

# CITY OF PORT ORCHARD

The mission of the City of Port Orchard is to promote economic development and prosperity within our community while simultaneously providing quality support and services to our residents. We are dedicated to providing a high level of public safety, infrastructure, and economic strength while preserving our small town character.

## 2015 BUDGET



FOR FISCAL YEAR JANUARY 1, 2015 THROUGH DECEMBER 31, 2015

### ADOPTED BY:

The City Council  
Port Orchard, Washington

ORDINANCE NO. 020-14

### PREPARED BY:

Office of the City Treasurer

Allan J. Martin  
TREASURER

Rebecca Nichols  
ASSISTANT TREASURER

### ACCOUNTING ASSISTANTS

Kathy Cain  
Heidi Draper  
Melissa Gaines  
Kori Pearson  
Patti Saltgaver  
Debra Walker

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# CITY OF PORT ORCHARD

## Office of the Mayor

City Hall • 216 Prospect Street • Port Orchard, WA 98366  
Voice: (360) 876-4407 • Fax: (360) 895-9029  
tmatthes@cityofportorchard.us  
www.cityofportorchard.us

January 2, 2015

To: Friends and Citizens of Port Orchard  
Port Orchard City Council

As we get set to celebrate our City's 125th anniversary, I am pleased to present the 2015 Budget. This is my third budget since having the honor to serve as your Mayor.

This budget recognizes our ongoing commitments and obligations but looks to the future by funding several large projects. You will be pleased to learn that \$700,000 is included for improvements to the Bethel Lund intersection. This major intersection will be improved as a first step toward improving the Bethel Corridor. In addition to the large intersection project, Public Works will begin work on Well No. 10; a six million dollar water project financed using a state Health Department loan. The loan will be paid back over 20 years while allowing water to flow for growth and development today.

Every six years the state Growth Management Act requires the City to update its comprehensive plans. We are using this opportunity to focus the plan on what improvements are required to remain successful over the coming decades. The City will use the comprehensive plan as its major guiding document for capital projects needed to meet future demands. The planning process will include reaching out to citizens and businesses to help define our future. This budget fully funds the required updates.

Visitors to our fair City continually comment on the beauty of City Hall and its clock tower. The musical chimes have become part of our wonderful waterfront and downtown experience. In order to keep up the building, an additional hundred thousand dollars was added to the budget for needed exterior repairs.

We continue to experience increases in our jail expense with the jail bill estimated to be 22% higher than 2014. The budget adds \$95,000 toward jail expense. In support of public safety, the police budget includes money for the purchase and outfitting of three police vehicles. The Criminal Justice Fund is used to purchase new police handguns and scuba diver communication and rescue equipment.

Our Street budget includes the \$1,500 requested by Council to participate in the Kitsap Regional Community Council Multi-Modal Phase II initiative and \$4,500 for the Gorst Feasibility Study. The City will participate in the West Sound Alliance, budgeting \$2,500 for those efforts.

Storm Drainage Utility will add two employees paid for by the utility rate increase. The increase also includes funding for capital projects that are anticipated over the next ten years.

The City of Port Orchard will celebrate its quasiquicentennial anniversary on September 5, 2015. I look forward to joining the City Council, our professional staff and you in honoring our first 125 years while we look toward our future. Together we can make our next 125 years even greater!

Sincerely,

Timothy C. Matthes, Mayor

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# CITY OVERVIEW

## HISTORIC PORT ORCHARD



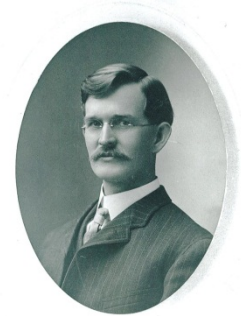
Port Orchard is the county seat of Kitsap. But it was not always the county seat, nor was it always called Port Orchard.

Originally called Sidney, Port Orchard was platted in 1886 by Frederick Stevens, who named it after his father Sidney. The Illinois inventor, Sidney M. Stevens came west from DeKalb, IL for a family visit to the Long Lake area. He liked what he saw so much that he paid \$900 for 88 1/2 acres with the intention of creating a town.



**SIDNEY STEVENS**

The boundaries were similar to those today-Sinclair Inlet on the north, Mitchell Road on the east, South Street on the south, and one block west of Short Street on the west. Early industry was primarily lumber and the loggers that frequented the nine saloons in town. The town of Sidney was incorporated September 15, 1890, and was the first in Kitsap County to be both platted and incorporated.



**FREDERICK STEVENS**

Shortly after Sidney was platted, the Navy Department was looking for a site for a second naval installation on the Pacific Coast. Sidney residents took an active role in influencing the commission of the Port Orchard Navy Yard (now Puget Sound Naval Shipyard).



The same year the Navy officially dedicated the Port Orchard Navy Yard, Sidney had its first big fire. The town lost the original Sidney Hotel and a couple of residences on Prospect Street. In 1894, all buildings on both sides of Bay between Sidney and Frederick were burned down.



When the county was first established, the county seat was placed in Port Madison. Sidney decided it wanted the county seat and at the general election in 1892, voters agreed since Sidney had such bright development prospects.

In the middle of all this growth and occasional disaster was a political fight of major proportions. Harry Masterman Orchard, ship's clerk attached to the flagship *Discovery* received credit for discovering the body of water that now bears his name. In December 1892, the people of Sidney requested the legislature and separately to the Post Office Department to change the name of their town to Port Orchard. The legislature refused. Charleston (now West Bremerton) had also requested the name of Port Orchard. Commander Morong requested the Navy yard mail be routed through the proposed Port Orchard post office.

Through a series of confusions and misunderstanding by various departments about the geography of this region, the Port Orchard post office ended up in Sidney and the Charleston post office was in Port Orchard. It stayed this way for ten years until Will Thompson, editor of the Sidney Independent, went into State legislature (1902-03) and succeeded in restoring the Charleston post office to Charleston and the Port Orchard post office to Port Orchard. In 1903 the legislature changed the name of Sidney to what we know it as today...Port Orchard.

## PORT ORCHARD TODAY

Port Orchard is located on the Sinclair Inlet of the Puget Sound. As a waterfront community we are proud of our amenities. Our numerous marinas provide visitors and boat dwellers alike with convenient accommodations. Our downtown corridor offers shopping, museums, entertainment, galleries and dining. With ferry access from Bremerton and Seattle, an excursion to Port Orchard is an easy day trip or a weekend getaway. When visiting our city, it is hard to miss the majestic view of the Olympic Mountains and the pride of military heritage just across the water at the Puget Sound Naval Shipyard.



Port Orchard is business-friendly and customer service is our top priority. All city employees are trained in customer service and are committed to providing you with services that exceed your expectations. If you are thinking about opening a new business, relocate your business, or grow your

business, our staff are here to help you move seamlessly through the steps and get your business up and running in the City of Port Orchard as soon as possible.

The City has an Economic Development/Tourism Committee, comprised of City Councilmembers and City staff, whose goal this year is to meet with business owners to find out what City policies and services work for them and which need improving. The City of Port Orchard is also a part of the Kitsap Economic Development Alliance, whose mission is through a partnership of government and business, attract and retain primary businesses to Kitsap County and its individual communities, ensuring growth and a desirable quality of life.

## CULTURAL ACTIVITIES

Port Orchard plays host to many festivals and events throughout the year. The Farmers Market is always a favorite of local citizens and operates every Saturday from April to October. Late spring/early summer brings the fun of the Seagull Calling Festival as part of the Kitsap Harbor Festival. Take pleasure in the evenings at Waterfront Park enjoying the free Concerts by the Bay series. Summertime fun includes the Fathoms O’Fun Festival and 4<sup>th</sup> of July Fireworks, concluding with the Cruz Classic Street Fair in August. November brings the three day Chocolate Festival consisting of the Chocolate Ball, silent auction, and public sampling. Close out the year with the Annual Festival of Chimes and Lights and Jingle Bell Run – fun for the entire family.



## CELEBRATE PORT ORCHARD

This September marks the 125th anniversary of the incorporation of the City of Port Orchard. The City will celebrate the event on September 5, 2015. Mayor Tim Matthes has appointed Sharron King to chair



the planning committee. “Sharron King, who heads up Fathoms O’ Fun Festival, was the chair for the 100th anniversary event and is someone who can get things done with style,” said Mayor Matthes. Sharron King said that she was very honored when asked to chair and she is excited to be planning for the 125th anniversary. “I am looking forward to working with wonderful committee members representing various organizations. There will be opening and closing ceremonies, food, fun and excitement to Celebrate Port Orchard on the day,” she said.

# GENERAL INFORMATION

## GENERAL INFORMATION:

Form of Government	Mayor-Council
Type of Government	Second-Class City
Location	Kitsap Peninsula
County	Kitsap
Land Area	9.35 Sq. Miles
Rank in Size/State	67
Rank in Size/County	3
Population – 2014	13,150
Assessed Valuation (Taxable)	\$1,347,919,629
City Employees	82.3

## 2015 PROPERTY TAX LEVY:

Regular Levy	\$2,325,748
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## 2015 PROPERTY TAX RATE:

Port Orchard City	1.725162
State School Levy	2.176823
Kitsap County C.E.	1.201672
P.U.D.	.083121
Port Of Bremerton	.388139
S.K. Schools	3.686416
S.K. Fire & Rescue	1.984711
Kitsap Regional Library	<u>.390126</u>
<b>Total 2015 Property Tax Rate</b>	<b>11.636169</b>

## UTILITY TAX RATE:

Electric, Telephone, Solid Waste	6%
Gas	2%
Cable	5%

## PARKS & RECREATION:

Total Acreage	71.76
Number of Parks & Playgrounds	9

## STREETS:

Total Streets in Miles	61.50
Total Pedestrian Trails in Miles	0.43

## SALES TAX RATE:

State	6.50
Criminal Justice	0.10
City	0.84
Kitsap County	0.15
Kitsap Transit	0.80
County Jail Expansion	0.10
Emergency Communications	0.10
KC Mental Health Treatment Serv.	0.10
State Administration Fee	<u>0.01</u>
<b>Sales Tax Rate</b>	<b>8.70</b>

## STATE EXCISE TAX RATE:

Water Utility	5.029%
Sewer Utility	3.852%
Storm Drainage Utility	1.800%

## HOTEL/MOTEL TAX RATE:

0.20%

## BUSINESS LICENSE FEE:

General Business	\$35.00
Non-Profit Business	No Cost

## LICENSES & PERMITS ISSUED IN 2014:

General Business Licenses	2,632
Building Permits	399
Animal Licenses	175

## ELECTION & VOTER REGISTRATION:

Number of Registered Voters	6,702
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## 2015 UTILITY BI-MONTHLY RATE:

Water	\$46.50 base up to 5000 gal. + 2.10-2.50 for each add'l 1000 gal.
Sewer	\$98.00
Storm (Residential)	\$19.40



# STATISTICAL INFORMATION

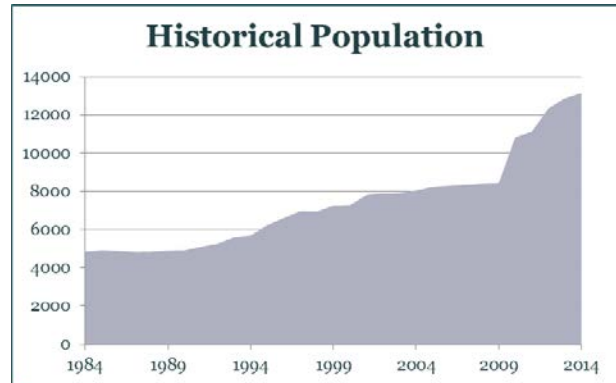
Incorporated in 1890

Elevation: 140 feet

Latitude: 47.53 N, Longitude: 122.64 W

Population density: 1,376 people per square mile

Population change in the 2000s: +5,880 (+80.88%).



Population in 2012: 11,680. Population change since 2000: +51.8%

Males: 5,946  50.9%

Females: 5,734  49.1%

Median resident age:  34.5 years

Washington median age:  32.2 years

For population 25 years and over in Port Orchard:

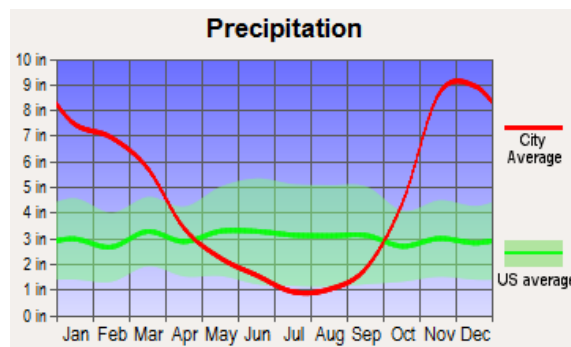
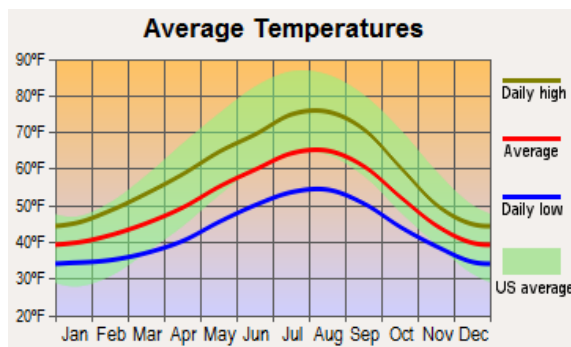
- High school or higher: 93.3%
- Bachelor's degree or higher: 26.1%
- Graduate or professional degree: 10.4%
- Unemployed: 8.5%
- Mean travel time to work (commute): 28.3 minutes

For population 15 years and over in Port Orchard city:

- Never married: 28.3%
- Now married: 47.1%
- Separated: 2.5%
- Widowed: 7.5%
- Divorced: 14.5%



June, July and August offer warm days and blue skies. August is usually the warmest summer month with an average high of 75F and low 53F. December and January are the coldest of the winter months with January averaging 44F high and 34F low. A day or two of snow is not uncommon during the winter. Our reputation for constant winter rain is undeserved although many fall and winter days are overcast.



**Unemployment in June 2014:**

Port Orchard: 5.0%

Washington: 5.3%

Full-time law enforcement employees in 2012, including police officers: 26 (24 officers).

Officers per 1,000 residents here: 2.10

Washington average: 1.47

Estimated median household income in 2012: \$53,795 (it was \$34,020 in 2000)

Port Orchard: \$53,795

Washington: \$57,573

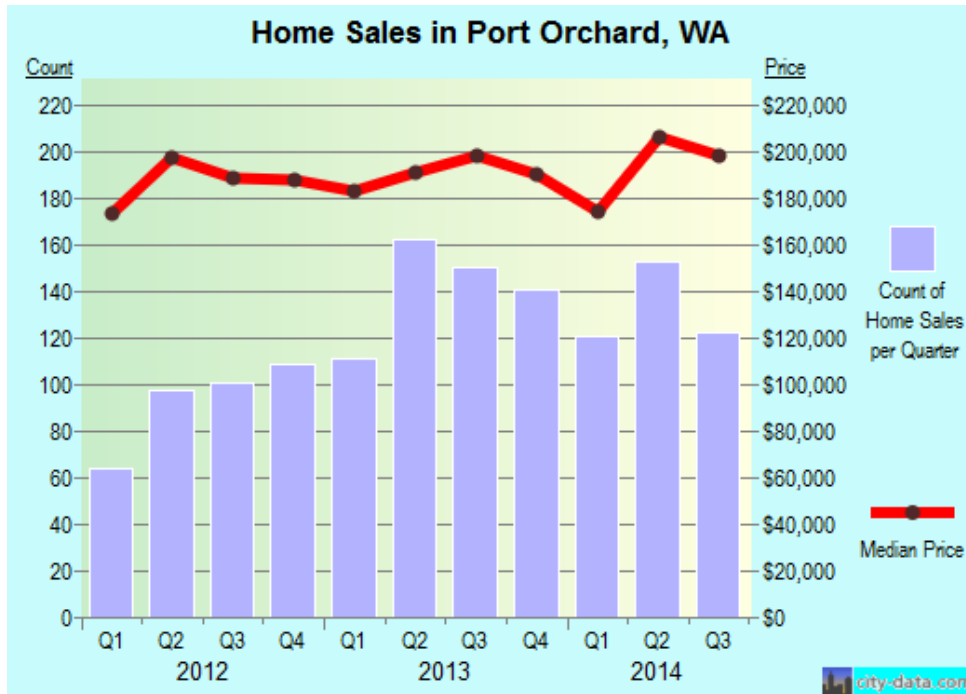
Estimated per capita income in 2009: \$25,004

Estimated median house or condo value in 2012: \$248,944 (it was \$117,000 in 2000)

Port Orchard: \$248,944

Washington: \$243,000

Mean prices in 2011: All housing units: \$240,427; Detached houses: \$251,524; Townhouses or other attached units: \$251,693; In 2-unit structures: \$263,678; In 5-or-more-unit structures: \$124,648; Mobile homes: \$136,964; Occupied boats, RVs, vans, etc.: \$65,375



Median gross rent in 2012: \$951

Median real estate property taxes paid for housing units with mortgages in 2012: \$2,378 (0.9%)

Median real estate property taxes paid for housing units with no mortgage in 2012: \$2,612 (1.0%)

#### Single-family new house construction building permits

- 1997: 22 buildings, average cost: \$76,400
- 1998: 38 buildings, average cost: \$72,400
- 1999: 51 buildings, average cost: \$68,600
- 2000: 36 buildings, average cost: \$81,800
- 2001: 28 buildings, average cost: \$84,900
- 2002: 36 buildings, average cost: \$75,800
- 2003: 69 buildings, average cost: \$69,800
- 2004: 48 buildings, average cost: \$135,900
- 2005: 23 buildings, average cost: \$122,100
- 2006: 48 buildings, average cost: \$135,900
- 2007: 37 buildings, average cost: \$145,500
- 2008: 15 buildings, average cost: \$162,800
- 2009: 54 buildings, average cost: \$199,600
- 2010: 115 buildings, average cost: \$209,500
- 2011: 66 buildings, average cost: \$215,200
- 2012: 88 buildings, average cost: \$244,800

#### SOURCES:

City-Data.com - <http://www.city-data.com/city/Port-Orchard-Washington.html>

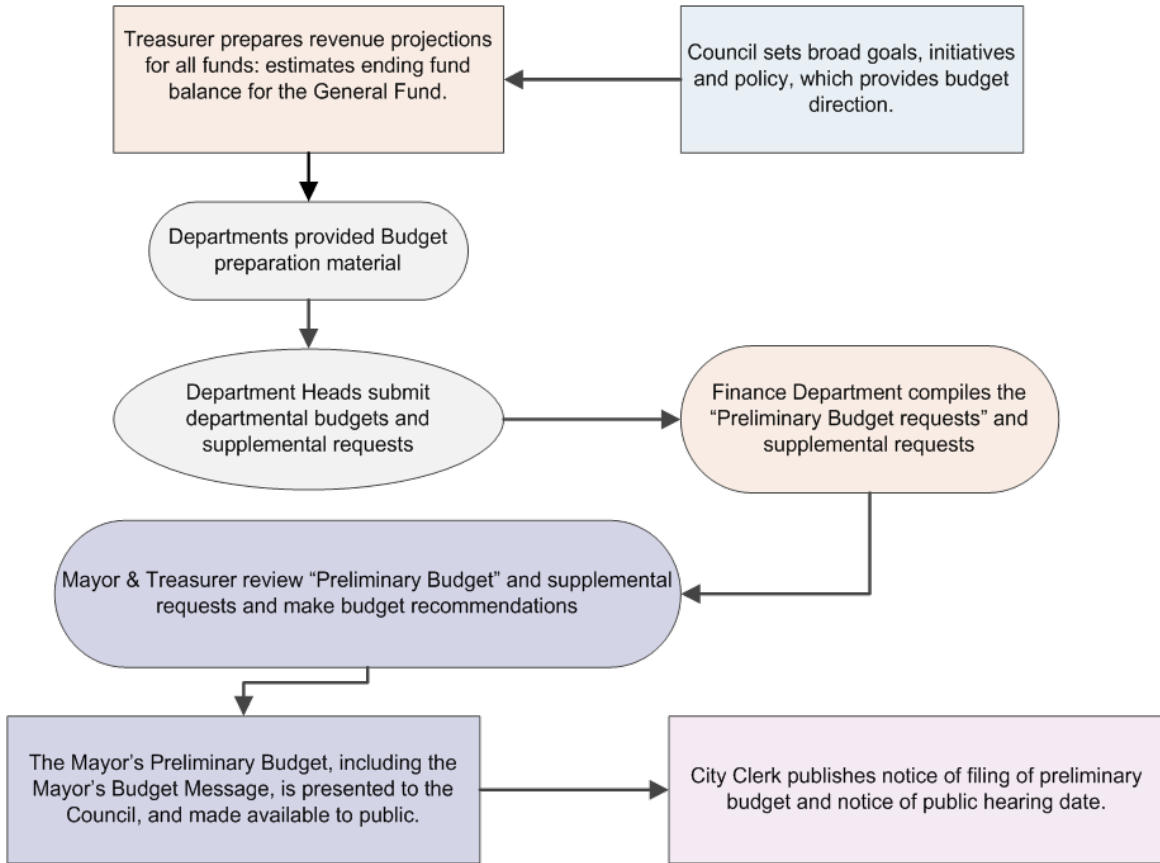
U.S. Census Bureau - <http://www.factfinder.census.gov>

Port Orchard Heritage - <http://portorchard.net/heritage/>

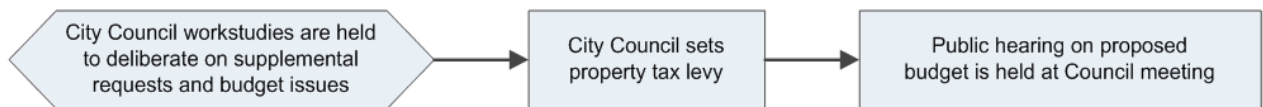
Office of Financial Management - <http://www.ofm.wa.gov/pop/april1/default.asp>

# BUDGET PROCESS

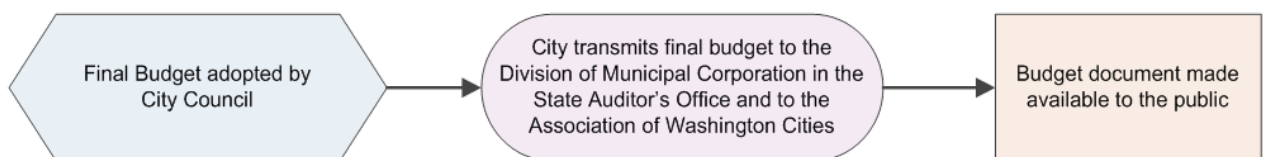
## Preliminary Budget Development



## Review/Discussion



## Budget Adoption



# BUDGET CALENDAR

Date/2015	Time Limitations (State Law)	Major Steps in Budget Preparation	Jul	Aug	Sep	Oct	Nov	Dec
Jan - July		Mayor discusses 2016 fiscal year Goals and Aspirations with Department Heads - non documentary meetings						
July 1-31		Project General Fund Revenues for 2016						
Thursday July 23		Current budget mid-year report to Finance Committee						
Friday July 24		Personnel Salary and Benefits projections for 2016						
Friday August 7	Second Monday in September (9/14)	Departments provided Budget preparation material to prepare detailed estimates for the 2016 budget						
Friday August 28	No later than the first Monday in October (10/5)	Treasurer prepares revenue projections for all funds; estimate ending balance for the General Fund on December 31, 2015						
Wednesday September 2	Fourth Monday in September (9/28)	Department Heads submit budget & supplemental requests to the Finance Department						
September 2-11		Finance Department reviews budget requests for formatting & proper coding						
Monday September 21		Mayor and Treasurer review "Preliminary Budget-Narrative" and supplemental requests						
Tues-Wed September 22-25		Treasurer scheduled meetings with Mayor and Department Heads to review Budget and supplemental requests						
September 22-30	At least 60 days before the ensuing year November 2	Finance Department prepares Preliminary Budget Publication						
Thursday October 1	On or before the first business day in the 3rd month prior to the next fiscal year (10/1)	Preliminary Budget delivered to the City Council and available to the public						

Date/2015	Time Limitations (State Law)	Major Steps in Budget Preparation	Jul	Aug	Sep	Oct	Nov	Dec
Tuesday October 13	Before Council votes on property tax levy - November 30	Council Meeting - Public Hearing on Revenue Sources						
Thursday October 15*		Finance Committee meeting: Preliminary Budget Review * To be Scheduled						
Tuesday October 20		Council Study Session: 2016 Budget & Revenue						
Tuesday October 20	No later than first two weeks in November	Finance provides to Clerk's office: Publication of notice of availability of the 2016 Preliminary Budget for public review and Public Hearing notice for the Proposed Final Budget to be published 11/2 & 11/9						
Thursday October 22*		Finance Committee Meeting: Preliminary Budget Review * To be Scheduled						
Friday October 30*		All day Finance Committee Meeting: Department Head Budget Review * To be Scheduled						
Tuesday November 10	No later than November 30 Public Hearing	City Council Meeting: First & Final reading of an Ordinance setting the 2016 Property Tax Levy						
Thursday November 12*		Finance Committee Meeting: Comprehensive Budget Review * To be Scheduled (An additional day can be scheduled if needed)						
Tuesday November 17		Council Study Session: Proposed Budget						
Wednesday November 20	No later than 6 weeks before Jan. 1 (11/20)	Copies of Proposed Budget made available to the public						
Tuesday November 24	On or before first Monday of December (12/1)	City Council Meeting: Public Hearing and first reading of the 2016 Budget Ordinance						
Tuesday December 8	Following the Public Hearing and prior to the beginning of the ensuing fiscal year (12/31)	<b>City Council Meeting: Adoption of the 2016 Final Budget</b>						

Introduced by: City Treasurer  
Requested by: Finance Committee  
Drafted by: City Treasurer  
Introduced: City Treasurer  
Public Hearing: November 25, 2014  
Adoption: December 9, 2014

**ORDINANCE No. 020-14**

**AN ORDINANCE OF THE CITY OF PORT ORCHARD,  
WASHINGTON ADOPTING THE BUDGET FOR THE YEAR  
2015.**

**WHEREAS**, the preliminary budget for the calendar year 2015, available October 6, 2014, was submitted to the City Council; and

**WHEREAS**, the City Council held a public hearing on revenue sources on October 14, 2014; and

**WHEREAS**, the Council Finance Committee met on November 12 and conducted department interviews and discussed the preliminary budget to make final recommendations to the Council; and

**WHEREAS**, the City Council held two work study sessions on the 2015 preliminary budget, on October 21, and November 18, 2014, and considered changes and recommendations to the 2015 Preliminary Budget; and

**WHEREAS**, A Notice of Hearing was published on November 7, 2014, and November 14, 2014, in the Port Orchard Independent newspaper stating the 2015 preliminary budget was on file with the City Clerk and copies could be obtained at the office of the City Treasurer, and inviting the public to attend and/or submit written comments at the public hearing held November 25, 2014; and

**WHEREAS**, the City Council held a public hearing on November 25, 2014 regarding the preliminary budget for calendar year 2015, and

**WHEREAS**, a copy of the 2015 preliminary budget has been on file with the City Clerk and copies available from the City Treasurer for examination by the public during the time it was considered by the City Council; now, therefore,

**THE CITY COUNCIL OF THE CITY OF PORT ORCHARD,  
WASHINGTON, DO ORDAIN AS FOLLOWS:**

**SECTION 1.** the budget of the City of Port Orchard for the year 2015 is hereby adopted in its entirety as the annual budget of the City of Port Orchard for calendar year 2015 as set forth below:

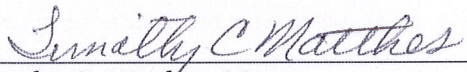
- |     |                                     |              |
|-----|-------------------------------------|--------------|
| (1) | Estimated Revenue From All Sources: | \$38,866,457 |
| (2) | Estimated Appropriations:           |              |

Current Expense Fund	9,779,384
Street Fund	2,614,250
Street Capital Improvement Fund	3,538,974
Criminal Justice Fund	498,170
Special Investigative Unit Fund	50,150
Community Events Fund	119,040
Water-Sewer Utilities Fund	7,912,000
Storm Drainage Utility Fund	2,048,113
Paths & Trails Fund	4,200
Total Operating Funds	26,564,281
Other Non-Operating Funds	12,302,176
Total Funds	38,866,457

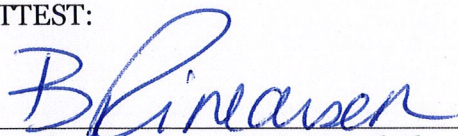
**SECTION 1.** If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of constitutionality of any other section, sentence, clause or phrase of this ordinance.

**SECTION 2.** This ordinance shall be in full force and effect five (5) days after posting and publication as required by law. A summary of this Ordinance may be published in lieu of the entire ordinance, as authorized by State Law.

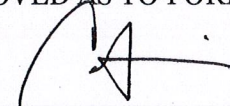
PASSED by the City Council of the City of Port Orchard, APPROVED by the Mayor and attested by the City Clerk in authentication of such passage this 9<sup>th</sup> day of December, 2014.

