\$\$\$	grant agreement approval
DNR grant implementation				\$\$	code update, program policy dev.
New Public Works facility design	✓			\$\$\$	budget
Facilities Updates - City Hall HVAC, Mountain View HVAC/parking, Library HVAC , elevators (subject to budget and grants)	✓			\$\$\$	budget and concept plan
Trails (Volunteer Program, street ends, loop trail)				\$	budget
Parks upgrades - Kah Tai Restrooms, Chetzemoka kitchen shelter, demolition of Golden Age Club and Parks house (subject to budget)	✓			\$\$\$	budget
Pool implementation, dependent on Task Force, Steering Committee, and BOCC determinations	✓	✓		\$\$\$	budget, ILA with Jefferson County?
Collaborate with related agencies to stabilize and plan for the sustainable future of Fort Worden State Park	✓	✓		\$\$	ILA
Other Priorities - Water/Sewer/Storm:					
Standpipe Reservoir Recoating Design	✓	✓		-	-
OGWS Pipeline Condition Assessment to prioritize Phase 1 of pipe replacement	✓	✓		\$\$\$	construction contract
Secure permits for sewer outfall project	✓	✓		\$\$\$	budget
Wastewater Treatment Plan projects - influent wetwell, SCADA, land acquisition	✓			\$\$\$	budget/grant/loan
Lawrence Street Stormwater (Combined Sewer Overflow elimination) - Harrison to Monroe	✓	✓		\$\$\$	budget, construction contracts
Evans Vista Neighborhood - construct Mill Road Lift Station	✓	✓		\$\$\$	budget, grants, construction contracts
Downtown restroom (subject to LTAC \$)	✓			\$\$\$	grant agreements, construction contract
Collections systems work - Washington Street sewer repair, Monroe lift station, Holcomb sewer upsize	✓			\$\$\$	budget, siting, construction contracts
Water efficiency goal setting & (Countywide) Coordinated Water Supply Plan	✓			\$\$\$	budget, construction contracts
				\$\$	approval of goals

FIVE KEY STRATEGIC PRIORITIES AND INITIATIVES	FSI	2024 CARRYOVER	STATUS	BUDGET IMPLICATIONS <i>Est: \$=\$1k, \$\$=\$10k, \$\$\$=\$100k</i>	POLICY DECISION
DELIVER THE BASICS - Provide consistent critical operations, ongoing statutory responsibilities, and core City functions			(below is not complete)	(below is not complete)	(below is not complete)
<i>Foster interagency collaboration, manage risks, and ensure the smooth operation of City government procedures, decision-making and public engagement (Legal/Clerk)</i>					
Legal services					
Insurance and risk management					
Records management				\$ ongoing	
Responding to public records requests					
Public meetings				\$\$\$ one time, \$ ongoing	
Training of elected members, staff and volunteers					
<i>Deliver integrated, strategic and sustainable value from the City organization to the community by developing and leveraging partnerships, enhancing staff and team performance, providing clear direction, nurturing deep community participation and engagement and ensuring continuous delivery of quality services (City Manager's Office)</i>					
Liaison with Councilmembers and stewardship of their political/policy decision-making					
Community leadership and partnership with other agencies and organizations					
Marketing the City to the visiting public working with LTAC, contractors, and community partners to do so				ongoing	LTAC budget
Workplan and budget development; integration and oversight of City operations					
Compliance with internal and external policies, regulations and requirements					
Creating a high-performance, people-centered City culture; coaching, mentoring and performance evaluation of employees					
Special projects, communication, engagement and advocacy on behalf of the City and community					
<i>Deliver quality, efficient and customer-facing permitting, code enforcement, current and long-term planning to promote opportunity and quality of life in Port Townsend (Planning & Community Development)</i>					
Code compliance				\$ ongoing	
Permitting review and approval				\$\$ ongoing	
Building inspections				\$\$ ongoing	
Current planning				\$\$ ongoing	
Long-range planning				\$\$\$ ongoing and one-time	
<i>Provide required and desired financial reporting and practices, steward preparation and collective oversight of balanced funds and budgets and information technology needs to ensure the success of all departmental and organizational activities. (Finance & Technology Services)</i>					
Budgets and financial reporting					
Forecasting and financial analysis					
Utility billing and cashiering for variety of City services					
Annual reporting and municipal audits					
Business license compliance and business and occupation tax reporting					

FIVE KEY STRATEGIC PRIORITIES AND INITIATIVES	FSI	2024 CARRYOVER	STATUS	BUDGET IMPLICATIONS <i>Est: \$=\$1k, \$\$=\$10k, \$\$\$=\$100k</i>	POLICY DECISION
Purchasing administration and accounts payable					
Payroll					
Coordinated front desk internal and external service via the Public Experience Liaisons					
Management of city Investment and debt according to government regulations					
Fiscal responsibility and management of city resources					
Information Technology – including network security and user support					
<i>To uplift our community through reading, learning, connection and creativity (Library)</i>					
Books and material circulation including curbside delivery, databases, e-books and e-audiobooks, children’s web resources, grab bags, interlibrary loan					
Programs and events, including virtual programming, youth programming and adult programming					
Staff response to patron requests and associated services					
Access to technology					
<i>To work in partnership with our community to provide a safe and compassionate environment while reducing crime and the fear of crime (Police)</i>					
Emergency response					
Patrol, investigation					
Special events					
Emergency preparedness					
Records requests					
Training					
Policy development and refinement					
<i>Develop and deliver innovative solutions that allow the City to make a positive leap forward in developing and investing in people and performance, driving coordinated team excellence, continuous improvement, and accountability (People & Performance/HR)</i>					
Leadership and coordination of the City-wide equity, diversity and inclusion (EDI) work					
Recruitment, including development of a recruitment strategy, targeted departmental approaches					
Union contract negotiations					
Retention, including a retention strategy and employee recognition program					
Performance evaluation					
Employee engagement, including development and delivery of an engagement survey and an accompanying manager follow up approach					
Coaching, mentoring and training programs					
Internal HR-related policy development, application and evaluation					
<i>Provide quality and reliable infrastructure that underpin a healthy social, environmental and economic fabric and success of Port Townsend and our community (Public Works)</i>					
Street maintenance, operations and programming					

FIVE KEY STRATEGIC PRIORITIES AND INITIATIVES	FSI	2024 CARRYOVER	STATUS	BUDGET IMPLICATIONS <i>Est: \$=\$1k, \$\$=\$10k, \$\$\$=\$100k</i>	POLICY DECISION
Stormwater operation and maintenance					
Wastewater collections and treatment and compost					
Management of trash collection and recycling					
Drinking water treatment and distribution					
Engineering, major capital projects, and development review for infrastructure extension					
Transportation engineering (Non-motorized, traffic, accident analysis, grant writing)					
Right of way management including urban forestry					
Fleet operations, maintenance, and replacement					
Management of parks and trails systems					
Facilities management, oversight, property management, rentals and event permitting					
City Volunteer Program, including adopt-a-trail, adopt-a-park and Library/Police volunteers					
<i>Engage and communicate with our community to build trust and confidence, productive partnerships, and a more civil civic dialogue to ensure our community is positively empowered to determine its own future. Effectively market our community to enable Port Townsend to receive positive benefits from more sustainable tourism. (Communications and Marketing)</i>					
Develop and manage content and publication through City channels (newsletter, quarterly, social media, press releases, website, annual report)					
Provide prioritized support for the entire organization on major projects/initiatives					
Liaise with LTAC and related agencies to curate and coordinate marketing campaigns					
Chart and lead a strategic approach to communications and engagement					
Serve as Public Information Officer as main contact and coordinator with media, handling or advising on high profile issues					
Liaise with organizations, neighborhood groups, and the general public as part of campaigns, engagement events, and activities					

City of Port Townsend

Comprehensive Financial Management Policy Guidelines

Adopted December 2, 2024

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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 & Technology 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 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 operation 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, ; 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 \$7,500 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 \$500 but less than \$7,500. 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 \$500 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 Director of Finance and Technology Services (Finance 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 Director of Finance & Technology Services 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 Director of Finance and Technology Services (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 – Rainy-Day Fund (102) Each fund should retain enough in its own Ending Fund Balance Reserves to offset minor non-recurring or unanticipated expenses during the budget year. Beyond those reserves, the City's Contingency – Rainy-Day Fund is intended as a strategic reserve to meet emergency conditions or to help maintain essential services during periods of economic downturn. The fund will build to between 5% - 10% of General Fund annual operating revenues (but below the requirements of RCW 35.33.145) after its creation and subsequent to its intended use.

The Rainy-Day Fund will be seeded through the following:

- Unrestricted one-time revenues from projects with assessed value at over \$3m
- Contributions from the General Fund Reserve
- Contributions from the vacancy rate (see Vacancy Rate Policy)

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 and Facilities, 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 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, permits, 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 taxpayers 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 Fees

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 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 7,500 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. Allocating 1% of the department's budgeted salary expense is recommended 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 Director of Finance and Technology Services 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 or supplementals 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:

- Debt payments shall not extend beyond the estimated useful life of the project being financed. The City shall keep the average maturity of general obligations bonds at or below 30 years, unless special circumstances arise warranting the need to extend the debt schedule.
- When project revenue or specific resources as identified will be sufficient to service the debt;
- When projects greater than \$100,000 cannot be financed on a pay-as-you-go basis from anticipated cash flows.

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).
- Grant match less than \$100,000 where funding is anticipated from on-going cash flow or reserve balances.
- Projects less than \$100,000 where funding is anticipated on a pay-as-you-go basis from anticipated cash flows or reserve balances.
-

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 Director of Finance & Technology Services (Finance 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 purchases made by the City will ultimately be approved by the Council through the voucher approval process.

XIII. ELECTRONIC FUNDS TRANSFER POLICY

Electronic payment methods are a safe and efficient method to process disbursements and receive payments for City business. City policy is to establish the best methods to process payments to employees and vendors. In addition, City policy is to establish the best methods to receive payments from customers and vendors. Electronic payment methods may include Electronic Funds Transfer (EFTs), Automated Clearing House (ACH), Wire Transfers, credit card and debit card.

The Director of Finance & Technology Services (Finance Director) will maintain administrative/operating procedures to manage sound electronic fund transfer policies and procedures.

XIV. 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 & Technology 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 B.

XVI. VACANCY RATE POLICY

- As part of the annual budget process, the Vacancy Rate Policy requires setting a vacancy rate based on an assessment of market conditions and vacancy rate trends. The rate would then be used to calculate an equivalent General Fund savings from unspent employee salaries and benefits, from which eligible expenses can be funded up to those savings. Expenses must have direct nexus to the impacts of or mitigation of staff vacancies, including: Employee engagement programs facilitated through the People & Performance Department
- Staff training
- Short-term contracts of less than 6 months duration
- Seeding the Rainy-Day Fund

At least 20% of the Vacancy Rate savings, should there be any, is recommended go to seeding of the Rainy-Day Fund.

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.
- 4) **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 Director of Finance & Technology Services (Finance Director) will approve financial institutions to be eligible to conduct investment business with the City, in accordance with Washington State Law.

The Director of Finance & Technology Services (Finance 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, & 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.

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.

Purchasing Policies and Procedures Manual

PURCHASING MATRIX – BID LIMITS & SIGNING AUTHORIZATION

(Always include applicable sales tax when determining dollar amounts)

Purchase of Goods & Equipment	Bidding Process	Contract and Payment Requirements	Authorization
Under \$500	No requirement	Payment off signed invoice (or use purchase card if within limits) No contract required Employee personal reimbursement if approved by supervisor W-9	Department head or designee
\$500-\$7,500	No requirement, but three estimates recommended May use MRSC Vendor Roster, State contract, or interlocal agreement Select lowest qualified vendor	Payment off signed invoice (or use purchase card if within in limits) W-9	Department head or designee
\$7,501-\$25,000	Obtain three telephone and/or written quotations or use formal bidding May use MRSC Vendor Roster, State contract, or interlocal agreement Select lowest qualified vendor	Purchase order if >\$10,000 Requisition form & signed invoice W-9	Department head (if within budget appropriations)
\$25,001 \$75,000	<u>Must</u> either: formally bid, use State contract, or interlocal agreement Select lowest qualified vendor	Purchase order Requisition form & signed invoice W-9	City Manager (if within budget appropriations)
\$75,001 or more	<u>Must</u> either: formally bid, use State contract, or interlocal agreement Select lowest qualified vendor	Purchase order Requisition form & signed invoice W-9	Council approval ¹ Contract and/or invoice signed by City Manager

Public Works Projects	Bidding Process	Contract and Payment Requirements	Authorization
\$25,000 or less	<p>Required to have three estimates</p> <p>May use MRSC Small Works Roster</p> <p>Award to lowest qualified contractor</p> <p>Alternatively, may use day labor (City staff)</p>	<p>Small public works contract</p> <p>Insurance</p> <p>W-9</p> <p>Prevailing wage (<i>Contractor may use Combined Intent/Affidavit Form for projects \$2,500 or less</i>)</p> <p>5% retainage or retainage bond, unless waived in advertisement by City Manager, department head, or designee</p> <p>Performance and payment bonds, unless waived in advertisement by City Manager, department head, or designee</p>	Department head or designee
<p>Less than \$75,000</p> <p><u>Limited</u> Small Public Works process</p>	<p>Obtain estimates from at least <u>three</u> contractors on MRSC Small Works Roster²</p> <p>Award to lowest qualified contractor</p> <p>Alternatively, may use formal bidding or day labor (City staff)</p>	<p>Small public works contract</p> <p>Insurance</p> <p>W-9</p> <p>Prevailing wage</p> <p>5% retainage or retainage bond, unless waived in advertisement by City Manager</p> <p>Performance and payment bonds, unless waived in advertisement by City Manager</p> <p>Contractor may choose to have 10% retainage held instead of providing performance and payment bonds</p> <p>Purchase order (encumbrance) if >\$10,000, except capital projects</p>	<p>City Manager for less than \$75,000³</p> <p>Contracts over these limits require Council approval</p> <p>Contract signed by City Manager</p>
<p>\$350,000 or less</p> <p>Small Public Works Roster process</p>	<p>Obtain estimates from at least <u>five</u> contractors on MRSC Small Works Roster</p> <p>All contractors in applicable roster category</p>	<p>Small public works contract</p> <p>Insurance</p> <p>W-9</p>	<p>Council approval (see above)</p> <p>Contract signed by City Manager</p>