  
\_\_\_\_\_  
Timothy C. Matthes, Mayor


ATTEST:

  
\_\_\_\_\_  
Brandy Rinearson, CMC, City Clerk

APPROVED AS TO FORM:

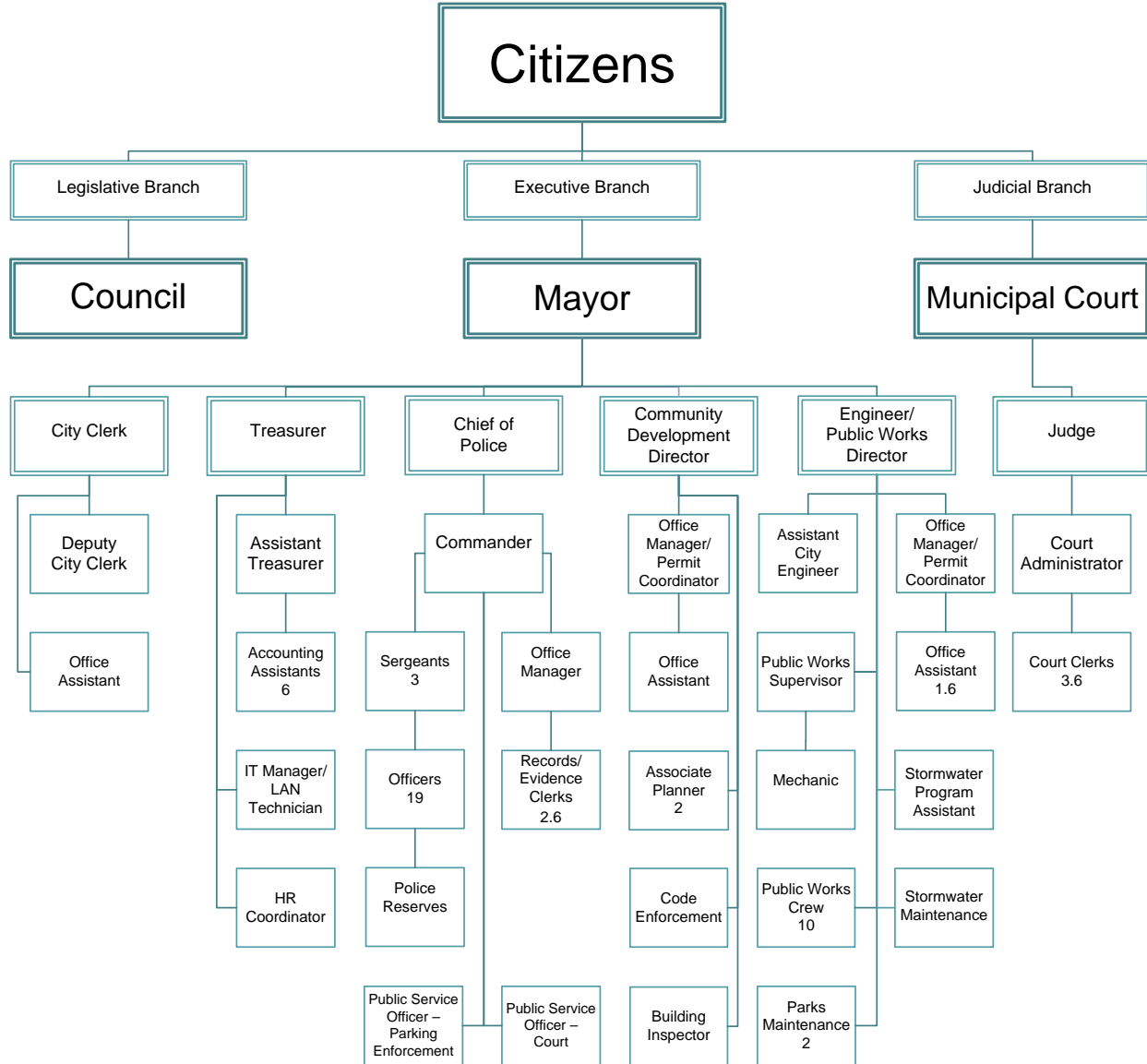
  
\_\_\_\_\_  
Carol Morris, City Attorney

Sponsored by:

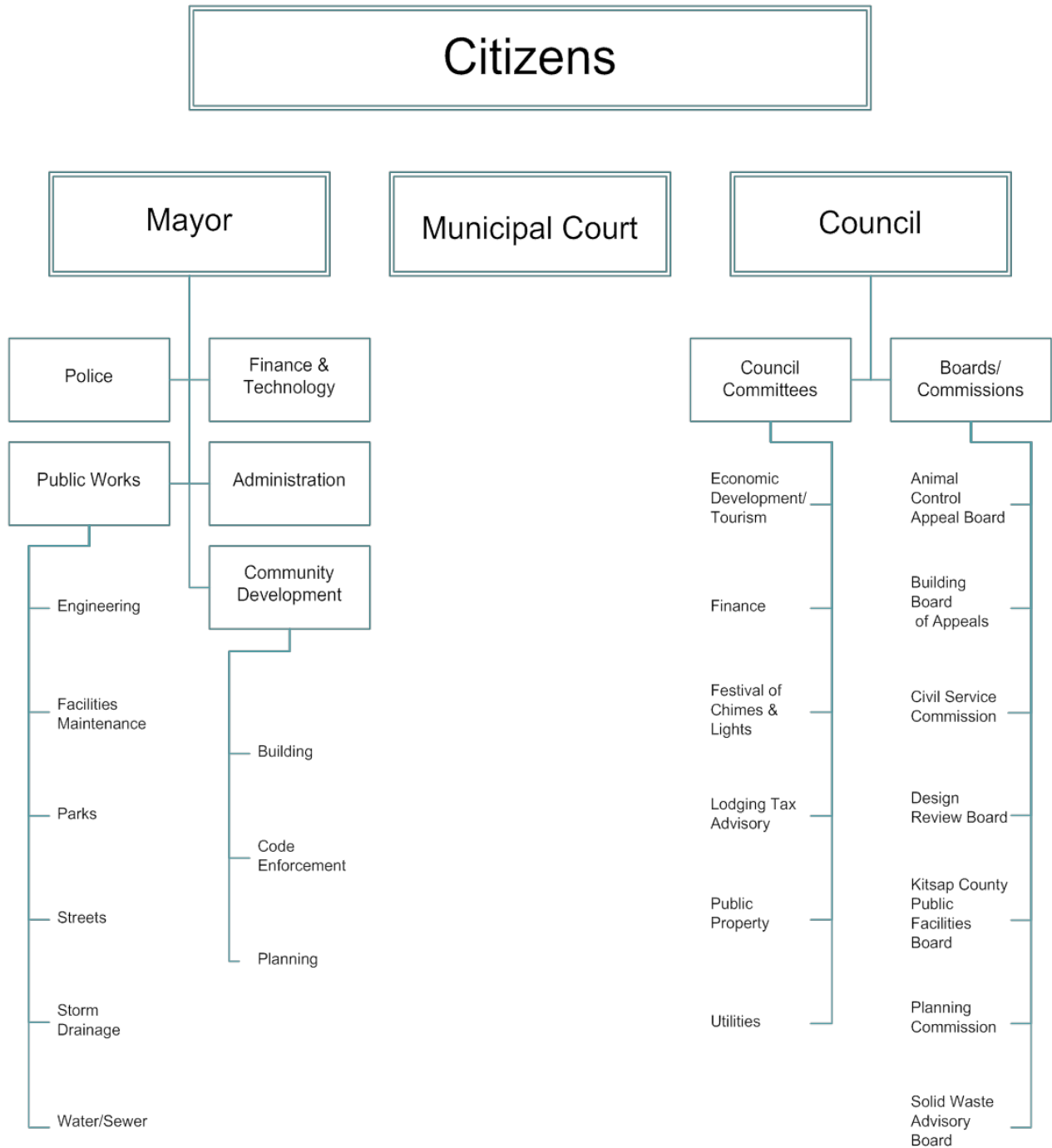
  
\_\_\_\_\_  
John Clauson, Councilmember



# ORGANIZATION CHART



# ORGANIZATION CHART



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# OFFICIALS

## ELECTED OFFICIALS

## TERM EXPIRATION

### MAYOR

Timothy C. Matthes ..... December 31, 2015

### COUNCIL MEMBERS

#### POSITION NO. 1

Jeff Cartwright ..... December 31, 2015

#### POSITION NO. 2

Bek Ashby ..... December 31, 2017

#### POSITION NO. 3

Robert Putaansuu ..... December 31, 2017

#### POSITION NO. 4

John Clauson ..... December 31, 2015

#### POSITION NO. 5

Cindy Lucarelli ..... December 31, 2015

#### POSITION NO. 6

Fred Chang ..... December 31, 2017

#### POSITION NO. 7

Jerry Childs ..... December 31, 2015

## APPOINTED OFFICIALS

Allan J. Martin ..... Treasurer

Mark Dorsey ..... Public Works Director/City Engineer

Geoffrey Marti ..... Police Chief

Nicholas Bond ..... Community Development Director

Brandy Rinearson ..... City Clerk

Tarrell Decker ..... Municipal Court Judge

Carol A. Morris of Morris Law (Interim) ..... Attorney

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# BOARDS AND COMMISSIONS

## ANIMAL CONTROL APPEAL BOARD

**CURRENT MEMBERS:** Lorraine Olsen and Dr. Nancy Isbell (one member position remains vacant)

The animal control appeal board shall serve as the board of appeals for matters relating to declaration of potentially dangerous animals (levels 2 and 3) as established in Ordinance No. 1607, codified in POMC Title 7, and all subsequent amending ordinances thereto. Members shall consist of three members, who shall be appointed by the Mayor and two members shall be City residents, and one member shall be a veterinarian who is licensed by the State of Washington. Members shall serve a three-year term expiring December 31<sup>st</sup>.

## BUILDING BOARD OF APPEAL

**CURRENT MEMBERS:** Barry Berezowsky, Matt Zawlocki, Sean Hoynes, and Greg Rogers (two alternate member positions remain vacant)

The Building Board of Appeal consists of five individuals, one from each of the following professions or disciplines; and two alternate members, who shall be called by the board chairperson to hear appeals during the absence or disqualification of a member. The Alternate members shall be appointed for five years. Professionals or disciplines are as follows:

- 1.) Registered design professional with architectural experience or builder or superintendent of building construction with at least ten years' experience, five of which shall have been in responsible charge of work.
- 2.) Registered design professional with structural engineering experience.
- 3.) Registered design professional with mechanical and plumbing engineering experience or a mechanical contractor with at least ten years' experience, five of which shall have been in responsible charge of work.
- 4.) Registered design professional with electrical engineering experience or an electrical contractor with at least ten years' experience, five of which shall have been in responsible charge of work.
- 5.) Registered design professional with fire protection engineering experience or a fire protection contractor with at least ten years' experience, five of which shall have been in a position of responsibility.

## CITY'S REPRESENTATIVE TO THE SOLID WASTE ADVISORY BOARD

**CURRENT MEMBERS:** Stephanie Bailey

Solid Waste is an advisory committee to assist in the development of programs and policies concerning solid waste handling and disposal and to review and comment upon proposed rules, policies, or ordinances prior to their adoption. The committee shall consist of a minimum of nine members. The Mayor shall appoint a City representative at the end of their term.

## CIVIL SERVICE COMMISSION

**CURRENT MEMBERS:** Shawn Cucciardi, David Southard, and Rick Wyatt

The City of Port Orchard Civil Service Commission shall be composed of three members who shall serve without compensation and who shall have qualifications, powers, and duties prescribed and directed by Chapter 41.12 RCW. The commission members shall be appointed by the Mayor for six-year terms to expire on December 31st.

## DESIGN REVIEW BOARD

**CURRENT MEMBERS:** John Purves, Tadina Crouch, Shannon Childs, David Fall, Bryan McKinnon

The Design Review Board consists of seven members appointed by the Mayor for three-year terms which expire on December 31st. Board members review development applications associated with development of the downtown overlay district area and make recommendations to the Director of Community Development regarding the applications' consistency with adopted design guidelines.

## KITSAP COUNTY PUBLIC FACILITIES DISTRICT BOARD

**CURRENT MEMBERS:** Jeffrey Braden

Members of the board of directors shall serve four-year terms and one board member shall be appointed by the Port Orchard City Mayor at the end of their term.

## PLANNING COMMISSION

**CURRENT MEMBERS:** Stephanie Bailey, Annette Stewart, Trish Tierney, Tim Drury, Nick Whittleton, Robert Baglio, and Dolores Coppola (one member position remains vacant)

Planning Commission members serve a six year term and are appointed by the Mayor and confirmed by the City Council. The commission may act as the research and fact finding agency of the city. To that end it may make such surveys, analyses, researches and reports as are generally authorized or requested by the Council with the approval of the Council. The Commission is comprised of at least seven residents of the City and one may be a non-resident of the City who meets on the third Monday evening of each month in the City Council Chambers.

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# COUNCIL COMMITTEES

Members of the City Council are assigned to the following committees to assist in research and recommendations to the full council.

## ECONOMIC DEVELOPMENT/TOURISM COMMITTEE

**CURRENT MEMBERS:** Bek Ashby, Jeff Cartwright, and Fred Chang  
Committee responsibilities include public events and tourism related issues.

## FINANCE COMMITTEE

**CURRENT MEMBERS:** John Clauson, Robert Putaansuu, and Jerry Childs  
Committee reviews contracts and financial issues of the city.

## FESTIVAL OF CHIMES AND LIGHTS COMMITTEE

**CURRENT MEMBERS:** Jerry Childs and Cindy Lucarelli  
Committee recommends activities and advertisements on the subject and issues that have been historically assigned to this committee.

## LODGING TAX ADVISORY COMMITTEE

**CURRENT MEMBERS:** Fred Chang, 4 Hoteliers, and 4 Non-profits  
Committee reviews lodging tax applications and provides recommendations to the Council for distribution.

## PUBLIC PROPERTY COMMITTEE

**CURRENT MEMBERS:** Bek Ashby, Fred Chang, and Jeff Cartwright  
Committee reviews actions of the City regarding City property, including parks, streets, alleys and sidewalks. They also work on updating the City's Comprehensive Parks Plan.

## SEWER ADVISORY COMMITTEE

**CURRENT MEMBERS:** Robert Putaansuu, John Clauson, and Cindy Lucarelli  
The committee meets with the West Sound Utility District Commissioners to discuss the Joint Wastewater Treatment Facility.

## UTILITIES COMMITTEE

**CURRENT MEMBERS:** Robert Putaansuu, John Clauson, and Cindy Lucarelli  
Committee members also serve as City representatives on the Sewer Advisory Committee meeting with the West Sound Utility District Commissioners to discuss the Joint Wastewater Treatment Facility. The committee reviews utility issues related to sewer, water, and storm-water.

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# COUNCIL GOALS

COUNCIL AND STAFF IDENTIFIED THE FOLLOWING GOALS FOR 2015:

- TRANSPORTATION
  - Bethel Corridor
    - Grind out Phase 1
    - Start the redesign public process
  - Street & Sidewalk Improvements
  - Bay Street Pedestrian Pathway
    - ROW Certification
    - Segment 3A
    - Segment 4 Bridge
  - Tremont Corridor-Funding Plan
- PARKS
  - DeKalb Pier – Phase 2
  - McCormick Village – Design Phase 1B
  - Paul Powers
- ADMINISTRATION
  - City Hall Space Analysis
  - Evaluate and plan to improve City's use of technology
- ECONOMIC DEVELOPMENT
  - Website Update
- OTHER
  - Pursue grant opportunities
  - Create Financially constrained plans



CITY OF PORT ORCHARD  
Office of the City Treasurer

216 Prospect Street, Port Orchard, WA 98366  
Voice: (360) 876-7023 • Fax: (360) 895-9029  
www.cityofportorchard.us

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January 5, 2015

To: Citizens of Port Orchard  
Port Orchard City Council  
Mayor of Port Orchard

The 2015 budget is our blueprint to the future, which is perfectly fitting in our 125<sup>th</sup> year.

These pages reflect funding for our various municipal services as well as capital projects to enhance the City. The budget contains many of the services that you see every day. It includes funding for the police patrol, the water utility workers, and the street maintenance crew.

There are other services not as noticeable. They include our Municipal Court, our Community Development Department, and our Information Technology Department. Working as a team these various departments allow the City of Port Orchard to work cost effectively to meet its day-to-day responsibilities while planning for its future.


The City remains financially strong and continues to benefit from prudent financial decisions. We continue funding the stabilization arrangement fund, and we have almost no debt. The City of Port Orchard is an example of how a City can function efficiently and economically while providing key services to the community.

We have grown. Looking back in 20 years, 2015 may be viewed as a turning point. The economy has stabilized from the effects of the great recession, new City boundaries are well defined, and new financially constrained comprehensive plans will be adopted that provide the roadmap to improved infrastructure.

The future will be challenging as we work to fund improvements to our streets and roads, update and maintain our water sewer system, and provide recreational opportunities through our park system, while continuing to pay for the day-to-day activities that we have come to expect.

Working together we can build a City that keeps the best of the past and makes the most of the future. I would like to thank the Mayor, City Council Members, engaged Citizens, Department Directors, and staff for their diligent and thoughtful work in preparing the 2015 budget.

Respectfully,

  
Allan J. Martin  
Treasurer



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# BUDGET GUIDE

The City of Port Orchard, Washington was incorporated on September 1, 1890 and operates under the laws of the State of Washington applicable to non-charter code cities (second class city) with a Mayor/Council form of government.

Title 35A of the Revised Code of Washington (RCW) states that preparing and adopting a budget is a legal requirement of all Cities. The budget is the lawful authority to expend public monies. It also controls how, when, and on what, those monies are expended.

The City of Port Orchard's budget document is a policy document that reflects general principles or plans and provides direction for the progress of the city in the upcoming year. The guidelines developed during the budget process enable city departments to reach their goals as authorized by Council. This document is also an operational guide in that each city department has planned, formalized and described the actions it will take in the upcoming months to attain the goals of the City Council. The budget document also provides our public with a view into the operations of the City and can help develop an understanding of how each department relates with another and how all departments work together to serve the public's best interest. The budget discusses future goals and projects the City hopes to accomplish.

## BUDGETING, REPORTING & ACCOUNTING

The City follows the generally accepted accounting principles (GAAP) as it applies to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. As prescribed by RCW 43.09.200 the City of Port Orchard utilizes the Budgeting, Accounting and Reporting System (B.A.R.S.) in the financial operations of the City.

### HOW B.A.R.S. WORKS

B.A.R.S. utilizes a standard chart of accounts to report financial activities of an entity. The City is required to use the revenue/expense chart of accounts and procedures contained in the B.A.R.S. manual for reporting purposes.

### REVENUES:

The 300 series of B.A.R.S. accounts designate all fund inflows by source. Revenue accounts 311-369 represent the source of revenues to a fund. Non-revenue accounts are indicated by account numbers 380 through 389. Accounts 391-397 characterize other financing sources in governmental-type funds. For proprietary and similar trust funds, 311-369 and account 395, represent revenues classified by source.

Below is a listing of the Basic Revenue accounts used by the City of Port Orchard.

- 310. Taxes
- 320. Licenses & Permits
- 330. Intergovernmental Revenues
- 340. Charges for Goods & Services
- 350. Fines & Penalties
- 360. Miscellaneous Revenues

- 370. Proprietary Income
- 380. Non-Revenues
- 390. Other Financing Sources

The next two digits are required to further describe which resource the revenues come from. Most revenue accounts have a total of five digits; however, some accounts may have two additional digits added for descriptive purposes.

## EXPENDITURES:

The 500 series of B.A.R.S. accounts designate all fund outflows by function, activity, and character. Expenditure accounts 510-579 represent current operating expenditures. 581-589 are non-expenditure accounts. Expenditure accounts 591-593 depict debt service expenditures and accounts 594-595 are capital outlay expenditures. Accounts 596-597 represent other financing uses.

Below is the listing of basic expenditure accounts used by the City of Port Orchard.

- 510. General Government Services
- 520. Public Safety
- 530. Utilities
- 540. Transportation
- 550. Natural & Economic Environment
- 560. Social Services
- 570. Culture & Recreation
- 580. Non-Expenditures
- 591-593. Debt Service
- 594-595. Capital Expenditures/Expenses
- 596-597. Other Financing Uses

An additional two digits are required to further describe which function the basic account supports (operating transfers being the exception to this rule).

The last descriptive coding is the two digit object code. The object code applies to the article purchased or the service obtained.

## OBJECT CODES:

- .10 Salaries & Wages
- .20 Benefits
- .21 Uniforms
- .30 Supplies
- .40 Other Services & Charges
- .50 Intergovernmental Services & Taxes
- .60 Capital Outlays
- .70 Debt Service: Principal
- .80 Debt Service: Interest and Related Costs
- .90 Interfund Payments for Services

The following chart summarizes the amount of detail required for Revenue & Expenditure coding.

Item Description	Examples	
<b>Fund</b>	001	001
<b>Department</b>	1	0
<b>Prime Digit</b>	500 (Expenditures)	300 (Revenues)
<b>Basic Account</b>	5 <u>1</u> 0	3 <u>1</u> 0
<b>Sub-Account</b>	51 <u>4</u>	31 <u>6</u>
<b>Element</b>	514. <u>2</u> 0	316. <u>4</u> 0
<b>Sub-Element</b>	514. <u>23</u>	316. <u>41</u>
<b>Object</b>	514.23. <u>3</u> 0	
<b>Sub-Object</b>	514.23. <u>31</u>	

**FUND:**

Used to identify funds created and maintained for a particular purpose.

**DEPARTMENT:**

The City uses the optional Department category to differentiate expenses for each individual department. Department Codes are as follows:

- 0 Revenues
- 1 Finance
- 2 Court
- 3 Police
- 4 Community Development
- 5 Public Works
- 6 Miscellaneous
- 7 Administration

**PRIME DIGIT:**

The first figure in the seven digit account number.

If the first digit is:

- 1 - Indicates an asset account.
- 2 - Indicates a liability or equity account. It also denotes budgetary and nominal control accounts.
- 3 - Denotes revenue, non-revenue, or other financing source detail (subsidiary) account.
- 5 - Is an encumbrance, expenditure, non-expenditure or other financing use detail account.

**BASIC/SUBACCOUNT:**

Revenues - The numbers assigned to identify the source (origin or originating category) from which revenues are obtained.

Expenditures - The numbers assigned to identify different categories of operations from which expenditures/expenses are incurred.

**ELEMENT/SUBELEMENT:**

Revenues - The numbers assigned to further identify specific types of revenues with a particular Basic/Sub category.

Expenditures - The numbers assigned to further identify specific types of activities related to the particular Basic/Sub category.

## OBJECT/SUBJECT:

Revenues - The City does not use object codes for revenues.

Expenditures - The numbers assigned to identify expenditures according to the character and the type of items purchased or services obtained.

## FUND DESIGNATION AND CLASSIFICATIONS

The City budget implements Governmental Accounting Standards Board (GASB) Statement 54 Fund Balance Reporting and Governmental Fund Type Definitions to improve financial reporting by providing easily understood fund balance categories and classification. The classifications set-up a hierarchy based primarily to reflect constraints on how the money in the fund can be spent.

### THE FUND CLASSIFICATIONS ARE:

- ***Nonspendable*** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- ***Restricted*** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- ***Committed*** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- ***Assigned*** fund balance comprises amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- ***Unassigned*** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

The City uses fund accounting to ensure compliance with legal requirements and to assist in the budgeting operations of the different activities of the City. The 2015 budget contains twenty funds. Each fund has its unique purpose.

## FUNDS:

The City maintains budgetary controls over its operating funds. Budgetary controls ensure compliance with legal provisions embodied in the annual appropriated budget. Governmental funds budgets are established in accordance with state law, and are adopted on a fund level. Personnel services are budgeted by position and by prorating the costs based on time allocation to the various funds.

The City of Port Orchard accounts for and reports its resources in two fund types - Governmental and Proprietary. Governmental funds account for activities associated with the running of the City. These are supported largely by taxes. Proprietary funds account for services to the general public that are, for the most part, financed by user fees and charges for the services provided by the City.

## GOVERNMENTAL FUND TYPES

Port Orchard's governmental funds are divided into the five categories, listed below, to ensure proper accounting and reporting of resources.

### GENERAL FUND (001-099)

The primary fund of the City is the General Fund. It is used to account for all financial resources not accounted for in another fund. Included in the General Fund are Police, Municipal Court, Engineering, Streets, Parks, Building, Planning, Finance, Legislative and Administration. 79% of these services are supported by taxes (Property tax 23%, Sales tax 39% Utility tax 15% and other taxes 2%). Other revenues include Charges for Goods and Services 4%, Fines and Forfeits 2%, Licenses & Permits 3% and Intergovernmental Revenues 4%. In 2015 Operating Transfers account for 6% of the revenue due to large capital projects and Miscellaneous Revenues factor about 1%.

### SPECIAL REVENUES FUND (100-199)

These Funds account for revenues that are restricted or committed to expenditure for specific purposes. The City has six special revenue Funds that ensure the revenues are used only for activities that meet the requirements dictated by the source of the revenue. B.A.R.S. defines restricted revenues as "resources externally restricted by creditors, grantors, contributors, laws or regulations of other governments, or restricted by law through constitutional provisions or enabling legislation." The definition for committed revenues is "resources with limitations imposed by the highest level of the government, and where the limitation can be removed only by a similar action of the same governing body."

### DEBT SERVICE FUNDS (200-299)

Debt Service Funds account for the City's financial resources that are restricted, committed or assigned to expenditure for principal and interest. The City has one Debt Service Fund.

### CAPITAL PROJECTS FUNDS (300-399)

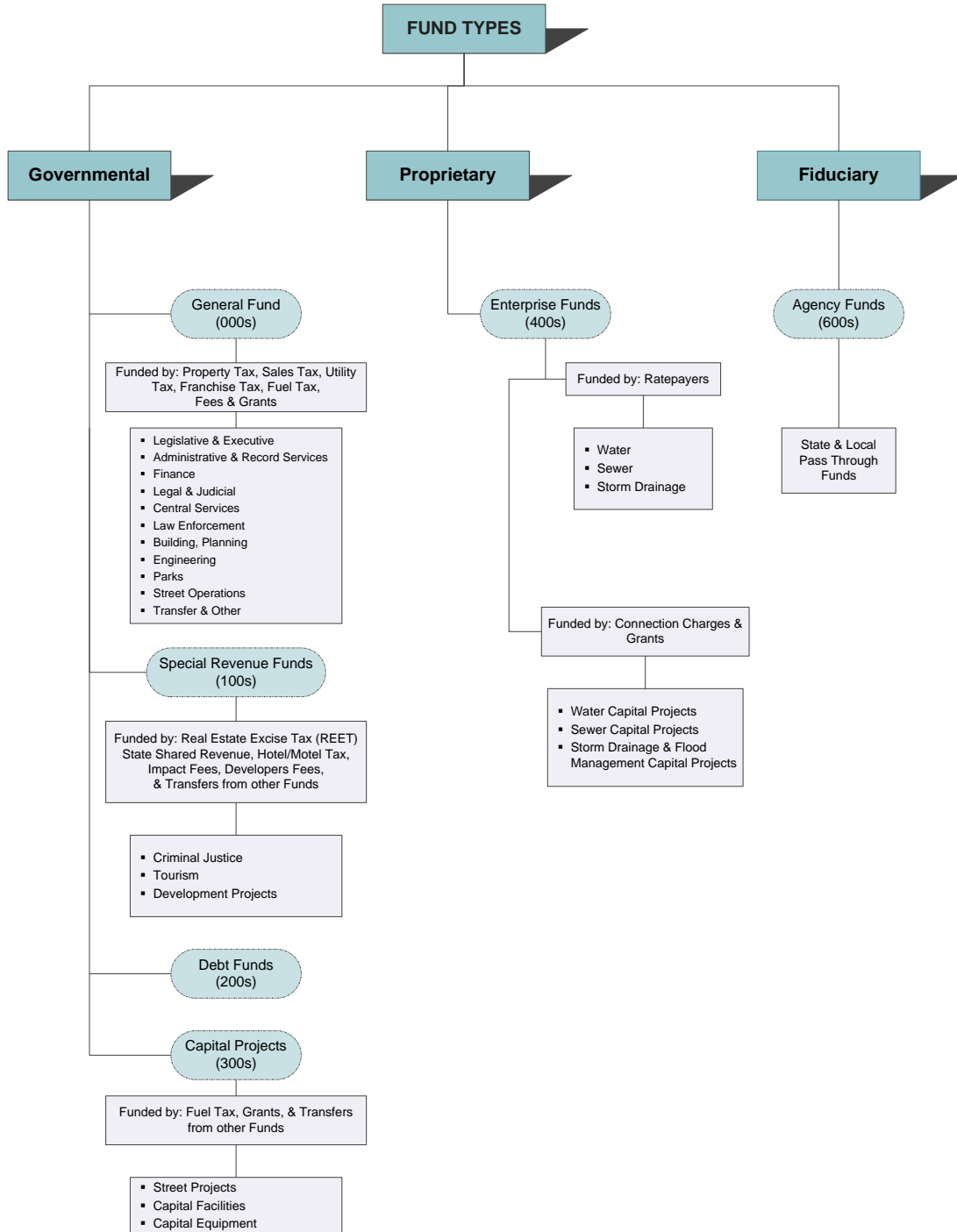
Acquisition or construction of capital projects are accounted for here. The City has three Capital Project Governmental Funds. The Capital Construction fund receives transfers from other general funds or revenue from grant proceeds to use on capital projects. The Cumulative Reserve for Equipment Replacement where funds are placed as authorized by Council to use for equipment purchases. The Street Capital Projects Fund is for street projects; revenues from grant dollars and a portion of the fuel tax revenues are placed here.

### AGENCY FUNDS (600-699):

Agency Funds represent assets held in a trustee or agency capacity for others and do not report results of operation. The City has three agency funds. The 1984 Refunding Fund is an expendable trust fund to pay outstanding bonds with monies held by the refunding trustee, US Bank. The Trust and Agency Fund collects fees which the Treasurer, acting as intermediary depository, shall distribute to the proper agencies on a regular and timely basis. Examples of these fees include but are not limited to State court fines, County crime victim fines, State building code fees, State concealed pistol licenses and background checks. The Wastewater Treatment Facilities Fee Fund receives facility fees which are collected for the Joint Wastewater Treatment Facility.

# PROPRIETARY FUND TYPES (400-499)

Proprietary Funds are used to account for services provided to the public where the majority of the costs are supported by user fees and charges. The City has two Proprietary Funds – Water Sewer Utility and Storm Drainage Utility.



## CITY FUNDS

### CURRENT EXPENSE – FUND 001

The Current Expense Fund accounts for all financial resources except those required to be accounted for in another fund.

### CITY STREET-FUND 002

City Street Fund is a general fund that accounts for City street revenue sources, including 95% of the Motor Vehicle Fuel Tax, to be used for city street purposes. Expenses for street related operations, maintenance and improvements are coded here.

### STABILIZATION-FUND 003

A Stabilization Arrangement in an amount of two months of its five year arithmetic mean of General Fund expenditure budget may be maintained annually as resources allow. Funding may come from one time revenues, monthly budgeted amounts from general revenues, and transfers from ending fund balance as authorized by Council resolution. The City Treasurer must quantify, document and present the significance of a qualifying event. Authorization for spending stabilization reserves requires a simple majority vote of the City Council.

### CRIMINAL JUSTICE-FUND 103

In 1990 the legislature passed a bill to provide funding for Criminal Justice to local government. These revenues are placed in this account and must be used exclusively for Criminal Justice purposes.

### SPECIAL INVESTIGATIVE UNIT-FUND 104

This special revenue fund was created to account for monies and property seized during drug investigations per RCW 69.50.505. Monies paid into the fund are to be used by the Police Department for drug enforcement purposes.

### COMMUNITY EVENTS-FUND 107

This is a special revenue fund where monies received from Hotel/Motel Transient (Stadium) Tax per RCW 67.28 are accounted. These monies are to be used solely for the purpose of paying all or any part of the cost of tourism promotion and acquisition or operation of tourism related facilities.

### PATHS & TRAILS-FUND 108

The purpose of this fund is to establish and maintain paths and trails for pedestrians, equestrians or bicyclists as part of streets, roads & highways. Revenues come from the Motor Vehicle Fuel tax. As required by RCW 47.30.030, no less than 0.42 percent of the total amount of funds received will be placed into this fund once the City's transportation plan is adopted. These funds may be held for a period of not more than 10 years and are to be expended on the purposes described above.

### REAL ESTATE EXCISE TAX (REET) –FUND 109

Real estate excise tax (REET) is levied on all sales of real estate. This tax is collected by the State of Washington and a percentage is passed on to the City. There are two types of REET funds. Each have specific ways in which they may be spent. This fund tracks the receipt and disbursement of REET 1 and REET 2. The first quarter percent (REET1) is dedicated to local capital projects as identified in RCW 82.46. The second quarter percent (REET2) shall be used solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan. In 2011 legislature expanded, for a limited period of time, the uses of REET both the first and second quarter. Cities may now, with restrictions, use

REET 1 & 2 for operation and maintenance of existing capital facilities. This new authority expires on December 31, 2016.

#### **IMPACT FEE -FUND 111**

The Impact fee fund establishes separate accounts within the fund and maintains records for each such account whereby impact fees collected can be segregated by type of facility and by service area. All interest is retained in the account and expended for the purposes for which the impact fees were imposed. Impact fee expenditures for system improvements are expended only in conformance with the capital improvement plan. Impact fees are expended or encumbered for a permissible use within six years of receipt, unless there exists an extraordinary and compelling reason for fees to be held longer than six years. Such extraordinary and compelling reasons shall be identified in written findings by the City Council.

#### **2003 LIMITED TAX GO REFUNDING BOND-FUND 206**

This is a debt service fund created for the purpose of paying principal of and interest on the 2003 refunding bond in the amount of \$3,000,000. The City refunded the 1999 Limited Tax General Obligation Bond that was issued to pay the cost of constructing a new municipal facility. The City has committed to paying this debt using funds from Cumulative Reserve for Municipal Facilities (73%), and Water-Sewer Operating (27%). Outstanding principal is \$1,015,000 on December 31, 2014.

#### **CAPITAL CONSTRUCTION-FUND 302**

Capital Construction fund is used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). This fund accounts for grant funding and transfers from other funds (i.e. REET 109) which provide the cash flow to complete the projects.

#### **CUMULATIVE RESERVE FOR EQUIPMENT REPLACEMENT-FUND 303**

This fund is used to account for financial resources to be used for purchasing and/or replacing Current Expense and City Street capital equipment.

#### **STREET CAPITAL PROJECTS-FUND 304**

This fund is used to monitor restricted revenues and expenditures for Street Capital Projects. Revenues include the State-levied Motor Vehicle Fuel taxes distributed to the City and street related grant funding. The City utilizes fuel tax revenues as matching funds for grants specified for street capital project purposes.

#### **WATER SEWER UTILITY-FUND 401**

Water Sewer is an enterprise fund used to account for operations that are normally financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. If issued, debt is backed solely by fees and charges and the cost of providing services for an activity must legally be recovered through water and sewer fees or charges.

#### **WATER SEWER EQUIPMENT REPLACEMENT-FUND 402**

This enterprise fund was created for purchasing and/or replacing Water Sewer equipment.

#### **CUMULATIVE RESERVE FOR WATER SEWER-FUND 403**

This enterprise fund was created for Water Sewer capital outlay, debt service, and maintenance and operation, into which the revenues received from capital facility charges and fees in lieu of assessment



are placed. The purpose of this fund is to build up reserves to be expended for betterments and improvements to the utilities, with debt service and maintenance and operation to be funded as necessary.

#### **STORM DRAINAGE UTILITY-FUND 421**

Storm Drainage Utility is an enterprise fund used to account for the City's storm drainage operations and surface water management system – where the intent of the governing body is that the costs (including depreciation) of providing services to the general public will be financed or recovered primarily through user charges. If issued, debt is backed solely by fees and charges and the cost of providing services for an activity must legally be recovered through storm drainage fees or charges.

#### **STORM DRAINAGE EQUIPMENT REPLACEMENT-FUND 422**

This enterprise fund was created for purchasing and/or replacing Storm Drainage utility equipment.

#### **STORM DRAINAGE CAPITAL FACILITIES FUND-423**

The purpose of this fund is to build up reserves to be expended for betterments and improvements to the storm drainage utility, with debt service and maintenance and operation to be funded as necessary.

#### **1984 REFUNDING-FUND 621**

An expendable trust fund to pay outstanding bonds with monies held by the refunding trustee, US Bank. In 1984, the 1962, 1963, 1973 and 1977 bond issues were refinanced and the money was invested in US Treasury and Agency obligations to match the debt service schedule. The 1977 bond issue is the only remaining debt, with principal of \$19,000 and interest of \$1,800 for a total of \$20,800 outstanding as of December 31, 2014. The issue will be paid off in 2017 and any money remaining will be transferred and paid into the Water Sewer Operating Fund.

#### **TREASURER'S TRUST & AGENCY-FUND 631**

This agency fund collects fees which the Treasurer, acting as an intermediary depository, shall distribute to the proper agencies on a regular and timely basis. Examples of these fees include but are not limited to State court fines, County crime victim fines, State building code fees, State concealed pistol licenses and background checks.

#### **WASTEWATER TREATMENT FACILITIES FEE -FUND 632**

This agency fund receives money from the Joint Venture to repay both Public Works Trust Fund loans. Also deposited into this fund are Wastewater Treatment Facility fees. These dollars are held in trust to mitigate the debt and future construction costs for the Wastewater Treatment Facility.

## **BUDGET PROCESS**

Annual appropriated budgets are adopted for the general fund, special revenue funds, debt service funds not related to special assessments and capital projects funds on the modified accrual basis of accounting. Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for the fiscal periods that correspond to the lives of debt issues or projects. There is no difference between the budgetary basis and generally accepted accounting principles. Proprietary funds are budgeted on the full accrual basis for management control purposes only. Appropriations for general and special revenue funds lapse at year-end.

## BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. With accrual accounting, revenue is recognized when earned and measurable (usually evidenced by delivery of goods or services to a customer and issuance of an invoice for same). Expenditures are recognized when the liability is incurred (usually measured by receipt of goods or services rendered). Modified accrual accounting is a hybrid of cash and accrual methods. Revenue is recognized when earned, measurable, and available. Expenditures are still recognized when the liability is incurred. This accounting method is used for the budget process and the audited financial statements.

Port Orchard operates on a calendar year basis. The Budget process begins with discussions regarding priorities the City faces. Input is received from the public concerning the course the City should chart towards the future. Mayor and Council use this input along with facts and direction from City departments to develop a progression for the upcoming year. In midsummer the Finance Department provides a beginning projection of the next year's revenue expectations. Data used to forecast revenues comes from many different sources. Historical values, trends, economic data are researched with other entities (State of Washington OFM, MRSC, AWC, Kitsap County Assessor), and with City Directors. The data is compiled and reviewed by Finance to provide the best estimates for the upcoming year. These calculations are used in concert with the Mayor/Council's goals for the next year to provide the target for departmental expenditures. In early August the Finance Director provides departments with their budget targets and other pertinent information to help them develop their budgets. Departments are also asked to provide a supplemental budget indicating any staffing changes, capital projects or other items that are not included in their regular budget. Department budgets are returned to Finance by the 1<sup>st</sup> week of September in compliance with RCW 35.33.031.

These estimates are then submitted to the Mayor for review. The Mayor discusses departmental needs with each director and reviews the budget to provide a balanced preliminary budget recommendation to Council.

In accordance with RCW 35A.33.135, on or before the first Monday in October the Mayor submits the preliminary estimated revenues and expenditures to Council. Throughout October, Council conducts budget workshops and study sessions to discuss the budget with departments and allow taxpayer's comments. A public revenue hearing is also held preceding Council's vote on the Property Tax Levy. Council makes its adjustments to the preliminary budget and after two public hearings, and prior to December 31<sup>st</sup>, adopts an ordinance providing the final balanced budget. The adopted budget is published and made available to the public early the following year.

The City begins implementing the adopted budget the first day of January following adoption. Directors monitor their expenditures to ensure adherence to the approved budget. The Finance Department also monitors expenditures and provides financial updates to Council and Department Directors.

## BUDGET AMENDMENTS

The City Treasurer is authorized to transfer budgeted amounts between departments within any fund; however any revisions that alter the total expenditures of a fund or that affect the number of authorized employee positions, salary ranges or other conditions of employment must be approved by City Council. When the Council determines that it is in the best interest of the City to increase or decrease the appropriations for a particular fund, it may do so by ordinance approved by one more than the majority

after two readings. Budget amendments are typically expenditures or revenues received that were not planned for or could not have been foreseen during the budget process.

## CITY REVENUE SOURCES

The City has a variety of revenue sources for its Governmental Funds, the largest of these being property tax and sales tax. Other revenue sources are: other taxes, licenses & permits, charges for goods & services, fines & forfeits, and intergovernmental revenues.

### PROPERTY TAX:

The Kitsap County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Collections are distributed after the end of each month. A City is permitted by law to levy up to \$3.60 per thousand of assessed valuation for general governmental services. The City is annexed into South Kitsap Fire District #7 (SKFD). And beginning in 2012 the City resident's voted to annex into the Kitsap Regional Library District (KRL). SKFD may levy up to \$1.50 per thousand of assessed valuation and KRL is allowed up to \$0.50. The difference between SKFD & KRL levies and \$3.60 is the City's capacity. Washington State Law, RCW 84.55.010 limits the rate.

The 2015 assessed valuation for properties in the City of Port Orchard is \$1,347,919,629. The 2015 Property tax levy is \$11.6362 per thousand of assessed valuation of which the City receives \$1.7252.

Year	Assessed Valuation	Levy Rate	Property Tax Revenue
<b>2007</b>	726,921,614	2.0768	1,509,652
<b>2008</b>	814,625,858	1.8949	1,543,671
<b>2009</b>	833,125,854	1.9488	1,623,607
<b>2010</b>	1,165,037,143	2.1424	2,495,925
<b>2011</b>	1,239,258,364	2.1192	2,626,382
<b>2012</b>	1,192,138,362	1.8477	2,202,693
<b>2013</b>	1,312,770,504	1.7573	2,307,207
<b>2014</b>	1,319,792,155	1.6979	2,240,898
<b>2015</b>	1,347,919,629	1.7252	2,325,748

- The 2010 increase is due to the McCormick Woods Annexation completed in July 2009
- In 2010 Port Orchard residents approved annexation into the Kitsap Regional Library District. This became effective in 2012, which along with declining property values caused the decrease in revenues.
- The 2013 increase is due to the Bethel North Annexation completed April 2012.
- The City's Property tax dollars are distributed between the Current Expense Fund and City Street Fund. Council determines actual distribution during the regular budget sessions. 2015 property tax revenues are estimated to be 23% of the General Fund revenues.

## RETAIL SALES & USE TAX:

Sales Tax is collected by the State and distributed to the City. The retail sales & use tax rate inside the City of Port Orchard is 8.7% of all retail sales, of this amount only 0.84% is received by the City.

The amount of sales tax received fluctuates from year to year due to the economy, resident spending and the construction market. Sales tax is one of the top two sources of revenue for the City. For 2015 sales tax represents an estimated 39% of the General Fund revenues.

## UTILITY TAXES:

Utility taxes are levied on the gross operating revenues of public and private utilities within the City's boundaries. State law enables cities to levy utility taxes on natural gas, telephone and electricity in an amount up to 6% of the total charges. Cable TV may be charged an amount up to 5%. The City of Port Orchard does impose utility taxes, but currently does not impose the maximum amount for all categories. A tax is also permitted on solid waste, water, sanitary sewer and storm drainage. No rate limitation exists on this second category of utilities. Port Orchard imposes the maximum allowable amount of 6% for electric and telephone utility tax. The rate imposed for natural gas, however, is only 2% of the maximum allowable rate of 6%. For garbage utility tax the imposed rate of tax has remained at 6% since 1975. A utility tax for water and sewer has been at the same rate of 5% since 1970. The storm drainage facility, which began operations in 2009, is also charged at 5%. Federal law permits a franchise tax on cable television of up to 5%. Beginning in 1989, the City imposed a rate of 4%. However in 2006, Ordinance No. 016-06 increased the rate to the maximum allowed of 5%.

## LEASEHOLD EXCISE TAX:

This tax is collected by the State on property that is in public ownership that is leased to private parties. These taxes are collected in lieu of property tax for which a public entity is exempt. The State taxes these properties at a rate of 12.84%. Of this, Port Orchard is given 32% of revenues collected for publicly owned properties within City limits.

## GAMBLING TAX:

State law permits a variety of gambling taxes. With limitations on gambling in the City of Port Orchard, the collection of such taxes is also limited. Currently, the City does not impose the maximum rate allowed by the State in two out of the four sectors the City collects taxes on.

	Maximum Rate	City Rate
<b>Bingo/ Raffles</b>	5%	5%
<b>Amusement Games</b>	2%	2%
<b>Punchboard /Pull Tabs</b>	10%	3%
<b>Card Room</b>	20%	10%

## ADMISSIONS TAX:

State law provides for a tax of up to 5% on admissions. Ordinance No. 039-07 set the tax at the maximum 5%, beginning in 2008.

## REAL ESTATE EXCISE TAX (REET):

The real estate excise tax is levied on all sales of real estate. The tax is measured by the full selling price including the amount of any liens, mortgages, and other debts given to secure the purchase. The State levies this tax at the rate of 1.28%. The City receives REET funding from the State in two categories. REET 1 (a quarter percent of the Real Estate Excise Tax) funding is restricted in its uses, usually only for Capital Projects. REET 2 also may only be used for Capital Projects; however, this funding may not be used for the acquisition of land for parks. The 2011 legislature expanded, for a limited period of time, the uses of REET 1 and REET 2. Cities may now, with some restrictions, use REET funds for operation and maintenance of existing capital projects. This new authority expires on December 31, 2016.

## LICENSES & PERMITS

The largest source of revenue in this category is building permits. Building permit revenues fluctuate depending on the economy and sales of new homes.

## INTERGOVERNMENTAL REVENUE

Intergovernmental revenues include liquor revenues, fuel tax, grants and miscellaneous interlocal agreements.

I-1183 was approved by voters, privatizing liquor sales in the state. In general, liquor taxes remain and local governments continue to receive revenues from the liquor markup (the primary source of revenue for liquor profits) has ended. However, the initiative provides annual license fees for distributors and retailers, a percentage of which is distributed to cities. For 2015 the per capita projection is \$8.77 for liquor board profits and \$1.91 for liquor tax. Liquor profits are now revenues received for licensing fees from distributors and retailers.

The State levies a tax per gallon on motor vehicle fuel. Cities receive 10.6961% of the tax levied by the State based on a state formula per capita. These revenues are restricted in use for street related expenses. In 2015 the City of Port Orchard estimates it will receive \$266,814 in fuel tax revenues of which 0.42% is required to be set aside for Paths and Trails. The remaining balance will have 95% utilized in the City Street operations and the remaining 5% will be placed in the street capital projects to use as a local match for grants.

## FEDERAL GRANTS

The City of Port Orchard applies for and is awarded grants to fund specific projects or activities. These grants have different requirements for local agency funding. This is commonly referred to as a grant match. Below is the list of grants that are budgeted in 2015.

### US DEPARTMENT OF TRANSPORTATION / WSDOT - BAY STREET PEDESTRIAN PATHWAY

The Bay Street Pedestrian Pathway project started with a "no-match required" \$300,000 Enhancement grant to design/permit a 1-mile long multi-use (bike/pedestrian) pathway between Kitsap Transits' Downtown Foot Ferry and the Annapolis Dock Foot Ferry facilities. This project has progressed over the years, 100% plans, specifications & estimates (PS&E) and permitting completed in 2012, and in 2013

partnerships with the Port of Bremerton and State grant funding administered by the Department of Commerce constructed segments 2 and 5 of the path. In 2014 the city received WSDOT / FHWA funding for the overall pathway easement and right-of-way acquisition phase. This work continues into 2015

#### **US DEPARTMENT OF TRANSPORTATION / WSDOT - TREMONT STREET WIDENING PROJECT**

This WSDOT pass through grant will widen Tremont Street to provide four continuous lanes between Port Orchard Blvd and SR 16. Two existing signalized intersections within the project have been designed as roundabouts at South Kitsap Blvd and Pottery Ave. In addition to providing roadway widening and aesthetic improvements, this will provide curb, gutter, and sidewalks along both sides of the road; intersection modifications; improvements to storm drainage facilities; traffic signal and illumination upgrades; retaining walls and bike path. In 2015 the City has budgeted \$382,802. These funds are budgeted in the Street Capital Projects Fund.

### **STATE GRANTS**

#### **WA STATE DEPT OF COMMERCE - DEKALB PIER**

Under the State's Local and Community Projects Program the City was awarded \$255,000 from the 2014-2015 State budget, administered by the Department of Commerce for Phase Two of the Dekalb Pier project. Phase two consists of the repair, replacement, and renovation of the pier including pier expansion and float/pile replacement. This is budgeted in the Capital Construction Fund.

#### **WA STATE DEPT OF COMMERCE - BAY STREET PEDESTRIAN PATH (SEGMENT 4)**

The State Legislature awarded funding to this project as part of the 2014-2015 State Budget. The grant is administered by the Department of Commerce. This award will construct the pathway bridge across Blackjack Creek. The City has budgeted \$308,950 in the Street Capital Project Fund to complete the project in 2015.

### **CHARGES FOR GOODS AND SERVICES**

The Charges for Goods and Services category is comprised of user fees for services and activities provided by the City. In the General Fund the Charges for Goods and Services category includes Municipal Court related fines, penalties and other fees, building plan reviews, zoning and developer's fees and law enforcement services. These activities bring 4% of General Fund incoming revenues. The City's Proprietary funds, however, are funded almost exclusively on user fees. Charges for Goods and Services comprise 69% of the new revenues for the Water Sewer Utility and 85% for Storm Drainage Utility.

### **MISCELLANEOUS REVENUE**

Miscellaneous revenues generate 1% of the City's incoming revenues. Investment income, parking and rentals are the largest items in this category. In recent years the investment income category has fluctuated due to interest rates and less revenue available for investment.

### **DEBT**

The City of Port Orchard's legal debt limit, including voter-approved debt is approximately \$33.7 million. The City's Debt Policy is located in the "Financial Policies" section of the Budget Document.

In March of 2014 the City was awarded a low interest federal loan from the Drinking Water State Revolving Fund to design and construct Well 10. This is a reimbursement based loan of up to six million dollars. During the initial 48 month period from contract execution to project completion, the City may draw on the loan to design and construct the well. Construction of the well must be complete at the end of the 48 month period. The total cost of the well project (a maximum amount of six million dollars) becomes a 20 year loan with annual principle and interest payments beginning one year after the project completion date. In 2015 the city has budgeted \$1,000,000 for the Well 10 project.

## G.O. BOND

A City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Currently the City of Port Orchard has \$1,015,000 in general obligation bonds outstanding on December 31, 2014.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds are either created by 3/5 majority vote of the people and, therefore, financed by a special tax levy; or created by ordinance, adopted by the City Council, and normally financed from general revenues (councilmanic bonds). The City's Non-voted general obligation bonds is as shown below:

Name of Issuance	Purpose	Original Amount	Maturity Date	Interest Rate	Debt Outstanding
<b>2003 LTGO Bond-City Hall</b>	Capital project	3,000,000	12/1/2019	2%-3.8%	\$ 1,015,000

The City provides for cash to fund current debt service requirements as a part of the budgeting process. Annual debt service requirements to maturity for general obligation bonds are as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
<b>2015</b>	138,700	26,721	165,421	51,300	9,884	61,184
<b>2016</b>	142,350	22,006	164,356	52,650	8,139	60,789
<b>2017-2019</b>	459,900	34,626	494,526	170,100	12,806	182,906
	<b>\$740,950</b>	<b>\$83,353</b>	<b>\$824,303</b>	<b>\$274,050</b>	<b>\$30,829</b>	<b>\$304,879</b>

All bond issues comply with arbitrage regulations.

## NOTES

In November of 1998 a promissory note was entered into for the purchase of the McCormick Water Company. This note is repaid with new McCormick water connection fees as the revenue source. \$700 on each of the first 550 connections will be paid to McCormick Water Company after that \$225 shall be paid on the 551<sup>st</sup> through the 800<sup>th</sup> water connection. Payments are made no less frequent than quarterly. This type of note does not have a repayment schedule.

Water Sewer Fund - Note Due						
Name	Original Amount	Purpose	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
<b>McCormick Note</b>	\$441,250	Capital	11/23/1998	N/A	0.00%	\$169,650

## JOINT VENTURE

### JOINT WASTEWATER TREATMENT FACILITY

In 1983, the City of Port Orchard and West Sound Utility District (previously the Karcher Creek Sewer District) amended an intergovernmental agreement relating to the construction and management of the secondary Wastewater Treatment Facility. This Joint Venture establishes the Sewer Advisory Committee (SAC) consisting of three representatives from each entity who prepare and monitor the Facility's budget, after the City and District each adopt it. The District and the City share 50/50% ownership in the Facility's total assets. For the annual report, in accordance with the generally accepted accounting principles, the proportional shares of the Joint Venture's results of operations are presented as a single operating account on the City's proprietary fund's operating statement – Investment in Joint Venture. The Utility District is responsible for the daily operation of the facility. The participants pay their share of the expenses based on their portion of flow into the facility. The City and the District pay the Joint Venture, an amount determined during the budget process, monthly to cover maintenance, operation, capital improvements, and debt. The current cost sharing is 48% City and 52% District.

In 2004 the Joint Wastewater Treatment Facility Expansion construction began. Although both of the Public Works Trust Fund Loans for the Facility's expansion were issued in the City of Port Orchard's name, these loans are secured by the assets of the Facility and the revenues of the Facility are used to make the debt service payments. With a combined outstanding debt of \$8,020,760 at the end of 2014, these loans will not be retired until 2022 and 2024. Annually, the Facility makes a payment to the City to cover the debt service on these loans. The SAC recommended and the City Council and the District Commissioners approved using a portion of Wastewater Treatment Facility Fees collected by each jurisdiction for the plant to help make the annual debt payments. This cost sharing formula is 50% for each entity; in 2015 both will pay \$150,000.

Name of Issuance	Purpose	Total Amount of Loan	First Draw Date	Maturity Date	Interest Rate	Debt Outstanding
<b>Public Works Trust Fund</b>						
<b>Loan 1</b>	Capital	\$10,000,000	2/29/2004	7/1/2022	0.50%	\$4,420,760
<b>Loan 2</b>	Capital	6,800,000	6/30/2005	7/1/2024	0.50%	\$3,600,000
<b>Total Loans</b>						<b>\$8,020,760</b>

West Sound Utility District maintains separate accounting records and prepares separate financial statements of the operations of the Joint Wastewater Treatment Facility.



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# FINANCIAL POLICIES

## ADOPTION OF POLICES

The City Council adopted a comprehensive set of Financial Polices on August 28, 2012. These policies address revenue, expenditures, operating budget, capital management, accounting debt, cash management, investments, and reserves. Adopted financial policies have many benefits, such as assisting the elected officials and staff in the financial management of the City, saving time and energy when discussing financial matters, engendering public confidence, and providing continuity over times as elected officials and staff members change. While these policies will be amended periodically, they will provide the basic foundation and framework for many of the issues and decisions facing the City. The policies are written to promote sound financial management and assist in the City's stability, efficiency, and effectiveness.

The City's financial goals seek to ensure the financial integrity of the City; manage the financial assets in a sound and prudent manner; improve financial information for decision makers at all levels; maintain and further develop programs to ensure the long-term ability to pay all costs necessary to provide the level and quality of service required by the citizens; and maintain a spirit of openness and transparency while being fully accountable to the public for the City's fiscal activities. The policies are available to the public via the City's website.

## REVENUE POLICY

The City structures a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services. Current expenditures are to be funded by current revenues. Budgeted revenues are estimated conservatively using accepted standards and estimates provided by the state, other governmental agencies or reliable economic forecasters when available.

General Fund and other unrestricted revenues will not be earmarked for specific purposes, activities, or services unless otherwise authorized by City Council or required by law, or generally accepted accounting practices (GAAP).

If revenues from "one-time" or limited duration sources are used to balance the City's annual operating budget, it is to be fully disclosed and explained at the time the budget is written. It is the City's goal to not rely on these types of revenues to balance the operating budget. Enterprise and Internal Service operations are to be self-supporting. Grant funding for programs or items which address current priorities and policy objectives should be considered to leverage City funds.

## RESERVE POLICY

The City recognizes the importance of maintaining a reserve account to meet unanticipated needs and to fund emergency expenditures. If a reserve account is nonexistent or low, there is concern by bond rating agencies about the entity's ability to make payments in times of economic downturn. On the other hand, if a reserve is too high, there is concern that the entity is not using its resources adequately. Maintaining an adequate reserve is an essential component of cash management and good fiscal practice.

The City's established reserve policy for the General Fund strives to maintain a two tier reserve structure. The policy substantiates an undesignated General Fund ending fund balance of at least five percent of budgeted General Fund operating revenues. A City Stabilization Arrangement in an amount of two

months of its five year arithmetic mean of General Fund expenditure budget maintained annually as resources allow. Funding may come from one time revenues, monthly budgeted amounts from general revenues, and transfers from ending fund balance as authorized by Council resolution. Authorization for spending stabilization reserves requires a simple majority vote of the City Council.

## CASH MANAGEMENT AND INVESTMENTS POLICY

City funds are required to be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity to meet cash flow requirements, and financial return on principal (yield), in that order. Investable balances are held in the Local Government Investment Pool (LGIP) or the Kitsap County Treasurer local government investment pool. The LGIP is an investment vehicle maintained by the Office of the State Treasurer to help local governmental entities achieve higher rates of return by pooling local funds for economy of scale. The Kitsap County pool is invested in allowable investments authorized by the Revised Code of Washington. Both investment pools are transparent, easily accessible, and highly stable.

## EXPENDITURE POLICY

The City seeks to identify priority services, establish appropriate service levels, and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services. The City strives to adopt an annual balanced budget for the General Fund in which current expenditures do not exceed current projected revenues. Capital expenditures may be funded from one-time revenues. The City Council may approve a short-term interfund loan or use of one-time revenue sources to address temporary gaps in cash flow, although this will be avoided if possible.

## DEBT POLICY

The use of bonds or certificates of participation will only be considered for significant capital and infrastructure improvements. The City will not use long-term debt to pay for current operations. The term of the debt may not extend beyond the useful life of the improvements being financed. The general policy of the City is to establish debt repayment schedules that use level annual principal and interest payments.

The City strives to maintain its bond rating at the highest level fiscally prudent, so that future borrowing costs are minimized and access to the credit market is preserved. The City encourages good relations with financial bond rating agencies and is directed to follow a policy of full and open disclosure.

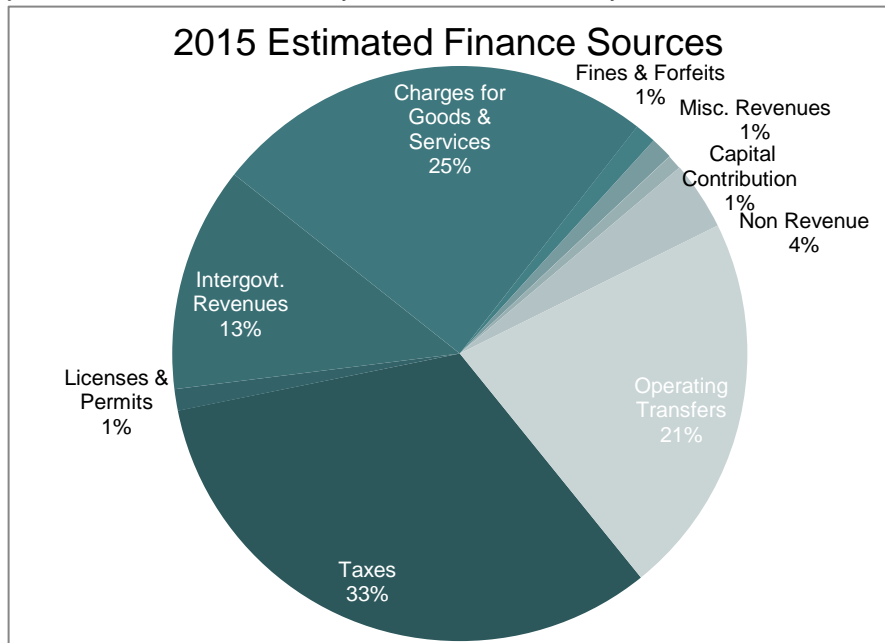
*The complete text of Port Orchard's financial policies can be accessed at:  
<http://www.cityofportorchard.us/departments/finance>*

# CITYWIDE REVENUES & EXPENDITURES

The information below reflects the Citywide Operating Revenues and Expenditures, providing cumulative information from all of the various City Funds.

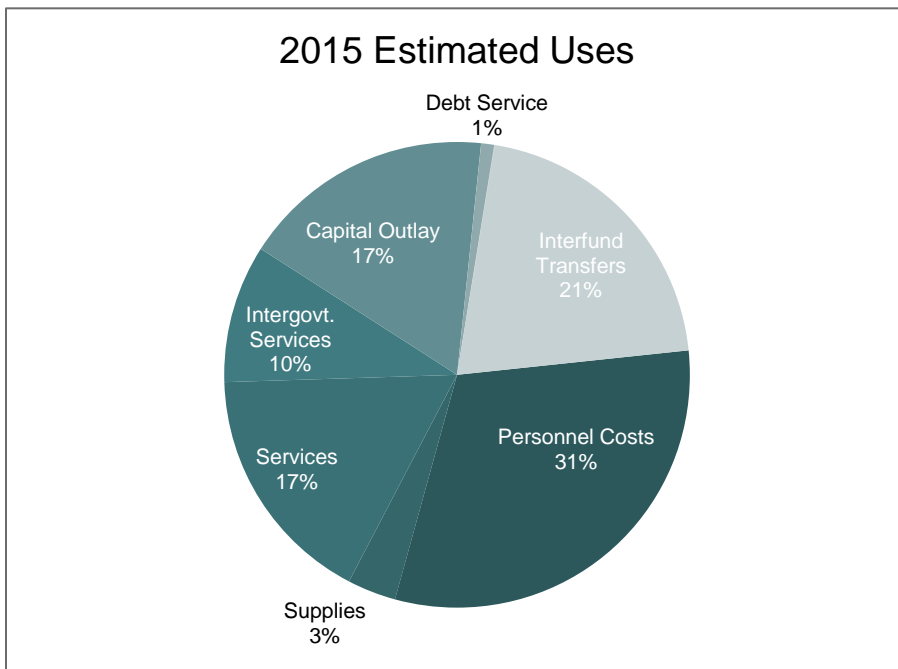
## CITYWIDE OPERATING REVENUES:

The Chart below displays the projections for new revenues, by source, which the City estimates to receive in 2015. These revenues allow the City to operate in its best capacity to serve the Citizens. The bulk of the incoming revenues are taxes (33%) which help operate the general governmental areas of the City. Charges for Goods and Services are the next largest piece of the pie at 25%. These are comprised mainly of utility fees for the Water Sewer and Storm Drainage Utility funds.



## CITYWIDE OPERATING EXPENDITURES:

This chart contains the breakout by percentage of cost allocations throughout the City. The top three are Personnel Costs (Salary and Benefits) at 31%. 21% Interfund Transfers for capital projects. Next at 17% are Services which includes Professional Services, Repairs & maintenance, Rents & Leases. 17% is also expected for Capital Outlay which includes acquisitions or additions to capital assets.