	<p><u>must</u> be given opportunity to submit estimate before any contractor can be solicited again</p> <p><i>If project total is between \$250,000-\$350,000, <u>all</u> contractors in applicable category must be notified that project is being bid</i></p> <p>Recommend bid deposits for projects >\$40,000</p> <p>Alternatively, may use formal bidding or may use day labor (City staff) for single trade projects \$75,500 or less and multiple trade projects \$116,155 or less</p> <p>Award to lowest qualified contractor</p>	<p>Prevailing wage</p> <p>5% retainage or retainage bond, unless waived in advertisement by City Manager ⁴</p> <p>Performance and payment bonds</p> <p>Contractor may choose to have 10% retainage held instead of providing performance and payment bonds for projects \$150,000 or less</p> <p>Purchase order (encumbrance), except for capital projects approved in CIP</p>	
Projects over \$350,000	<p><u>Must</u> use publicly advertised formal bid process</p> <p>5% bid deposit required</p>	<p>Public works contract</p> <p>Insurance</p> <p>W-9</p> <p>Prevailing wage ⁵</p> <p>5% retainage or retainage bond ⁴</p> <p>Performance & payment bonds</p> <p>Purchase order [except Capital Projects approved in CIP]</p>	<p>Council approval</p> <p>Contract signed by City Manager⁷</p>
Services [not including Architecture & Engineering]	Bidding Process	Contract and Payment Requirements	Authorization
Under \$5,000	<p>No requirement, but three estimates recommended</p> <p>Check requirements if using federal funding</p>	<p>No contract required</p> <p>Payment off signed invoice</p> <p>W-9</p> <p>Prevailing wages may be required for certain services (e.g., landscaping)</p>	<p>Department head or designee</p>

<p>\$5,000-\$9,999</p>	<p>No requirement, but recommend <u>at least three</u> estimates from firms on the MRSC Consultant Roster</p> <p>Request price quotes, schedule, qualifications</p> <p>Check requirements if using federal funding</p> <p>Contract with lowest qualified vendor</p>	<p>Professional services agreement</p> <p>Insurance</p> <p>W-9</p> <p>Purchase order (encumbrance) if requested</p> <p>Prevailing wages may be required for certain services (e.g., landscaping)</p>	<p>Department head or designee</p>
<p>\$10,000-\$19,999</p>	<p>Request proposals or estimates from <u>at least three</u> firms on the MRSC Consultant Roster</p> <p>Request price quotes, schedule, and qualifications</p> <p>Check requirements if using federal funding</p> <p>Contract with lowest qualified vendor</p>	<p>Professional services agreement</p> <p>Insurance</p> <p>W-9</p> <p>Purchase order (encumbrance)</p> <p>Prevailing wages may be required for certain services (e.g., landscaping)</p>	<p>City Manager ⁶</p>
<p>\$20,000 - \$75,000</p>	<p>Formal, advertised <u>RFP or RFQ</u> process recommended</p> <p>Check requirements if using federal funding</p> <p>Contract with lowest qualified vendor</p>	<p>Professional services agreement</p> <p>Insurance</p> <p>W-9</p> <p>Purchase order (encumbrance)</p> <p>Prevailing wages may be required for certain services (e.g., landscaping)</p>	<p>City Manager ⁶</p>
<p>\$75,000 or more</p>	<p>Formal, advertised <u>RFP or RFQ</u> process recommended</p> <p>Check requirements if using federal funding</p> <p>Contract with lowest qualified vendor</p>	<p>Professional services agreement</p> <p>Insurance</p> <p>W-9</p> <p>Purchase order (encumbrance)</p>	<p>Council approval ⁶</p> <p>Contract signed by City Manager</p>

		Prevailing wages may be required for certain services (e.g., landscaping)	
Architecture, Engineering, Landscape Architecture, & Surveying	Bidding Process	Contract and Payment Requirements	Authorization
Any dollar amount	<p>Must publish need for services in advance</p> <p>May use MRSC Consultant Roster</p> <p>Firms submit statement of qualifications</p> <p>Award based on qualifications, not price</p> <p><i>Some A/E contractor funding agencies may require their own contract and/or contract language placed into the city contract. Verify with funding agency.</i></p>	<p>Professional services agreement</p> <p>Insurance, including professional liability</p> <p>W-9</p> <p>Purchase Order if > \$10,000</p>	<p>City Manager if less than \$75,000</p> <p>\$75,001 or more requires Council approval</p>

¹ The City Manager may sign contracts for purchase of goods greater than \$75,000 if they specifically implement the annual budget and result from the aggregation of approved budgetary programs and services for the current year (PTMC 3.46.110(A)(1)).

² For projects under \$50,000, you may use the Limited Small Public Works process, which requires estimates from at least three contractors on the roster.

³ The City Manager may sign public works contracts up to \$75,000 for multiple trades if the contract is time-sensitive and a delay in bringing the matter before Council would cost the City time and money.

⁴ Retainage is not required for federally funded transportation projects through the Federal Highway Administration. Check grant documents for specific requirements. If the local government waives retainage, they assume liability of contract non-payments but do retain the right of recovery from the contractor.

⁵ Federally funded or assisted public works projects over \$2,000 require payment of Davis-Bacon wage rates determined by the U.S. Department of Labor.

⁶ The City Manager may sign professional services contracts, including architectural, engineering, legal, or consulting services, up to \$75,000 if the contract is time-sensitive and delay in bringing the matter before Council would cost the City time and money.

⁷ Once a contract has been awarded the City Manager may sign invoices that exceed \$75,000 as long as the total cost of the project does not exceed the approved contract amount or where change orders do not exceed council authorized limits for City Manager purchase or contract authority.

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Sources

- [City of Port Townsend Municipal Code](#)
- [Washington State RCW's](#)
- [Municipal Research and Services Center](#)
- [The Bidding Book](#)

1.0 Introduction

1.1 Purpose of the Manual

The Purchasing Policies and Procedures Manual guides and assists City staff with basic procurement and contracting requirements as set forth in the City of Port Townsend Municipal Code (PTMC) Chapter 3.46 and Washington State statutes.

This manual establishes policy guidelines and clarifies the procedures for purchasing supplies and materials, public works construction, and contracting for services by the City of Port Townsend. The procedures set forth in subsequent sections of this manual are designed to assure the citizens, the City Council, and City administrative staff that the City is receiving maximum value for each tax and utility dollar expended and to ensure fiscal responsibility in the procurement process. All employees and City representatives must follow these policies and procedures.

All references to the Revised Code of Washington (RCW) and City Ordinances and Resolutions shall be incorporated as part of this manual, including all future amendments. In cases where these policies conflict with any City Ordinance or State or Federal Law or Regulations, the terms of that law or regulation prevail. In all other cases, these policies apply.

1.2 Contact Information

Name	Responsibility
Finance Director/Manager	Fiscal control, policy, & budget
Finance Director/Manager Finance – Accountant/Finance Specialist	Grants & capital improvement program
City Attorney/Legal Asst.	Contracts and bidding process
Finance Technician III	Accounts payable & vendors; ordinary purchases of supplies, materials, maintenance, and equipment; surplus & disposition of assets; purchasing cards

1.3 Code of Ethics ([RCW 42.23](#))

This section of the manual should be interpreted in tandem with the City of Port Townsend [Personnel Policy Manual](#) Chapter 2.1 (Code of Conduct) and [PTMC Chapter 2.80](#). Please also refer to [RCW 42.23](#) (Code of Ethics for Municipal Officers – Contract Interests). A municipal officer includes all elected officials, advisory board members, and City employees.

City employees are expected to represent the City in a professional and accountable manner that is courteous, helpful, and efficient. Employees shall conduct their public and private actions and financial dealings in a manner that shall present no conflict of interest between the public trust and their private interest.

Actions of City employees, when purchasing supplies and services, should be fair and impartial and not be used for personal gain or benefit. Public employment shall not be used for personal gain, and City employees may neither solicit, accept, nor agree to accept any compensation, gratuity, or reward for themselves, their families, or others that results in their personal gain or which may affect their impartiality in making decisions on the job. Discounts or concessions realistically available to the general population, items received that do not result in personal gain, and samples for general City use are examples of items that are not gratuities. Personal judgment should be used, and questions regarding particular situations should be referred to the employee's supervisor or department head.

Personal gifts or gratuities that might influence or give the appearance of influencing purchases of goods or services must be declined.

Employees may not willfully circumvent purchasing and procurement policies and procedures to enter into contracts or purchase goods and services. Any contract made in violation of this policy manual, City code, or State statutes will be considered null and void, and the employee or officer may be subject to discipline or dismissal. Willful disregard of these policies and statutes when purchasing goods and services may also be subject to discipline and/or dismissal from service. Please see [PTMC 2.80.060](#) (Penalties) for reference.

1.4 Conflict of Interest

No City staff or Council member may undertake consulting, professional practice, or other assignments that would result in a conflict of interest. Any

City employee or Council member who recommends or approves a purchase and has any financial interest in the firm involved in the purchase shall disclose his or her interest prior to recommending or approving the purchase.

No city staff or Council member may participate in the selection, award, or administration of a contract supported by a Federal award if they have a real or apparent conflict of interest. Such a conflict of interest would arise when the City employee or Council member, any member of their immediate family, their partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. Any willful violation will be subject to disciplinary action according to [PTMC 2.80.060](#).

1.5 Unauthorized Purchases

PURCHASES FOR PERSONAL USE ARE NOT ALLOWED. The person ordering the unauthorized and unjustified purchase is personally liable for the costs of the purchase or contract and may be subject to disciplinary action, up to and including termination of employment. If the purchase was made without proper authorization but is in fact a justified purchase, then the department head has the option to approve the purchase after the fact.

When representing the City through purchasing goods and services, employees are prohibited from doing the following:

- “Bid Splitting” – A capital (public work) project means a complete project. The project may not be split into units or classes of work to avoid the restriction on work that may be performed by day labor or other bid rules.
- Purchase breakup – Purchases that exceed authorization limits or exceed the quote requirements should not be split up to circumvent the purchasing policies and procedures.
- Purchasing alcohol or personal entertainment goods and services.
- Generating a purchase order. Only the Legal Department or Finance Department have the authority to generate a purchase order (encumbrance).
- Purchasing controlled commodities without prior approval including the following:
 - Cell phones, telephone equipment, pagers, etc.
 - Computers and related equipment, fax machines, printers, scanners, copiers, software, or systems

Speaking the Same Language

The following terms are often used interchangeably. We typically use these terms as described below:

Purchasing, Procurement

Purchasing is the act, function and responsibility for the acquisition of equipment, materials, supplies and services. The term describes the process of buying.

Procurement includes all functions that pertain to the acquisition, including description of requirements, selection and solicitation of sources, preparation and award of contract and all phases of contract administration.

- Anything that IT staff is requested or required to install, connect, service, maintain, or support
- Anything purchased using Equipment Rental and Revolving Funds
- Using a City-issued purchase card for cash advances or professional services

1.6 Sustainable Purchasing

The City shall acquire its goods and services in a manner that complies with all federal, State, and City laws and other requirements (e.g., City resolutions).

Environmental factors to consider in selecting products include:

- Pollutant releases, especially persistent bio-accumulative toxins (PBTs)
- Waste generation
- Greenhouse gas emissions
- Recycled content [recommend using 30% recycled paper]
- Energy consumption
- Depletion of natural resources
- Potential impact on human health and the environment

Social equity factors that should be considered include but are not limited to:

- Use of local businesses when allowable under bid rules
- Use of small, minority, and women-owned businesses
- Ergonomic and human health impacts

Fiscal factors to be considered include but are not limited to:

- Lowest total cost
- Leveraging our buying power
- Impact on staff time and labor
- Long-term financial/market changes
- Technological advances in a rapidly changing market

1.7 What This Manual Covers

The process of selecting vendors and managing contracts shall embody the value of stewardship of public resources by providing the greatest levels of both quality and value.

The goals are to ensure that the purchase process:

Speaking the Same Language

The following terms are often used interchangeably. We typically use these terms as described below:

Vendor, Contractor, and Consultant:

Vendor is typically used when referring to a supplier of goods, materials, or supplies.

Contractor is typically used when referring to a construction or maintenance company. Can also apply to an individual or business having a contract with the City.

Consultant is typically used when working on a Professional Service Contract. The term means a person with education and/or experience which uniquely qualifies them to perform some specialized services.

- **Practices ethical behavior and conduct:** Create purchasing processes that are fair, open, and at least cost of public funds.
- **Obtains value with public funds:** Purchase goods and services that are fiscally responsible, reduce resource consumption and waste, perform adequately, promote advantages to lessor advantaged segments of the community, and promote health and well-being.
- **Acts with integrity and ensures open and effective communication:** Be impartial in fact, as well as in appearance.

From Start to Finish...

Before any purchase is made, the following questions should be answered:

- **Define the need** – What kind of purchase is this?
- **Determine the cost** – How much will it cost?
- **Process** – How do I procure it?
- **Protecting the City** – How do we properly protect the City from liability?
- **Authority** – Who must approve it?
- **Contract administration** – What are my responsibilities?

1.8 Define the Need

The first question that should be answered is “What type of purchase is this?” The major categories of purchases include:

Public Works: [\(RCW 39.04.010\)](#)

Includes all work, construction, alteration, repair, or improvements other than ordinary maintenance executed at the cost of the City:

Examples: demolition, remodeling, renovation, road construction, building construction, and utilities construction.

Ordinary maintenance is generally considered to include work not performed by contract and performed on a regular basis to service, check, or replace items that are not broken. For purposes of prevailing wage

Speaking the Same Language

The following terms are often used interchangeably. We typically use these terms as described below:

Bid, Estimate/Quote, Proposal

Bid is an offer submitted by a contractor or vendor in response to an invitation to bid (ITB) or advertisement

Estimate or quote is a statement of prices, terms of sale, and description of goods or services offered by a vendor or contractor to the City. Commonly used in more informal solicitations.

Proposal is the document submitted by the offeror in response to an RFP/RFQ. Proposals allow contract award based on factors other than cost and may result in negotiations.

requirements, public works includes ordinary maintenance when performed by contract. See Section 3.2.

Materials, Supplies, and Equipment:

Materials, supplies, and equipment are considered tangible items, which are manufactured and are moveable at the time of purchase. It is important to distinguish materials, supplies, and equipment used in public works contracts from those in non-public works contracts, as different bidding requirements apply to each.

Examples: office supplies, off-the-shelf software, hardware, trucks, copy machines, auto parts, gravel, janitorial supplies, food, and beverages.

Services:

Distinguishing between services and public works is important, as services have different bidding requirements. Services require the labor, time, or effort of a human being and can include intellectual or physical work.

Examples: accountants, attorneys, elevator maintenance, instructors, technology consulting, engineers, and land surveyors.

1.9 Determine the Cost

Once the need has been defined, the estimated cost of the goods or services will generally determine what competitive selection process you follow. Estimated project costs for competitive bidding purposes must include:

- All construction-related work (except for engineering or architectural design fees)
- All phases of the project
- Any permitting costs of the project
- All labor and materials required for the project
- All applicable sales and use taxes

The cost estimate should not include donated materials, labor, supplies, etc.