# SUMMARY OF REVENUES

Fund Title	Fund #	2013 Actuals	2014 Budget	2015 Budget
<b>General Fund</b>				
Current Expense	001	9,219,387	9,497,188	9,779,384
City Street	002	1,786,190	2,628,581	2,614,250
Stabilization	003	180,858	518,716	596,350
<b>Special Revenue Funds</b>				
Criminal Justice	103	413,806	406,970	498,170
Special Investigative Unit	104	51,785	52,130	50,150
Community Events	107	102,447	69,260	119,040
Paths & Trails	108	2,127	3,150	4,200
Real Estate Excise Tax	109	-	-	1,975,200
Impact Fee	111	1,235,148	1,139,940	856,350
<b>Capital Construction Funds</b>				
Capital Construction	302	2,685,236	2,609,420	1,930,000
Cumulative Reserve for Equipment Replacement	303	364,617	421,356	436,220
Street Capital Projects	304	1,272,604	1,471,000	3,538,974
<b>Proprietary Funds</b>				
Water Sewer Utilities	401	7,106,381	6,135,740	7,912,000
Water Sewer Equipment Replacement	402	310,247	311,290	312,190
Cumulative Reserve for Water Sewer	403	4,535,858	3,250,100	5,325,300
Storm Drainage Utility	421	1,352,282	1,487,650	2,048,113
Storm Drainage Equipment Replacement	422	300,299	300,450	400,270
Storm Drainage Capital Facilities	423	-	-	296,925
<b>Debt Service Funds</b>				
2003 Limited Tax GO Refunding Bond	206	166,618	166,200	165,421
1984 Refunding	621	8,650	8,300	7,950
<b>Grand Total</b>		<b>31,094,539</b>	<b>30,477,441</b>	<b>38,866,457</b>

# SUMMARY OF EXPENDITURES

Fund Title	Fund #	2013 Actual	2014 Budget	2015 Budget
<b>General Fund</b>				
Current Expense - Administration	001	744,191	884,160	921,002
Current Expense - Finance		481,342	639,094	662,183
Current Expense - Judicial		479,490	572,301	573,858
Current Expense - Law Enforcement		3,716,974	4,266,196	4,177,391
Current Expense - Community Development		610,547	831,626	979,607
Current Expense - Public Works		756,466	764,250	706,530
Current Expense - Parks & Recreation (PW)		171,000	262,851	309,993
Current Expense - Reserves & Fund Balance		2,256,928	1,276,710	1,448,820
City Street	002	1,786,190	2,628,581	2,614,250
Stabilization	003	180,858	518,716	596,350
<b>Special Revenue Funds</b>				
Criminal Justice	103	413,805	406,970	498,170
Special Investigative Unit	104	51,784	52,130	50,150
Community Events	107	102,386	69,260	119,040
Paths & Trails	108	2,127	3,150	4,200
Real Estate Excise Tax	109	-	-	1,975,200
Transportation Impact	111	1,235,149	1,139,940	856,350
<b>Capital Construction Funds</b>				
Capital Construction Fund	302	2,685,235	2,609,420	1,930,000
Cumulative Reserve for Equipment Replacement	303	364,617	421,356	436,220
Street Capital Projects	304	1,146,604	1,471,000	3,538,974
<b>Proprietary Funds</b>				
Water Sewer Utilities	401	5,155,576	6,135,740	7,912,000
Water Sewer Equipment Replacement	402	310,247	311,290	312,190
Cumulative Reserve for Water Sewer	403	4,535,858	3,250,100	5,325,300
Storm Drainage Utility	421	1,334,347	1,487,650	2,048,113
Storm Drainage Equipment Replacement	422	300,299	300,450	400,270
Storm Drainage Capital Facilities Fund	423	-	-	296,925
<b>Debt Service Funds</b>				
2003 Limited Tax GO Refunding Bond	206	166,618	166,200	165,421
1984 Refunding	621	8,650	8,300	7,950
<b>Fiduciary Funds</b>				
<b>Grand Total</b>		<b>28,997,288</b>	<b>30,477,441</b>	<b>38,866,457</b>

## 2015 BUDGET REVENUES BY CATEGORY (Citywide)

Fund Title	Fund #	Beginning Fund Balance & Reserves	Taxes	Licenses & Permits	Intergovt. Revenues	Charges for Goods & Services	Fines & Forfeits	Misc. Revenues	Capital Contribution	Non Revenue	Operating Transfers	Total Budget
<b>General Fund</b>												
Current Expense	001	1,401,210	6,958,800	312,500	174,574	367,500	234,800	150,000	-	-	180,000	9,779,384
City Street	002	863,500	1,035,200	-	252,400	3,000	-	10,150	-	-	450,000	2,614,250
Stabilization	003	518,000	-	-	-	-	-	350	-	-	78,000	596,350
<b>Special Revenue Funds</b>												
Criminal Justice	103	270,000	150,000	-	77,900	-	-	270	-	-	-	498,170
Special Investigative Unit	104	42,000	-	-	-	-	3,000	5,150	-	-	-	50,150
Community Events	107	43,000	76,000	-	-	-	-	40	-	-	-	119,040
Paths & Trails	108	3,100	1,100	-	-	-	-	-	-	-	-	4,200
Real Estate Excise Tax Fund	109	-	320,000	-	-	-	-	5,200	-	-	1,650,000	1,975,200
Transportation Impact	111	774,900	-	-	-	-	-	81,450	-	-	-	856,350
<b>Capital Construction Funds</b>												
Capital Construction Fund	302	1,650,000	-	-	255,000	-	-	-	-	-	25,000	1,930,000
Cumulative Reserve for Equipment Replacement	303	304,700	-	-	-	-	-	520	-	-	131,000	436,220
Street Capital Projects	304	680,000	-	-	2,554,234	-	-	4,740	-	-	300,000	3,538,974
<b>Proprietary Funds</b>												
Water Sewer Utilities	401	1,100,000	-	-	-	4,681,500	76,000	54,500	-	1,000,000	1,000,000	7,912,000
Water Sewer Equipment Replacement	402	311,000	-	-	-	-	-	1,190	-	-	-	312,190
Cumulative Reserve for Water Sewer	403	4,100,000	-	-	-	-	-	10,300	215,000	-	1,000,000	5,325,300
Storm Drainage Utility	421	340,000	-	1,800	-	1,455,963	-	350	-	-	250,000	2,048,113
Storm Drainage Equipment Replacement	422	300,000	-	-	-	-	-	270	-	-	100,000	400,270
Storm Drainage Capital Facilities Fund	423	-	-	-	-	-	-	-	-	-	296,925	296,925
<b>Debt Service Funds</b>												
2003 Limited Tax GO Refunding Bond	206	-	-	-	-	-	-	-	-	-	165,421	165,421
1984 Refunding	621	-	-	-	-	-	-	1,850	-	6,100	-	7,950
<b>Grand Total</b>		<b>12,701,410</b>	<b>8,541,100</b>	<b>314,300</b>	<b>3,314,108</b>	<b>6,507,963</b>	<b>313,800</b>	<b>326,330</b>	<b>215,000</b>	<b>1,006,100</b>	<b>5,626,346</b>	<b>38,866,457</b>

## 2015 BUDGET EXPENDITURES BY CATEGORY (Citywide)

Fund Title	Fund #	Personnel Costs	Supplies	Services	Intergovt. Services	Capital Outlay	Debt Service	Interfund Services	Interfund Transfers	Ending Fund Balance / Reserves	Total Budget
<b>General Fund</b>											
Current Expense - Administration	001	333,856	3,700	483,011	100,435						921,002
Current Expense - Finance		461,653	21,000	116,030		63,500					662,183
Current Expense - Judicial		510,865	7,525	55,468							573,858
Current Expense - Law Enforcement		3,255,469	137,150	129,310	647,554			7,908			4,177,391
Current Expense - Community Development		726,012	16,150	231,260		4,885		1,300			979,607
Current Expense - Public Works		132,659	12,250	451,621		110,000		-			706,530
Current Expense - Parks & Recreation (PW)		226,693	14,000	69,300		-					309,993
Current Expense - Reserves & Fund Balance					-				486,000	962,820	1,448,820
City Street	002	686,932	70,150	1,228,950		-			48,000	580,218	2,614,250
Stabilization	003									596,350	596,350
<b>Special Revenue Funds</b>											
Criminal Justice	103	118,714	34,294	2,000	24,812	45,150				273,200	498,170
Special Investigative Unit	104	750	2,900	3,750	-	-		-		42,750	50,150
Community Events	107			108,000						11,040	119,040
Paths & Trails	108									4,200	4,200
Real Estate Excise Tax	109								415,421	1,559,779	1,975,200
Transportation Impact	111			50,000					80,000	726,350	856,350
<b>Capital Construction Funds</b>											
Capital Construction Fund	302			-		255,000			1,650,000	25,000	1,930,000
Cumulative Reserve for Equipment Replacement	303					90,300			-	345,920	436,220
Street Capital Projects	304					2,915,554			300,000	323,420	3,538,974
<b>Proprietary Funds</b>											
Water Sewer Utilities	401	1,316,534	518,900	1,252,700	1,828,640	1,000,000	68,684		1,000,000	926,542	7,912,000
Water Sewer Equipment Replacement	402									312,190	312,190
Cumulative Reserve for Water Sewer	403								1,000,000	4,325,300	5,325,300
Storm Drainage Utility	421	623,933	76,350	381,685		280,000			396,925	289,220	2,048,113
Storm Drainage Equipment Replacement	422								250,000	150,270	400,270
Storm Drainage Capital Facilities Fund	423									296,925	296,925
<b>Debt Service Funds</b>											
2003 Limited Tax GO Refunding Bond	206						165,421				165,421
1984 Refunding	621						7,950				7,950
<b>Grand Total</b>		<b>8,394,070</b>	<b>914,369</b>	<b>4,563,085</b>	<b>2,601,441</b>	<b>4,764,389</b>	<b>242,055</b>	<b>9,208</b>	<b>5,626,346</b>	<b>11,751,494</b>	<b>38,866,457</b>

# FUND BALANCE CHANGES

Beginning fund balance is the projected amount of money at the beginning of the fiscal year. As the year progresses, expenditures made and revenues received will change the amount of fund balance. The City strives to maintain a minimum amount of fund balance for cash flow purposes. Revenue inflow fluctuates throughout the year and fund balance provides consistency to meet expenses and keep City operations moving forward. Amounts in excess of the minimum required for cash flow purposes may be set aside as reserves or used to fund expenditures that the City did not anticipate when it adopted the budget. The table below represents budgeted 2015 beginning fund balances, anticipated budgeted changes, and estimated ending fund balance.

Fund	Budgeted Beginning	Increase / (Decrease)	Budgeted Ending	Variance
001 Current Expense	1,401,210	(438,390)	962,820	-31%
002 City Street	863,500	(283,282)	580,218	-33%
003 Stabilization	518,000	78,350	596,350	15%
103 Criminal Justice	270,000	3,200	273,200	1%
104 Special Investigative Unit	42,000	750	42,750	2%
107 Community Events	43,000	(31,960)	11,040	-74%
108 Paths & Trails	3,100	1,100	4,200	35%
109 Real Estate Excise Tax	-	1,559,779	1,559,779	**
111 Impact Fees	774,900	(48,550)	726,350	-6%
302 Capital Construction	1,650,000	(1,625,000)	25,000	-98%
303 Cumulative Reserve for Equipment Replacement	304,700	41,220	345,920	14%
304 Street Capital Projects	680,000	(356,580)	323,420	-52%
401 Water Sewer Utility	1,100,000	(173,458)	926,542	-16%
402 Water Sewer Equipment Replacement	311,000	1,190	312,190	0%
403 Water Sewer Cumulative Reserve	4,100,000	225,300	4,325,300	5%
421 Storm Drainage Utility	340,000	(50,780)	289,220	-15%
422 Storm Drainage Equipment Reserve	300,000	(149,730)	150,270	-50%
423 Storm Drainage Capital Facilities	-	296,925	296,925	**

\*\*new funds for 2015

In 2015 the Current Expense fund balance is expected to decrease. This is largely due to the \$300,000 transfer to fund a portion of the Bay Street Pedestrian Path project. Current Expense will also transfer funds to the Stabilization Fund (Resolution No. 022-12), the Capital Facilities Fund for projects, and Equipment Replacement Fund for police cars. While the fund experiences a decrease it is still well above the minimum 5% of general fund operating revenues as described in the City's Financial Policies. Ending fund balance for the City Street Fund is expected to decrease significantly due to Bethel Corridor road repair work. The Stabilization Fund experiences an increase in fund balance in adherence to Resolution No. 022-12 which requires money be set aside for unforeseen circumstances. The Community Events Fund ending fund balance is decreased to reflect Lodging Tax Advisory Committee's (LTAC) direction to



provide additional funding for approved Hotel Motel tax dollar requests. The Paths & Trails Fund receives 0.42% of the annual fuel tax revenues causing a 35% increase to fund balance. Real Estate Excise Tax Fund No. 109 (REET) is new for 2015. Prior to 2015, REET funds were maintained in Cumulative Reserve for Municipal Facilities Fund No. 302. Fund No. 302 has been reclassified to be the Capital Construction Fund and the new REET Fund No. 109 was created to monitor receipt and usage of REET 1 and REET 2 tax revenues. The table above shows the fund balance decrease in Fund No. 302 and an increase in the new Fund No. 109 which documents the movement of REET revenue to its new special revenue fund designation. The City's Impact Fee Fund expects a slight decrease of 6% due to the transfer of Park Impact Fee dollars to Current Expense for a new city parks design plan. Cumulative Reserve for Equipment Replacement will experience a 14% increase due to reimbursements from the Current Expense Fund for police vehicles and City Street Fund for the multipurpose truck. The Street Capital Projects Fund continues several WSDOT pass-through grants as well as providing funding for the Bethel Corridor, this results in a reduction of fund balance in 2015. The Water Sewer Utility Fund will experience a slight decrease in fund balance due to several maintenance and repair projects. Water Sewer Cumulative Reserve Fund expects a slight increase in fund balance due to connection fees. Storm Drainage Utility Fund No. 421 fund balance will reduce by 15% as a result of transfers to both the Equipment Reserve Fund and the new Capital Facilities Fund. The Storm Drainage Equipment Reserve Fund will decrease its fund balance by 50% to purchase a new sweeper in 2015. Storm Drainage Capital Facilities Fund No. 423 was created in 2015 to capture funds received from the 2015 rate increase.

# PERSONNEL LIST

	2012	2013	2014	2015	Change	Monthly Salary	
						Low	High
Mayor	1	1	1	1	0	5,345	5,345
Council	7	7	7	7	0	771	1,000
<b>Total Legislative</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>		
City Clerk	1	1	1	1	0	5,720	7,192
Deputy Clerk	1	1	1	1	0	3,822	4,947
Office Assistant II	0.80	0.80	0.80	1.00	0.20	3,442	4,271
<b>Total Administration</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>3.0</b>	<b>0.20</b>		
City Treasurer	1	1	1	1	0	8,320	9,419
Assistant Treasurer	1	1	1	1	0	5,890	7,039
Accounting Assistants	6	6	6	6	0	3,316	4,911
Human Resources Coordinator	1	1	1	1	0	5,209	6,375
LAN Tech/IT Manager	1	1	1	1	0	5,089	6,169
<b>Total Finance/IT/HR</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>0</b>		
City Development Director	1	1	1	1	0	7,283	9,334
Administrative Assistant Planning	1	1	0	0	0	3,763	4,515
Office Manager/Permit Coord			1	1	0	4,593	5,543
Associate Planner	1.6	2	2	2	0	4,560	6,027
Assistant Planner	1	0	0	0	0	4,108	5,458
Code Enforcement	1	1	1	1	0	4,890	5,940
Building Inspector	1	1	1	1	0	5,067	6,001
Building/Planning Office Assistant I	0.50	0	0.75	1	0.25	3,366	3,952
<b>Total Community Development</b>	<b>7.1</b>	<b>6.0</b>	<b>6.75</b>	<b>7.00</b>	<b>0.25</b>		
Judge	0.6	0.6	0.6	0.6	0	7,225	7,225
Court Administrator	1	1	1	1	0	6,633	7,781
Lead Clerk	0	0	0	0.5	0.5	3,949	4,822
Court Clerks	3	3	3.6	3.1	-0.5	3,207	4,014
<b>Total Judicial</b>	<b>4.6</b>	<b>4.6</b>	<b>5.2</b>	<b>5.2</b>	<b>0.0</b>		
Chief of Police	1	1	1	1	0	10,178	10,178
Commander	1	1	1	1	0	8,627	9,513
Sergeant	3	3	3	3	0	6,781	7,509
Office Manager				1	1	4,664	5,512
Records/Evidence Manager	1	1	1		-1	3,947	4,846
Records/Evidence Specialist	1.5	1.75	2.35	2.25	-0.10	3,181	4,040
Public Service Officer Part Time	0.6	0.75	0.75	0.75	0	4,292	5,103
Parking Enforcement Officer	1	1	1	1	0	3,468	4,042
Patrolmen	17	19	19	18	-1	4,659	6,396
<b>Total Police Department</b>	<b>26.10</b>	<b>28.50</b>	<b>29.10</b>	<b>28.00</b>	<b>-1.10</b>		
Public Works Director/City Engineer	1	1	1	1	0	8,001	9,601
Assistant City Engineer	1	1	1	1	0	4,637	5,597
Stormwater Program Assistant				1	1	5,004	6,058
Public Works Office Manager	1	1	1	1	0	4,593	5,543
Public Works Office Assistants I	1.5	1.5	1.5	1.6	0.10	3,366	3,952
Community Service Supervisor	1	0	0	0	0	3,371	4,236
Public Works Supervisor	1	1	1	1	0	6,011	6,011
City Mechanic	1	1	1	1	0	4,720	5,261
PW Crew	9	11	10	9	-1	3,782	5,106
Water System Coordinator				1	1	4,484	5,411
Stormwater Laborer				1	1	4,484	5,411
Parks Maintenance	1	1	2	2	0	3,782	5,106
Parks Maintenance (Summer Help)	0.5	0.5	0.5	0.5	0	1,733	1,993
<b>Total Public Works</b>	<b>18.0</b>	<b>19.0</b>	<b>19.0</b>	<b>21.1</b>	<b>2</b>		
<b>Grand Totals</b>	<b>76.60</b>	<b>78.90</b>	<b>80.85</b>	<b>82.30</b>	<b>1.45</b>		

# SALARY SCHEDULE

	Current Expense	Criminal Justice	Water Sewer	City Street	Storm Drainage	Totals
Mayor	44,839		10,550	5,275	5,275	65,939
Council (7)	75,765					75,765
City Clerk	43,692		23,832	7,944	3,972	79,440
City Treasurer	52,403		34,935	23,290	5,823	116,451
Human Resources Coordinator	69,043		4,014	5,218	2,007	80,282
Assistant Treasurer	22,360		32,741	11,978	12,777	79,856
Deputy Clerk	40,029		12,317	6158	3,079	61,583
Office Assistant II	37,136		1237.88	2063	825	41,263
Treasurer's Accounting Assistants (6)	109,609		161,780	20,606	41,375	333,369
LAN Tech/IT Manager	63,283		10,814	3605	2,403	80,105
Public Works Director/City Engineer	23,277		58,191	29,096	5,819	116,383
Assistant City Engineer	9,842		9,842	4,921	73,815	98,420
Public Works Office Manager	23,858		34,594	13,122	7,953	79,525
Public Works Office Assistants (1.5)	29,407		29,407	7,352	7,352	73,519
Public Works Supervisor	19905		19,905	19,905	19,905	79,618
City Mechanic	6436		19,953	32,826	5,149	64,364
Electrician	8943		54,937			63,880
Laborers (8)	13300		252,586	187,460	66,992	520,338
Parks Maintenance (2 FT, 2 Summer, 2 Seasonal)	109,238		18912.47	22381.66		150,532
City Development Director	97,522					97,522
Associate Planner (2 FT)	140,128					140,128
Office Manager/Permit Coordinator	65,120					65,120
DCD Front Desk Clerk	43,000					43,000
Code Enforcement	75,260					75,260
Building Inspector	74,446					74,446
Judge	87,243					87,243
Court Administrator	98,433					98,433
Court Clerks (3.60)	160,372					160,372
<b>Total General Government</b>	<b>1,643,888</b>		<b>790,548</b>	<b>403,200</b>	<b>264,520</b>	<b>3,102,157</b>
Chief of Police	125,537					125,537
Commander	119,557					119,557
Sergeant (3)	282,729					282,729
Office Manager	62,335					62,335
Records/Evidence Specialist (1 FT 2 PT .60)	111,942					111,942
Public Service Officer Part Time	43,382					43,382
Parking Enforcement Officer (2 PT)	47,457					47,457
Patrolmen (18)	1,333,647	80,111				1,413,758
<b>Total Police Department</b>	<b>2,126,586</b>	<b>80,111</b>				<b>2,206,697</b>
Water System Coordinator			68,233			68,233
Stormwater Program Assistant					60,646	60,646
Stormwater Crew					64,624	64,624
<b>Total Other Departmental</b>			<b>68,233</b>		<b>125,270</b>	<b>193,503</b>
<b>Grand Totals</b>	<b>3,770,475</b>	<b>80,111</b>	<b>858,781</b>	<b>403,200</b>	<b>389,790</b>	<b>5,502,357</b>

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# CAPITAL EXPENDITURES

## BAY STREET PEDESTRIAN PATHWAY PROJECT

Amount:	\$ 308,950	Street Capital Projects Fund – DOC Grant
	<u>\$ 2,223,802</u>	Street Capital Projects Fund – WSDOT/FHWA grant
	\$ 2,532,752	Total

Department: Public Works

The City of Port Orchard is constructing a multimodal path/trail beginning at Waterfront Park near the Downtown Port Orchard ferry facility and ending at the Annapolis ferry facility. The completed multimodal trail will become a part of the Mosquito Fleet Trail. This portion of the Mosquito Fleet Trail along Bay Street provides a much needed recreational facility within downtown Port Orchard. Users are expected to include lunchtime walkers, bicycle commuters, families with children, and recreational cyclists on both organized and independent tours.

Washington State Department of Transportation (WSDOT) and Federal Highways Administration (FHWA) provided grant funding to design/permit the 1-mile long multimodal (bike/pedestrian) pathway. As this project has progressed over the years, with 100% Plans Specifications & Estimates and Permitting completed in 2012, partnerships with the Port of Bremerton and grant funding from Washington State Department of Commerce (DOC) in 2013 have successfully completed the construction phase of segments two and five of the pathway.

Segment four construction of the Bay Street Pedestrian Pathway Project (bridge across Blackjack Creek) is mostly funded by State Department of Commerce grant funds. The City was awarded a \$325,920 grant within 2014-2015 State Budget. Construction of this segment will be completed in the 2015 budget year.

WSDOT/FHWA funding for the overall pathway easement and right-of-way acquisition phase is a key milestone in obtaining future WSDOT/FHWA construction funding. Funding is included in the 2015 Budget.

## DEKALB STREET PIER

Amount:	\$ 255,000	Capital Construction Fund – DOC Grant
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Department: Public Works

Repair, Replace & Renovate, Phase 2 of the Pier (pier expansion and float/pile replacement) using State Department of Commerce funds allocated to the City within the 2014-2015 Biennium Budget. The City was awarded a \$255,000 grant within the 2014-2015 state budget. Estimated project costs are \$800,000. Project will require additional Legislation appropriation of \$450,000 (maximum allowable) and \$104,000 City commitment to complete the project by June 30, 2015.

## HUMAN RESOURCES & TIME KEEPING MODULE(S)

Amount:	\$18,500	General Fund
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Department: Finance

This module will complete the City's Springbrook software suite and will enhance payroll and Human Resources processes.

### POLICE SUV INTERCEPTOR AND EQUIPMENT

Amount: \$ 45,150 Criminal Justice Fund

Department: Law Enforcement

This budget item provides one new police vehicle and required equipment.

### POLICE INTERCEPTOR VEHICLES AND EQUIPMENT

Amount: \$ 90,300 Cumulative Reserve for Equipment Replacement Fund

Department: Law Enforcement

This budget item provides two new police cars and required equipment, to replace high mileage vehicles.

### STREET SWEEPER AND EQUIPMENT

Amount: \$ 250,000 Storm Drainage Fund

Department: Public Works

Vehicle #22 (2001 street sweeper) was purchased used and is starting to show signs of extreme wear. The sweeper has surpassed its useful life. To fund this equipment purchase \$250,000 will transfer from the Equipment Reserve Fund No. 422. The price includes the purchase and tax for the sweeper, signage, installation of a radio, and other incidentals.

### SERVERS

Amount: \$35,000 Current Expense Fund

Department: Finance (I.T.)

The Finance Department will purchase 2 computer servers and software. This purchase will allow the replacement of a minimum of 4 existing aging servers. The current servers are of various ages, with 3 currently out of warranty and one purchased in 2006 at a critical point of failure. A server failure has immediate impact on the day to day operations across multiple departments. Several benefits are gained when reducing our server count. Lower energy costs, less damaging heat production in the server closet, lower maintenance cost, and greater reliability. Support and lifecycle expense of multiple servers is reduced with overall lowered associated cost.

### THERMAL RACK

Amount: 10,000

Department: Finance (I.T.)

A thermal server rack will be purchased to house the new servers and other computer equipment. The rack will protect the city's critical equipment against excessive heat and the threat of water damage from an overhead sprinkler system. The rack will be enclosed on all sides to guard against possible water damage and the thermally efficient design will vent heated air out of the server room allowing for a substantially cooler operating temperature and lower cooling costs.

**TREMONT STREET WIDENING**

Amount: \$ 382,802 Street Capital Projects Fund –WSDOT/FHWA Grant

Department: Public Works

The Tremont Street Widening Project will widen Tremont Street from 2 to 4 lanes (Port Orchard Boulevard to State Road 16), install two roundabouts, provide landscaped median/sidewalks/street lighting/bike paths and will include associated utility improvements. The City was successful in obtaining several million dollars from the FHWA Surface Transportation Program (STP) via KRCC & PSRC over the years for the design, environmental review and right of way acquisitions phases. The Total Project Cost is estimated to be about \$21.5 million and is anticipated to be constructed as soon a funding is secured.

**WELL No. 10**

Amount: \$ 1,000,000 Water Sewer Fund – DOC/DWSRF Loan

Department: Public Works

The City was awarded a Federal Drinking Water State Revolving Fund (DWSRF) loan to design and construct Well No. 10. This is a multiyear project administered by the Washington State Department of Commerce (DOC) to construct a new well facility including 12-inch transmission main. Final design began in late 2014 and continues through 2015.

**WORK TRUCK**

Amount: \$ 4,885 Current Expense Fund

Department: Community Development

The Community Development department will purchase a used pickup for Code Enforcement. This will enable the code enforcement officer to easily load signs and other items which are illegally left in the right of way.

**WORK TRUCK**

AMOUNT: \$ 30,000 Storm Drainage Utility Fund

Department: Storm Drainage Utility

The Storm Drainage Utility will purchase a ½ ton, 4-wheel drive pickup with the towing option and required equipment. It will be used exclusively for storm drainage work.

**TOTAL CAPITAL EXPENDITURES**

**\$4,659,389**

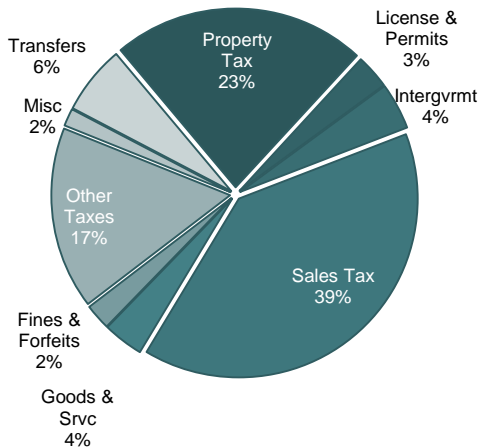
# OPERATING TRANSFERS

Transfer from Account	Transfer to Account	2013 Actual	2014 Budget	2015 Budget
Current Expense-001	Cum Res for Municipal Equipment-303	\$ 78,000	\$ 80,000	\$ 83,000
Current Expense-001	Stabilization-003	78,000	337,746	78,000
Current Expense-001	Capital Facilities Construction - 302	-	31,800	25,000
Current Expense-001	Street Capital Projects -304	-	6,956	300,000
Current Expense-001	City Street-002	27,500	220,732	-
Current Expense-001	Capital Construction-302	-	165,000	-
City Street-002	Cum Res for Municipal Equipment-303	48,000	48,000	48,000
City Street-002	Current Expense-001	6,000	1,593	-
REET-109	Current Expense-001	-	-	100,000
REET-109	City Street-002	-	-	150,000
REET-109	2003 Ltd GO Refunding Bond-206	-	-	165,421
Impact Fee-111	Current Expense-001	72,342	-	80,000
Impact Fee-111	Capital Construction-302	-	377,500	-
Capital Construction-302	Current Expense-001	20,000	55,600	-
Capital Construction-302	City Street-002	-	275,000	-
Capital Construction-302	2003 Ltd GO Refunding Bond-206	166,618	166,200	-
Capital Construction-302	REET-109	-	-	1,650,000
Street Capital Projects -304	City Street-002	-	-	300,000
Water Sewer Utility-401	Current Expense-001	-	4,742	-
Water Sewer Utility-401	2003 Ltd GO Refunding Bond-206	-	-	-
Water Sewer Utility-401	Cum Res for Water Sewer-403	158,000	73,500	1,000,000
Cum Res for Water Sewer-403	Water Sewer Utility-401	535,000	840,000	1,000,000
Storm Drainage Utility-421	Current Expense-001	-	1,062	-
Storm Drainage Utility-421	Storm Drainage Equipment - 422	50,000	-	100,000
Storm Drainage Utility-421	Storm Drainage Capital Facilities -423	-	-	296,925
Storm Drainage Equipment - 422	Storm Drainage Utility-421	-	250,000	250,000
<b>Totals</b>		<b>\$ 1,239,459</b>	<b>\$ 2,935,431</b>	<b>\$ 5,626,346</b>

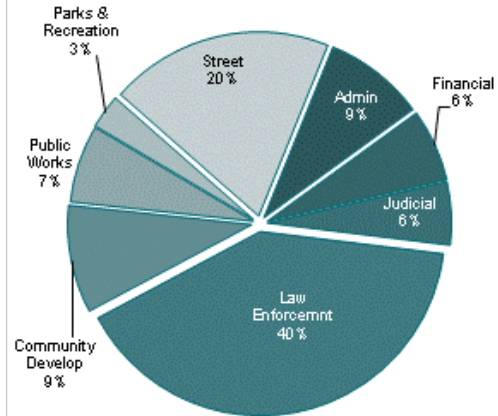
# OVERVIEW

The General Fund provides for the daily operations of the Port Orchard City Government. The pie charts below represent revenues Port Orchard expects to receive and expenses the City expects to incur in 2015.

## Projected Revenues

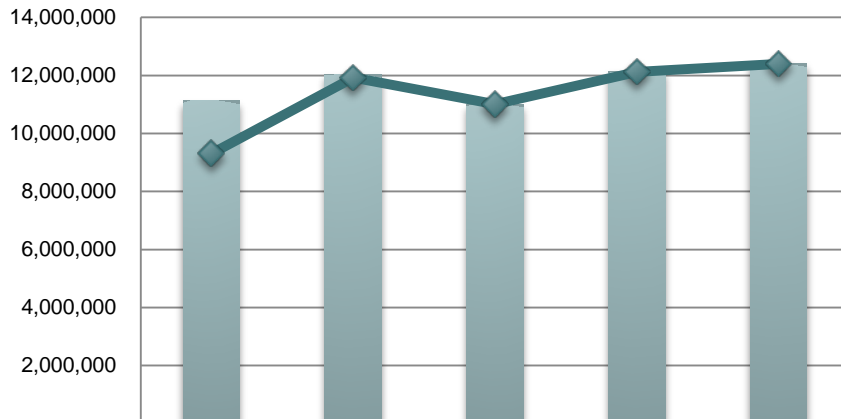


## Department Projected Expenditures



The table below compares revenues received to expenditures incurred in the General Fund over a five year period. For the years 2011 to 2013 actual expenses & revenues received are depicted. 2014 is budgeted and 2015 is a projection of what the City anticipates for the year.

## General Fund Trends



	2011 Actuals	2012 Actuals	2013 Actuals	2014 Budget	2015 Budget
Revenues	11,116,858	12,030,643	11,005,577	12,125,769	12,393,634
Expenditures	9,312,993	11,928,192	11,003,128	12,125,769	12,393,634



# REVENUES & EXPENDITURES

General Funds	2012 Actuals	2013 Actuals	2014 Budget	2015 Budget
<b>Revenues</b>				
Assigned Beginning Fund Balance	1,477,926	809,646	806,210	976,210
Committed Beginning Fund Balance	237,407	206,641	264,000	281,000
Restricted Beginning Fund Balance	756,170	7,500	7,500	7,500
Unassigned Beginning Fund Balance	103,342	642,667	1,220,675	1,000,000
Property Tax	2,182,550	2,310,086	2,244,660	2,325,800
Sales Tax	2,960,496	3,648,600	3,829,000	3,997,500
Utility/Franchise Tax	1,379,507	1,484,959	1,456,000	1,509,700
Gambling Tax	64,849	65,125	61,000	71,000
Other Taxes	287,058	100,216	79,000	90,000
Licenses & Permits	391,918	330,065	358,200	312,500
Intergovernmental	410,288	327,384	442,995	426,974
Charges Goods & Services	535,593	417,420	391,000	370,500
Fines & Forfeits	288,994	266,389	266,800	234,800
Miscellaneous Revenue	188,575	263,038	140,000	160,150
Operating Transfers In	765,971	125,842	558,729	630,000
<b>Total Revenues</b>	<b>12,030,643</b>	<b>11,005,577</b>	<b>12,125,769</b>	<b>12,393,634</b>
<b>Expenditures</b>				
Personnel Costs (Salary & Benefits)	5,407,870	5,403,958	6,269,038	6,334,139
Supplies & Fuel	290,049	285,493	368,814	281,925
Services & Charges	1,574,456	1,581,876	2,504,653	2,764,950
Intergovernmental Services & ILA's	1,295,735	747,909	737,914	747,989
Capital Outlay	882,966	161,729	128,000	178,385
Interfund Services	20,980	25,840	28,258	9,208
Interfund Transfers	792,133	237,500	891,827	534,000
Assigned Ending Fund Balance	809,647	1,053,447	875,499	692,928
Committed Ending Fund Balance	204,191	180,858	151,000	41,000
Restricted Ending Fund Balance	7,500	7,500	7,500	7,500
Unassigned Ending Fund Balance	642,667	1,317,019	163,266	801,610
<b>Total Expenditures</b>	<b>11,928,192</b>	<b>11,003,128</b>	<b>12,125,769</b>	<b>12,393,634</b>

# FUND BALANCE & RESERVES

## GENERAL FUND BALANCE

Fund balance is an important part of a City's General Fund budget. A city may use fund balance for many reasons. A healthy fund balance allows city operations to continue regardless of the timing of revenues received during a specific period. Fund balance is also used as a "Savings" account, enabling a city to put away dollars for large expenditures that would otherwise hinder the operating flow or Council might choose to set aside funds for special projects anticipated in future years.

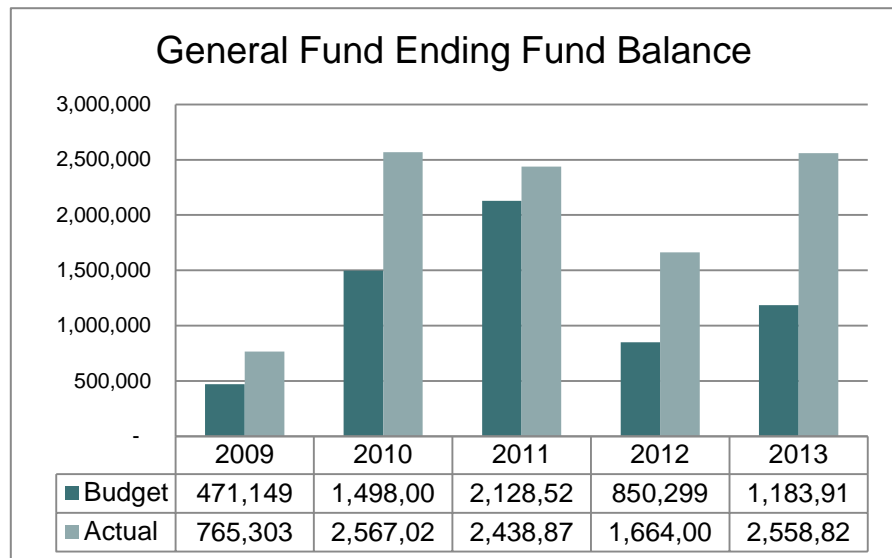
The graph to the right shows the trending for fund balance in the General Fund and provides a five year comparison of budgeted ending fund balance and actual fund balance at the end of the budget year.