1.10 Determine Contract Value

Contract value refers to the total aggregate value of the contract, including potential renewal periods. Examples of contract value are as follows:

- Example #1: A three-year contract for \$40,000 per year is considered a \$120,000 contract.
- Example #2: A one-year, \$8,000 professional services contract is renewed for an additional year at \$8,000. The aggregate value of

Acronyms

SOQ – Statement of Qualifications

RFQ – Request for Qualifications

RFP – Request for Proposal

ITB – Invitation to Bid (Formal Bid)

ITQ – Invitation to Quote (Small Works)

MWDBE – Minority, Women, and Disadvantaged Business Enterprise

CIP – Capital Improvement Plan

the contract becomes \$16,000, which requires City Council approval.

1.11 Exemptions to the Competitive Bidding Process

Exemptions to this policy must be approved in writing by the City Manager when within his or her signing authority; otherwise, exemptions shall be approved by City Council. Exemptions should make good business sense and be in the best interest of the City. In all cases, it is the City’s responsibility to conduct a good faith review of all available providers.

Exemptions to competitive bidding requirements as provided in [RCW 39.04.280\(1\)](#) and [PTMC 3.46.090](#):

Type	Examples and Notes
Sole source	<ul style="list-style-type: none"> Licensed or patented goods or services Specialized items that are compatible with existing equipment or systems (i.e. water treatment plant filters) Meets City standards (i.e. meters) Factory-authorized warranty services Meets a specialized need of the City
Purchases involving special facilities or market conditions	<ul style="list-style-type: none"> Items of special design, shape, or manufacture that match or fit existing equipment, inventory, systems, programs, or services Items offered at highly favorable price that will be sold before City can follow bidding process
Auctions, closeout, & bankruptcy sales	<ul style="list-style-type: none"> Only when items can be purchased below market cost
Emergency purchases or public works	<ul style="list-style-type: none"> See Section 1.12
Purchases of insurance or bonds	<ul style="list-style-type: none"> Competitive bidding is not required for insurance or bond purchases
Real property	<ul style="list-style-type: none"> The City Manager, upon approval by City Council, may proceed to acquire real property through negotiation Negotiations must be based upon an independent appraisal of the property The City will not pay more than market value If purchased with federal funds, the acquisition shall comply with the Uniform Real Property Acquisition and Relocation Assistance Act of 1970, as amended
Surplus property (RCW 39.33.010)	<ul style="list-style-type: none"> The City may by agreement acquire, sell, or exchange surplus property to or from another government without the use of bids

Tips & FAQs

Q: *The garage door at Public Works is stuck closed. The door must be fixed immediately. What do we do?*

A: Although this is an urgent need, it does not present a real, immediate threat to life or property, so regular contracting processes must be followed. The Legal Department can assist with developing a contract quickly once a contractor has been chosen.

Q: *Our City water tank has been badly damaged and water pressure is threatened. Is this an emergency?*

A: This is not a natural disaster, but does “present a real, immediate threat” and makes competitive bidding impractical. This would be treated as a declared emergency. Follow the declared emergency process.

Note: Emergencies involving FEMA reimbursements or work in critical areas may have different or additional requirements. Please contact the City Attorney or Finance Department for assistance with either emergency.

Interlocal agreements (Piggybacking) (RCW 39.34.030)	<ul style="list-style-type: none">• See Section 2.4
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Exemption Process:

Complete a written request to the City Manager or City Council (depending on signing authority) explaining why this option is the only option, makes good business sense, and is in the best interest of the City. Explain what features, knowledge, or qualifications the vendor can provide that are not available from other sources. Outline steps taken to verify that this is the only vendor available, which could include:

- (1) internet search
- (2) calls to vendors or contractors on MRSC rosters
- (3) advertisement in paper with a “Notice of Intent to Contract”
- (4) advice from expert consultant in service area

This request should be signed by the requestor. Use the ***Sole Source Justification Form*** if applicable.

1.12 Declared Emergency

For purposes of this section “emergency” means unforeseen circumstances beyond the control of the City that either: (a) present a real, immediate threat to the proper performance of essential functions, or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. Competitive bidding may be waived subject to the following process:

1. Staff (usually a department head) identifies an urgent need and requests that the City Manager declare an emergency.
2. Upon approval from the City Manager, the department authorizes work and/or equipment procurement required to address the emergency.
3. Department drafts a memorandum explaining the basis for the emergency and the selection of the particular vendor. This memorandum should be included in the contract file.
4. Request that the Legal Department draft a contract.
5. Department schedules the contract award on next City Council agenda. City Attorney and department head prepare materials necessary to ratify the emergency declaration finding.

Tips & FAQs

Tax revenue from purchases:

The City may factor in tax revenues generated by a purchase of supplies, materials, and equipment, including those from local sales tax or from gross receipts business and occupation tax. If these tax revenues are considered, the City must consider the taxes it would receive from suppliers located both within and without its boundaries (RCW 39.30.040).

Preference for recycled products:

The City may allow for preferential purchase of products made from recycled materials or products that may be recycled or reused (RCW 39.30.040).

2.0 New Procurement

2.1 Initiate a New Procurement

The City makes many small and large purchases over the course of the year and must comply with State and local laws for each type of procurement, based on type of work, dollar limits, and level of risk involved.

See the matrix at the beginning of this manual for a summary of the types of new procurements typically performed at the City of Port Townsend. City staff may also initiate new procurements through purchasing card purchases (see Section 6.0) and by requesting reimbursement for purchases made with the employee's personal funds. It is recommended that employees use a purchasing card for small purchases whenever practicable and allowed by City policy.

2.2 Purchases of Goods, Supplies, & Equipment

2.2 (a) SMALL Purchases of Goods, Supplies, & Equipment (\$7,500 or less)

Small purchases of goods, supplies, materials, and equipment **\$7,500 or less** can be made using one of the following processes:

Process	Dollar Limit	Allowed Uses	Non-Allowed Uses
<p>Purchasing Card (see Section 6.0)</p> <p><i>It is strongly recommended you use a City purchasing card vs. personal credit card</i></p> <p><i>All receipts must be retained and turned into supervisor for approval.</i></p>	<p>Contact Finance if you need to know your limits.</p> <p>Sample limits: \$500 single purchase; \$1500 monthly billing cycle limit</p> <p><i>Exceptions may be made with the Finance Director's approval</i></p>	<p>Business-related purchases of goods and services (i.e., subscriptions, seminars, meeting supplies, maintenance, repair, operations, office supplies, computer peripherals, software subscriptions)</p>	<p>Alcohol, capital equipment, cash advances, consulting services, personal items, professional services, meals while traveling</p>

Tips & FAQs

When purchasing telecommunications and data processing (computer) equipment or software, the City may follow a “competitive negotiation” process as an alternative to the bid process (RCW 39.04.270). This process requires, at a minimum:

- A request for proposals (RFP) published in the newspaper of general circulation at least 13 days before the submission deadline.
- The RFP identifies significant evaluation factors, including price, and their relative importance.
- The City provides reasonable procedures for technical evaluation of the proposals, identification of qualified sources, and selection for awarding the contract.
- The award must be made to the qualified bidder whose proposal is “most advantageous” to the City. The City may reject all proposals for good cause and request new proposals.

Personal/employee Reimbursement	Up to \$1,000 <i>Personal credit card use must be approved by dept. head.</i>	Incidentals such as postage, ferry tolls, parking fees, hotel fees, CDL license, etc.	Regular business-related goods and services
Vendor Invoice	\$7,500 <i>All invoices MUST be addressed and/or shipped to the City of Port Townsend and have an invoice number, date of purchase, and description of item purchased.</i>	Contracted supplies Goods at low risk and not otherwise covered under a contract or purchase order	Capital expenditures

Although there are no bidding requirements for goods purchases **between \$500 and \$7,500**, it is recommended that City staff obtain estimates from three vendors, preferably off the MRSC Vendor Roster. Staff may also use a State contract or interlocal agreement (“piggybacking”). The applicable department head or designee has invoice signing authority.

Purchases of goods **under \$500** do not require quotes, but staff may solicit estimates from the MRSC Vendor Roster or use a State contract or interlocal agreement (“piggybacking”). The applicable department head or designee has invoice signing authority.

All payments made by a check issued by the Finance Department require a W-9 from the vendor.

2.2 (b) INTERMEDIATE Purchases of Goods, Supplies, & Equipment (\$7,501-\$15,000)

Purchases of goods, supplies, materials, and equipment **from \$7,501 to \$15,000** should be made using a purchase order if over \$10,000 and a vendor invoice for payment. Purchases in this category could also be made using a State contract, interlocal agreement, or formal sealed bidding.

Employees may not use a purchase card or personal payment for reimbursement unless previously approved by their department head and within card limits.

When making purchases **from \$7,501 and \$15,000**, staff should obtain at least three telephone or written quotations from vendors on the MRSC

Vendor Roster. The applicable department head has invoice signing authority.

A purchase order or written agreement may be required. Check with the Finance Department for additional requirements.

All purchases in this category require a W-9 from the vendor.

2.2 (c) LARGE Purchases of Goods, Supplies, & Equipment (\$15,001 or more)

Per [RCW 35.23.352\(8\)](#), any purchase of material, supplies, and equipment with a cost **exceeding \$15,000** requires formal, competitive bidding or the use of a State contract or interlocal agreement.

Formal Bidding Process:

	Task	Action
1.	Identify grants or federal funds as applicable	Notify Accountant in Finance
2.	Prepare bid documents	Include: <ul style="list-style-type: none"> • Invitation to bid • Instructions and information for bidders • Bid proposal template • Bid bond template • Bidder’s statement of qualifications template • Sample contract • Insurance requirements Contact Legal Dept. to review prior to finalization of bid package
3.	Prepare product specifications	Considerations: warranties, delivery, liquidated damages
4.	Advertise, publish, and notify	Advertise in official newspaper Publish bid on Builder’s Exchange Email notification to recommended roster participants (if any)
5.	Addenda required?	Department to write addenda, notify plan holders, and post online
6.	Schedule & conduct bid opening	Department to schedule conference room and open and read sealed bids

7.	Bid Award	<p>Determine the lowest, responsible, responsive bidder</p> <p>Prepare Council agenda materials if \$30,000 or more</p> <p>Prepare purchase contract (or contact Legal Department if needed)</p> <p>Obtain vendor signature and forward to Legal Assistant</p> <p>Give Legal Assistant or Finance BARS code and request purchase order/encumbrance. Obtain W-9 for Accounts Payable</p> <p>Do not notify non-selected bidders about award until contract is fully signed</p>
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The City Manager has signing authority for purchases less than \$30,000. All purchases totaling \$30,000 or more require City Council approval. Consider the entire cost of the purchase for all years (for example, maintenance costs) involved when determining the approval level. Contact the Finance or Legal Department with questions on total contract value.

All purchases in this category require a W-9 from the vendor.

2.3 Food and Beverage Purchases

Generally, consuming food and beverages at public expense will be discouraged. The consumption of nourishment is ordinarily regarded as private and personal and not a public activity. (This includes light snacks.) In the occasion where food and beverages are approved for purchase, **in all circumstances the department head and/or the City Manager must pre-approve the purchase(s) and the department must have adopted budget appropriations.**

The following outlines circumstances when the City will provide for the consumption of food and beverages:

1. Meal reimbursements while in travel status. Please refer to the City of Port Townsend Personnel Policy Manual, Section 5.7 for meal per diem policies.
2. Light refreshments and/or meals may be purchased by the City when:

Tips & FAQs

Q: *My department is having a regular staff meeting. I want to treat my staff for a job well done. Can I use City funds to purchase pizza for my staff and serve it at our regular meeting?*

A: The quick answer is NO, if the meeting is scheduled during regular business hours at the place of business. Although the purpose of the meeting is to discuss City business, providing pizza is not an integral part of the meeting.

Some exceptions may be made. For example, if the Dept. Head has budgeted staff recognition in the annual budget and the appropriations were approved by City Council, then it would be appropriate to buy pizza for staff.

As noted in the first paragraph of Section 2.12, consuming food and beverages at public expense is discouraged.

- Employees or officials attend a special meeting, training, or similar circumstance where the purpose of the event is to discuss City business, **AND**
 - It provides benefit to the City, **AND**
 - The refreshments are an integral (necessary) part of the meeting or training session for the employee or official to receive the full benefit of the meeting and/or training. (e.g., a working breakfast, lunch, or dinner), **AND**
 - The meeting or training session takes place away from the employee or official's regular workplace, **AND**
 - Receipts for actual costs of the refreshments/meals are kept with documentation of who was in attendance and the purpose of the meeting or training session.
3. In emergency situations when a department head determines that employees or intergovernmental employees performing critical City functions must remain at their workplaces, providing refreshments/meals will be allowed if the department head pre-approves the purchase.
 4. Meals and/or refreshments for employee, official, volunteer, wellness, public, or occasional appreciation events when:
 - The City Manager and/or department head has approved the purchase(s) in advance and documentation of such is evident, **AND**
 - Receipts for actual costs are kept with documentation of who was in attendance and the purpose of the event, **AND**
 - The meal/refreshment purchases for the event is approved through budgeted appropriations.

Prohibited purchases of refreshments include the following circumstances and will not be reimbursed by the City:

1. Meals and/or refreshments that were not pre-approved by the department head and/or the City Manager.
2. Meals and/or refreshments that were not approved in budgeted appropriations.
3. Purchase of alcoholic beverages.

Tips & FAQs

Q: How do I find what contracts the State has available to use?

A: Visit the Department of Enterprise Services' website:
<http://www.des.wa.gov/services/ContractingPurchasing/CurrentContracts/Pages/default.aspx>

Tip

Some vehicles and heavy equipment purchased through the State require a State PO prior to purchase.

Tip

State contracts typically have good pricing. However, keep in mind that they may not always be the lowest cost option. These contracts offer a good starting point in the quote process.

Tip

Advertising:

Advertising requirements are found in the following codes:

RCW 39.80.030 – Architectural and Engineering Services

RCW 35.23.352(1) – Public Works

RCW 39.04.155(2)(a) – Public Works Small Works Roster

2.4 Piggybacking (State Contracts and Interlocal Purchasing Agreements)

State Contract Piggybacking Process

The City has signed a master contract with the Washington State Department of Enterprise Services (DES) to use the State's contracts for goods and services. When using a State contract, we are "piggybacking" off their competitive process, eliminating the need to perform our own. The City encourages the use of these contracts whenever possible.

	Task	Action
1.	Review State contract website for piggybacking requirements	Contact Finance Department with process questions
2.	Contact vendor to verify they will honor State contract pricing	Obtain details regarding all aspects of purchase, including invoicing, availability, delivery, etc.
3.	Contact Finance Dept.	Finance or Legal Asst. will develop a purchase order for the good/service if contract value > \$10,000 or otherwise required by the vendor
3.	Contact buyer to place order <i>It is highly recommended that all agreements to use the State pricing are documented in writing</i>	Place order and process invoice for payment. Provide Finance Department with BARS and State contract number for purchase order

State contracts include standard terms and conditions. When piggybacking off a State contract, all State contract terms and conditions apply. Contact the Legal Department if any contract terms do not suit the City's needs. Only certain particulars can be changed, such as quantity and delivery terms.

Interlocal Purchasing Agreements

The process described above for State contracts can also be used to purchase goods and services through other agencies' contracts. However, the following additional steps must be taken by City staff:

1. Read the other agency's contract carefully to confirm that it allows other agencies to use it.
2. Document that the purchase was made according to the other agency's bidding requirements and our bidding requirements. Contact the Legal Department for assistance. This is best done by

Tips & FAQs

Q: *What is a public work?*

A: According to the American Public Works Association, “public work” is the combination of physical assets, management practices, policies and personnel necessary for government to provide and sustain structures and services essential to the welfare and acceptable quality of life for its citizens. The projects are financed and constructed by and/or for the government.

Q: *What is ordinary maintenance?*

A: According to WAC 296-127-010(7)(b)(iii), ordinary maintenance is defined as work not performed by contract that is performed on a regularly scheduled basis (e.g., daily, weekly, monthly, seasonally, semiannually, but not less frequently than once per year), to service, check, or replace items that are not broken; or work not performed by contract that is not regularly scheduled but is required to maintain the asset so that repair does not become necessary.

Q: *A contractor has requested a deposit or advance before starting work. Is this okay?*

A: The City can only pay for work that has been completed. We cannot advance a contractor funds to purchase materials for a public works project.

requesting and retaining copies of all bid documents from the other agency.

3. Confirm that the City has a current interlocal purchasing agreement with the agency before making the purchase.
4. If we do not have an agreement, contact the purchasing coordinator at the other agency to request one. Contact the Legal Department for assistance in processing the agreement.

Note: Be particularly careful about documentation when piggybacking off a contract from an out-of-state agency or a different type of agency (for example, a school district or port district). The authorization limits shown on the matrix at the beginning of this manual apply to purchases through State contracts and Interlocal Agreements.

2.5 Public Works

Bid Limit:

According to [RCW 35.23.352](#), a second-class city, such as Port Townsend, may construct a public work by contract or by day labor (City staff) without calling for bids when the estimated cost of the work will not exceed \$116,155 if more than one trade is involved or \$75,500 if a single trade is involved. When the cost of a public work exceeds these figures, the project should be done by contract through formal sealed bidding, except that the City may use the small works roster process for projects up to \$350,000.

Determining the Cost of a Public Work:

The total construction cost of each project must be estimated in order to correctly apply bid limit dollar amounts to determine if a public works project must be competitively bid. This estimate may be prepared by an outside third party; however, the final cost estimate must be validated by the City. The total construction cost (estimated as if the project were to be bid) should include materials, supplies, equipment, and labor for that project AND applicable sales and use taxes. However, the value of volunteer labor, donated materials, or donated equipment need not be included in the cost estimate for a public works project, as these are not a cost to the City.

For projects completed by any means other than a contract or small works roster process (for example, using City workers) having an estimated cost exceeding \$25,000, the City must publish a description of the project and its estimated cost in the official newspaper at least fifteen days before beginning work, as required by [RCW 39.04.020](#).

Tips & FAQs

Q: *The contractor I'm hiring doesn't want to use our contract form. Is this okay?*

A: You can forward a contractor-provided contract to the Legal Department for review; however, we prefer to use City forms whenever possible. In some cases, such as formally bid projects, we must use the contract form provided to bidders with the solicitation.

Developing Scope of Work:

Things to consider when developing your scope:

- Hold the contractor accountable.
- Be precise. Avoid ambiguity.
- Use the active voice (i.e., "The Contractor will or shall").
- Due dates & deliverables.

Other considerations when developing the contract:

- Term of contract or period of performance.
- Compensation and payment.
- Payment terms.

Duration of Contracts:

Every City contract should state the start and end dates. End dates for some public works contracts will be based off the Notice to Proceed date.

Bid Splitting:

[RCW 35.23.352\(1\)](#) prohibits the division of a project into units of work or classes of work to avoid the restriction on work that may be performed by day labor on a single project.

Small Works Roster:

When the estimated cost of a public works project is \$350,000 or less, the City may follow the small works roster process for construction of a public work or improvement as an alternative to the general competitive bidding requirements, in accordance with [RCW 39.04.155](#). The City of Port Townsend has contracted with the [Municipal Research and Services Center of Washington \(MRSC\)](#) for use of its statewide electronic database for small public works contractors, vendors, and consultants.

Publication:

At least once a year, on behalf of the City, MRSC publishes notice in local newspapers of the existence of the rosters and solicits the names of contractors for the rosters. Responsible contractors can be added to the appropriate MRSC roster(s) at any time that they submit a written request and necessary records. The City may require contracts to be signed when project awards are made using a small works roster.

2.6 Limited Small Works Process (Public Works Projects under \$50,000)

If a public work, construction, alteration, repair, or improvement project is estimated to cost **less than fifty thousand dollars (\$50,000)**, the City may use the limited public works process instead of formal, competitive bidding, as provided in [RCW 39.04.155\(3\)](#).

Process:

1. Develop a scope of work describing the nature of the work to be performed and materials and equipment to be furnished. Detailed plans and specifications need not be included in the invitation.
2. Solicit **at least three contractors** on the MRSC Small Works Roster for the applicable category or categories. Requests for estimates should include the date, time, and location to return the estimate. Notify contractors that:
 - a. they must pay prevailing wage;
 - b. the City must equitably distribute opportunities among contractors in the geographic area;
 - c. the City will require a performance bond and a payment bond, each for the total cost of the project; and

Tips & FAQs

Equitable Distribution:

“Equitably distribute” means that the City may not favor certain contractors on the roster over other contractors on the roster who perform similar services.

Projects \$250,000-\$350,000:

If the estimated cost of the work is \$250,000 to \$350,000, the City may choose to solicit estimates from less than all appropriate contractors on the roster but must notify the remaining contractors on the roster that estimates on the work are being sought. The City can choose to do this by:

Publishing notice in a legal newspaper in the general circulation in the area where the work is to be done

Mailing a notice to these contractors; or

Sending a notice to these contractors by email.

Access to the Small Works Roster is available:
<http://www.mrscrosters.org/>

- d. the City will hold 5% retainage until releases are received from the State ([RCW 60.28.011](#)), unless waived by staff member with contract signing authority.

Note: The City staff member with contract signing authority may waive the bond and retainage requirements; however, contractors must be notified about this waiver in the request for estimates and/or advertisement for the project.

Note: If payment and performance bonds are required, the contractor may choose to have 10% retainage held instead of obtaining bonds.

3. Determine the lowest responsive, responsible bid.
4. Send the Legal Assistant copies of all estimates or a list of all contractors contacted and their bid amounts. *(We are required by law to maintain a list of contractors contacted under the limited public works process.)*
5. The Legal Assistant will make sure the contractor meets all bidder criteria and will draft a contract.
6. If project total is over staff signing authority, contact the City Clerk to schedule contract approval on an upcoming City Council agenda.
7. After Council approval, send the draft contract to the contractor along with a request for items identified by the Legal Assistant *(for example, W-9 and proof of insurance)*.

Note: All projects require a W-9 from the contractor.

Alternative to Process:

Local governments may waive retainage but must assume liability of contractors for non-payment. The local government has the right of recovery from the contractor.

2.7 Small Works Roster Process (Public Works Projects \$350,000 or less)

If a work, construction, alteration, repair, or improvement project is estimated to cost **\$350,000 or less**, the small public works process may be used instead of formal, competitive bidding, as allowed by [RCW 39.04.155\(1\)](#).

Process:

1. Develop a scope of work describing the nature of the work to be performed and materials and equipment to be furnished. Detailed plans need not be included in the invitation.

Tips & FAQs

Deadlines for estimates:

The statutory requirement of 13 days' advertising for a public works project in a formal bid process does not apply to small works roster or limited public works process; advertising is not required. However, depending on the complexity of the project, it is suggested that at least 7 to 14 days be allowed for contractors to submit a proposal, so they have adequate time to research the specifications

Contractor requirements for formal bidding at time bid is submitted:

- Bids must be sealed when submitted to City
- Bids should be labeled on the envelope with the bidder's name and project identification
- Bid must include a 5% deposit in the form of a cashier's check, postal money order, or surety bond
- Include all applicable taxes in bid amount
- Complete and sign bid proposal
- Meet all responsible bidder criteria in RCW 39.04.350
- Meet all supplemental bidder criteria, if any
- If project is \$1 million or more, provide a list of all subcontractors for HVAC, plumbing, and electrical work within one hour of bid opening (RCW 39.30.060)

Note: For projects totaling \$250,000-\$350,000, all contractors in the applicable category must be notified that the project is being bid, even if they are not invited to bid.

2. Contact **at least five contractors** on the MRSC Small Works Roster for the applicable category or categories. Requests for estimates should include the date, time, and location to return the estimate. Notify contractors that:
 - a. they must pay prevailing wage;
 - b. the City will require a payment bond and a performance bond, each for the total cost of the project; and
 - c. the City will hold 5% retainage until releases are received from the State ([RCW 60.28.011](#)).

Note: The City staff member with contract signing authority may waive retainage requirements; however, contractors must be notified about this waiver in the request for estimates and/or advertisement for the project.

Note: For projects totaling \$150,000 or less, the contractor may choose to have 10% retainage held instead of obtaining bonds.

Note: The city will retain the right of recovery from the contractor if retainage is waived.

3. Determine the lowest responsive, responsible bid.
4. Send the Legal Assistant or Engineering staff (for capital projects) the estimate for the lowest bid and expected project dates. (The City's "Small Works less than \$350,000 Documentation Form" may be used.)
5. The Legal Assistant or Engineering staff will make sure that the contractor meets all bidder criteria and will draft a contract.
6. Contact the City Clerk to schedule the contract approval for an upcoming City Council meeting.
7. Draft agenda bill and resolution, if applicable, and send to City Attorney for review.
8. After Council approval, send the draft contract to the contractor along with a request for items identified by the Legal Assistant or Engineering staff, such as proof of insurance and a W-9.

2.8 Formal, Competitive Bid Process (Required for Public Works Projects over \$350,000)

Formal, competitive bidding must be used for **all public works projects over \$350,000**; however, it may also be used for any projects below this threshold. Competitive bidding is designed to prevent favoritism in awarding public work contracts and to enable local governments to obtain

Tips & FAQs

Contractor requirements after selection as lowest bidder:

- Pay prevailing wage
- Obtain performance bond on City-issued form for 100% contract price
- Obtain payment bond on City-issued form for 100% contract price
- Provide proof of insurance and endorsement naming City as additional insured
- Have an Intent to Pay Prevailing Wage approved by L&I before the City will make any payments
- Have an Affidavit of Wages Paid approved by L&I before the City will make final payment.
- Pay all applicable taxes
- Provide all required information on the project to the Department of Labor & Industries, Employment Security Department, and Department of Revenue.

Tip

If a project uses federal highway funding, check the grant agreement carefully for all requirements. These projects require that the notice to bid be published at least 21 days before the bid deadline.

Tip

If federal funds are involved, all bid specifications and contracts shall include the Davis-Bacon Act.

the best work or supplies at the most reasonable prices. It is also designed to provide a fair forum for bidders and to protect the public interest.

Bidding process:

1. Coordinate with Accountant in Finance if using grant or federal funds.
2. Draft or work with consultant to draft bid package and send to City Attorney for review.
3. Draft a notice to bid, stating the nature of the work.
4. Notify bidders that bids must be sealed, and a 5% bid deposit is required, in the form of a cashier's check, postal money order, or surety bond.
5. Have the notice to bid published in the City's official newspaper (currently *The Leader*) at least 13 days prior to the date bids are due. Staff may choose to publish notice in additional newspapers, such as the *Daily Journal of Commerce*.
6. Post the bid on *Builder's Exchange*.
7. City Administration receives and date and time stamps sealed bids.
8. Hold a public bid opening after the bid deadline closes.
9. Identify the lowest responsive, responsible bidder.
Note: If the contract is not awarded to the lowest bidder, a full and complete statement of the reasons for selecting another bidder must be prepared, approved by the City Manager, and retained in the file. See [RCW 35.23.352\(2\)](#) or Section 2.15.
10. Notify the City Clerk to add approval of the project contract to an upcoming City Council agenda.
11. Draft an agenda bill and resolution, if applicable. Ask the City Attorney to review.
12. Following Council approval, ask the Engineering Dept. (capital projects) or Legal Assistant (other projects) to draft a contract.
13. Send draft contract to contractor with request for additional items identified by Engineering staff or the Legal Assistant.
14. After the contract has been fully signed, send a copy to the contractor and return all bid bonds, except for the one submitted by the successful bidder.

2.9 Equipment Purchases Including Installation

[RCW 35.23.352\(1\)](#) prohibits the division of a public works project into units of work or classes of work to avoid the restriction on work that may be performed by day labor on a single project.

Occasionally projects include the direct purchase of equipment separate from the installation. For example, the City purchases equipment for

Tips & FAQs

Determining the total cost for an equipment purchases with installation:

Equipment & materials cost
+ Cost of installation =
Total project cost

Tip

All public works, including maintenance, when performed by contract, shall comply with [RCW 39.12.020](#) as it pertains to prevailing wage requirements. According to [RCW 39.04.010 \(4\)](#), there are clearly two categories of work that must comply with prevailing wage requirements: (1) public works and (2) maintenance when performed by contract.

Tip

When the City executes any public work by any means other than by contract or small works roster, it must keep a full, true, and accurate account and record of the costs of executing such work as prescribed in RCW 39.04.070.

Prior to commencement of the public work project, the Legal Assistant, upon request, will create an encumbrance number (purchase order number) for use in coding all costs associated with the project.

\$50,000 off a State contract, and the installation is estimated to cost \$25,000.

How do we bid this project?

Because we cannot split public works into units to avoid the bidding process, we must combine the cost of the two purchases and treat them as one to establish the “project cost.” In this example, the cost of the entire project is \$75,000 (equipment @ \$50,000 + installation @ \$25,000), which exceeds the City’s limited public works bid threshold of \$50,000. Therefore, the public work installation must be awarded using the small works process or formally bid (*see Sections 2.7 and 2.8 above*). The purchase of the equipment can be made using the State contract (*see Section 2.4 above*).