Fund Balance is divided into several categories. These allow one to easily determine what the funds are to be utilized for. Port Orchard's General Fund balance includes restricted, committed, assigned, and unassigned funds.

Port Orchard's revenue proceeds fluctuate during the year. This can be due to the economy or simply the type of revenue. An example of this is Property Tax. The City budgets an

annual amount for property tax. The County, which collects the tax revenues, remits payments to the City on a monthly basis. The bulk of the tax revenue is received in May and November. This is because taxpayers typically pay their taxes to the County twice per year, in April and in October. Without fund balance the City would be constrained by lack of revenue during many months of the year. Fund balance allows the City to continue to meet its expenditures even during the months where the revenues come in at a lesser amount. In 2012 the City adopted financial policies with Resolution No. 022-12 which include a goal of retaining a minimum of 5% of the budgeted expense in unassigned fund balance in the general fund. The 2015 Budget expects that fund balance will exceed this amount.

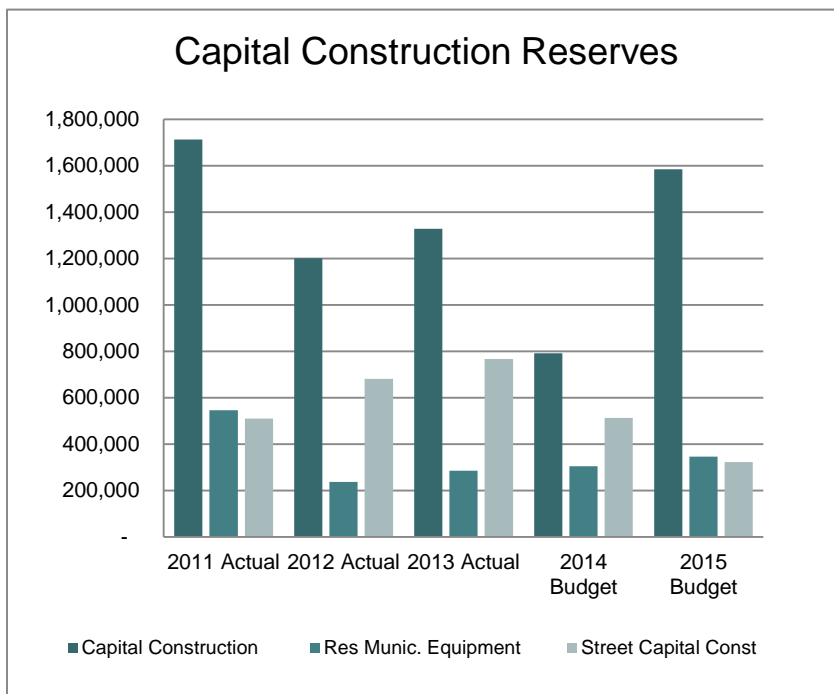
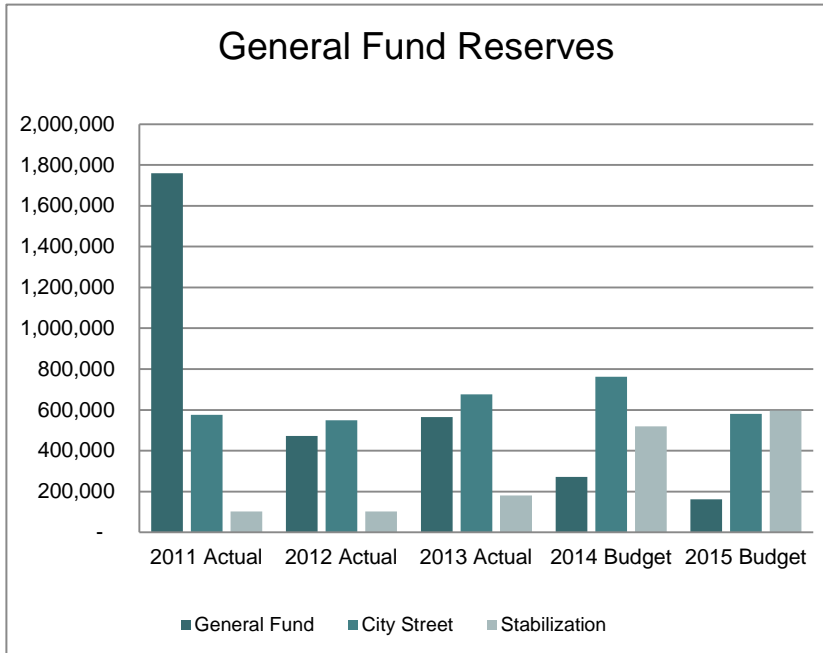
Due to the economic situation faced by our Country, General Fund balance for most governmental agencies was experiencing a downward trend in 2008 and 2009. The City of Port Orchard was no exception to this trend. Though due to careful fiscal management, the City fund balance has steadily increased which is beneficial in allowing our operations to move smoothly throughout the budget year.



## GENERAL FUND RESERVES

Reserves are fund balance dollars that are either restricted, committed, or assigned. They are set aside for a future expense. The General Fund reserve chart shows a larger balance in 2011. This is due to large annexations in late 2009. The City reserved funds to meet contractual obligations to Kitsap County that came as part of the annexation package.

Port Orchard also has Capital Construction Reserves. Funds are reserved for large capital projects and equipment purchases. These funds may have restrictions placed on them due to the type of revenue received (Grants, Real Estate Excise Tax (REET)). It is important that the City maintain the funding necessary for future improvements to its infrastructure and equipment, or to rebuild infrastructure in the event of a catastrophic failure. Reserve funds allow Port Orchard to provide the best service possible to its residents.



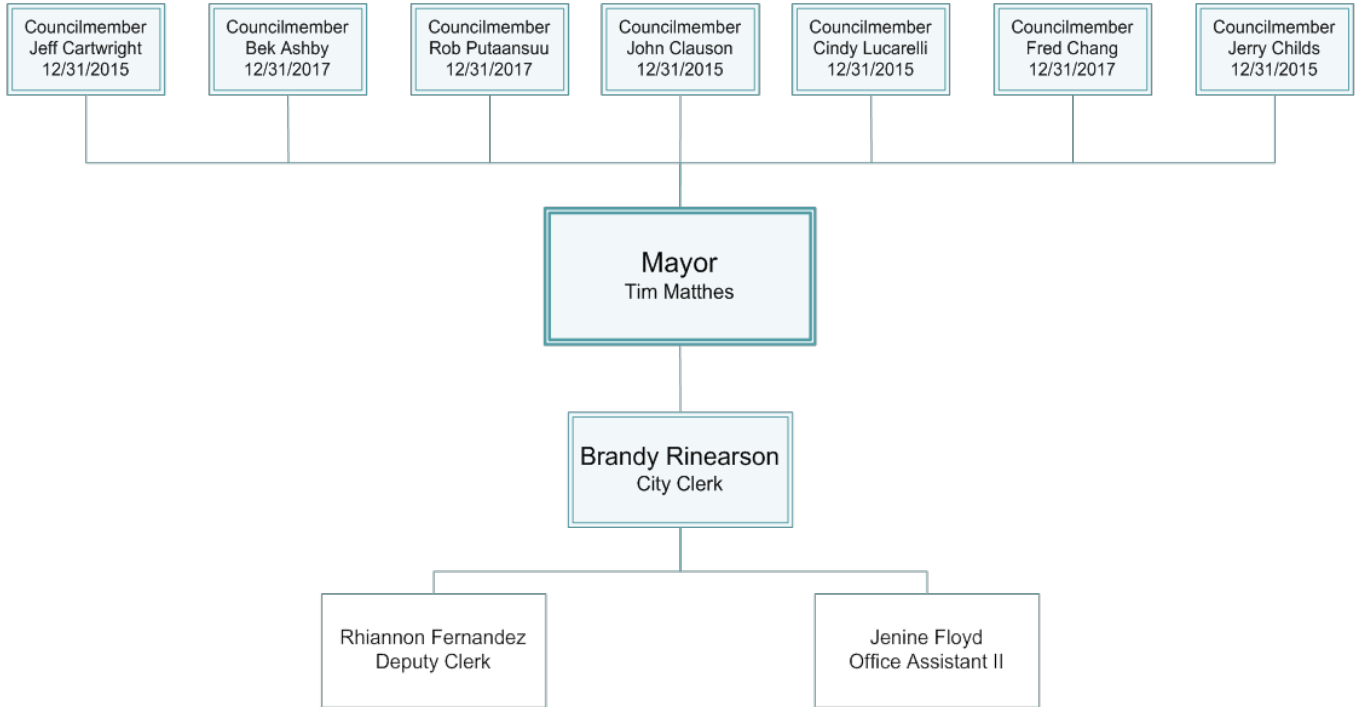
This chart depicts Capital Construction reserves ebb and flow over the period of 2011 to 2015. This is a result of expenditures for planned large projects which reduce reserve fund balance and also fluctuating REET funds in the Capital Construction category. 2011-2013 show actual dollars. 2014 and 2015 are budgeted amounts.

2015 DEPARTMENT EXPENDITURE BUDGET  
Stabilization Fund

Stabilization Fund Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>003.0.508.90</b>			
00 Committed Fund Balance-Ending	\$ 180,858	\$ 518,716	\$ 596,350
<b>Total Stabilization</b>	<b>\$ 180,858</b>	<b>\$ 518,716</b>	<b>\$ 596,350</b>

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# ADMINISTRATION



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# CITY COUNCIL

## MISSION STATEMENT

The mission of the City of Port Orchard is to provide a full range of municipal services to residents and businesses in accordance with City Council policy and direction. City staff shall deliver those services in an efficient, effective, and courteous manner with a commitment to operational excellence.

## DEPARTMENT DESCRIPTION

The City Council is a body of seven individuals elected by the citizens of the City of Port Orchard to establish policy for the City and its citizens. Port Orchard was incorporated as a second class city in 1890, and is governed by a Mayor-Council form of government and elected by its citizens to provide dedicated services to enhance the safety, livability, and prosperity of the community.

## GOALS

The Council shall protect and improve the quality of life for City residents by adopting policies that reflect the needs and desires of the majority of citizens living within the City; which consist of the following:

## Transportation

- Bethel Corridor
  - Grind out Phase 1
  - Start the redesign public process
- Street & Sidewalk Improvements
- Bay Street Pedestrian Pathway
  - ROW Certification
  - Segment 3A
  - Segment 4 Bridge
- Tremont Corridor-Funding Plan

## Parks

- DeKalb Pier - Phase 2
- McCormick Village -Design Phase 1B
- Paul Powers

## Administration

- City Hall Space Analysis
- Evaluate and plan to improve City's use of technology

## Economic Development

- Website Update

## Other

- Pursue grant opportunities
- Create financially constrained plans

## OBJECTIVES

- Ensure funding levels that reflect the priorities of City residents.
- Monitor policy implementation by examining outcome statistics and financial records.
- Improve services to citizens.

## PERFORMANCE MEASURES

	FY 2013	FY 2014	FY 2015
<i>Council Meetings</i>	Actual	Actual	Estimated
Number of Council Meetings	36	38	40
Number of Council Committee Meetings	64	57	67
Number of Action Items Approved	142	134	150
Number of Consent Agenda Items Approved	110	121	141

## SIGNIFICANT BUDGET CHANGES AND ACCOMPLISHMENTS

No significant budget changes.

The Council updated the Cascade Natural Gas Agreement; updated the Kitsap County Multi-Hazard Mitigation Plan, established policies regarding the City Flag, Public Records Requests, Employee Light Duty program, and amended the Street/Alley Vacation process.

## MISSION STATEMENT

Provide leadership, direction, and supervision of City government in a manner that creates a productive working environment, enhances public trust, and promotes understanding of City services and how they are delivered.

## PROGRAM DESCRIPTION

The City Mayor is elected at large by the citizens of the City of Port Orchard and serves as the chief administrative officer. The Mayor is responsible to the City Council and managing the departments of the City and all of its employees. The Mayor is also responsible for preparing the annual budget, submitting it to the Council, and administering it after it is approved. This includes enacting the Council's policies; providing City Department overview and liaison; and representing the City officially to the public and other governmental agencies.

## GOALS

### *Goal 1: Jobs & Sustainable Development*

- Support Economic Growth and Jobs
- Maintain Business Friendly Practices and Policies

### *Goal 2: Public Safety*

- Prepare for all Hazards through Planning, Prevention, Protection, and Recovery
- Engage the Whole Community in Preparedness Actives
- Respond Quickly and Effectively
- Maintain Order, Enforce the Law, and Protect the Public

### *Goal 3: Fiscal Responsibility*

- Effectively Manage the Public's Money
- Improve Cost Effectiveness and Leverage Partnership
- Implement Innovative Technologies

### *Goal 4: Quality of Life*

- Strengthen Neighborhoods
- Improve our Parks
- Provide Recreational, Wellness, and Educational Opportunities

## OBJECTIVES

- Administer government of the City of Port Orchard and policies of the Council to promote the well-being of citizens
- Manage the budget process to minimize the need to lay off employees or cut services while still maintaining a deficit-free budget and healthy fund balance
- Administer the City's personnel rules and regulations
- Provides oversight to departmental operations
- Provides oversight for capital projects
- Provides oversight for City grant application and administration

## PERFORMANCE MEASURES

The City-wide performance measure is done by the citizens of Port Orchard. Departments align their goals and performance measures to the Mayor's priorities to ensure the City's strategic goals and objectives are accomplished; resulting in areas of improvement within the City.

## SIGNIFICANT BUDGET CHANGES AND ACCOMPLISHMENTS

No significant budget changes.

The Mayor has met extensively with residents at a number of dialogues, community forums, and other community events. He has also created a diverse set of opportunities to engage the public, including a series of town hall meetings, public speaking appearances, and "in-office" appointments. The Mayor has sent press releases, e-mail messages, and responses to requests for information to maintain open and transparent dialogue between the City, its residents, and the media.

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# CITY CLERK

## MISSION STATEMENT

The mission of the Clerk is to present a courteous, service-oriented team of professionals who provide quality administrative support to the City's elected officials; accurately record, maintain, and preserve City records; ensure the City's legislative processes are open and public in accordance with Washington's Open Meetings Act; provide a link between constituents and government through the dissemination of information; direct an efficient and comprehensive city-wide records management program; perform all mandated functions under the Revised Codes of Washington and Port Orchard Municipal Code; and conduct ourselves in an ethical, impartial, and professional manner.

## DEPARTMENT DESCRIPTION

The City Clerk is assisted by a Deputy Clerk and Office Assistant II. The City Clerk provides support to the Mayor and City Council. This support includes providing public access to City records, the administration, and the policy-making process. The City Clerk oversees the City's records management program and public records access; risk management services for the City; provides contract administration; process street or alley vacation requests, City Code codification; preservation of the legislative history of the City; serves as the custodian of the City seal and official City documents, and serves as a conduit between the City Council, administration, and the public. The City Clerk coordinates City Council meetings and work study sessions, produces meeting packets, audio-visual record meetings, and provides records of the proceedings; drafts ordinances, resolutions, and contracts; administers programs assigned by the Council such as residential parking permits; cabaret licenses, pawnbrokers licenses, fireworks, peddlers and hawkers licenses, animal licensing; taxicab permits; public event applications; and master vendor licenses; and staffs Town Hall meetings and the Lodging Tax Advisory Committee.

## GOALS AND OBJECTIVES

### *Goal 1: Deliver excellent customer service*

The best customer service requires constant improvement, which requires constant assessment based on feedback and active benchmarking. Proper delivery of customer service serves the people by providing



accurate information and maximizing access to municipal government in an efficient, timely, professional, and courteous manner. Over the next year, the Department will move toward accomplishing this goal by focusing on the following objectives:

- Respond quickly and accurately to customer requests
- Provide current, comprehensive, and accurate information to meet customers' needs

*Goal 2: Provide access to the City's official record and legislative documents in as many different mediums as possible*

Access to information is a core function of the Office of the City Clerk. To this end, the Department is dedicated to remaining on the cutting edge of information storage and retrieval. Over the next year, the Department will move toward accomplishing this goal by focusing on the following objective:

- Maintain and preserve City Council proceedings and related documents (e.g., minutes, action sheets, resolutions/ordinances, contracts/agreements, leases, deed/easements)

*Goal 3: Administer records management program City-wide*

A viable records management program ensures that each department can maximize its operational goals by making information more readily available for service delivery. Consolidating responsibility for the City's Records Management Program increases accountability and ensures effective service delivery. Over the next one to two years, the Department will move toward accomplishing this goal by focusing on the following objective:

- Understand each departments archiving needs
- Provide training on the State's Retention Schedule
- Realize efficiencies by coordinating activities and standardizing processes across the City
- Provide input on a records management data base program; allowing each department access for maintaining and researching documents

*Goal 4: Effectively support the goal of operating as 'One City'*

The Office of the City Clerk has a hand in almost every aspect of City business, bridging the legislative and executive sides of government. Over the next year, the Department will move toward accomplishing this goal by focusing on the following objectives:

- Maintain easy access to needed points of contact across the City
- Communicate effectively across the City
- Provide assistance when needed across the City

*Goal 5: Utilize technology and best business practices in effective service delivery*

Technology provides the vehicle for enhanced access to information. Over the next one to two years, the Department will move toward accomplishing this goal by focusing on the following objectives:

- Apply technology effectively to provide increased and improved access to materials on-line
- Realize the fullest potential of existing technology and technical resources to provide the most complete service
- Apply technology more effectively to increase staff's ability to provide the most efficient service
- Ensure that the Department operates with fiscal responsibility
- Employ best practices for effective service delivery and applying flexibility to resource allocation

## PERFORMANCE MEASURES

	FY 2013	FY 2014	FY 2015
<i>Customer Service</i>	Actual	Estimated	Estimated
Number of inquiries received via phone or walk-in	8,220	8,700	9,200
Percentage of requests completed within five days	95%	100%	100%
	FY 2013	FY 2014	FY 2015
<i>Council Meetings</i>	Actual	Actual	Estimated
Percentage of minutes approved by Council w/no corrections	95%	95%	100%
Percentage of agendas posted on-line 3 days before meeting	95%	100%	100%

Number of meeting packets prepared	36	38	40
	FY 2013	FY 2014	FY 2015
<i>Public Records Requests</i>	Actual	Estimated	Estimated
Number of requests received	103	119	125
Number of requests taking more than 10 days to complete	22	30	35
Number of staff hours spent on requests ; excluding Police and over the counter requests	717	697	850
	FY 2013	FY 2014	FY 2015
<i>Records Management</i>	Actual	Estimated	Estimated
Paper files created and inventoried	312	311	415
Paper pages scanned and inventoried	5,120	5,400	5,895
Ordinances/Resolutions/Minutes/Contracts processed	256	185	260
	FY 2013	FY 2014	FY 2015
<i>Utilizing Technology</i>	Actual	Estimated	Estimated
Number of visits of website traffic	314,395	316,000	325,000
Number of <i>Followers/Likes</i> of Social Media	346	636	750

## SIGNIFICANT BUDGET CHANGES

### *Salary and Benefit Adjustments*

Adjustments reflect the analysis of the Fiscal Year 2014 negotiated salary compensation schedule, changes to average salaries, retirement contributions, health contributions, and labor negotiation adjustments.

### *Non-Discretionary Adjustment*

Adjustments to expense allocations that are determined outside of the departments direct control. These adjustments are generally based on prior year expenditure trends and examples of these include cost of living increases, population, and property values.

## ACCOMPLISHMENTS

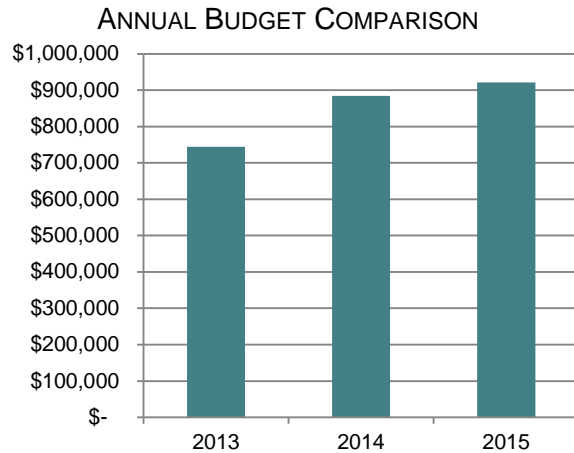
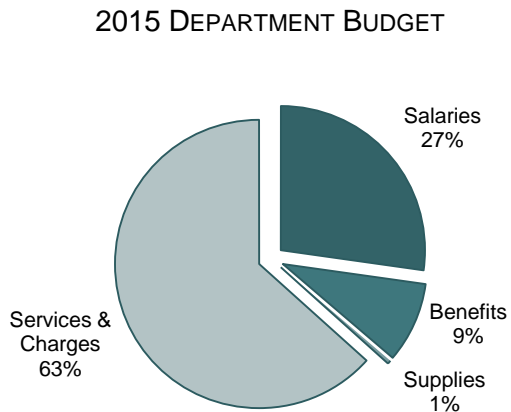
Highlights of the Clerk's accomplishments:

- Maintained the Mayor's and Clerks records management database and retention schedule
- Continued the efforts of logging historic files into the records management database
- Maintained a streamlined process to responding and providing high volume of records for public records requests
- Created a Public Records Request Policy
- Created a Public Event Process

**2015 DEPARTMENT OPERATING BUDGET**  
Administration Department

<b>Expenditures</b>	<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
10 Salaries & Wages	\$ 227,555	\$ 264,549	\$ 250,741
20 Personnel Benefits	53,842	66,521	83,115
<b>Total Salary &amp; Benefits</b>	<b>\$ 281,397</b>	<b>\$ 331,070</b>	<b>\$ 333,856</b>
31 Office & Operating Supplies	\$ 2,723	\$ 5,950	\$ 3,700
41 Professional Services	332,178	401,800	409,860
42 Communication	2,741	3,130	3,400
43 Travel	3,313	7,515	7,900
44 Advertising	1,904	1,200	720
45 Operating Rentals & Leases	6,979	7,975	7,100
46 Insurance	375	450	375
48 Repairs & Maintenance	2,736	3,350	3,550
49 Miscellaneous	21,113	45,128	50,106
51 Intergovernmental Professional Services	88,733	76,592	100,435
<b>Total Other Expenditures</b>	<b>\$ 462,794</b>	<b>\$ 553,090</b>	<b>\$ 587,146</b>
<b>Total Administration</b>	<b>\$ 744,191</b>	<b>\$ 884,160</b>	<b>\$ 921,002</b>

For additional detail, see worksheets for Legislative, Executive, Records Services, Legal Services and Miscellaneous.



2015 DEPARTMENT OPERATING BUDGET  
Administration Department

Legislative Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.7.511.30</b>			
10 Salaries & Wages	\$ 49,451	\$ 56,380	\$ 57,571
20 Personnel Benefits	14,055	16,472	27,511
42 Communication	70	100	100
44 Advertising	635	750	420
49 Miscellaneous	226	1,665	1,410
<b>Total Official Publication Services</b>	<b>\$ 64,437</b>	<b>\$ 75,367</b>	<b>\$ 87,012</b>
<b>001.7.511.60</b>			
10 Salaries & Wages	\$ 64,013	\$ 75,814	\$ 75,765
20 Personnel Benefits	8,108	11,366	9,335
31 Office & Operating Supplies	992	2,100	1,000
41 Professional Services	42,074	40,300	41,440
42 Communication	150	350	600
43 Travel	1,878	3,795	3,200
45 Operating Rentals & Leases	3,880	4,700	4,000
48 Repairs & Maintenance	1,619	2,000	2,400
49 Miscellaneous	11,123	24,118	31,811
<b>Total Legislative Services</b>	<b>\$ 133,837</b>	<b>\$ 164,543</b>	<b>\$ 169,551</b>
<b>Total Legislative</b>	<b>\$ 198,275</b>	<b>\$ 239,910</b>	<b>\$ 256,563</b>

**511.30 Notes**

- 42 Municipal Code-Web Hosting
- 44 Publish Legal Notices
- 49 Record Ordinances - Municipal Code

**511.60 Notes**

- 41 Lobbyist
- 42 Postage, Phone, Fax, Postcards
- 43 Committee Meals, Travel Reimbursements
- 45 Postage Meter, Copy Machine, & Other Rental Expenses
- 48 Copier & Postage Machine Maintenance
- 49 Dues, Registrations, & Subscriptions

2015 DEPARTMENT OPERATING BUDGET  
Administration Department

Executive (Mayor) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.7.513.10</b>			
10 Salaries & Wages	\$ 44,839	\$ 47,024	\$ 44,839
20 Personnel Benefits	8,191	11,192	11,802
31 Office & Operating Supplies	221	1,600	850
41 Professional Services	-	3,000	-
42 Communication	307	400	400
43 Travel	-	1,000	1,500
44 Advertising	1,250	200	-
45 Operating Rentals & Leases	67	275	250
48 Repairs & Maintenance	34	150	150
49 Miscellaneous	462	4,950	3,750
<b>Total Executive Administration</b>	<b>\$ 55,371</b>	<b>\$ 69,791</b>	<b>\$ 63,541</b>
<b>Total Executive (Mayor)</b>	<b>\$ 55,371</b>	<b>\$ 69,791</b>	<b>\$ 63,541</b>

**513.10 Notes**

- 43 Mileage and Meal Reimbursement
- 49 Membership/Dues and Training Registrations

2015 DEPARTMENT OPERATING BUDGET  
Administration Department

Records Services Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.7.514.30</b>			
10 Salaries & Wages	\$ 69,253	\$ 83,831	\$ 72,566
20 Personnel Benefits	23,489	26,991	34,467
31 Office & Operating Supplies	1,509	2,250	1,850
41 Professional Services	1	8,000	5,000
42 Communication	2,213	2,280	2,300
43 Travel	1,435	2,720	3,200
44 Advertising	19	250	300
45 Operating Rentals & Leases	3,032	3,000	2,850
46 Insurance	375	450	375
48 Repairs & Maintenance	1,083	1,200	1,000
49 Miscellaneous	2,055	6,340	4,825
<b>Total Records Services</b>	<b>\$ 104,463</b>	<b>\$ 137,312</b>	<b>\$ 128,733</b>
<b>001.7.514.40</b>			
51 Intergovernmental Professional Services	\$ 17,253	\$ -	\$ 17,000
<b>Total Election Services</b>	<b>\$ 17,253</b>	<b>\$ -</b>	<b>\$ 17,000</b>
<b>001.7.514.89</b>			
10 Salaries & Wages	\$ -	\$ 1,500	\$ -
20 Personnel Benefits	-	500	-
<b>Total Census Services</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ -</b>
<b>001.7.514.90</b>			
51 Intergovernmental Professional Services	\$ 15,775	\$ 19,000	\$ 20,000
<b>Total Intergovernmental Professional Services</b>	<b>\$ 15,775</b>	<b>\$ 19,000</b>	<b>\$ 20,000</b>
<b>Total Records Service</b>	<b>\$ 137,491</b>	<b>\$ 158,312</b>	<b>\$ 165,733</b>

**514.30 Notes**

- 41 Converting Records & Microfilming
- 43 Mileage and Meal Reimbursement
- 45 Postage Meter, Copy Machine Lease
- 46 Notary Bond
- 48 Copy Machine, Miscellaneous Repairs
- 49 Printing, Dues, Registrations, Subscriptions

2015 DEPARTMENT OPERATING BUDGET  
Administration Department

Legal Services Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.7.515.31</b>			
41 Legal Services	\$ 87,741	\$ 89,000	\$ 90,500
<b>Total Legal Service-Criminal</b>	<b>\$ 87,741</b>	<b>\$ 89,000</b>	<b>\$ 90,500</b>
<b>001.7.515.32</b>			
41 Legal Services	\$ 97,948	\$ 146,000	\$ 142,920
<b>Total Legal Service-Civil</b>	<b>\$ 97,948</b>	<b>\$ 146,000</b>	<b>\$ 142,920</b>
<b>001.7.515.33</b>			
41 Legal Services	\$ 9,749	\$ 9,800	\$ 10,000
<b>Total Legal Service-Traffic</b>	<b>\$ 9,749</b>	<b>\$ 9,800</b>	<b>\$ 10,000</b>
<b>001.7.515.91</b>			
41 Legal Services	\$ 94,664	\$ 105,700	\$ 120,000
<b>Total General Indigent Defense</b>	<b>\$ 94,664</b>	<b>\$ 105,700</b>	<b>\$ 120,000</b>
<b>Total Legal Services</b>	<b>\$ 290,103</b>	<b>\$ 350,500</b>	<b>\$ 363,420</b>

**515.31 Notes**

41 Prosecuting Attorney - Criminal

**515.32 Notes**

41 City Attorney Retainer

**515.33 Notes**

41 Prosecuting Attorney - Traffic

**515.91 Notes**

41 Investigators, Expert Witness, Transcription Services  
Indigent Defense Services

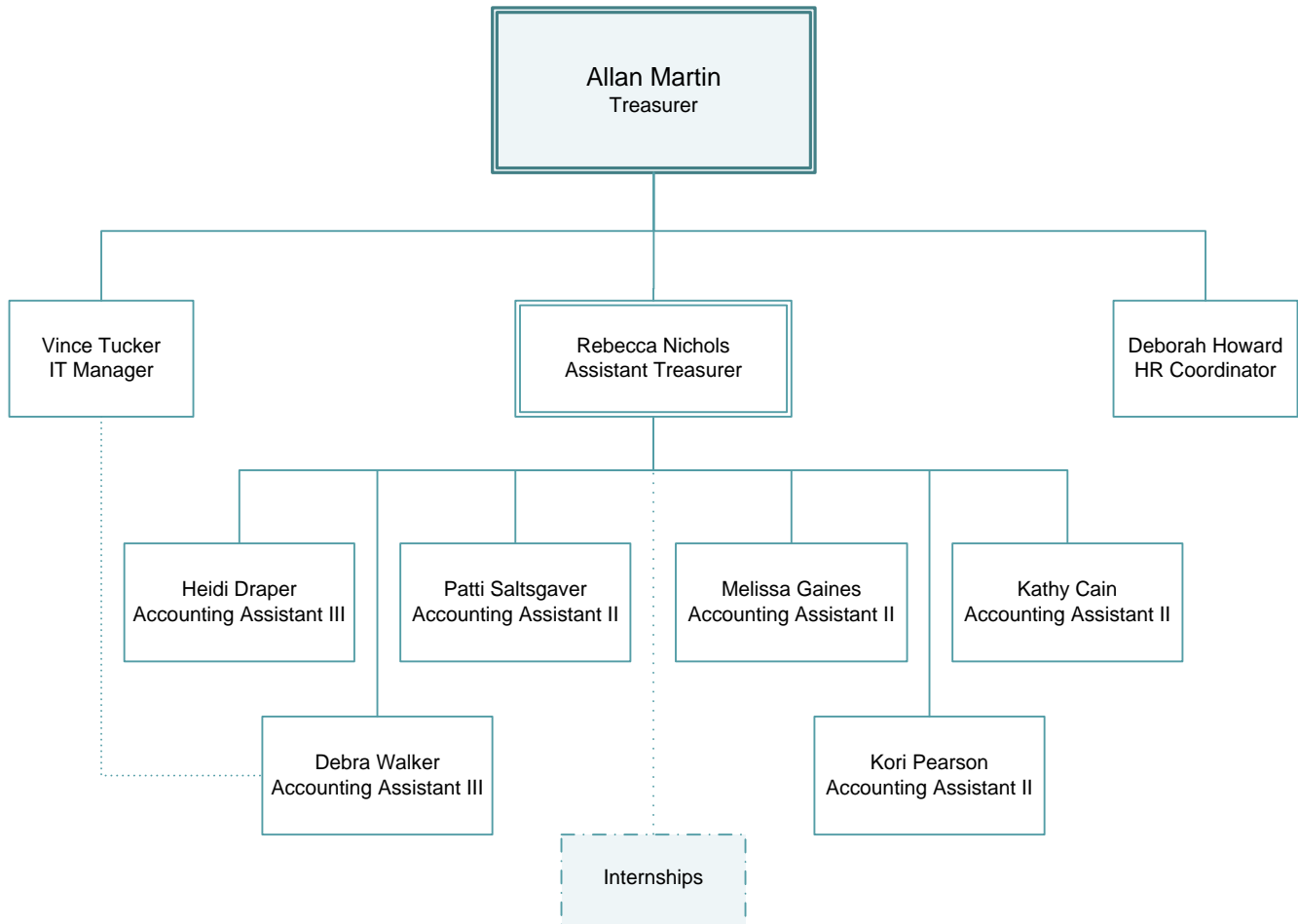
2015 DEPARTMENT OPERATING BUDGET  
Administration Department

Miscellaneous Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.7.518.90</b>			
49 Miscellaneous (AWC)	\$ 7,247	\$ 8,055	\$ 8,310
<b>Total Other Centralized Services</b>	<b>\$ 7,247</b>	<b>\$ 8,055</b>	<b>\$ 8,310</b>
<b>001.7.553.70</b>			
51 Intergovernmental Professional Services	\$ 5,689	\$ 6,149	\$ 7,992
<b>Total Pollution Control</b>	<b>\$ 5,689</b>	<b>\$ 6,149</b>	<b>\$ 7,992</b>
<b>001.7.554.30</b>			
51 Intergovernmental Professional Services	36,804	37,000	41,000
<b>Total Animal Control</b>	<b>\$ 36,804</b>	<b>\$ 37,000</b>	<b>\$ 41,000</b>
<b>001.7.562.00</b>			
51 Intergovernmental Professional Services	10,943	10,943	10,943
<b>Total Public Health</b>	<b>\$ 10,943</b>	<b>\$ 10,943</b>	<b>\$ 10,943</b>
<b>001.7.566.00</b>			
51 Intergovernmental Professional Services	\$ 2,269	\$ 3,500	\$ 3,500
<b>Total Substance Abuse</b>	<b>\$ 2,269</b>	<b>\$ 3,500</b>	<b>\$ 3,500</b>
<b>Total Miscellaneous</b>	<b>\$ 62,952</b>	<b>\$ 65,647</b>	<b>\$ 71,745</b>

**518.90 Notes**

49 Minority & Women's Business Enterprise, Assoc. WA Cities Membership





## MISSION STATEMENT

The Finance Department is committed to promoting and insuring financial integrity and accountability of the City to its citizens, elected officials, administrators, staff, and the media for the expenditure of funds and safeguarding of public assets and to provide the financial support needed by departments and activities of the City to deliver their services.