What kind of contract do we use?

For this project, because the public works installation is under \$350,000, we would use a small public works contract. Usual contract requirements that apply to small public works projects apply to this project. Because the total project cost is \$75,000, this contract would have to go to City Council for approval.

There are so many variables to this type of purchase that it would be difficult to highlight every possible scenario. Please contact the Finance Department or Legal Department for assistance.

Approval Process:

Refer to the Public Works section of the matrix at the beginning of this manual.

2.10 Unit Priced Contracts

[RCW 35.23.352](#) allows the City to use unit priced (or on-call) contracting for public work projects that are expected to happen on a recurring basis, such as tree trimming, road resurfacing, or public facility maintenance. Unit priced contracts means a competitively bid contract in which public works are anticipated on a recurring basis to meet the business or operational needs of the city or town, under which the contractor agrees to a fixed period indefinite quantity delivery of work, at a defined unit price for each category of work. Whenever possible, the city must invite at least one proposal from a certified minority or women contractor who otherwise qualifies.

Unit priced contracts must be executed for an initial contract term not to exceed three years, with the city or town having the option of extending or renewing the unit priced contract for one additional year.

Invitations to bid for these contracts shall include, for purposes of the bid evaluation, estimated quantities for the anticipated types of work and specify how

Tips & FAQs

Examples of general services:

- Customized accounting software and ongoing support
- Landscaping, building, and grounds maintenance
- Snow and ice removal
- Garbage collection and disposal (Solid waste collection and disposal contracts do not have to be bid. An RFQ/RFP process as noted in [RCW 35.21.156](#) can be used.)
- Office equipment maintenance
- Official newspaper

Formal competitive bidding for general services:

1. Prepare a formal solicitation document, including description of project requirements and proposal evaluation criteria.
2. Publish legal notice in newspaper.
3. Develop bidder's list of firms responding to solicitation.
4. Develop score sheets to be used by evaluators (if applicable).
5. Send the solicitation to at least five firms or individuals.
6. Provide answers to bidder's questions via addenda.
7. Require sealed bids and a public bid opening. Date and time stamp all bids received.
8. Evaluate proposals according to score sheet.
9. Negotiate contract with lowest responsive, responsible bidder.

the City will issue or release work assignments, work orders, or task authorizations based on the hourly rates or unit prices bid by the contractor. Contracts must be awarded to the lowest responsive, responsible bidder.

Unit priced contractors shall pay prevailing wages and update rates annually. Intents and affidavits for prevailing wages paid must be submitted annually for all work completed within the previous twelve-month period of the unit-based contract.

Note: The City is also allowed (by [RCW 39.10.420](#)) to obtain public works services by job order contracts; however, these contracts are for a broader scope than unit priced contracting and require that 90% of the work be performed by subcontractors. Please consult with the City Attorney for more information.

2.11 Services

There are three types of services that the City may need to obtain:

1. **Professional services** (also called personal services) are provided by independent contractors with specialized knowledge, advanced education, professional licensing, or certifications; the primary service provided is mental or intellectual, involving the consistent exercise of judgment and discretion.
2. **General services** (also known as purchased services) include all service-related work not considered a public work or professional service. Most often these are routine in nature (i.e. yearly, monthly, weekly, etc.). Examples include courier services, weeding, and vehicle inspection services. State law does not require a competitive process for the selection of general services, with the exception of the City newspaper.
3. Architectural, engineering, land surveying, and landscape architecture services (A&E) are addressed in Section 2.12 below. Section 2.11 does not apply to A&E services.

The City uses MRSC's Consultant Roster, which distinguishes architectural and engineering services as defined in [RCW 39.80.020](#) from other consulting services. Consultants can be added to the appropriate roster when they submit a written request and necessary records to MRSC. The City reserves the right to publish an announcement on each occasion when professional or other services are required.

To ensure a more competitive process, the City has adopted tighter standards for selection of service providers than required by State law. Unless the City Manager approves in writing an exemption based on the best interests of the City, staff shall follow these guidelines for selection of professional or general services:

Tips & FAQs

Examples of Professional Services:

Programmers, accountants, attorneys, physicians, consultants, graphic artists

Examples of A&E Services:

Engineers, land surveyors, architects & landscape architects

A&E Requests for Proposals (RFPs) must, at a minimum, include:

1. Statement of need (scope)
2. Estimated schedule
3. Evaluation criteria
4. Proposal elements
5. Submittal deadline
6. Standard terms & conditions

Advertising:

Advertising requirements are found in the following codes:

RCW 39.80.030 – Architectural and Engineering Services

RCW 35.23.352(1) – Public Works

RCW 39.04.155(2)(a) – Public Works Small Works Roster

- **Under \$5,000** – No competitive process required. It is still incumbent on the department to ensure that the price is reasonable, and the provider is qualified. It is recommended to request prices, schedules, and qualifications from three consultants on the MRSC Consultant Roster.
- **\$5,000 to \$9,999** – It is highly recommended to request prices, schedules, and qualifications from at least three consultants on the MRSC Consultant Roster.
- **\$10,000 to \$19,999** – Request proposals from at least three consultants on the MRSC Consultant Roster (with one having a MWDBE classification when possible) or use an RFP/RFQ process.
- **\$20,000 or more** – Formal advertised RFP or RFQ process recommended.

Note: Some general services, such as landscaping work, require payment of prevailing wages. Contact the Legal Department with questions.

Contract Award Process:

1. Develop scope of work.
2. Determine budget amount for work.
3. If grant funds are involved, check the grant agreement requirements.
4. Obtain proposals or conduct formal bidding as required above.
5. Evaluate the proposals and negotiate a contract with the lowest qualified, responsible bidder.
6. If Council approval is required, contact City Clerk for meeting date. Draft agenda bill and resolution, if applicable, and send to City Attorney for review.
7. After Council approval (if required), contact the Legal Assistant with a copy of the estimate and other relevant information, such as project start and end dates.
8. Legal Assistant will prepare a draft Professional Services Agreement.
9. Send contract to service provider for review and signature, along with request for documents identified by Legal Assistant, such as W-9.
10. Forward signed contract and additional documents to Legal Assistant for processing.
11. Forward fully signed contract to contractor and arrange for project start.

Approval Limits:

For the approval limits, refer to the Services section of the Purchasing Matrix at the beginning of this manual.

Tips & FAQs

Q: *What is the difference between an RFP and an RFQ?*

A: An RFP will typically focus on a specific project and includes price as one of the submittal requirements and evaluation factors.

An RFQ does not have price/cost considerations and is dependent on qualifications only. An RFQ is commonly issued for architects and engineers per RCW 39.80. An RFQ can be used for specific projects when hiring an A&E firm but will not include price/cost as one of the evaluation factors.

Sample evaluation criteria for RFPs:

1. Experience with project type
2. Quality of previous performance
3. Ability to meet contract deadlines
4. Responsiveness to solicitation requirements
5. Compliance with laws relating to contracts or services
6. References
7. Availability for the project
8. Financial capacity
9. Licensing and certification
10. History of errors and omissions
11. Construction change order history

2.12 Purchases of Architectural & Engineering Services

Architectural, engineering, land surveying, and landscape architecture services (frequently referred to as “A&E”) are to be acquired under the authority and procedures outlined in chapter [RCW 39.80](#).

[RCW 39.80.030](#) requires that the City publish advance notice of its need for A&E services. The City may comply with this section by (1) publishing an announcement on each occasion when professional consultant services are required or (2) announcing generally to the public its projected requirements for any category or type of professional service.

A&E consultants are initially selected based upon their qualifications, rather than price (see [RCW 39.80.050](#)). The City will negotiate a contract with the most qualified firm at a price that the City determines is fair and reasonable. In making its determination, the City shall consider the estimated value of the services to be rendered, as well as the scope, complexity, and professional nature of the project. If the City is unable to negotiate a satisfactory contract with the selected firm for a price the City determines to be fair and reasonable, negotiations shall be terminated, and the City shall begin negotiations with the next highest qualified firm. There are two ways to select an A&E firm based upon their qualifications:

1. Roster statement of qualifications (SOQ) review – Select three or more consultants from the MRSC Consultant Roster in the relevant service category and evaluate their qualifications. Documentation of the three reviews is required. Minority-owned, women-owned, and veteran-owned firms must be given the maximum practicable opportunity to compete for these contracts.
2. Project-specific request for proposals (RFP) – Use the MRSC Consultant Roster to send out an RFP and request for qualifications (RFQ) to consultants in the relevant service category. Minority-owned, women-owned, and veteran-owned firms must be given the maximum practicable opportunity to compete for these contracts.

Contract Award Process:

1. Develop scope of work
2. Determine budget amount for work
3. If grant funds are involved, check the grant agreement requirements
4. Public advance notice of need for services, if not already done
5. Obtain proposals or conduct formal solicitation, as described above
6. Evaluate proposals and/or statements of qualifications and select the most highly qualified firm
7. Negotiate final project scope and fees with selected firm

Tips & FAQs

Q: State law does not require any formal competition for services. Why do I have to do an RFP/RFQ?

A: Its true, State law does not require competition for services. However, City policy is more restrictive than that of the State.

8. If project total is over City Manager signing authority, contact City Clerk to add contract approval to upcoming City Council agenda
9. After Council approval (if applicable), request that Legal Assistant draft professional services agreement
10. Obtain consultant's signature on agreement, along with proof of insurance, professional certification (if applicable), and W-9
11. Send documents to Legal Assistant for City signatures and processing

Approval Limits:

Refer to the matrix at the beginning of this manual.

2.13 RFPs and RFQs

Request for Proposals:

A Request for Proposals (RFP) is a method of soliciting competitive proposals for a defined scope of work. The proposals would normally include factors to measure qualifications, delivery, and service reputation, as well as price.

An RFP is a formal invitation from the City to a company to submit an offer to provide a solution (or proposal) to a problem or need that the City has identified. The supplier's experience, qualifications, and solution may take precedence over the cost proposal to the City.

Elements of an RFP:

1. Purpose of RFP (brief description of project)
2. Project background
3. Scope of work or statement of need
4. Goals and objectives
5. Minimum qualifications
6. Technical requirements (if any)
7. Schedule
8. Estimated project budget & request for cost proposal
9. Submittal requirements, including deadline
10. Evaluation process and criteria
11. Insurance requirements
12. Funding sources (if applicable)

Evaluation criteria for the submitted proposals should relate to the project's scope of work and stated objectives and should be clearly communicated with the proposers.

Request for Qualifications:

A Request for Qualifications (RFQ) is a method of soliciting competitive proposals that considers and evaluates companies on the basis of demonstrated competency and qualification rather than price. This process

is typically used for architectural and engineering services where price is not a consideration. An RFQ will generally result in negotiations.

Elements of an RFQ:

1. Project background and scope of services
2. Project budget and source of funding
3. Schedule
4. Minimum qualifications
5. Submittal requirements, including deadline
6. Selection process/evaluation criteria.

Information request of the respondents may include list of principals, previous projects, number of employees, and licenses or certifications.

Depending upon the complexity of the project, a typical RFP or RFQ takes around 6-8 weeks to complete.

Process for RFPs or RFQs:

	Task	Action
1.	Identify need	Develop scope of services
2.	Determine the estimated cost	Confirm sufficient budget exists and identify funding source(s)
3.	Identify grants or federal funds	Notify Finance Dept. (Accountant)
4.	Develop draft RFP/RFQ	Considerations: <ul style="list-style-type: none"> • Schedule • Scope of services • Qualifications • Selection process & evaluation criteria • Submittal requirements & deadline • Proposal validity period • Term of contract
5.	Finalize RFP/RFQ	Contact City Attorney for review, then finalize RFP/RFQ
6.	Identify appropriate roster category	Identify roster category and companies
7.	Advertise, publish, and notify	<ul style="list-style-type: none"> • Advertise • Publish RFP on City's website • Email notification to recommended roster participants
8.	Evaluate proposals	Department to identify selection committee
9.	Conduct interviews	Department to schedule
10.	Identify "apparently successful proposer"	Seek management approval to negotiate with "apparently successful proposer"

11.	Negotiate contract	Goal: reach a mutually advantageous position on issues of concern while fulfilling requirements of contract
12.	Award contract	Prepare council agenda materials, if applicable, and contact Engineering or Legal Assistant for draft contract when approved

2.14 Bid Opening Process

Bid Due Dates

Time is of the essence. It is important to make the bid submittal deadline clear in the bid documents. For example: “The bid form will be received up to 3:00 p.m. on April 27, 2020. Bids received after that date and hour, based on the time on our atomic clock, will not receive consideration.” For example, if a bid is due at 2:00 P.M., a bid received at:

- 1:59 p.m. is on time
- 2:00 p.m. is on time
- 2:00:01 p.m. is late

If a bidder insists on submitting a bid after the deadline and leaves it, do not open it. Make a photocopy of the bid envelope with the time stamp and immediately return the bid by certified mail, return receipt requested.

Equal Treatment of Bidders

Avoid giving bidders an advantage to include: permitting bidders use of private offices and conference space for finalizing bid prices, providing envelopes for bidders to use in sealing the bid, or permitting bidders to use the agency’s telephone, computer, fax, or photocopier. Avoid disclosing the names of bidders or the total number of bidders until the bid opening.

Receiving Bids Checklist

- Is the bid in writing? Do not accept bids by fax, email, telephone or orally unless the bid solicitation allows for it (generally not allowed for formal, competitive bidding).
- Did the bidder attend the mandatory pre-bid meeting, if applicable?
- Is the bid envelope sealed? Offer tape if not sealed.
- Is the correct information on the envelope?
- Is the time stamp clear?
- Is the time stamp prior to deadline?
- All received bids should be kept in a secure and centralized location not accessible to other bidders.

Withdrawal & Modification of Bids

- A request to withdraw or modify the bid in advance of the deadline may be received verbally or in writing. If unfamiliar with the bidder, ask for identification.
- Make a photocopy of the face of the bid envelope, ensuring the bid receipt time shows up on the copy.
- Have the bidder sign the photocopy with the following “Received by (signature, printed name, date, time).”
- Keep the original signed photocopy.
- Remove the bid receipt stamp or cross it out on the face of the bid envelope.
- Return the bid to the bidder, notifying the bidder that if they choose to resubmit the bid, it must be received prior to the bid submittal deadline and stamped in again with a new time and date stamp prior to the deadline.

Modifying Bids from a Distance

The bidder may submit additional information modifying a previously submitted bid if the modification is:

- Received in writing.
- Signed by an authorized representative of the bidder.
- Received prior to the bid receipt deadline.
- In a sealed envelope.
- Clear in stating what prices are being changed.

Subcontractor’s List

Due either with the bid or within one hour of the bid submittal deadline ([RCW 39.30.060](#)).

Opening the Bids

Bids should be opened in a public meeting. Read each bid before opening the next one. Consider using one person to open the bids and a second person to read. The project manager staff should record the prices on a bid tabulation form. The bid reader should state publicly all the information noted in looking at the bid, without passing judgment whether it is responsive or non-responsive, to include:

- Name of bidder
- Is bid form signed?
- Bid amount
- Is bid guaranty included?
- Are addenda acknowledged?
- Is subcontractor’s list included?

The bids will be evaluated for responsiveness after the bid opening. If a contractor wishes to review the bids after the bid opening, allow only one contractor at a time to review the bids in a monitored environment.

2.15 No Bids or Non-Responsive/Responsible Bids or Submittals

No Bids or Submittals Received:

As provided in [RCW 35.23.352\(1\)](#), in the event the City does not receive any bids or submittals on the first call, the City has three options: (1) re-advertise and make a second call, (2) enter into a contract with any qualified contractor, or (3) purchase the supplies, materials, or equipment and perform such work and improvement by day labor (City staff).

Before determining which option would best fit, the department should conduct a survey of the registered bidders or proposers or any other known interested parties to determine: 1) why they didn't they submit, 2) whether the City's document too restrictive or too complex, 3) if there ample time to submit, and 4) if there too many open questions before the due date. The City Attorney may be consulted for additional assistance in determining the best option.

Determining Lowest Responsible Bidder:

The City should award the contract for a public works project to the lowest responsible bidder, unless the lowest bid is above the budget for the project. In that case, all bids may be rejected, and the City may call for new bids.

A responsible bidder shall be a registered and/or licensed contractor who meets the mandatory bidder responsibility criteria established by [RCW 39.04.350](#) and who meets any supplementary criteria established by the City.

According to [RCW 35.23.352\(2\)](#), the City may award a contract to the second lowest bidder if: (1) the bid is within five percent of the lowest bid, (2) the second lowest bidder meets the same criteria as the lowest bidder, **AND** (3) the City has issued a written finding to the lowest bidder within the last three years that the lowest bidder was late, over budget, or did not meet specifications, and the City has not found in writing that the lowest bidder has shown how they would improve performance.

Non-Responsive and/or Not-Responsible:

The City shall draft bidder responsibility criteria that are based upon clear business reasons, and the criteria must not be overly restrictive of the bidding pool. Note that in Washington State, a bidder who objects to the

supplemental bidder responsibility criteria may request that the City modify the criteria before the bid submittal deadline.

Bids may be rejected as non-responsive for a multiple of material factors, including lack of subcontractor's list when required (for contracts in excess of \$1M or contracts of three or more trades), insufficient bid guarantees, bids submitted after the deadline, qualified bids, and/or lack of acknowledgement of addenda. In general, a material irregularity is required before the bid may be deemed non-responsive (defined as any variance which provides "a bidder substantial advantage or benefit not enjoyed by others"). In the event the City receives a bid or submittal on the first call that is deemed non-responsive or non-responsible, the department shall consult with the City Attorney to determine whether it is a material or immaterial irregularity. Each project will be evaluated on a case-by-case basis.

Bid Protest:

The City follows the bid protest guidelines established in [RCW 39.04.105](#).

2.16 Contracting 101

A contract is a written agreement between two or more people or entities to accomplish a specific outcome. In a public purchasing context, a contract is an agreement by a vendor or contractor to provide goods or services to the City in return for receiving payment from the City. The following is an overview of the contract process:

Invitation:

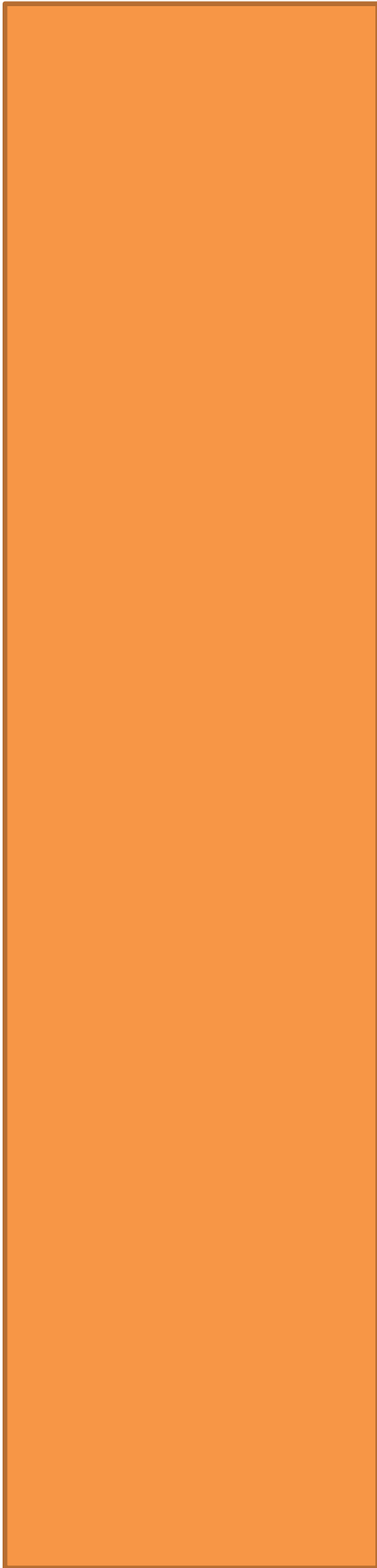
- A solicitation (ITB, ITQ, or RFP) is an invitation to a contractor to make an offer.
- These are most often directed at multiple parties and outline the needs of the City.

Offer:

- The contractor's returned quote/bid/proposal is their offer to the City to perform the work, outlining **what** and **how much**.
- The offer shows that the contractor is willing to agree to specific terms.
- The offer is given to a particular party.
- The contractor has made an offer to do what the City requested for a specific price.

Acceptance:

- The City must now accept one of the offers.



- The acceptance is a communication showing agreement to the exact terms of the offer or a **contract**.
- Contracts must show that the offer made by the contractor has been accepted, usually by attaching the contractor's estimate or scope of work and fee schedule.

Tips & FAQs

Q: *Does the exemption from the sales and use tax for labor and services on a City street project apply if a private contractor does the work?*

A: Yes. It makes no difference, for the purposes of the exemption, whether the City does the work, or has it done by someone else.

3.0 Other Considerations

3.1 Rule 171 – Sales Tax Exemptions

Normally sales tax applies to every sale of tangible personal property (and some services) to all persons, including cities. Thus, for bid limit purposes, the tax must be included when determining the cost of a public work or when calculating the cost of materials, supplies, and equipment purchases separately from a public work.

However, there are some sales and use tax exemptions for certain public work projects. The exemptions include:

1. Labor and services rendered for the building, repairing, or improving of any street, place, road, highway, easement, right-of-way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle owned by a city or town which is used primarily for pedestrian or vehicle traffic ([RCW 82.04.050\(10\)](#). See also [WAC 458-20-171](#), nicknamed “Rule 171.”) Materials used in constructing these projects are not exempt from the sales and use tax.
2. Labor and services for the processing and handling of sand, gravel, and rock taken from City pits and quarries when the material is for publicly-owned road projects ([RCW 82.08.0275](#) and [WAC 458-20-171](#)).

3.2 Prevailing Wages

What are prevailing wages? The **Department of Labor and Industries** (L&I) requires that workers be paid prevailing wages when employed on **all** public works, public building service maintenance, and contracted maintenance, based upon the classification of labor performed.

Prevailing wages are defined as the hourly wage, usual benefits, and overtime paid in the largest city in each county, to the majority of workers, laborers, and mechanics. Prevailing wages are established by the Department of Labor and Industries for each trade and occupation

Tips & FAQs

Q: Do I have to include prevailing wage rates in the contract specifications as an attachment or can I just put in a link to the L&I website?

A: Per [RCW 39.12.030](#) all bid specifications and contracts shall include a list of the applicable wage rates.

employed in the performance of public work. They are established separately for each county and are reflective of local wage conditions.

What are the responsibilities of the City when contracting for public works?

The City, in awarding a contract, must make the determination of whether that contract involves “public work” and communicate it to contractors in the bid specifications and contracts.

What provisions must be made for prevailing wage? Awarding agencies must stipulate in bid specifications and contracts for public work that workers shall receive the prevailing rate of wage. Those documents must either contain a list of the applicable prevailing wage rates or a link to the rates on L&I’s website. If including a link, print the current rates and keep with the project file.

What are the public building service maintenance contract requirements?

Public building service maintenance (janitorial) contracts of more than one-year duration must include wage language recognizing the potential for future variance in applicable prevailing wages each year after the first year of the contract.

What are awarding agency requirements when disbursing public funds?

Agencies may not make any payments where contractors have not submitted an *Intent to Pay Prevailing Wage* form that has been approved by L&I. Agencies may not release final payment until all contractors have submitted an *Affidavit of Wages Paid* form that has been certified by L&I. The requirement to submit these forms should also be stated in the contract.

What are the contractor’s filing requirements?

Public work contracts require that each and every contractor and subcontractor on the project file the “Statement of Intent to Pay Prevailing Wages” and “Affidavit of Wage Paid” forms.

Is there a minimum contract amount for a contractor to file?

There is no minimum dollar contract amount. Intent and Affidavit forms are required for every public works contract regardless of the size of the contract.

When does the contractor file an Intent?

The Intent form is filed immediately after the contract is awarded and before work begins, if that is possible.

When does the contractor file an Affidavit?

The Affidavit form is not filed until after all the work is complete.

3.3 Retainage

What is the purpose of retainage? The City retains a portion of the contract amount for public works contracts as a trust fund to pay any claims associated with the contract and/or for payment of amounts due by the contractor to the Department of Labor and Industries, the Employment Security Department, and the Department of Revenue ([RCW 60.28.011](#)).

What level of retainage is required? The City generally retains 5% of the contract amount. However, for contracts awarded by the small works roster process and totaling less than \$150,000, contractors may opt to have 10% retained in lieu of a obtaining a performance bond. The City may alternatively choose to waive retainage requirements for any small works roster contracts. Retainage is not held for projects funded by federal transportation funds.

What are the retainage options? The City retains the funds in a City fund, unless otherwise requested by the contractor. A contractor may choose to have the funds deposited by the City into an interest-bearing account or placed by the City in escrow with a bank or trust company. If the escrow option is selected, contact the City Attorney for an escrow agreement.

When can retainage be released? Retained funds will be released after final acceptance of the project and after the City has received all releases from the Department of Revenue, the Department of Labor and Industries, and the Employment Security Department. Upon receipt of all releases, the project manager should notify the Legal Assistant to release the funds. For projects under \$35,000, the retained funds will be released when the Department of Labor and Industries has approved the contractor's Affidavit of Wages Paid.

Is the City liable for payment of project costs to subcontractors if waiving retainage? Local governments may waive retainage but must assume liability of the contractor's non-payment. The Local government does retain the right to recovery from the contractor.

4.0 Contract Administration

4.1 Risk Management Considerations

The City enters into numerous contracts throughout the year. These contracts involve risk. City property can be damaged. Employees of the City, contractors, subcontractors, and suppliers can be injured. Members of the public can be harmed. These and other accidental losses can arise during and as a result of the activities during the contract fulfillment process. The City seeks to transfer responsibility to such events to those with whom it contracts.

The City's approach to contracting is designed and managed to avoid undue exposure to risk with exceptions where it makes good business sense. Certificates of insurance and endorsements naming the City as an additional insured are required from all contractors and consultants who contract with the City. Verification of appropriate insurance requirements shall be completed prior to signing of the contract by the City. Any waiver of insurance requirements requires the approval of the person with signing authority for the contract (generally the City Manager). Contact the City Attorney with questions about insurance requirements or for advice on the risk of a requested waiver.

4.2 Payment Options

Prior to contract award, payment terms should be identified to determine the most effective compensation method. The most common include:

Hourly/Time and Materials:

The City pays a fixed hourly rate and pays for the cost of certain specific services and/or materials. For certain professions, such as consultants, this is the standard option. Time and materials contracts should have a ceiling amount or a not to exceed amount included. This type of payment term may be used if the City is unable to clearly define the level of effort required to accomplish the objectives. A time and materials contract places most of the risk on the City and little on the contractor and provides no positive profit incentive to the contractor for cost control or labor efficiency. Frequent contract monitoring is required to ensure that the number of hours is kept to a reasonable level.

Fixed or Lump Sum:

The contractor receives a fixed amount or lump sum payment based on terms established in the contract. Typically, payment is tied to a completion of agreed upon performance achievements. Other alternatives are possible, such as progress payments made to compensate for activities conducted over the specific period of the contract. This type of contract should generally establish a minimum allowable level of compensation. With this method of compensation, the City may not be required to pay if specific terms in the contract are not met and thus the risk is placed on the contractor.

Cost Reimbursement:

A cost reimbursement method of compensation has a higher risk for the City because it reimburses the contractor for all costs incurred under the terms of the contract. To prevent overpayment, allowable cost provisions should be clearly identified. Contract managers should consider including a contract provision for a maximum allowable compensation level for the contract period and budget. Cost reimbursement contracts generally require more fiscal pre-planning and monitoring than other methods.

Performance Based:

These contracts are based on attainment of a specific outcome. The rate of compensation is generally negotiated based on cost information provided by the contractor. Generally, performance-based contracts identify the maximum allowable compensation. This allows the City to define the quality of services in terms of performance standard and pay accordingly. Performance based contracts differ from time and materials or fixed price contracts in that if the quantifiable quality of service is low, the payment may be reduced or withheld. This requires a higher level of reporting from the contractor to the City. The contractor primarily assumes the risk because the City does not pay if performance levels are not met.

4.3 Contract Execution & Administration

Contract Execution:

The contract is fully executed when all authorized parties have signed it. Upon execution, signed copies of the contract should be provided to all interested parties including, at a minimum, the contractor and Legal Assistant.

Contract Administration:

Contract administration means any activity related to contracting, including the decision to contract, contractor screening, contractor selection, contract

preparation, contract monitoring, auditing and post contract follow up. Typical responsibilities of the project manager include:

- Understanding the contract, including the specific contract obligations and performance indicators by which performance will be monitored.
- Assessing the risks related to the project before soliciting proposals and contracting to determine the extent of the monitoring required.
- Ensuring the contractor has a clear understanding of how the contract will be managed and monitored.
- Providing the contractor with guidance and technical assistance, as needed, to promote effective contract performance.
- Identifying the extent and source of funding for services provided.
- Monitoring the contractor's activities to ensure quality service delivery. Ensuring funding is used only for authorized purposes.
- Reviewing invoices and verifying that delivery of services is rendered.
- Resolving issues or problems that arise during the contract.
- Measuring and tracking satisfaction with contractor performance.
- Complying with State and City rules and regulations.
- Documenting the contract to validate that effective contract management has occurred.