## DEPARTMENT DESCRIPTION

The City Treasurer is the Director of the Finance Department. The Finance staff consists of seven finance professionals. The Finance Department is responsible for accounting, accounts payable, billing, budgeting, business licensing, collections, financial reporting, payroll, purchasing, and revenue accounting. The Finance Department manages accounts according to the state's Budgeting, Accounting, and Reporting System (BARS). The system prescribes accounting, budgeting, and reporting requirements for all local governments, including the prescribed uniform charts of accounts, accounting and budgeting policies, guidance for preparing financial

statements, and instructions for preparing supplemental schedules. Council directives in the form of Ordinances and Resolutions also guide the Department. The City Treasurer is responsible for the oversight of the Information Technologies (IT) Division, which provides technical and operational support to users, and includes procurement, setup and maintenance of all City computer hardware, software and the new City Hall telephone system. There is currently one IT staff person. The City Treasurer provides supervisory support to Human Resource Management (HR) and the Human Resource coordinator. HR works closely with Finance, specifically with payroll, employee benefit cost analysis, job classifications, wage, salary, and cost of living increases. Many HR issues are reported to the Council Finance Committee, which is staffed by the Treasurer.

Finance operates under a set of Council financial policies written to enhance the financial management of the City, save time and energy when discussing financial matters, engender public confidence, and provide continuity over time. The policies are meant to promote sound financial management and assist in the City's stability, efficiency, and effectiveness.

## GOALS

Distinguished Budget Award. Prepare and produce budget documents that are complete, clear and understandable by elected officials and the public. Apply and present to the Washington Finance Officers Association the 2015 Annual Budget seeking recognition through the WFOA Distinguished Budget Award.

Biennial Budget. Conduct an educational process for the public and elected officials that outline the benefits to the City of adopting a biennial budget for fiscal year 2017 – 2018.

Information Technology Review. Conduct an unbiased assessment of current information technology computing and networking capabilities. Identify future needs and seek knowledgeable opinions on workable cost-effective long term strategies to meet those needs.

Equipment Rental Revolving Fund. Work with departments to establish an ER&R Fund to provide the ability to allow rolling stock and equipment to be rented to the other entities of the city. Seek and receive Council support for its financial implementation and operation.

Water Meter Technology. Conduct an in-house study of the current pace of manual read water meter replacement and determine if a program to change the entire remaining manual read meters to automatic meter reading technology lowers the cost of labor and equipment.

## OBJECTIVES

### FINANCE

- Professional and courteous finance staff that responds promptly to public inquires and requests.
- Successfully serve the Citizens of Port Orchard by exemplarily performing all duties required by the Revised Code Washington, BARS, and Port Orchard Municipal Code.
- Emphasize accountability, efficiency, innovation, and partnerships.
- Prudent investment of cash reserves while adhering to the traditional principles applicable to the investment of public funds.
- Process Payroll, Accounts Payable, and Receivables efficiently and accurately. Operate an efficient water, sewer, storm utility billing, and accounting program.
- Prepare and monitor financial records for grant funding and prepare grant progress billings.
- Maintain the City's capital assets and inventory records.
- Provide debt service on bond issues and loans.
- Strong internal controls to ensure accuracy and efficiency.

- Promptly respond to requests for financial information, reports, and recommendations.
- Accurate and transparent financial reporting in a format that is easily understood by the public.
- Enhance the City's financial reputation by securing unqualified audit opinions and recognition for budgeting and financial reporting.
- Provide accurate, timely and appropriate financial reporting to City staff, administrative and elected officials, the media, and citizens.
- Provide timely, accurate and effective support services to departments including financial planning and financing options to support capital needs.

## INFORMATION TECHNOLOGY

- Establish and perform scheduled network system backups.
- Maintain all information system hardware and software on the City network, including real time off-site "mirror" server application, housed in Poulso.
- Establish, monitor, and maintain the network health and security for citywide computer operations.
- Monitor software applications to ensure that appropriate software licensing requirements are met.
- Participate in the development of short and long-term information system plans from local to State and Federal levels.
- Maintain miscellaneous electronic items, such as the clock tower, chimes, and courtroom video arraignment system.
- Maintain and support new City telephone system.
- Provide on call support 24/7/365 for all City systems.

## HUMAN RESOURCE MANAGEMENT

Provide effective Human Resource Management by developing and implementing policies, programs, and services which contribute to the attainment of employee goals by:

- Ensuring a diverse workforce in a safe and discrimination/harassment free environment by maintaining compliance with employment laws, government regulations and employee training..
- Continuing to standardize human resources management practices in the areas of hiring, retention, employee development, benefits, and compliance with federal, state, and local regulations. HR will continue to collaborate with Regional TRAIN Consortium for Public Agencies and WSHRM to expand resources and training opportunities for the City.
- Continuing to promote wellness programs and employee incentive options, HR will maintain the Well City status as a cost-effective health and productivity management strategy for the City, yielding important benefits to our individual workers and their families.
- Offering benefits services to all employees by administering orientation sessions for all new staff and continuing to provide individualized benefits counseling. Also providing appropriate training, resources, and contacts for employee's specific benefits advising needs.
- Promoting safety awareness, training, and safe work habits among City employees and responding timely to concerns, questions, or complaints about health and safety issues to minimize damages resulting from accidents and Workman's Compensation time loss claims. HR will support L&I's Stay at Work program as a financial incentive encouraging City Directors to provide their injured workers with light duty or transitional work.
- Maximizing technology to streamline HR transactional activities in order to improve and enhance workflow efficiency and improve customer service. HR will transition to Springbrook's HR module to offer flexible, user-friendly, and integrated systems, including the expanded use of employee self-service.

## PERFORMANCE MEASURES

Earn the Washington Finance Officers Association Distinguished Budget Award in 2015. Finance received the award in 2013 and 2014.

Successful Passage of a City Ordinance declaring the intent to begin budgeting on a biennial basis.

## SIGNIFICANT BUDGET CHANGES

A Department of Revenue payment is added to the 2015 finance budget. A review started in 2013 and completed in 2014 resulted in clarification that parking fees for hourly parking are subject to sales tax. Sales tax is due if you charge for parking for 30 days or more when the customer does not have a designated space or stall. The City charges both hourly and 30 day undesignated parking fees. Overtime is added to the IT budget. It is increasingly difficult for 1 full-time equivalent (FTE) to cover all of the demands and challenges within a 40 hour work week. Up until now finance staff with limited computer literacy has filled-in, however even that effort is being overrun. At times departments must wait or put off tasks that they would otherwise complete due to "down-time" issues. Allowing overtime would compensate for additional hours within IT and is a stop-gap measure until a part-time assistant position is authorized.

The purchase of two computer servers and software allowing the replacement of a minimum of four existing aged servers. The current servers are of various ages, with three currently out of warranty and one purchased in 2006 at a critical point of failure. A server failure has immediate impact on the day to day operations across multiple departments and stops all other IT activity. Several benefits are gained when reducing our server count. Lower energy costs, less damaging heat production in the server closet, lower maintenance cost, and greater reliability. Support and lifecycle expense of multiple servers is reduced with overall lowered associated cost.

The budget includes the purchase and installation of the Human Resources Module and Online Employee Self-Service completing the full integration of Springbrook™ modules. This will allow employees to enter their work hours on a daily basis and will make the entire payroll processing procedure more efficient. The HR Module will also streamline benefit plan administration and employee record keeping such as health and safety tracking, education and training tracking, performance and OSHA reporting ability.

## ACCOMPLISHMENTS

Implementation of the City Services Cost Allocation Plan. Finance put into practice the Cost Allocation plan that identifies and allocates indirect costs among various funds. The process to determine the fair and equitable allocation was applied to the 2015 Budget as part of annual budget preparation. Finance conducted the plan's required mid-year review which aligned estimates to actual which formed the bases for allocations in the next preceding fiscal year.

Well City Award. The City of Port Orchard earned the Well City Award from the Association of Washington Cities (AWC) Employee Benefit Trust. The award is based on meeting stringent best practice standards in employee health promotion. The goal is to work on employee health to see an increase in productivity, morale and employee retention, and decreases in absenteeism and injuries. As a recipient of this award, the City receives a 2% premium discount on their Regence BlueShield or Group Health medical coverage for employee & spouses for 2015 budget year.

Implementation of Extended Budgeting in all Departments. Finance successfully implemented the use of Springbrook's™ extended budgeting in 2014. The module was used by budget writers in all departments and was well received. The new tool provides increased budget information and department level tracking of revenue and expense in fiscal year 2015.

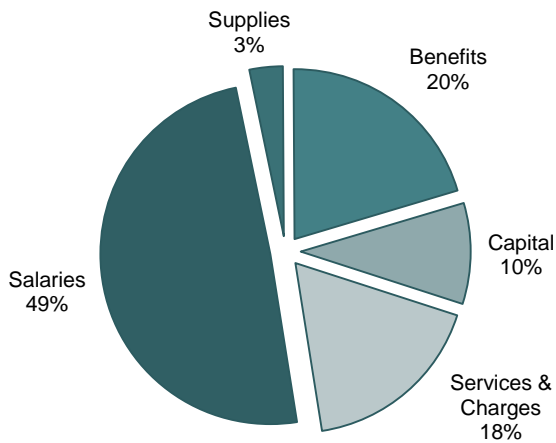
Distinguished Budget Award. For the second year in a row the City has earned the Washington Finance Officers Association Distinguished Budget Award. It is the highest form of recognition and fiscal planning and budgeting within the state of Washington. The budget document was judged on meeting program criteria covering policies, operations, financial planning and communications.

**2015 DEPARTMENT OPERATING BUDGET**  
Finance Department

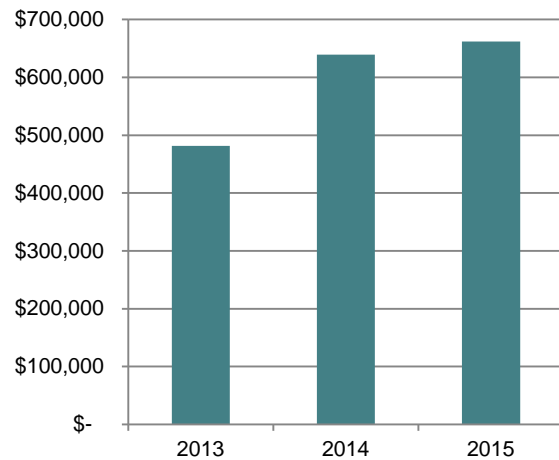
<b>Expenditures</b>		<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
10	Salaries & Wages	\$ 273,143	\$ 305,325	\$ 326,082
20	Personnel Benefits	94,629	108,614	135,571
	<b>Total Salary &amp; Benefits</b>	<b>\$ 367,772</b>	<b>\$ 413,939</b>	<b>\$ 461,653</b>
31	Office & Operating Supplies	\$ 24,605	\$ 62,809	\$ 21,000
41	Professional Services	40,531	67,282	38,900
42	Communication	4,959	6,800	7,000
43	Travel	4,050	10,750	7,300
44	Advertising	550	899	600
45	Operating Rentals & Leases	1,982	3,950	3,900
46	Insurance	100	100	100
48	Repairs & Maintenance	16,352	22,625	23,600
49	Miscellaneous	14,899	49,940	34,630
	<b>Total Other Expenditures</b>	<b>\$ 108,028</b>	<b>\$ 225,155</b>	<b>\$ 137,030</b>
64	Machinery & Equipment	\$ 5,542	\$ -	\$ 63,500
	<b>Total Capital Expenditures</b>	<b>\$ 5,542</b>	<b>\$ -</b>	<b>\$ 63,500</b>
<b>Total Finance Department</b>		<b>\$ 481,342</b>	<b>\$ 639,094</b>	<b>\$ 662,183</b>

For additional detail, see worksheets for Finance, Human Resources, and Information Technology.

**2015 DEPARTMENT BUDGET**



**ANNUAL BUDGET COMPARISON**



2015 DEPARTMENT OPERATING BUDGET  
Finance Department

Finance Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.1.514.22</b>			
10 Salaries & Wages	\$ 22,355	\$ 24,057	\$ 20,962
20 Personnel Benefits	7,047	7,937	7,293
<b>Total Fiduciary Services</b>	<b>\$ 29,402</b>	<b>\$ 31,994</b>	<b>\$ 28,255</b>
<b>001.1.514.23</b>			
10 Salaries & Wages	\$ 133,951	\$ 149,942	\$ 164,668
20 Personnel Benefits	51,098	58,785	81,298
31 Office & Operating Supplies	2,275	3,650	4,200
41 Professional Services	24,224	28,450	24,200
42 Communication	2,538	3,100	2,800
43 Travel	2,660	5,100	4,700
45 Operating Rentals & Leases	1,508	3,100	3,100
46 Insurance	100	100	100
48 Repairs & Maintenance	2,466	4,350	4,350
49 Miscellaneous	11,918	39,080	28,170
<b>Total Budgeting/Accounting/Auditing</b>	<b>\$ 232,740</b>	<b>\$ 295,657</b>	<b>\$ 317,586</b>
<b>001.1.594.10</b>			
14.64 Machinery & Equipment	\$ 1,110	\$ -	\$ 18,500
<b>Total Machinery &amp; Equipment</b>	<b>\$ 1,110</b>	<b>\$ -</b>	<b>\$ 18,500</b>
<b>Total Finance</b>	<b>\$ 263,252</b>	<b>\$ 327,651</b>	<b>\$ 364,341</b>

**514.23 Notes**

- 41 State Auditor, Micro-Flex Tax Audit, GASB 34 Consultant
- 45 Postage Meter, Copy Machine Lease
- 46 Notary Bonds
- 48 Micro-Flex Tax Tools Maintenance, Copy Machine Maintenance, Miscellaneous Repairs
- 49 Printing, Dues, Registrations, Document Shredding, Business License Fees, Banking/Bond Fees, Parkeon Service Fees, DOR Excise Tax, Springbrook User Group Fees.

2015 DEPARTMENT OPERATING BUDGET  
Finance Department

Human Resource Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.1.517.90</b>			
31 Office & Operating Supplies	\$ 497	\$ 1,000	\$ 100
43 Travel	236	300	300
49 Miscellaneous	-	500	600
<b>Total Employee Benefit</b>	<b>\$ 733</b>	<b>\$ 1,800</b>	<b>\$ 1,000</b>
<b>001.1.517.91</b>			
31 Office & Operating Supplies	\$ 407	\$ 200	\$ 100
43 Travel	406	500	300
49 Miscellaneous	-	400	600
<b>Total Commute Trip Reduction</b>	<b>\$ 813</b>	<b>\$ 1,100</b>	<b>\$ 1,000</b>
<b>001.1.518.10</b>			
10 Salaries & Wages	\$ 51,770	\$ 54,255	\$ 69,043
20 Personnel Benefits	9,861	11,617	15,222
31 Office & Operating Supplies	245	550	400
41 Professional Services	6,408	17,982	10,200
42 Communication	1,183	1,500	2,000
43 Travel	662	1,000	1,000
44 Advertising	550	899	600
45 Operating Rentals & Leases	473	850	800
48 Repairs & Maintenance	167	400	400
49 Miscellaneous	2,139	2,760	3,400
<b>Total Personnel Services</b>	<b>\$ 73,460</b>	<b>\$ 91,813</b>	<b>\$ 103,065</b>
<b>001.1.518.11</b>			
10 Salaries & Wages	\$ 8,932	\$ 15,090	\$ -
20 Personnel Benefits	1,514	2,505	-
31 Office & Operating Supplies	84	1,000	-
41 Professional Services	9,610	16,350	-
43 Travel	86	2,850	-
49 Miscellaneous	842	3,900	-
<b>Total S.H.I.P. Grant</b>	<b>\$ 21,068</b>	<b>\$ 41,695</b>	<b>\$ -</b>
<b>Total Human Resource</b>	<b>\$ 96,073</b>	<b>\$ 136,408</b>	<b>\$ 105,065</b>

**518.10 Notes**

- 41 Drug Testing, Personnel Investigations, L&I Compliance Management, Hiring Costs
- 48 Copy Machine Maintenance, Miscellaneous Repairs
- 49 Printing, Dues, Registrations, Subscriptions, AWC D&A Testing Consortium



2015 DEPARTMENT OPERATING BUDGET  
Finance Department

Information Technology Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.1.518.88</b>			
10 Salaries & Wages	\$ 56,134	\$ 61,981	\$ 71,409
20 Personnel Benefits	25,108	27,770	31,758
31 Office & Operating Supplies	21,098	56,409	16,200
41 Professional Services	289	4,500	4,500
42 Communication	1,237	2,200	2,200
43 Travel	-	1,000	1,000
48 Repairs & Maintenance	13,718	17,875	18,850
49 Miscellaneous	-	3,300	1,860
<b>Total Information Technology</b>	<b>\$ 117,584</b>	<b>\$ 175,035</b>	<b>\$ 147,777</b>
<b>001.1.594.10</b>			
18.64 Machinery & Equipment	\$ 4,433	\$ -	\$ 45,000
<b>Total Machinery &amp; Equipment</b>	<b>\$ 4,433</b>	<b>\$ -</b>	<b>\$ 45,000</b>
<b>Total Information Technology</b>	<b>\$ 122,017</b>	<b>\$ 175,035</b>	<b>\$ 192,777</b>

**518.88 Notes**

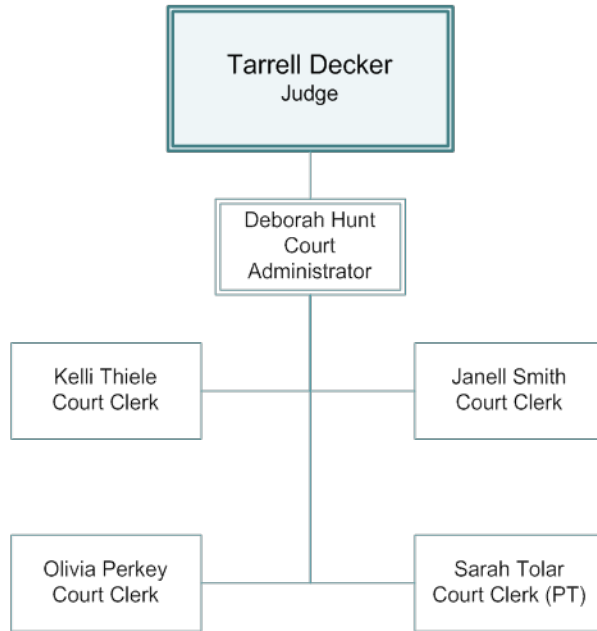
- 31 Council Video Room Work Station, Software upgrades, Laptop, Tablets, Software Licenses, Computer Hardware
- 41 Computer Consultant, Website Upkeep
- 42 Modems, Phone, Fax, Website Hosting
- 48 Software Maintenance, Antispam, Miscellaneous Repairs
- 49 Dues & Subscriptions-UPS, KRCC-Kitnet Dues, Training Registrations

**594.10 Notes**

- 18.64 Server Replacements, Thermal Rack

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# MUNICIPAL COURT



## MISSION STATEMENT

The mission of the Port Orchard Municipal Court is to establish and maintain public trust and confidence in the Court by ensuring independence, accessibility, accountability, and fairness for all citizens.

## DEPARTMENT DESCRIPTION

The Municipal Court as a separate, yet equal, branch of government is responsible for adjudicating misdemeanor and gross misdemeanor criminal cases for violations occurring within the City limits including criminal traffic cases (such as DUI's), criminal non-traffic cases (such as Assault 4 Domestic Violence), non-criminal traffic infractions (such as speeding), non-traffic infractions (such as code enforcement violations), and parking tickets. In addition, the Municipal Court is responsible for maintaining all court records involving these cases, to efficiently and effectively administer justice, and to serve the public as well as maintain compliance with the law. The Court is committed to a strong justice system based on public awareness and prevention in order to ensure a safe community for all citizens.

## GOALS

- Continue scanning all post-conviction DUI and DV cases for record retention purposes
- Continue maintenance of bail schedules, court forms and procedures as legislation dictates
- Continue monitoring of interpreter Language Assistance Plan
- Continue preparing Court for electronic filings and retention (paperless court)

## PERFORMANCE MEASURES

Pursuant to the provisions of RCW 2.56 and GR 32, and to ensure that minimum service levels of the administration of justice are in place, the Administrative Office of the Courts (AOC) is directed to conduct performance audits of courts under authority of the Supreme Court, in conformity with criteria and methods developed by the Board for Judicial Administration which have been approved by the Supreme Court.

<b>STATISTICS/WORKLOAD MEASURES</b>	<b>2012 Actual</b>	<b>2013 Actual</b>	<b>2014 Actual</b>
<b>CRIMINAL</b>			
<b>DUI</b>	74	54	53
<b>TRAFFIC</b>	624	478	395
<b>NON TRAFFIC</b>	453	433	531
<b>INFRACTION</b>			
<b>TRAFFIC</b>	2104	1535	1427
<b>NON TRAFFIC</b>	57	69	40
<b>PARKING</b>	2664	2730	2680

## SIGNIFICANT BUDGET CHANGES & ACCOMPLISHMENTS

The Court is not requesting any significant budget changes for 2015. The only budget change the Court is requesting is the authorization to promote one Court Clerk to the position of Lead Court Clerk, a position that has been vacant since 2011. This promotion is requested to promote court efficiency and distribution of labor. The position is included in the Union Contract and the dollars required for the promotion are minimal - less than \$4,000. During the budget process, the Court was authorized to promote one Court Clerk to the Lead Court Clerk position beginning in July 2015 which is reflected in the wages and personnel benefits.

In addition, the Court intends to continue to work towards creating a "paperless" court. However, implementation at this time is not economically feasible.

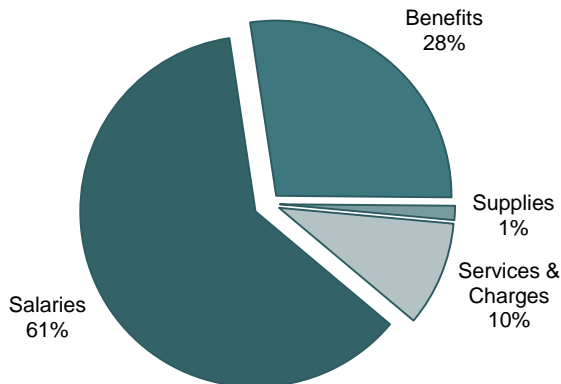
2015 DEPARTMENT OPERATING BUDGET  
Municipal Court

Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.2.512.50</b>			
10 Salaries & Wages	\$ 307,855	\$ 360,893	\$ 352,955
20 Personnel Benefits	126,756	145,872	157,910
<b>Total Salary &amp; Benefits</b>	<b>\$ 434,611</b>	<b>\$ 506,765</b>	<b>\$ 510,865</b>
31 Office & Operating Supplies	\$ 5,923	\$ 10,255	\$ 7,525
41 Professional Services	15,433	19,900	19,900
42 Communication	4,370	4,800	4,600
43 Travel	2,235	2,500	2,500
45 Operating Rentals & Leases	3,496	4,500	4,550
48 Repairs & Maintenance	1,874	2,280	2,280
49 Miscellaneous	11,549	21,301	21,638
<b>Total Other Expenditures</b>	<b>\$ 44,879</b>	<b>\$ 65,536</b>	<b>\$ 62,993</b>
<b>Total Municipal Court</b>	<b>\$ 479,490</b>	<b>\$ 572,301</b>	<b>\$ 573,858</b>

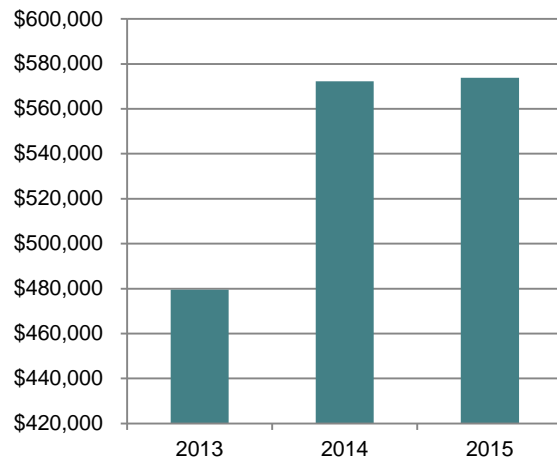
**512.50 Notes**

- 31 Books, Postage Meter Supplies, Toner, Office Supplies
- 41 Protem, Interpreters, Expert Witness Fees, Bailiff
- 42 Phone, Fax, Postage Meter
- 45 Postage Meter Rental, Copier/Fax Lease
- 48 Copier Maintenance, FTR Digital Audio Support Contract, Misc Office Equipment Repairs
- 49 Printing Forms, Assoc Dues, County Clerk (juries), Training/Conferences, Witness Fees, Shredder Service, Bank Fees

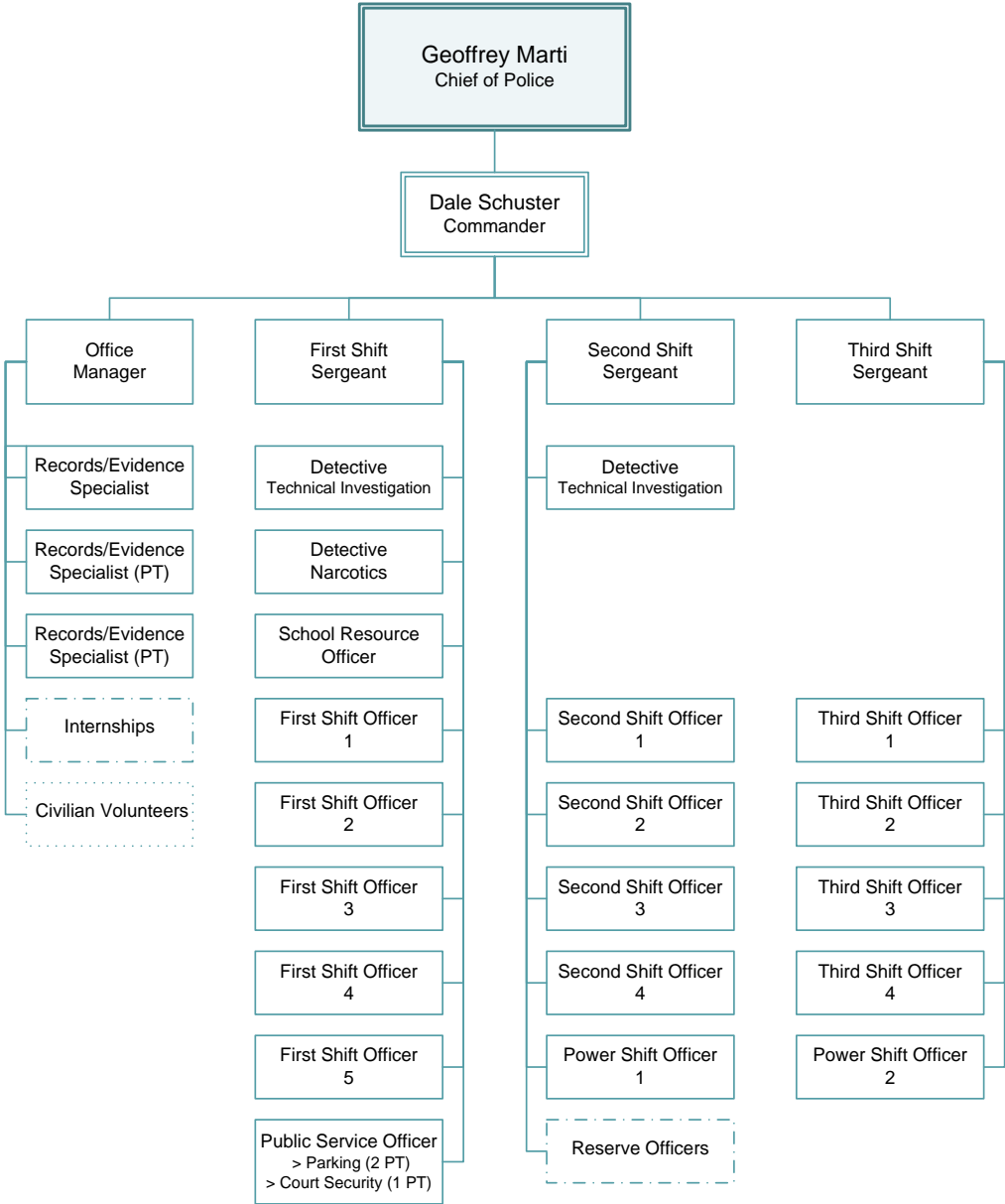
2015 DEPARTMENT BUDGET



ANNUAL BUDGET COMPARISON



# POLICE DEPARTMENT



## MISSION STATEMENT

The mission of the Port Orchard Police Department is to work in partnership with the community to protect life and property and to enhance the quality of life in our city through proactive problem solving, fair and equitable law enforcement, and the effective use of resources.

## DEPARTMENT DESCRIPTION

The Chief of Police is the Director of the Police Department. The Police Department consists of 30 employees and nine volunteers. The department has one chief, one commander, three sergeants, two detectives, and 17 police officers. The department is also supported by a office manager, a full time records/evidence specialist, two part-time record/evidence specialists, two part-time parking enforcement officers and a part-time court security/crime prevention officer. Our volunteer base is made up of one traffic safety assistant, seven reserve police officers, and a police Chaplin.

The police department is a full service problem oriented community based law enforcement agency offering regular patrol functions, detective functions, major crime investigation, crime scene technicians, traffic investigation, motorcycle patrol, bicycle patrol, marine patrol, liquor and vice, narcotics canine, court security, emergency management, parking enforcement, and a school resource officer program.

## VALUES

- Our employees are our most valued resource. We value each employee's contribution to the effectiveness of our organization and their participation in the decision making process. We strive to provide opportunities for individual achievement, personal growth, professional development, and recognition of our employees.
- We are committed to a standard of excellence in our profession. We pursue the highest levels of achievement, professionalism, and quality in the services we provide to our community.
- We strive to maintain the highest levels of integrity, ethics, and morals by adhering to the high standards established in the Police Officers Code of Ethics and the foundations established in the Constitution and the laws of the United States and the State of Washington.
- We are committed to the concept of teamwork. We create positive working relationships through community based problem solving, respect toward citizens and coworkers, unity of purpose, and mutual ownership in our department and the services we provide.
- We value the sanctity of life and the equitable treatment of all people.
- We value working with our citizens to solve community based problems.
- We serve with pride within ourselves and the community that we serve.