Project managers need to be mindful not to do the following:

- Instructing the contractor to begin work before the contract is executed and approved.
- Changing the description, scope, period of performance, or cost of the contract without processing a written amendment.
- Directing the contractor to do work that is not specifically described in the contract.
- Signing a contractor's contract form (some exceptions apply)
- Authorizing payment to the contractor for any work not performed satisfactorily.
- Paying for the same or similar services more than once.

4.4 Contract Monitoring - Performance

Monitoring Contract Performance:

Monitoring means any planned, ongoing, or periodic activity that measures and ensures contractor compliance with the terms, conditions, and requirements of a contract. The level of monitoring should be based on a risk assessment of the contractor's role in delivering the services and the contractor's ability to deliver under the terms of the contract.

The purpose of monitoring is to ensure the contractor is:

- Complying with the terms and conditions of the contract and applicable laws and regulations.
- In compliance with the contract through identifying and resolving potential problems and providing constructive, timely feedback.
- Adhering to the project schedule and making appropriate progress toward the expected results and outcomes.
- Providing the quality of service expected.

Monitoring Activities May Include:

- **Periodic contractor reporting** – Require the contractor to submit progress reports or other appropriate data or reports, based on pre-defined criteria, and review the contractor's reports for verification of services provided and adherence to the contract. Substandard performance should be identified and addressed timely and appropriately.
- **Invoice review** – Compare billings with the terms agreed upon in the contract. Ensure the costs being charged are within the contract parameters.
- **Other periodic contact with contractor** – On-site visits to maintain contact with the contractor to review progress on a regular basis. Good contract monitoring includes a continuous dialogue with the contractor.

4.5 Contract Monitoring - Payment

Reviewing Invoices for Payment:

Contract payment is the process by which the contractor submits invoices for reimbursement for services and receives payments. The contract manager must carefully review the contractor's request for payment to verify the accuracy of all charges.

Considerations:

- Are the hours/costs commensurate with the services or deliverables received?
- Is the service period identified on the invoice and were the services rendered prior to contract expiration?
- Do the rates invoiced match the rates stated in the contract?
- Has the necessary documentation been included to verify charges accurately? Is there enough money remaining on the contract?
- Reimbursable expenses. Below are the recommended reimbursable expenses:
 - Travel
 - Mileage

Tips & FAQs

Renewals vs. Year-to-Year Contracts:

Keep in mind that including additional periods or renewal language in your solicitation or contract provides for greater continuity with terms and conditions such as pricing, scope, and availability. More often than not, contractors will give discounts for longer term contracts.

To enter into a series of year-to-year (or standalone) contracts, opens up the terms and conditions for contractors to modify their price and availability. Standalone contracts require a competitive process at each contract period and therefore may result in higher costs to the city.

However, if a contract includes “options to renew” language, the contract must be routed to include all future renewals of the “potential value” of the contract.

Documented Benefit to City:

All contract amendments must have consideration for any additional time or funds. This means that the amendment must state what benefit the contractor will provide to the City in exchange for the increased time or payment amount. Contact the City Attorney with questions.

- Food
- Miscellaneous expenses

If charges are acceptable, the contract manager submits a claim approval form for payment. Payment terms are 30 days from date of invoice.

4.6 Amendments & Change Orders

Amendments:

Amendments are changes to service contracts.

Changes to contracts may be processed as amendments, rather than new contracts, but only if the changes are within the general scope of the original contract.

Change Orders:

A change order is the formal document that alters some condition of the contract documents. The change order may alter the contract price, schedule of payments, completion date, terms and conditions, or the plans and specifications. Change orders are changes to public works contracts and reflect unforeseen conditions that must be addressed to meet the contract requirements and without which the work requested in the original contract could not be completed. Minor modifications that do not materially affect the scope or cost of the contract, such as address changes or staff changes, do not require a formal change order but should be documented in writing.

These situations should be distinguished from extra work that could stand on its own and is outside and independent of the contract, in which case a new competitive bid process is required. Appropriate uses of change orders include:

Scope – Scope changes may include adding, modifying, or deleting tasks, services, or deliverables or revising specifications. Changes to scope should be well documented and include any additional costs associated with these changes.

Changes that are outside the general scope of the contract or bid request are not appropriate to award through contract change orders. Such changes would have the effect of making the work performed substantially different from the work defined at the time the original contract was awarded.

Terms and Conditions – Changed conditions could include price variations in commodities.

Cost – If the cost of the contract is increased or decreased, document reasons for change (e.g.: scope changes, changes to unit price items).

Period of Performance – An extension to the contract end date is the most common change to the period of performance. Minor modifications that do

not materially affect the scope or cost of the contract, such as address changes or staff changes do not require a formal change order but should be documented in writing.

Amendment and Change Order Approval:

- Amendments and change orders that do not change the total value of the agreement contract (i.e.: a new expiration date) may be signed by the City Manager or designee.
- Accumulated cost changes up to 10% of the original agreement or contract amount may be approved by the City Manager or designee, if there is budget capacity and available revenues.
- Accumulated cost changes greater than 10% of the original agreement or contract amount must be approved by the City Council. Such approval establishes a new agreement or contract amount against which the above percentages apply for subsequent amendments or change orders.
- The City Council may pass a resolution on an individual project giving the City Manager the authority to sign all amendments and change orders within the allotted project budget, superseding the 10% limit.

To protect the City’s interests, all amendments or change orders shall be executed in writing prior to the end of the contract period of performance and before the contractor begins work as authorized by the amendment.

4.7 Contract Close-Out & Termination

Contract Termination:

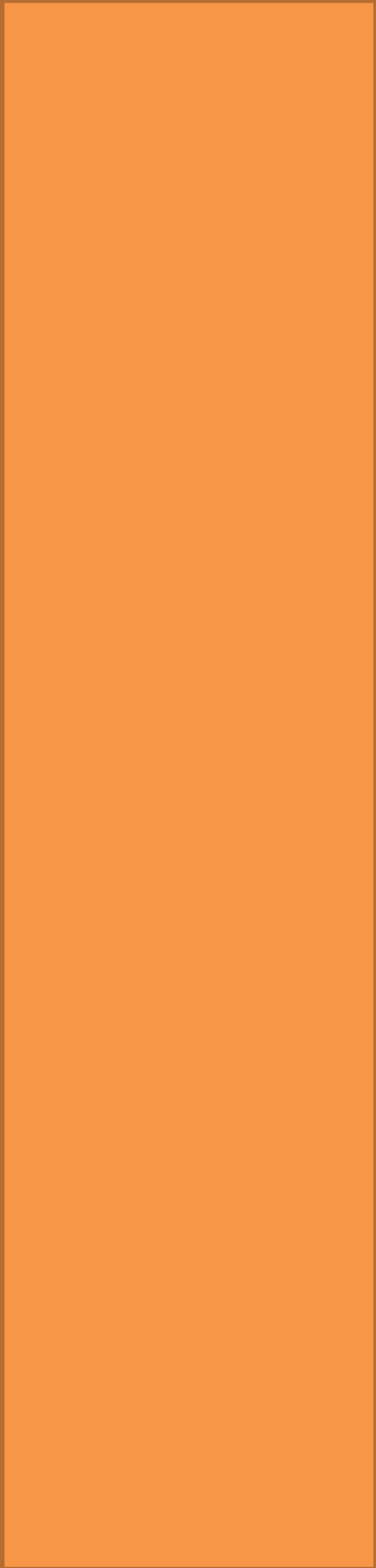
Contracts may be terminated prior to the completion date of the contract either for convenience of the parties or for cause. Contact the City Attorney’s Office for guidance when considering a contract termination.

Contract termination should be done in writing and follow the process described in the contract or as advised by the City Attorney.

Contract Close-Out Process:

Once the contract is complete, it is critical that the project manager complete the close-out process in a timely manner and stay on a schedule.

- 1) **Notice of Completion of Public Works Contract.** Required for projects totaling \$35,000 or more. The project manager should complete and file a “*Notice of Completion of a Public Works Contract*” form with the Department of Revenue, Department of Labor and Industries, and Employment Security Department. This form is available on L&I’s website.

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- 2) **Receive release letters** from Employment Security Department, Department of Revenue, and Department of Labor & Industries. These letters will be sent either by mail or through that department's web portal.
 - 3) **Release retainage.** Once the above-mentioned letters are received, the project manager should request that the Finance Department release retainage by a memo or coversheet along with a copy of the letters received.
 - a) **Release retainage bond.** If the contractor provided a bond instead of having the City hold retainage, the project manager should contact the bond issuer to release the bond.
 - b) **Escrow release.** If the contractor requested that the City hold retainage in an escrow account, the project manager should provide a written release to the bank.

Liens

Whenever a valid lien has been filed against the retainage, the City may only release that amount of the retainage in excess of the total amount of the valid lien claims and an amount sufficient to defray the costs and attorney's fees of the claimants in foreclosing the liens.

Invoices Submitted after Close-Out Process

Invoices that are submitted after contract expiration may still be paid if the following conditions apply:

- Invoice or pay estimate clearly shows that services were performed prior to contract expiration.
- Sufficient funds existed prior to close-out.

Every effort should be made to process invoices in a timely manner to eliminate delays and extra steps in payment processing.

Tips & FAQs

Surplus is any City property and/or asset that is no longer deemed valuable or of use to the City now or in the foreseeable future.

Estimated value of property should be the amount of money or interest a third party would be willing to pay. Estimating values may be determined through obtaining an estimate, an official appraisal, an offer from another agency, *Kelly Blue Book* value, or other sources.

5.0 Surplus and Disposition of Assets

5.1 General Information

It is the policy of the City of Port Townsend to provide the best possible stewardship and management of municipal assets in the best interests of the residents of Port Townsend.

[PTMC Chapter 3.44](#) sets forth the City's processes for disposition of surplus property and long-term leases. The information in this policy manual is intended summarize the code requirements.

5.2 Declaring Surplus

A department head or operations manager may recommend that personal or real property under his or her control is deemed no longer to have any value and may desire to surplus that property.

- If the property has an estimated value under \$10,000, the City Manager may declare that it is surplus.
- All personal property with an estimated value greater than \$10,000, and any real property must be declared surplus by the City Council.
- All personal property acquired with utility funds may be transferred to and used by a non-utility department if the property is of de minimis monetary value. Disposition of utility assets must have an administrative hearing by the City Manager.

Criteria for declaring surplus is based on one or more of the following:

- The City has or soon will have no practical, efficient, or appropriate use for the property, nor will it have such a use for the property in the near future.
- The purpose served by the property can be accomplished by use of a better, less costly, or more efficient alternative;
- The purpose served by the property no longer exists as determined by a change of policy evidenced by an ordinance or resolution of the City Council;
- The property is damaged, worn out, or otherwise inoperable and the cost of repairing the same is unwise or impractical.

5.3 Disposition of Personal Property

Departments that determine they have surplus property should first make these items or equipment available to other City departments when reasonable. If the item is no longer of value to the City, staff may do the following:

- Sell or transfer the item(s) to another government agency, subject to the public notice and hearing requirements of [RCW 39.33.020](#) for items with a value in excess of \$50,000.
- Auction the item(s). The originating department will be responsible for all costs associated with this option. Finance will coordinate the auction with the department representative.
- Sell the item through a sealed bid process.
- Trade the item(s) in for new replacement equipment.
- Send the item(s) to the State surplus program.
- Donate the item(s) to a non-profit that serves or benefits low-income persons or persons with disabilities. *(Be sure to obtain a receipt for record retainage.)*
- Dispose of the item(s) in the most cost effective, efficient manner.

A department head or designee that is responsible for the disposition of property or assets. They should sign the “Declaring Surplus Memo” to the City Manager. The memo should be a detailed statement of the item(s), where the asset is located, the estimated value and the recommended disposition procedure. Send the memo to the Finance Department to coordinate obtaining the City Manager’s or Council’s approval.

Once approval has been granted to dispose of the property, the receiving individual or organization must sign an **“As-Is/Where-Is” Statement and/or Liability Waiver**. The signed form must be forwarded to the Finance Department for record retainage.

Within 24 hours of receipt, proceeds from any sale and sales tax collected will be forwarded to the Finance Department to be deposited. Sales tax will be remitted to the *Department of Revenue* on the next reporting cycle.

Prior to sale, remove all City logos or other markings identifying the item(s) as City property from any vehicles and or equipment prior to sale.

Tips & FAQs

Be mindful of your budget appropriations when using your purchasing card as a method of payment.

5.4 Seizure Items ([RCW 69.50.505](#))

The Port Townsend Police Department follows their Asset Forfeiture Policy (Policy 601) in regards to the authority and procedures for the seizure, forfeiture and liquidation of property associated with designated offenses.

5.5 Surplus of Real Property (Land)

The City Council shall make all decisions that relate to surplusage of real property in accordance with [Chapters 35.94](#) and [39.33 RCW](#) and whether property should be designated to meet affordable housing needs and surplus or retained for that purpose. Because real property should perform a valuable public function, the City Council should consider both current use and any foreseeable future use when surplus real property.

Pursuant to [PTMC 3.44](#), affordable housing needs will be considered before surplus public lands.

The City Council shall hold a duly-noticed public hearing prior to disposing of real property or designating that the property may meet affordable housing needs and be surplus or retained for that purpose. All procedural guidelines shall be followed in accordance with the code.

6.0 Purchasing Cards

6.1 Purchasing Cards as a Method of Payment

In accordance with [RCW 43.09.2855](#), local governments are authorized to use credit cards or procurement cards for official government purchases and acquisitions.

The City of Port Townsend's purchasing card program has been established to provide a convenient, efficient means to purchase commodities and services from vendors and reduce the costs associated with a purchasing process. The City has obtained purchasing card participation in the statewide contract with US Bank as administered by the Washington State Department of Enterprise Services (DES). A benefit of using the contract is that it allows the City to earn a quarterly rebate based on the volume spent and timely payment.

Tips & FAQs

CDL licenses and renewals and work boots should be purchased initially by the employee. The receipt for these items should be submitted to the employee's manager for reimbursement.

The program is designed to empower employees to purchase items needed for operational City business. It is a method used to pay for purchases and is not meant to circumvent the purchasing policies or bidding procedures.

6.2 Purchasing Card Administration

Purchasing cards (p-cards) are administered by the Finance Department. The purchasing card program administrator maintains the accounts and is authorized to make necessary changes and updates, corresponds with the bank to resolve issues, orders p-cards, reconciles purchases made during the billing cycle to the bank statement, verifies accuracy of supporting documents and signatures, maintains records, and assures timely payment.