## GOALS

Costs of incarcerating offenders continue to be a budgetary strain that seem to increase every year. It is a necessary and many times a legally mandated action. It is my goal to expand our partnership with the Forks jail to house longer term inmates. Because the Forks jail underwent renovations in 2014, the opportunity to use this facility was severely limited.

Active shooter incidents continue to rise across the country, and approximately 50 percent of those occur in schools. Port Orchard has three schools within the city limits, an elementary, middle, and one of the largest high schools in the state. It is imperative that a partnership be created between the school system and police department to effectively use our combined resources and knowledge to not only plan a response to such an incident but to effectively identify potential threats. Intervention before commission is the goal.

## OBJECTIVES

Research will be done to find viable alternatives to the lodging of long term inmates. The Forks jail is one alternative, however they were closed to us much of the year. Other sites that provide lodging to outside entities will be solicited to determine costs and feasibility.

To achieve a partnership with SKSD, a schedule will be established for monthly meetings with the Superintendent of South Kitsap schools. As Chief I will make a presentation at the School Board open house, covering police operations, mental health issues, and active shooter procedures. I have convinced the SKSD to fully fund our School Resource Officer position this year, a 100% increase over last year. The objective is to provide continuous feedback and communication to ensure that both SKSD and the police department are benefiting from this partnership. The police department will push to create a group of stakeholders, including our new crisis intervention officer, school resource officer, school counselors, and management, to explore avenues where we can work cooperatively to reduce our risk to an active shooter incident in the city.

## **PERFORMANCE MEASURES**

Housing inmates at the Kitsap County jail has hit a record in 2014. This total cost to the city will come down with implementation of the objective strategy.

At the end of the 2015 school year, a partnership will exist between SKSD and the police department. The department expects the funding for the SRO position to be fully funded again in the following school year.

## **SIGNIFICANT BUDGET CHANGES AND ACCOMPLISHMENTS**

There are no significant changes to the 2015 police department budget. Our requests for police service in 2015 continue to rise, which has an inflationary impact upon our costs.

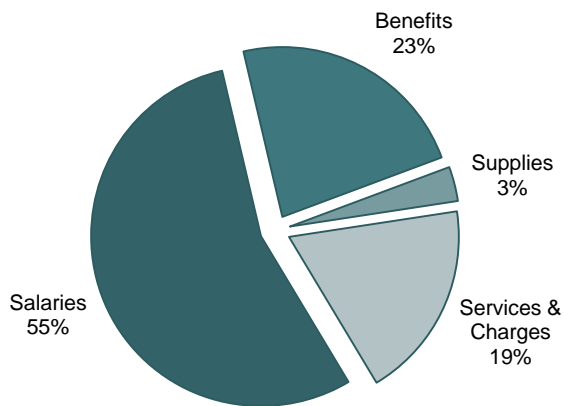
Three police vehicles are included in the 2015 budget.

2015 also includes new handguns for every officer. The department handguns are aged and worn, and were purchased around the year 2000. In trading in the old handguns the city would get a 37% return on the total outlay for the guns and associated equipment.

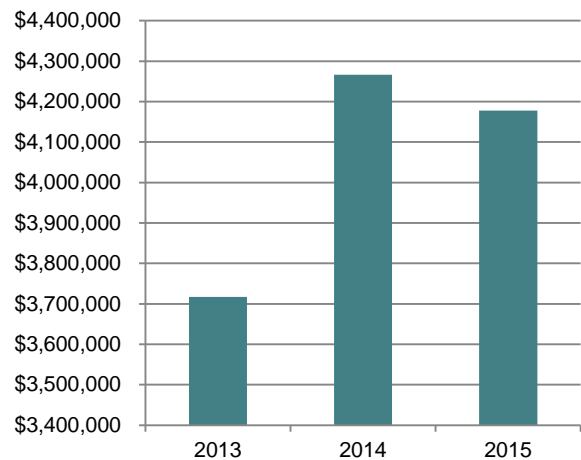
**2015 DEPARTMENT OPERATING BUDGET**  
Law Enforcement

<b>Expenditures</b>	<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
10 Salaries & Wages	\$ 2,104,939	\$ 2,355,853	\$ 2,294,854
20 Personnel Benefits	803,687	921,813	944,215
21 Uniforms	18,439	19,900	16,400
<b>Total Salary &amp; Benefits</b>	<b>\$ 2,927,064</b>	<b>\$ 3,297,566</b>	<b>\$ 3,255,469</b>
31 Office & Operating Supplies	\$ 63,986	\$ 63,800	\$ 58,650
32 Fuel Consumed	81,328	84,300	78,500
41 Professional Services	37,114	15,550	7,250
42 Communication	11,583	14,000	12,600
43 Travel	5,453	13,150	13,450
44 Advertising	-	350	250
45 Operating Rentals & Leases	8,594	11,200	11,300
46 Insurance	-	100	100
47 Public Utility Service	124	1,000	600
48 Repairs & Maintenance	57,273	46,100	55,710
49 Miscellaneous	28,173	33,200	28,050
51 Intergovernmental Professional Services	468,255	661,322	647,554
64 Machinery & Equipment	4,727	-	-
95 Interfund Rentals/Leases	3,600	7,608	7,608
98 Interfund Repairs & Maintenance	19,700	16,950	300
<b>Total Other Expenditures</b>	<b>\$ 789,910</b>	<b>\$ 968,630</b>	<b>\$ 921,922</b>
<b>Total Law Enforcement</b>	<b>\$ 3,716,974</b>	<b>\$ 4,266,196</b>	<b>\$ 4,177,391</b>

2015 DEPARTMENT BUDGET



ANNUAL BUDGET COMPARISON





2015 DEPARTMENT OPERATING BUDGET  
Law Enforcement

Law Enforcement Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.3.521.10</b>			
10 Salaries & Wages	\$ 401,427	\$ 425,129	\$ 418,579
20 Personnel Benefits	201,307	229,638	167,432
21 Uniforms	549	1,300	1,000
31 Office & Operating Supplies	9,430	10,650	10,650
32 Fuel Consumed	4,070	4,000	2,000
41 Professional Services	11,809	3,500	1,000
42 Communication	11,103	12,700	12,000
43 Travel	593	5,250	5,250
44 Advertising	-	250	250
45 Operating Rentals & Leases	5,037	5,300	6,500
46 Insurance	-	100	100
48 Repairs & Maintenance	8,006	8,950	10,000
49 Miscellaneous	8,773	7,000	7,000
51 Intergovernmental Professional Services	104,715	120,751	119,766
98 Interfund Repairs & Maintenance	40	100	
<b>Total Administration</b>	<b>\$ 766,858</b>	<b>\$ 834,618</b>	<b>\$ 761,527</b>

**521.10 Notes**

- 31 Legal Manuals, RCW Books, Vehicle Tires, Parts & Supplies, Office Supplies & Equipment
- 41 Promotional Testing, Polygraph, Medical, & Psychological Testing, Lateral/Entry Oral Boards, Lateral Testing
- 44 Employment Advertising, Continuous Lateral Entry Programs, Police Legal Notices/Property Auctions
- 48 WSP ACCESS Terminal Fees, Municipal Code Codification, Vehicle Maintenance, Radio Repairs, Copier Maintenance
- 49 Conferences, Membership Dues, Subscriptions, Printing/Publishing, Business Cards, Shredding Service
- 51 CENCOM Dispatching Services

2015 DEPARTMENT OPERATING BUDGET  
Law Enforcement

Law Enforcement (Continued) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.3.521.21</b>			
10 Salaries & Wages	\$ 164,948	\$ 178,764	\$ 176,860
20 Personnel Benefits	46,814	66,721	51,711
21 Uniforms	662	1,500	1,500
31 Office & Operating Supplies	1,097	7,500	3,500
32 Fuel Consumed	3,329	5,500	3,500
41 Professional Services	100	1,500	1,500
42 Communication	-	100	-
43 Travel	200	250	500
47 Public Utility Services	-	100	100
48 Repairs & Maintenance	1,281	1,800	2,000
49 Miscellaneous	2,435	2,400	2,000
98 Interfund Repairs & Maintenance	580	1,300	-
<b>Total Investigation</b>	<b>\$ 221,446</b>	<b>\$ 267,435</b>	<b>\$ 243,171</b>

**521.21 Notes**

- 31 Evidence Processing Supplies, Vehicle Tires, Parts, and Supplies, Investigative Supplies, Office Supplies, Crime Scene Van Supplies
- 41 Handwriting Exemplar Analysis, WSP Total Station Crew for Response to Suspicious Deaths, Personal and Financial History Searches, Forensic Examinations, Crime Scene Technician Costs
- 47 Storage Facility Utilities
- 48 Vehicle Maintenance
- 49 Crime Lab Fees & Shipping, Film Developing, Evidentiary Vehicle Tows

2015 DEPARTMENT OPERATING BUDGET  
Law Enforcement

Law Enforcement (Continued) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.3.521.22</b>			
10 Salaries & Wages	\$ 1,001,931	\$ 1,168,871	\$ 1,154,826
20 Personnel Benefits	358,131	392,115	474,538
21 Uniforms	13,970	10,700	9,900
31 Office & Operating Supplies	15,254	17,000	17,000
32 Fuel Consumed	36,961	39,400	38,000
43 Travel	200	200	200
48 Repairs & Maintenance	19,240	16,300	23,000
49 Miscellaneous	3,290	3,000	2,000
98 Interfund Repairs & Maintenance	10,480	8,400	-
<b>Total Patrol</b>	<b>\$ 1,459,457</b>	<b>\$ 1,655,986</b>	<b>\$ 1,719,464</b>
<b>001.3.521.23</b>			
10 Salaries & Wages	\$ 30,434	\$ 17,500	\$ 17,500
20 Personnel Benefits	9,722	4,486	5,250
31 Office & Operating Supplies	937	1,500	800
32 Fuel Consumed	6,963	4,400	5,000
43 Travel	2,749	850	1,000
44 Advertising	-	100	-
45 Operating Rentals & Leases	932	1,000	1,000
47 Public Utility Service	40	250	250
48 Repairs & Maintenance	16,583	2,500	2,750
49 Miscellaneous	378	5,850	3,000
98 Interfund Repairs & Maintenance	920	400	-
<b>Total Marine Patrol</b>	<b>\$ 69,658</b>	<b>\$ 38,836</b>	<b>\$ 36,550</b>

**521.22 Notes**

- 31 Office Supplies, Reserve Officer Equipment, Vehicle Tires, Parts & Supplies, Flares, Vehicle Warning Devices, Batteries, Lights
- 48 Emergency Equipment Repair, Vehicle Maintenance, Radio & Light Bar Installations, Fire Extinguisher Recharging, Vehicle Washes
- 49 Police Vehicles Graphics Replacement, Membership Dues, Printing Expenses

**521.23 Notes**

- 31 Boating Supplies, Lines, Fenders, Lighting, Charts, GPS, Cleaning Supplies, State Required Education Programs/Materials
- 45 Vessel Moorage
- 49 Equipment Installations, Marine Membership, State Required Conferences, Derelict Vessel Abatement

2015 DEPARTMENT OPERATING BUDGET  
Law Enforcement

Law Enforcement (Continued) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.3.521.25</b>			
10 Salaries & Wages	\$ 83,731	\$ 94,150	\$ 91,857
20 Personnel Benefits	37,177	43,383	46,597
21 Uniforms	-	1,300	500
31 Office & Operating Supplies	995	1,500	1,500
32 Fuel Consumed	8,756	7,500	7,500
48 Repairs & Maintenance	14	500	1,000
49 Miscellaneous	58	500	300
98 Interfund Repairs & Maintenance	300	800	-
<b>Total Gambling Enforcement</b>	<b>\$ 131,031</b>	<b>\$ 149,633</b>	<b>\$ 149,254</b>
<b>001.3.521.30</b>			
10 Salaries & Wages	\$ 204,599	\$ 225,416	\$ 218,271
20 Personnel Benefits	65,409	77,870	97,624
21 Uniforms	2,514	1,900	1,500
31 Office & Operating Supplies	2,203	2,500	2,650
32 Fuel Consumed	10,017	10,000	10,000
48 Repairs & Maintenance	3,482	2,750	4,000
49 Miscellaneous	779	2,000	1,500
98 Interfund Repairs & Maintenance	3,040	1,000	-
<b>Total Crime Prevention</b>	<b>\$ 292,043</b>	<b>\$ 323,436</b>	<b>\$ 335,545</b>

**521.25 Notes**

- 49 Reduce Underage Drinking Materials, Responsible Alcohol Service Programs/Brochures, Problem Oriented Policing Materials

**521.30 Notes**

- 31 Office Supplies for Volunteers, Bicycles, Parts and Accessories, Vehicle Tires, Parts & Supplies, Emergency Equipment Parts
- 48 Vehicle & Bicycle Maintenance
- 49 Associations Dues, Crime Mapping, Community Policing Projects, Crime Prevention Materials

2015 DEPARTMENT OPERATING BUDGET  
Law Enforcement

Law Enforcement (Continued) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.3.521.40</b>			
10 Salaries & Wages	\$ -	\$ 250	\$ -
20 Personnel Benefits	-	48	-
31 Office & Operating Supplies	10,219	9,500	9,500
32 Fuel Consumed	-	-	-
41 Professional Services	960	500	500
43 Travel	1,511	6,000	6,000
45 Operating Rentals & Leases	825	2,000	2,000
47 Public Utility Services	84	650	250
48 Repairs & Maintenance	45	500	1,000
49 Miscellaneous	10,791	9,000	9,000
98 Interfund Repairs & Maintenance	-	250	-
<b>Total Training</b>	<b>\$ 24,434</b>	<b>\$ 28,698</b>	<b>\$ 28,250</b>
<b>001.3.521.50</b>			
10 Salaries & Wages	\$ 478	\$ 800	\$ -
20 Personnel Benefits	99	400	-
31 Office & Operating Supplies	680	100	-
45 Operating Rentals & Leases	1,800	1,800	1,800
48 Repairs & Maintenance	3,608	1,300	1,260
49 Miscellaneous	76	500	500
95 Interfund Operating & Rentals	3,600	7,608	7,608
<b>Total Facilities</b>	<b>\$ 10,341</b>	<b>\$ 12,508</b>	<b>\$ 11,168</b>

**521.40 Notes**

- 31 Ammunition, Targets, Video & Textbook Training Programs, Defensive Tactics Equipment, Office Supplies
- 41 Outside Speakers, Instructors
- 43 Vehicle Expenses related to Travel for Training, Commercial Transportation, Food & Lodging
- 45 Portable Restroom Facilities at Current Police Range, Trainig Room Facilities Rental, EVOC Track Rental
- 49 Tuition & Registration Costs

**521.50 Notes**

- 45 Sub Station
- 48 Security Monitoring
- 95 Storage Facilities

2015 DEPARTMENT OPERATING BUDGET  
Law Enforcement

Law Enforcement (Continued) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.3.521.70</b>			
10 Salaries & Wages	\$ 217,007	\$ 244,573	\$ 216,961
20 Personnel Benefits	84,821	106,752	101,063
21 Uniforms	744	3,200	2,000
31 Office & Operating Supplies	8,551	8,500	8,500
32 Fuel Consumed	8,729	10,000	10,000
41 Professional Services	-	250	250
42 Communications	-	100	100
43 Travel	200	100	500
45 Operating Rentals & Leases	-	100	-
48 Repairs & Maintenance	4,952	10,000	9,700
49 Miscellaneous	1,587	2,400	2,000
51 Intergovernmental Professional Services	2,500	2,500	2,500
98 Interfund Repairs & Maintenance	2,900	2,700	-
<b>Total Traffic Policing</b>	<b>\$ 331,991</b>	<b>\$ 391,275</b>	<b>\$ 353,574</b>
<b>Total Law Enforcement</b>	<b>\$ 3,307,259</b>	<b>\$ 3,702,425</b>	<b>\$ 3,638,503</b>

**521.70 Notes**

- 31 Vehicle Tires, Parts & Supplies, Pursuit Immobilization Devices, Motorcycle Parts, Office Supplies, Parking Supplies, Lidar Radar Gun Supplies, Doppler Radar Guns/Supplies
- 41 WSP Total Station Crew Response for Fatalities
- 48 Vehicle Maintenance, ALPR Unit Maintenance, Motorcycle Maintenance, Radar Unit Maintenance, Radar Calibration
- 49 Shipping for Radar Units, Shipping for Preliminary Breath Tests, Ticket Books/E-Tickets
- 51 Traffic Safety Task Force Fee

2015 DEPARTMENT OPERATING BUDGET  
Law Enforcement

Detention and Correction Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.3.523.20</b>			
10 Salaries & Wages	\$ 120	\$ -	\$ -
20 Personnel Benefits	70	-	-
31 Office & Operating Supplies	1,070	750	250
32 Fuel Consumed	2,504	3,500	2,500
45 Operating Rentals and Leases	-	1,000	-
48 Repairs & Maintenance	61	1,000	1,000
49 Miscellaneous	5	300	250
51 Intergovernment Professional Service	36,558	36,558	43,589
98 Interfund Repairs & Maintenance	1,440	2,000	300
<b>Total Monitoring Prisoners</b>	<b>\$ 41,827</b>	<b>\$ 45,108</b>	<b>\$ 47,889</b>
<b>001.3.523.60</b>			
31 Office & Operating Supplies	\$ 13,551	\$ 3,500	\$ 3,500
41 Professional Services	24,245	9,800	4,000
51 Intergovernment Professional Service	309,545	486,000	463,885
<b>Total Care/Custody/Prisoners</b>	<b>\$ 347,341</b>	<b>\$ 499,300</b>	<b>\$ 471,385</b>
<b>Total Detention and Correction</b>	<b>\$ 389,168</b>	<b>\$ 544,408</b>	<b>\$ 519,274</b>

**523.20 Notes**

- 48 Repair Community Service Van, Miscellaneous Repairs
- 51 KCR-Community Service Program
- 98 Repair Community Service Van (in house)

**523.60 Notes**

- 31 Prisoner Prescriptions
- 41 Prisoner Medical Services
- 51 Prisoner Boarding Kitsap County, City of Forks Jail

2015 DEPARTMENT OPERATING BUDGET  
Law Enforcement

Emergency Services Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.3.525.10</b>			
51 Intergov'l Professional Svcs-Emergency	\$ 14,937	\$ 15,513	\$ 17,814
<b>Total Emergency Services Admin</b>	<b>\$ 14,937</b>	<b>\$ 15,513</b>	<b>\$ 17,814</b>
<b>001.3.525.60</b>			
10 Salaries & Wages	\$ 265	\$ 400	\$ -
20 Personnel Benefits	138	400	-
31 Office & Operating Supplies	-	800	800
42 Communication	480	1,100	500
43 Travel	-	500	-
48 Repairs & Maintenance	-	500	-
49 Miscellaneous	-	250	500
<b>Total Emergency Preparedness</b>	<b>\$ 883</b>	<b>\$ 3,950</b>	<b>\$ 1,800</b>
<b>Total Emergency Services</b>	<b>\$ 15,820</b>	<b>\$ 19,463</b>	<b>\$ 19,614</b>

**525.10 Notes**

51 Kitsap County Emergency Management

**525.60 Notes**

- 31 Backup Power Supplies, Site Communications & Set-up, Food & Water, Respirators, Cots
- 42 Existing EOC Telephone Service, Alternative Communication and Cellular Data Pack
- 49 Department Training on Hazmat, WMD, Terrorism Tuition Costs for FEMA

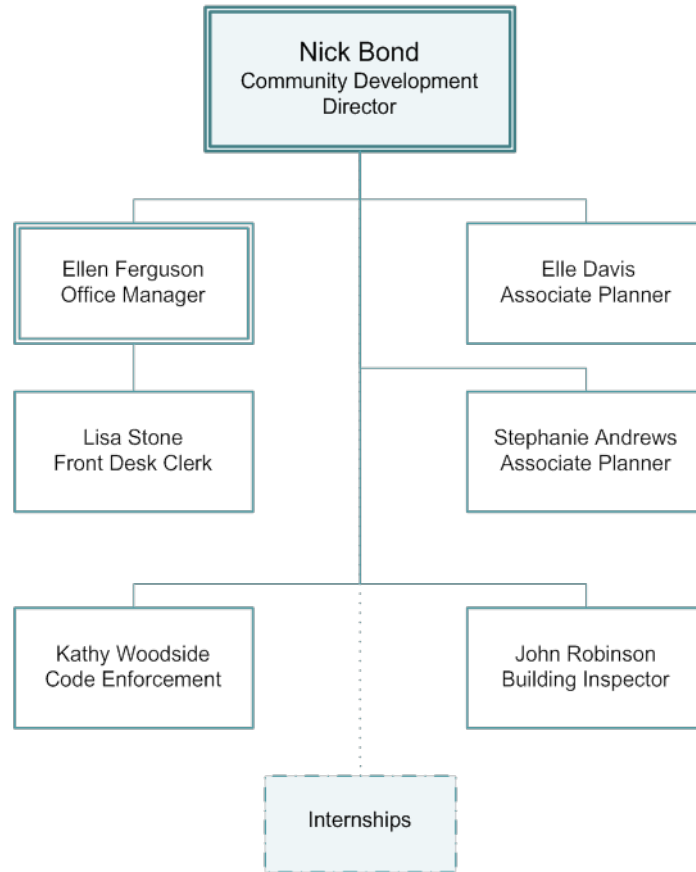


2015 DEPARTMENT OPERATING BUDGET  
Law Enforcement

Machinery & Equipment Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.3.594.21</b>			
64 Machinery & Equipment	\$ 4,727	\$ -	\$ -
<b>Total Machinery &amp; Equipment</b>	<b>\$ 4,727</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Machinery &amp; Equipment</b>	<b>\$ 4,727</b>	<b>\$ -</b>	<b>\$ -</b>

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# COMMUNITY DEVELOPMENT



## MISSION STATEMENT

Provide and administer planning, building, and code enforcement services that emphasize efficient and effective customer service and professional expertise while supporting the goals of the community, the Mayor, and the City Council.

## DEPARTMENT DESCRIPTION

The Department of Community Development is responsible for the city's planning, building, and land use code enforcement functions. Department staff is responsible for long range planning which includes tasks such as reviewing and processing amendments to the city's comprehensive plan, updating the city's plans, ensuring consistency between the city's technical infrastructure plans and its land use plans, capital budgeting, and updates to the city's development regulations. Long range planning tasks also include public outreach whether that be planning and staffing public hearings at the Planning Commission, setting up surveys to gather public input, or exploring other innovative methods of facilitating communication between the city and its elected officials and the public. The department is also responsible for short range planning activities which includes tasks such as building permit application review, business license application review, sign permit review, meeting with prospective developers, conducting environmental review, and ensuring that site development permits issued

through the public works department also comply with the city's land use regulations and critical area protections. The department also coordinates with other local, state, and federal agencies on plan development and project review. This includes attending and actively participating in regional planning meetings, providing notice of planning activities and development projects to affected agencies such as WSDOT, South Kitsap Fire and Rescue, Kitsap Public Health, Kitsap Transit, the Department of Ecology, the Department of Fish and Wildlife, FEMA, or the Department of Natural Resources, and reporting to state and federal agencies as required by law.

## GOALS

- **Professional policy guidance.** Provide professional policy guidance to the Mayor, City Council, Council Committees, Planning Commission, Design Review Board and other City departments on all matters related to land use, the built environment, building, code enforcement, and long range comprehensive planning within the City and its unincorporated urban growth area (UGA).
- **Community planning activities.** Provide direction for community planning efforts, including the development of neighborhood and sub-area plans, economic and community development, future capital facility needs and facilitation of community participation in City planning efforts, including periodic updates to the city comprehensive plan thus insuring compliance with the State of Washington Growth Management Act (GMA) goals and policies.
- **Public Participation.** Provide a variety of opportunities for public participation in the planning process.
- **Land use permit process.** Administer the City of Port Orchard's land use permit process for the review and processing of developments under the City Zoning Code, Title 16 of the Port Orchard Municipal Code (POMC); shoreline management permits under the State Shoreline Management Act (RCW 90.58) and city Shoreline Master Program; subdivisions, short plats and boundary line adjustments; environmental policy per RCW 43C.21; design review pursuant to POMC Title 16; and review and update city land use development codes and maps, as appropriate.
- **Port Orchard Design Review Board.** Provide staff support and professional guidance to the Port Orchard Design Review Board pertaining to the City's design standards, downtown overlay district, and land use application activities.
- **Port Orchard Planning Commission.** Provide staff support and professional guidance to the City of Port Orchard Planning Commission.
- **Hearing Examiner.** Provide administrative services for the office of the Hearing Examiner. Prepare staff reports, public noticing, distributions, and professional representation for public hearings.
- **Urban Growth Area Project Review.** Review applications and environmental assessment reports on projects within unincorporated Kitsap County lying within the city's urban growth area in order to provide comment on the impacts and to recommend mitigation measures to the Kitsap County Department of Community Development.
- **Annexation Guidance.** Provide guidance to landowners or interest groups who desire to annex unincorporated areas into the City of Port Orchard, consistent with state law and the city's annexation policy. Process annexation petitions with Kitsap County, the Kitsap Regional Coordinating Council, and the Kitsap Boundary Review Board.
- **Code Enforcement.** Provide enforcement of the city's land-use development, environmental and nuisance codes in a fair, equitable and timely manner. Enforcement coordinates with other departments and agencies in resolving complaints and provides a positive client-service attitude to enhance the city's enforcement of land-use and nuisance codes.
- **Inter-Governmental Relations.** Act as liaison between City, county, regional, state, tribal and federal governmental organizations and agencies, representing the interests of the City of Port Orchard and its citizens. This includes continued involvement in inter-jurisdictional coordination under the Growth Management Act.

- **Grant Development.** Develop grant applications with county, regional, state, and federal agencies for City of Port Orchard projects related to parks, planning, building, engineering, public works, capital facilities and economic development.
- **Economic Development.** Facilitate and produce products that assist the city in the pursuit of the adopted goals and funding for the economic development projects identified by the Mayor and City Council.

## OBJECTIVES

- **Annual Comprehensive Plan update.** Annually consider amendments to the Port Orchard Comprehensive Plan to include possible revisions to the land use element map based upon City Sub-Area Planning efforts and/or processing privately initiated amendments.
- **Continue the Required 8 Year Comprehensive Plan update.** The Growth Management Act requires the city to conduct a major update on its Comprehensive Plan every 8 years. The last major update occurred in 2008. The process of updating the comprehensive plan began in 2014 and will run into early 2016 at which time the updated plan must be adopted in accordance with state deadlines for Kitsap County jurisdictions.
- **Coordinate with Public Works on the update to Water, Sewer, Storm, and Transportation Plan Updates.** Incorporate these plans into the 2016 Comprehensive Plan update.
- **Best Available Science Review.** Complete an analysis of the draft 2016 Comprehensive Plan and development regulations for Best Available Science as required by law.
- **Update Development Regulations for LID.** To comply with the updated Stormwater Manual as required by law, the city needs to review its regulations to ensure that they are compatible with Low Impact Development techniques.
- **Grant Implementation.** Coordinate the purchase of property located along Bay Street for the Bay Street Pedestrian Path as a result of Recreation Conservation Office grant funding.
- **Grant Funding.** Pursue 2015 grant funding opportunities for planning updates, city parks projects, infrastructure improvements, downtown revitalization efforts, transportation improvements, and waterfront development.
- **Wayfinding Signs.** Work with the Public Works department to implement phase 1 of the wayfinding sign program. Coordinate wayfinding sign efforts with WSDOT to ensure that signage on SR-16 alerts motorists to attractions in Port Orchard.
- **Dangerous/Abandoned Buildings.** Continue to enforce land use codes concerning dangerous and abandoned buildings and seek abatement if required (1-2 houses annually).
- **Permitting Software Update.** Work to roll out the SmartGOV permitting software and prepare for launching a public web portal for 2016.
- **Staff Participation in the KRCC Planning Directors Meeting.** Attend and participate in monthly meetings of the Planning Directors to develop policies and recommendations for the KCRC.
- **Development Review.** Review applications as submitted within the required timelines.

## PERFORMANCE MEASURES

Department of Community Development	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Projected
<b>Number of Building Permits Issued</b>	350	403	347	399	450
<b>Number of Code Enforcement Actions Initiated</b>	97	101	133	134	150
<b>Number of Land Use Permits Processed</b>	25	36	39	79	80
<b>Number of Comprehensive Plan Amendments Processed</b>	6	4	7	9	Major Update
<b>Business Licenses Reviewed</b>	621	665	690	728	750
<b>Event, Cabaret, and Marijuana Licenses Approved/Reviewed</b>	30	44	41	61	65
<b>Pre-Application Meetings</b>	7	12	14	20	25
<b>Population</b>	11,440	11,780	12,870	13,150	13,800
<b>City Area (Sq. Miles)</b>	7.27	7.46	9.35	9.35	9.35
<b>DCD Staff (FTE)</b>	7.3	7.3	6.875	6.875	7.25

Building permits, land use permits, business licenses, events, cabaret, marijuana licenses, pre-application meetings, and code enforcement actions were all up significantly in 2014 and DCD rising to the highest volume since the recession. Land Use permit activity doubled from 2013 to 2014. In addition to new land use applications being received, many old projects are being resurrected under approvals granted prior to the recession. The increase in land use permits are indicative of a surge in building permits for the years to come and is a primary reason that staffing increases were requested. Code enforcement also set a record for new cases slightly exceeding the 2013 record. This uptick in code enforcement activities is largely due to the annexations completed in recent years.

## SIGNIFICANT BUDGET CHANGES

The Department of Community Development has accommodated previous annexations, including the substantial Bethel North annexation in 2012 with substantial increases to permit activity, property inquiries, and responsibilities with no increase to staff or resources. Due to the continued growth in building permits, code enforcement actions, land use permit applications, and requirements to update the city's comprehensive plan, the department requested staffing and organizational changes for 2015.

## STAFFING LEVELS

Staffing Levels:	FY 2014 Actual	FY 2015 Requested	FY 2015 Actual
Community Development Director	1	1	1
DCD Office Manager	1	1	1
Associate Planner	1	1	1
Associate Planner	1	1	1
Associate Planner Long Range	0	.5*	0
Planning Intern	.125	.125**	.25
Building Inspector	1	1	1
Code Enforcement Officer	1	1	1
Planning Assistant	0	.5***	0
Front Counter Clerk	.75	1****	1
<b>Total:</b>	<b>6.875</b>	<b>8.125</b>	<b>7.25</b>

\* As part of the preliminary budget, DCD submitted a supplemental request for a long range planner. This position was not funded in 2015. As the city has grown and development activity has picked up, the city has a need for a third planner. In the past, the city has had one assistant and 2 associate level planners. All three positions shared planning responsibilities; however, most cities separate long range and short range (current) planning into different divisions when they get to be our size. Port Orchard has never employed a dedicated long range planner (and it shows). The comprehensive plan has in the past been treated as an issue of compliance rather than a tool. If we are to be successful in implementing the city's vision and goals, we need a dedicated long range planner. A long range planner not only handles comprehensive planning duties, but assists in capital budgeting and the development and implementation of utility, transportation, and parks system plans. Currently, the long range planning duties, with the exception of the minor annual amendments, fall to the director as the two planners don't have the time to focus on these issues due to the volume of permit applications requiring review. This leaves the director with the choice of engaging in long range planning, managing the office, or doing both poorly. Finding a passionate and engaged long range planner is critical to the city's future success as we face some enormous infrastructure challenges. The Long Range Associate Planner position would also relieve the code enforcement officer of some responsibilities as the code enforcement work load has grown considerably with the annexations of the past few years.

In 2015 DCD will continue to employ a planning internship.

\*\*\* DCD also requested a Planning Assistant position. As the city has grown and development activity has picked up, the department once again has a need for a planning assistant. Currently, the city's planners are handling clerical duties including filing, preparing public notices, typing planning commission meeting minutes, preparing planning commission packets, drafting letters, documents, and reports, data entry, and are serving as back up to the front desk position. This leaves the planners with less time than is needed to conduct planning activities and review of permit applications. The director is similarly lacking an assistant who can help prepare staff reports, perform research, and allow the director to focus on managing the department. The position would also serve as clerk to the Hearing Examiner. This position would be similar in pay and qualifications to administrative assistant employed by other departments. This was not funded in 2015, however DCD hopes to add this position in future budget years.