All purchasing cards will have the "City of Port Townsend" embossed on the card with the cardholder's name. **It is not permitted to allow anyone other than the cardholder to use a card to make purchases.**

Approval to participate in the purchasing card program will be determined by the applicable department head. **It is recommended that employees complete their initial probationary period before being eligible to have a purchasing card issued to them. (Exceptions to this may be made with authorization from the Finance Director or Finance Manager).** Prior to releasing the purchasing card to the employee, the cardholder will:

1. Attend training to cover the City's purchasing policies and procedures.
2. Attend training to cover p-card procedures for US Bank Online purchasing card transaction management.
3. Acknowledge they have received, read and understood the City's Purchasing Policy and Procedures Manual by signing a **Cardholder's Agreement Form.**

Department heads or their designees will ensure employees approve their charges and submit the proper supporting documentation, assign correct fund and account numbers (BARS Codes) and descriptive information for each charge, approve the charges online, print activity statements, and submit paperwork to the program administrator in Finance within five days of the billing cycle close date. **Failure to comply with these policies and procedures may result in suspension of an employee's privilege of using a City issued purchasing card. Improper use of the p-card may result in disciplinary action up to and including termination of employment.**

6.3 Authorized Charges and Uses

As authorized, employees will use their p-cards at time of purchase for operational materials, supplies, small equipment, postage, subscription services, professional memberships, ordinary maintenance, services, CDL physicals, and authorized business travel expenditures. (Please see the City's Guidelines for Employee Travel for detail on authorized travel expenditures).

Purchasing cards may be used at any vendor that accepts VISA credit.

When making a purchase:

- The cardholder must obtain a vendor's register receipt or invoice (Proof of Purchase). Packing slips and statements are not substitutes for receipts or invoices.
- Register receipts and invoices should include transaction detail such as date of purchase, a description of each item, tax, shipping, and total. If the vendor does not issue a detailed receipt, it is the employee's responsibility to write a description of the purchase(s) on the receipt.
- If a receipt is lost or the cardholder is unable to obtain a receipt, a **"Declaration of Lost Invoice" Form** must accompany the reconciled statement in place of the receipt. Employees who routinely do not submit actual invoices/receipt may have their purchasing card benefits suspended.
- Follow the purchasing requirements outlined in the Purchasing Policies and Procedures Manual.

6.4 Unauthorized Purchases

Cardholders must comply with the State bidding and purchasing laws and the City's Purchasing Policies when using a purchasing card.

Examples of unauthorized uses and purchasing include:

- Personal purchases of any kind
- Cash advances through ATMs or banks
- Cash refunds for returned items
- Items restricted by City policy or State law, such as alcohol, tobacco, and entertainment
- Any items from vendors restricted by the Finance Department, a department head, or the City Manager

Examples of inappropriate uses:

- Any purchase in which the purchasing card is used to circumvent City or State policies, bid limits, or a cardholders personal purchasing limit.
- Any purchase made on a cardholder's account by someone other than the cardholder.

6.5 Returns and Exchanges

Cardholders are responsible for contacting the vendor when supplies, equipment, and services purchased with the p-card are not acceptable (incorrect, damaged, defective, not received) and for arranging a return for credit or exchange.

- If items are returned for credit, the cardholder is responsible for obtaining a credit receipt from the vendor to include in the monthly purchasing card reconciliation.
- If items need to be exchanged, the cardholder is responsible for returning the items to the vendor and obtaining a replacement as soon as possible.
- If items are disputed, the cardholder is responsible for resolving any disputes directly with the vendor. If resolution is not possible, contact the Program Administrator.

6.6 Account Maintenance

Online account maintenance:

US Bank Online account maintenance is the responsibility of the cardholder. If an employee is locked out of their account, they should contact US Bank directly. The customer support number is listed on the back of the purchasing card. Please see the **US bank Purchasing Card Instruction Guidelines** for online account maintenance or call the purchasing card administrator in the Finance Department.

Name changes:

Changes to a cardholder's name should be reported to the program administrator. A new card will be issued in the employee's name. The cardholder should surrender the old p-card to his or her department head or to the program administrator.

Lost or stolen card or fraud detection:

Cardholders are responsible for their own card security. In the event the cardholder loses their card, suspects fraudulent activity on the card, or the card is stolen, they should contact US Bank immediately. In addition, the cardholder should contact the program administrator.



Termination of employment or revocation of purchasing card privilege:

Cardholders must turn in their purchasing card to their department head, Human Resources, or the program administrator in the event they terminate their employment with the City, or they have had their purchasing card privileges revoked.

Spending Limits:

Spending limits will be requested by the applicable department head and approved by the Finance Department. In general, authorized spending limits will be established as follows (single transaction limit/monthly cycle limit):

- \$5,000/\$5,000 – department heads and purchasing card program administrator
- \$2,500/\$5,000 – department managers, supervisors, department purchasing designees
- \$1,000/\$2,500 – maintenance and operator staff
- \$500/\$1,500 – others as assigned.

Exceptions to these general guidelines will be reviewed at the request of the applicable department head.

7.0 Definitions and Acronyms

A&E: Architectural and engineering services; includes land surveyors and landscape architects.

Appropriation: City Council authorization to expend funds for a specific purpose.

Bid: A written proposal submitted by a vendor or contractor to furnish supplies, materials, equipment, or services in conformity with the City's specifications included in a request for bids by the City.

Bidding: Procedure used to solicit quotations on price from various prospective providers of supplies, materials, equipment, or services.

Bid Evaluation: A review of bids/proposals received as a result of a competitive process to determine bidders' responsibility, responsiveness to requirements, and to determine the successful bidder(s).

Bid Opening: The official process in which sealed bids are opened, usually in the presence of one or more witnesses, at the time and place specified in the invitation for bid. Each bid is logged, and bids are made available for public inspection only after award of the contract. The bid opening must be open to the public.

Bid Deposit (also called a bid bond): A deposit in the form of a cashier's check, postal money order, or surety bond equal to 5% of the amount of the bid. Required for all formally bid public works projects.

Bid Splitting: Breaking a public work project or purchase into segments. The City may not split a project or purchase to avoid compliance with bidding statutes ([RCW 35.23.352\(1\)](#)).

Capital Equipment: Equipment of the City having an initial value of one thousand (\$1,000) or more and an estimated useful life of three or more years.

Change Order: An amendment to a public works contract, signed by both parties and outlining the mutually agreed upon changes to contract time, payment amount, or scope of work, as applicable.

Contract: A legally binding and enforceable written agreement between two or more parties stating the terms and conditions for an exchange of something of value (usually money, goods, or services) between parties. The Legal Department should be contacted if there is uncertainty as to the need for a written contract and how to go about it.

Contractor: Individual, company, corporation, firm, or combination, with whom the City develops a contract for the procurement of goods and services.

Cooperative Purchasing (also called piggybacking): The action taken when two or more entities combine their requirements to obtain advantages of volume purchases including administrative savings and other benefits.

DES: Washington State Department of Enterprise Services.

Delivery Terms: Conditions in a contract relating to freight charges, place of delivery, time of delivery, or method of transportation.

Effective Date of Contract: The date on which the contract starts.

Emergency: Unforeseen circumstances beyond the control of the agency that present a real, immediate, and extreme threat to the proper performance of essential functions or which may reasonably be expected to result in excessive loss or damage to property, bodily injury, or loss of life.

Emergency Purchase: A purchase in which the normal competitive purchasing procedures have been waived by a declaration of emergency issued by the City Council or City Manager.

Encumbrance: Interchangeable with “purchase order.”

Equitably distribute opportunities: Means that the local government may not favor certain contractors on the appropriate small works roster over other contractors on the same roster who perform similar services.

Formal Competitive Bid: The process of advertising and receiving sealed written bids from prospective vendors or contractors. The selection of the vendor or contractor is primarily based on the lowest cost from a responsible vendor.

General Services: Interchangeable with “purchased services.”

Goods and Services: Material, supplies, services, and equipment offered for purchase by a vendor or contractor and required by an agency to accomplish continuing and necessary functions.

Informal Solicitations: Price quotes from vendors that are obtained using a variety of mediums such as phone, fax, email, or writing. Results must be documented and submitted to the Finance Department to obtain a purchase order (encumbrance). The selection of the vendor is based on lowest cost from a responsible vendor.

Interlocal Agreements: The exercise of governmental powers in a joint or cooperative undertaking with another public agency.

L&I: Washington State Department of Labor and Industries.

MRSC: Municipal Resources and Services Center. A Washington-based non-profit that provides information and educational services to local government agencies. The City of Port Townsend uses MRSC’s vendor, consultant, and small public works rosters.

Ordinary Maintenance: Defined by [WAC 296-127-010](#) as: “ work not performed by contract and that is performed on a regularly scheduled basis (e.g., daily, weekly, monthly, seasonally, semiannually, but not less frequently than once per year), to service, check, or replace items that are not broken; or work not performed by contract that is not regularly scheduled but is required to maintain the asset so that repair does not become necessary.”

Personal Services: Interchangeable with “professional services.”

Prevailing Wage Rate: The rate of hourly wage, usual benefits, and overtime paid in the locality to the majority of workers, laborers, or mechanics in the same trade or occupation; required to be paid on all public works and public building service maintenance contracts. These rates are set by L&I.

Professional Services: Services that involve technical expertise provided by a consultant to accomplish a specific study, project, task, or other work. These activities and products are mostly intellectual in nature and do not include architectural and engineering (A&E) services. Examples of personal services include accounting, legal, comprehensive planning, and real estate services.

Proposal: An offer to perform a contract to supply goods or services in response to a request for proposal (RFP).

Purchase: The buying, leasing, renting or lease-purchasing of goods or services.

Purchase Order (also called encumbrance): A form issued by the Finance Department or Legal Assistant, which reserves the purchase amount in the applicable fund and can sometimes serve as a written request to a vendor to provide the item being purchased.

Purchased Services (also called general services): Services that are generally routine, repetitive, or mechanical in nature and support the City’s day-to-day operations. Purchased services include janitorial, debt collections, equipment service agreements, machine repair, or delivery services.

Public Work: A project including all work, construction, alteration, repair, or improvement other than ordinary maintenance executed at the cost of the City. Public work projects include the related materials, supplies, and equipment to complete the project.

Purchase Order (Encumbrance): Official document used in authorizing the encumbrance of City funds toward a purchase.

Quotation: An offer, including price, to perform a contract to supply goods and/or services in response to a request for quotation.

Request for Proposals (RFP): A process that requests interested firms to submit a statement of their proposal for completing a project. Proposals are evaluated based on suitability, practicality, quality of the proposal, experience, and cost.

Request for Qualifications (RFQ): a request for only a firm’s general capabilities, including a list of principals, previous projects, number of employees, and licenses. An RFQ doesn’t not including pricing information.

Requisition Form: A standard form providing detail information as to quantity, description, estimated price, vendor, fund account, signature, and other information necessary to make a purchasing decision.

Responsible Bidder: Contractor, supplier, or vendor who is determined to be qualified to provide services or goods to the City based on the criteria in [RCW 39.04.350](#).

Responsive Bidder: An entity whose bids conforms in all material respects to the terms and conditions, the specifications, and other requirements of a solicitation.

Sealed Bid (Formal Bid): An advertised solicitation for a requirement in which the cost exceeds the bid limit. The bids are opened during a public opening.

Sole Source (also called a single source purchase): An exception to competitive bidding. A purchase of goods or services that is clearly and legitimately limited to a single source of supply in which the purchase price may be best established by direct negotiation.

Solicitation: Notification to prospective bidders about a future project or purchase, with a request for competitive bids, quotes, or proposals.

Splitting: The separation of continuing/repetitive requirements for the same good or service into several purchases to avoid dollar limitations or competition.

Small Works Roster: List of contractors by work category who have registered with MRSC and requested to be notified by the City about upcoming projects or purchases and bid opportunities.

Specification: A clear, complete, and accurate statement of the technical requirements descriptive of a material, item, or service.

State Contract: Contracts for goods or services administered by the Department of Enterprise Services on behalf of agencies. The contract document will identify the conditions under which usage by agencies is allowed.

Subcontractor: A person or business that is, or will be, providing or performing an essential aspect of a contract under the direction and responsibility of the primary contractor.

Supplier: A vendor of purchased goods and services.

Surplus Property: Personal property belonging to the City for which the City has no further use.

Vendor: A provider of materials, supplies, goods, or equipment.

COUNCIL COMMITTEE ASSIGNMENTS

Updated August 20, 2024

COUNCIL STANDING COMMITTEES

Infrastructure and Development (1st Wed. 3pm Virtual/Chambers)----- DF, MM, NN
 Culture and Society (2nd Wed. at 3pm, Virtual/Chambers) -----AH, OR, BT
 Finance and Budget (3rd Wed. 3pm / Virtual/Chambers)-----LW, AH, MM
 Intergovernmental Collaborative Group (Board of Commissioners)----- Council of the Whole

CITY BODIES WITH COUNCIL REPRESENTATIVES

Alternative Electric Management Committee ----- Unassigned
 Lodging Tax Advisory Committee (LTAC) ----- OR

OUTSIDE BODIES WITH COUNCIL REPRESENTATIVES

Economic Development

North Olympic Peninsula Resource Conservation & Development Council (NODC)-----MM

Health

Jefferson County Board of Health -----MM
 Jefferson County Developmental Disabilities Advisory Board ----- OR
 Jefferson County Clean Water District Advisory Council-----MM
 Jefferson County Behavioral Health Committee----- NN
 Jefferson County Solid Waste Facilities Task Force ----- OR

Housing

Housing Fund Board -----AH, NN

Infrastructure

Public Infrastructure Board -----DF

Law and Justice

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

Transportation

Jefferson Transit Authority Board ----- BT, DF
 Peninsula Regional Transportation Planning Organization Executive Board-----BT (DF Alt)
 Surface Transportation Block Grant (STBG) Selection Committee-----DF

Other

Climate Action Committee ----- OR
 Jefferson County/City of Port Townsend LEOFF I Retirement/Disability Board -----DF
 JeffCom Administrative Board ----- Staff
 OlyCAP Board of Directors ----- AH
 Joint Growth Management Steering Committee----- DF, BT
 Jefferson County FEMA funds (Dove House Advocacy Services, administrative agency)-----
 Port Townsend Main Street HUD Loan Committee----- AH
 Creative District ----- OR
 Fort Worden Public Development Authority ----- LW
 Jefferson Broadband Action Team ----- LW
 Team Jefferson Economic Development Council (EDC)-----MM
 Jefferson County Fairgrounds Board -----BT