\*\*\*\* DCD's front counter clerk position experiences a hourly increase to 40 hours per week in this budget year.

## ACCOMPLISHMENTS

Other Community Development Department Accomplishments for 2014 include:

- Submitting 2 RCO grants which are on the lists for funding with one of the two likely to receive funding (Bay Street Pedestrian Path Acquisition \$215,000);
- Working with the University of Washington Master of Urban Planning Class to Initiate the 2016 update the City's Comprehensive Plan;
- Working with a hired consultant to develop a wayfinding sign program and city logo;
- Initiating the transition to the new SmartGOV permitting software;
- Updating the Downtown Overlay District Development Regulations;
- Updating the Business Professional Development Regulations;
- Updating the City's Recreational Marijuana Regulations;
- Processing nine 2014 Comprehensive Plan Amendment Applications;
- Updating Development Regulations to allow for Minor Plat Amendments;
- Updating the Departments Fee Structure for the first time in eight years;
- Preparing a Development Agreement Ordinance;

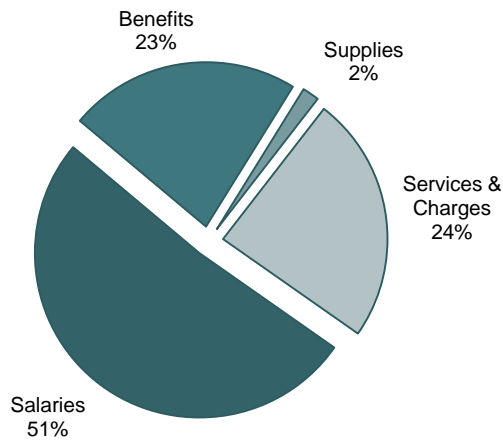
- Amended building code concerning permit extensions;
- Negotiated the purchase and clean up of 640 Bay Street;
- Horstman Heights Phase 1 Final Plat recorded;

**2015 DEPARTMENT OPERATING BUDGET**  
Community Development Department

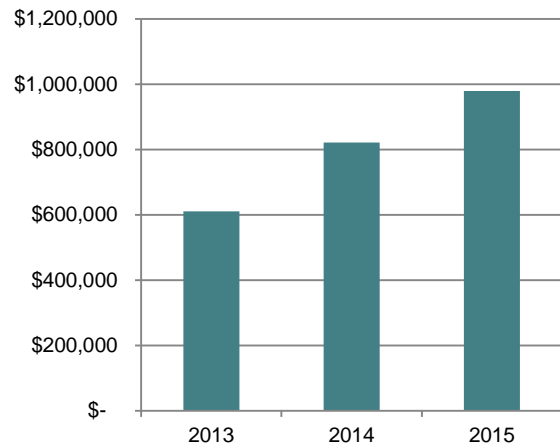
<b>Expenditures</b>		<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
10	Salaries & Wages	\$ 400,177	\$ 493,841	\$ 503,281
20	Personnel Benefits	135,844	184,880	222,731
	<b>Total Salary &amp; Benefits</b>	<b>\$ 536,021</b>	<b>\$ 678,721</b>	<b>\$ 726,012</b>
31	Office & Operating Supplies	\$ 4,881	\$ 11,000	\$ 14,050
32	Fuel Consumed	2,074	2,100	2,100
41	Professional Services	42,387	39,250	161,300
42	Communication	3,167	5,340	6,120
43	Travel	2,255	4,050	4,650
44	Advertising	329	1,300	1,300
45	Operating Rentals & Leases	2,246	2,600	2,100
46	Insurance	-	-	-
48	Repairs & Maintenance	8,168	8,450	5,650
49	Miscellaneous	7,859	67,115	50,140
64	Machinery & Equipment	-	-	4,885
98	Interfund Repairs & Maintenance	1,160	1,700	1,300
	<b>Total Other Expenditures</b>	<b>\$ 74,526</b>	<b>\$ 142,905</b>	<b>\$ 253,595</b>
<b>Total Community Development</b>		<b>\$ 610,547</b>	<b>\$ 821,626</b>	<b>\$ 979,607</b>

For additional detail, see worksheets for Building Inspections and Community Development.

**2015 DEPARTMENT BUDGET**



**ANNUAL BUDGET COMPARISON**





2015 DEPARTMENT OPERATING BUDGET  
Community Development Department

Building Inspections Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.4.524.20</b>			
10 Salaries & Wages	\$ 92,816	\$ 147,595	\$ 140,944
20 Personnel Benefits	31,614	44,387	64,768
31 Office & Operating Supplies	2,749	4,500	5,150
32 Fuel Consumed	1,698	1,600	1,500
41 Professional Services	38,493	12,950	30,000
42 Communication	1,188	1,700	2,040
43 Travel	409	1,750	2,000
45 Operating Rentals & Leases	511	700	600
48 Repairs & Maintenance	3,327	3,875	1,150
49 Miscellaneous	2,249	10,940	8,295
98 Interfund Repairs & Maintenance	360	900	500
<b>Total Building Inspections</b>	<b>\$ 175,415</b>	<b>\$ 230,897</b>	<b>\$ 256,947</b>
<b>Total Building Inspections</b>	<b>\$ 175,415</b>	<b>\$ 230,897</b>	<b>\$ 256,947</b>

**524.20 Notes**

- 31 Car Parts & Supplies, Office Supplies, Materials for Notices, Smart Phone Replacement
- 41 Supplemental Building Inspection Services, Backup Inspection Services
- 48 Postage Meter, Office Equipment Repair, Copier Maintenance
- 49 Forms, Subscriptions, Conferences, Dues, Printing, SMARTGov software and training
- 98 Interfund Repairs & Maintenance

2015 DEPARTMENT OPERATING BUDGET  
Community Development Department

Community Development Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.4.558.60</b>			
10 Salaries & Wages	\$ 306,055	\$ 345,246	\$ 361,837
20 Personnel Benefits	103,915	140,113	157,763
31 Office & Operating Supplies	2,123	6,200	8,600
32 Fuel Consumed	376	500	600
41 Professional Services	3,894	26,000	131,000
42 Communications	1,979	3,640	4,080
43 Travel	1,846	2,300	2,650
44 Advertising	250	1,000	1,000
45 Operating Rentals & Leases	1,568	1,900	1,500
48 Repairs & Maintenance	4,841	4,575	4,500
49 Miscellaneous	5,610	14,875	11,845
98 Interfund Repairs & Maintenance	800	800	800
<b>Total Planning</b>	<b>\$ 433,255</b>	<b>\$ 547,149</b>	<b>\$ 686,175</b>
<b>001.4.558.62</b>			
10 Salaries & Wages	\$ 831	\$ -	\$ -
20 Personnel Benefits	136	-	-
44 Advertising	79	-	-
<b>Total TDR Grant</b>	<b>\$ 1,046</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Community Development</b>	<b>\$ 434,301</b>	<b>\$ 547,149</b>	<b>\$ 686,175</b>

**558.60 Notes**

- 31 Graphics Material, Film/Photography Supplies, Car Parts & Supplies, Updated Aerial Photography
- 41 Hearing Examiner, Expedited Review, Parks Planning & Design, Low Impact Development Zoning Code Review & Updates, On Call Services, Comprehensive Plan Best Available Science Report and Documentation
- 48 Postage Meter, Office Equipment, Vehicle Repair, Copier Maintenance, SMARTGov
- 49 Subscriptions, Dues, Seminar Fees, Printing, Conferences, Software, Training
- 98 Interfund Repairs & Maintenance

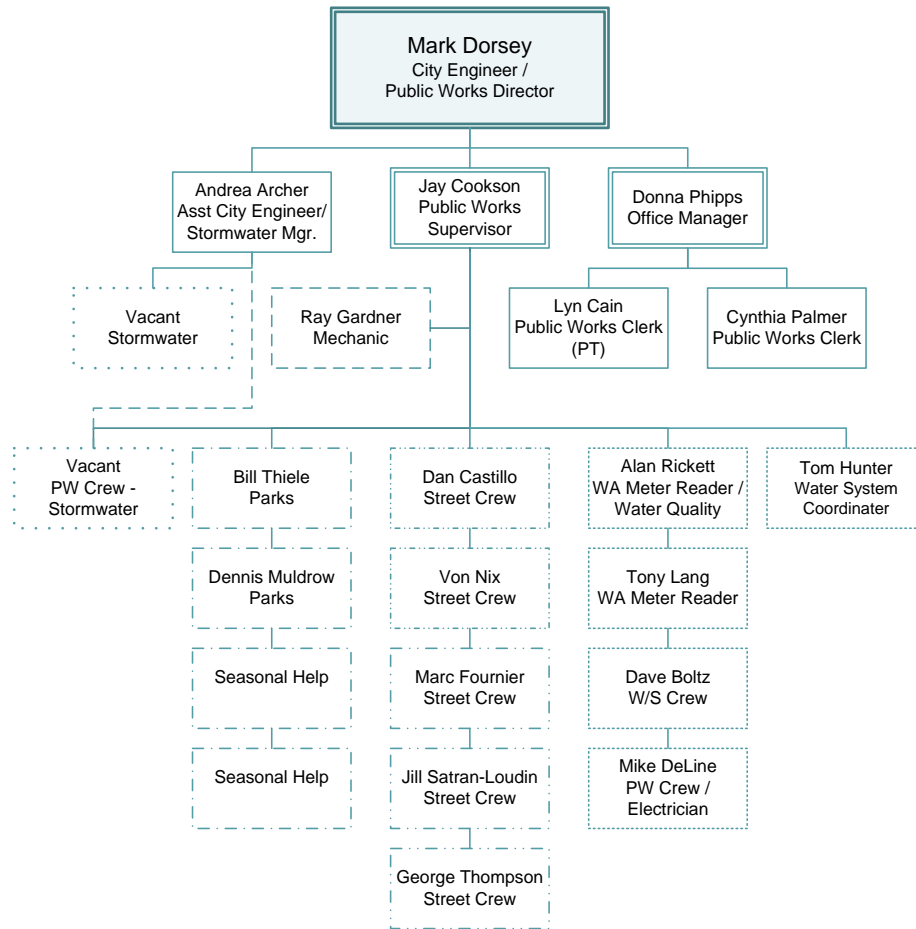
2015 DEPARTMENT OPERATING BUDGET  
Community Development Department

Property Development Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.4.559.30</b>			
10 Salaries & Wages	\$ 476	\$ 1,000	\$ 500
20 Personnel Benefits	179	380	200
31 Office & Operating Supplies	9	300	300
41 Professional Services	-	300	300
44 Advertising	-	300	300
45 Operating Rentals & Leases	167	-	-
49 Miscellaneous	-	41,300	30,000
<b>Total Property Development</b>	<b>\$ 830</b>	<b>\$ 43,580</b>	<b>\$ 31,600</b>
<b>001.4.594.58</b>			
64 Machinery & Equipment	\$ -	\$ -	\$ 4,885
<b>Total Machinery &amp; Equipment</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,885</b>
<b>Total Property Development, Machinery &amp; Equipment</b>	<b>\$ 830</b>	<b>\$ 43,580</b>	<b>\$ 36,485</b>

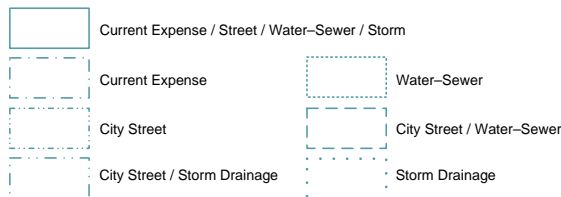
**559.30 Notes**

- 49 Contracted Abatement of one building

# PUBLIC WORKS



Note: Public works staff is funded by multiple sources as follows:



## DEPARTMENT DESCRIPTION

The City of Port Orchard Public Works Department is the proud caretaker of the City's infrastructure that includes two water systems with daily water supply capacity of 4.77 million gallons, operates and maintains 28.73 miles of sanitary sewer system, more than 61.5 lane miles of roads, maintains 1,024 traffic signs and 16 traffic control devices, 22.43 miles of culverts/storm water pipe, 1,339 publicly owned and maintained catch basins 71.76 acres of parks, and 31 structures and buildings.

## DIVISIONAL OVERVIEW

The success of the City of Port Orchard Public Works Department as a whole is a direct result of partnerships among its Divisions, the unselfish desire to contribute, and the diverse talent and qualifications of respective staff. The Public Works Department is comprised of Engineering, Public Works Maintenance (Shop personnel), and Administration.

### ADMINISTRATION:

The Administrative part of Public Works provides the Public Works Department support by maintaining data bases, permitting, contracts, training and development, projects list, water data, sewer data, stormwater data and a variety of annual reports required by the State Departments.

*Mission Statement: To plan, oversee and improve the Department's administrative activities and to ensure that expectations are met or exceeded in the most efficient, effective, responsive and responsible manner.*

### ENGINEERING:

The Engineering and Stormwater part of Public Works provides engineering expertise, architectural design and construction management services to all City departments and governmental agencies. Also prepares and implements the annual capital budget and oversees the work of professional consultants and contractors engaged in infrastructure improvement projects. These are the professionals who plan and execute the rehabilitation and construction of water and sewer mains, stormwater management, roads, buildings and other structural amenities.

*Mission Statement: To provide engineering expertise, architectural design, and construction management services for the City, its departments and other governmental agencies in the most efficient, effective, responsive and responsible manner.*

### ROAD & PARK MAINTENANCE:

The Public Works Maintenance department collaborates with City Officials, citizens and County agencies to identify opportunities for improving City assets and to develop cost-effective and reliable maintenance and repair solutions. All assets are maintained and repaired in a cost-effective manner to extend their useful lives until funds are available for major rehabilitation and reconstruction.

*Mission Statement: To provide and maintain all City roads and parks in a safe and accessible condition in the most efficient, effective, responsive and responsible manner.*

### FACILITIES MANAGEMENT:

Facilities Management is responsible for maintaining and improving the City's building infrastructure by providing services such as efficient heating and cooling, building renovation and building trade services. This division ensures that City facilities are constructed, renovated and maintained to provide for a safe and functional environment for its occupants.

*Mission Statement: To provide and maintain a safe, accessible and functional environment for employees, tenants and visitors of all City facilities and grounds in the most efficient, effective, responsive and responsible manner.*

## SHOP MECHANIC:

The Shop Mechanic maintains and services the City's heavy equipment and vehicle fleet. This division ensures that City vehicles and heavy equipment are safe, reliable, economical and environmentally sound.

*Mission Statement: To provide and maintain safe, reliable, and appropriate vehicles, heavy equipment and fleet services for all City Departments in the most efficient, effective, responsive and responsible manner.*

## GOALS

- To fully comply with financially constrained comprehensive plan elements (water, sewer, storm drainage, transportation, parks & facilities) in compliance with the GMA.
- To meet the 2015 City of Port Orchard Goals as established by the Port Orchard City Council, in an efficient, timely and professional manner and in accordance with the budgetary spending authority authorized in the 2015 Budget.
- To provide customer service training opportunities and/or resources for all staff members, to continue to improve public works customer service.
- To provide the necessary training, tools and equipment for all public works employees to safely and efficiently perform and accomplish the numerous duties of the City's Public Works Department.
- To provide safe, functional and reliable public works related services to the Citizens of Port Orchard.

## OBJECTIVES

- Well #10 Final PS&E complete and start construction
- McCormick Park - Phase 1 construction continuation completed
- Dekalb Pier - Phase 2 additional funding secured and project completed
- Bay Street Pedestrian Pathway – Segment #4 completed
- Bay Street Pedestrian Pathway – ROW Certification completed
- Bethel Corridor interim improvements (pavement repairs) completed
- Lund Bridge repairs & inspections completed
- Pavement Management System (PMS) completed
- Paul Powers Park interim field upgrades complete & public outreach/design completed
- Continue Tremont Widening funding search
- Water/Sewer rate structure changes completed
- Transportation Impact Fees and Transportation Benefit District in place
- Water, sanitary sewer and transportation plan updates completed

## PERFORMANCE MEASURES

Public Works – Engineering	2012 Actual	2013 Actual	2014 Estimated	2015 Projection
Number of Public Works Contracts Issued	33	33	47	50
Number of Public Works Purchase Orders Issued	32	27	30	25
Number of Public Works Complaints Received	435	425	312	425
Number of Public Works Complaints Resolved	388	429	306	400
Population	11,780	12,870	13,150	13,150
City Area (Sq. Miles)	7.46	9.35	9.35	9.35
Public Works Staff	18	18	19	21

## SIGNIFICANT BUDGET CHANGES & 2014 ACCOMPLISHMENTS

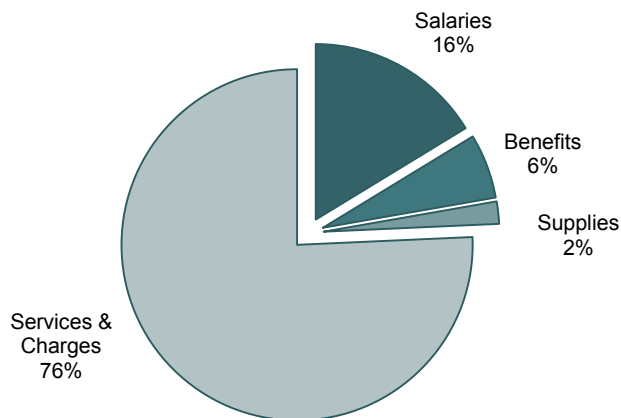
Developer Handbook (guidelines) completed, 60 STEP System conversions for McCormick Woods completed, the Bay Street Pedestrian Pathway – Segments #4 final design & permitting underway, Tremont Street Widening immediately ready to go for construction, McCormick Village Park (Phase 1) design/construction completed, Van Zee Park parking improvement completed, Well #10 DWSRF Loan (\$6M) acquired, Decant Facility (DOE grant) design completed, Storm Drainage Utility GAP Analysis & Comprehensive Plan Update completed, Water/Sewer GAP Analysis completed, city-wide residential paving completed and Bethel Corridor HMA Grind-out PS&E completed.

**2015 DEPARTMENT OPERATING BUDGET**  
Public Works Department

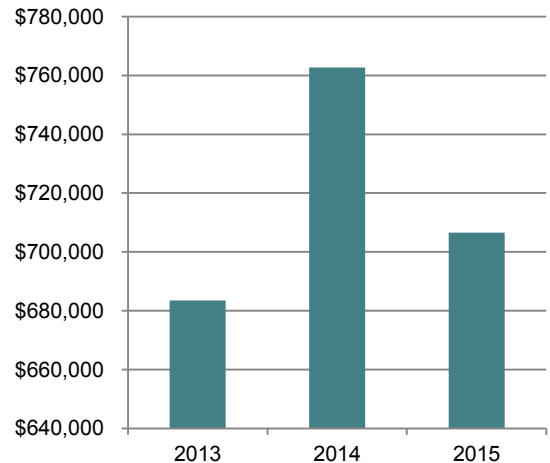
<b>Expenditures</b>	<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
10 Salaries & Wages	\$ 151,051	\$ 113,749	\$ 97,151
20 Personnel Benefits	62,284	39,741	35,508
<b>Total Salary &amp; Benefits</b>	<b>\$ 213,335</b>	<b>\$ 153,490</b>	<b>\$ 132,659</b>
31 Office & Operating Supplies	\$ 22,727	\$ 35,850	\$ 9,600
32 Fuel Consumed	2,395	2,600	2,650
41 Professional Services	10,302	40,100	48,250
42 Communication	5,285	5,250	5,550
43 Travel	20	500	500
44 Advertising	8,260	5,000	6,700
45 Operating Rentals & Leases	25,716	27,650	25,600
46 Insurance	269,979	293,000	140,000
47 Public Utility Services	54,519	63,305	56,500
48 Repairs & Maintenance	58,070	44,130	143,950
49 Miscellaneous	11,444	33,875	24,571
51 Intergovernmental Services	-	-	-
98 Interfund Repairs & Maintenance	1,380	2,000	-
<b>Total Other Expenditures</b>	<b>\$ 470,098</b>	<b>\$ 553,260</b>	<b>\$ 463,871</b>
61 Land	\$ -	\$ 8,800	\$ -
62 Buildings & Structures	-	47,200	110,000
<b>Total Capital Expenditures</b>	<b>\$ -</b>	<b>\$ 56,000</b>	<b>\$ 110,000</b>
<b>Total Public Works</b>	<b>\$ 683,434</b>	<b>\$ 762,750</b>	<b>\$ 706,530</b>

For additional detail, see worksheets for Engineering, Other Governmental Services, Library Services & Facilities, and Spectator & Community Events.

**2015 DEPARTMENT BUDGET**



**ANNUAL BUDGET COMPARISON**





2015 DEPARTMENT OPERATING BUDGET  
Public Works Department

Other Governmental Services Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.5.518.20</b>			
10 Salaries & Wages	\$ 74,747	\$ 86,569	\$ 74,748
20 Personnel Benefits	23,983	28,408	24,644
31 Office & Operating Supplies	1,672	2,000	2,000
32 Fuel Consumed	1,835	2,000	2,000
41 Professional Services	1,463	100	8,250
42 Communication	2,629	2,750	2,750
43 Travel	20	500	500
44 Advertising	209	500	200
45 Operating Rentals & Leases	1,225	2,000	2,000
48 Repairs & Maintenance	6,004	3,800	1,700
49 Miscellaneous	386	20,300	10,400
98 Interfund Repairs & Maintenance	1,080	1,800	-
<b>Total Engineering/Property Management Services</b>	<b>\$ 115,253</b>	<b>\$ 150,727</b>	<b>\$ 129,192</b>
<b>001.5.518.30</b>			
10 Salaries & Wages	\$ 44,432	\$ 7,400	\$ 8,944
20 Personnel Benefits	25,675	2,900	5,365
31 Office & Operating Supplies	14,266	30,900	4,600
32 Fuel Consumed	559	500	500
41 Professional Services	8,839	40,000	40,000
42 Communication	2,657	2,500	2,800
45 Operating Rentals & Leases	21,851	22,500	23,000
46 Insurance	269,979	293,000	140,000
47 Public Utility Services	41,237	42,400	41,500
48 Repairs & Maintenance	30,048	34,580	137,200
49 Miscellaneous	387	600	300
98 Interfund Repairs & Maintenance	300	200	-
<b>Total Facilities/Other Governmental Services</b>	<b>\$ 460,230</b>	<b>\$ 477,480</b>	<b>\$ 404,209</b>
<b>Total Other Governmental Services</b>	<b>\$ 575,483</b>	<b>\$ 628,207</b>	<b>\$ 533,401</b>

**518.20 Notes**

- 31 Car Expenses, Office Supplies, Copier Materials
- 41 GIS Technical Support, MRSC Roster, Vlist Property Annual Monitoring & Reporting
- 48 Copier & Office Equipment Maintenance, Vehicle Repair
- 49 Dues, Seminar Fees, Code Codification Fees, Miscellaneous, Printing, SMARTGov Permit Software License, Support, Maintenance

**518.30 Notes**

- 31 Cleaning Materials, Repair Parts, Equipment, Painting Supplies
- 41 Full-time Janitorial
- 45 DNR Waterfront Aquatic Lease (Lot 1 & 2)
- 48 Alarm Monitoring, Electrical Repairs, Elevator Maintenance, Fire System Maintenance, HVAC Maintenance Repairs, Phone System Repairs, City Hall Repairs

2015 DEPARTMENT OPERATING BUDGET  
Public Works Department

Other Governmental Services Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.5.559.30</b>			
10 Salaries & Wages	\$ 44	\$ -	\$ -
20 Personnel Benefits	44	-	-
<b>Total Community Development</b>	<b>\$ 89</b>	<b>\$ -</b>	<b>\$ -</b>
<b>001.5.594.18</b>			
10 Salaries & Wages	\$ -	\$ 400	\$ -
20 Personnel Benefits	-	100	-
62 Buildings & Structures	-	8,800	-
64 Machinery & Equipment	-	47,200	110,000
<b>Total Capital Expenditures</b>	<b>\$ -</b>	<b>\$ 56,500</b>	<b>\$ 110,000</b>
<b>Total Other Governmental Services</b>	<b>\$ 89</b>	<b>\$ 56,500</b>	<b>\$ 110,000</b>

**594.18 Notes**

64 City Hall - Emergency Generator per AWC

2015 DEPARTMENT OPERATING BUDGET  
Public Works Department

Library Services and Facilities Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.5.572.50</b>			
10 Salaries & Wages	\$ 2,944	\$ 400	\$ 1,500
20 Personnel Benefits	1,213	300	500
31 Office & Operating Supplies	1,460	200	-
47 Public Utility Services	13,282	20,905	15,000
48 Repairs & Maintenance	22,018	5,650	4,500
49 Miscellaneous	105	2,895	500
<b>Total Library Facilities</b>	<b>\$ 41,022</b>	<b>\$ 30,350</b>	<b>\$ 22,000</b>
<b>Total Library Services &amp; Facilities</b>	<b>\$ 41,022</b>	<b>\$ 30,350</b>	<b>\$ 22,000</b>

**572.50 Notes**

48 HVAC Maintenance Contract, Other Repairs

2015 DEPARTMENT OPERATING BUDGET  
Public Works Department

Festival of Chimes and Lights Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.5.573.90</b>			
10 Salaries & Wages	\$ 28,884	\$ 18,980	\$ 11,959
20 Personnel Benefits	11,369	8,033	4,999
31 Office & Operating Supplies	5,330	2,750	3,000
32 Fuel Consumed	-	100	150
44 Advertising	8,052	4,500	6,500
45 Operating Rentals & Leases	2,640	3,150	600
48 Repairs & Maintenance	-	100	550
49 Miscellaneous	2,658	4,780	2,800
91.49 Miscellaneous-Foot Ferry Services	7,908	5,300	10,571
<b>Total Spectator &amp; Community Events</b>	<b>\$ 66,840</b>	<b>\$ 47,693</b>	<b>\$ 41,129</b>
<b>Total Festival of Chimes and Lights</b>	<b>\$ 66,840</b>	<b>\$ 47,693</b>	<b>\$ 41,129</b>

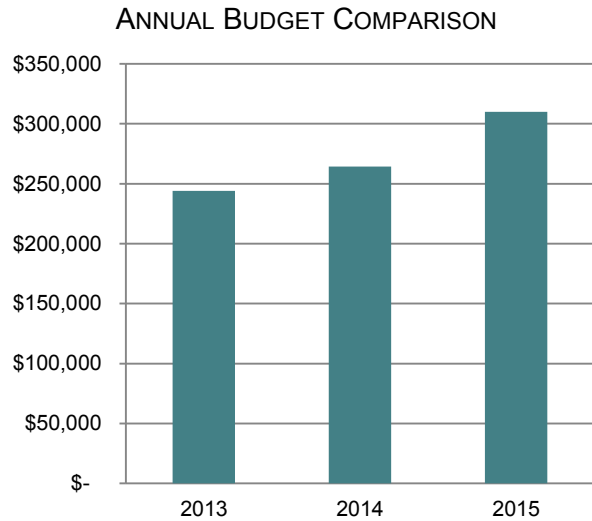
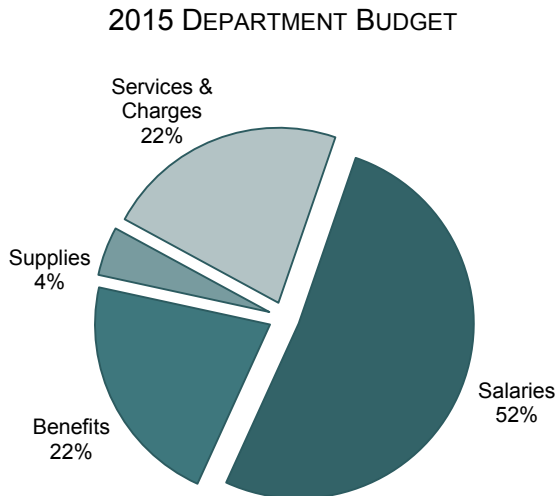
**573.90 Notes**

- 31 Tree, Light Replacement, Miscellaneous
- 45 Canopy & Generator
- 48 Miscellaneous R&M, L&I Electrical Inspection
- 49 Printing, Audio, Miscellaneous, Tree Delivery

2015 DEPARTMENT OPERATING BUDGET  
Parks and Recreation

Expenditures		2013 Actual	2014 Budget	2015 Budget
10	Salaries & Wages	\$ 82,041	\$ 111,574	\$ 159,736
20	Personnel Benefits	22,096	59,227	66,957
	<b>Total Salary &amp; Benefits</b>	<b>\$ 104,137</b>	<b>\$ 170,801</b>	<b>\$ 226,693</b>
31	Office & Operating Supplies	\$ 13,902	\$ 19,000	\$ 11,000
32	Fuel Consumed	2,699	4,200	3,000
41	Professional Services	4,562	20,000	24,000
42	Communication	419	900	250
45	Operating Rentals & Leases	1,101	1,500	1,000
47	Public Utility Services	19,174	22,300	22,500
48	Repairs & Maintenance	25,042	22,500	20,500
49	Miscellaneous	654	1,650	1,050
	<b>Total Other Expenditures</b>	<b>\$ 67,553</b>	<b>\$ 92,050</b>	<b>\$ 83,300</b>
63	Other Improvements	\$ 72,342	\$ 1,500	\$ -
64	Machinery & Equipment	-	-	-
	<b>Total Capital Expenditures</b>	<b>\$ 72,342</b>	<b>\$ 1,500</b>	<b>\$ -</b>
<b>Total Parks and Recreation</b>		<b>\$ 244,032</b>	<b>\$ 264,351</b>	<b>\$ 309,993</b>

For additional detail, see worksheet for Parks and Recreation.



2015 DEPARTMENT OPERATING BUDGET  
Parks and Recreation

Parks Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>001.5.576.80</b>			
10 Salaries & Wages	\$ 81,555	\$ 111,574	\$ 159,736
20 Personnel Benefits	21,892	59,227	66,957
31 Office & Operating Supplies	13,902	19,000	11,000
32 Fuel Consumed	2,699	4,200	3,000
41 Professional Services	4,562	20,000	24,000
42 Communication	419	900	250
45 Operating Rentals & Leases	1,101	1,500	1,000
47 Public Utility Services	19,174	22,300	22,500
48 Repairs & Maintenance	25,042	22,500	20,500
49 Miscellaneous	654	1,650	1,050
<b>Total Parks</b>	<b>\$ 171,000</b>	<b>\$ 262,851</b>	<b>\$ 309,993</b>
<b>001.5.594.76</b>			
10 Salaries & Wages	\$ 486	\$ -	\$ -
20 Personnel Benefits	204	-	-
63 Other Improvements	72,342	1,500	-
64 Machinery & Equipment	-	-	-
<b>Total Capital Expenditures</b>	<b>\$ 73,032</b>	<b>\$ 1,500</b>	<b>\$ -</b>
<b>Total Parks</b>	<b>\$ 244,032</b>	<b>\$ 264,351</b>	<b>\$ 309,993</b>

**576.80 Notes**

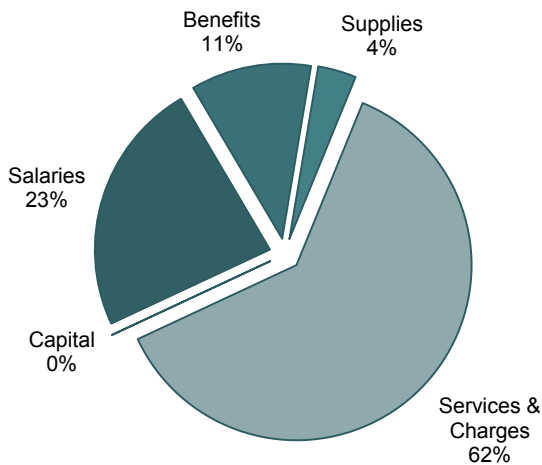
- 31 Cleaning Materials, Repair Parts, Equipment Replacement, Fertilizer, Mutt Mitts, Repair Supplies, Vandalism Repairs
- 41 Janitorial, On-Call Arborist
- 47 Electricity, Natural Gas, Water/Sewer, Storm
- 48 Vehicle & Equipment Repair, Maintenance Tools, Building Repair, Tree Cutting/Spraying, Park Services Maintenance
- 49 Noxious Weed Control, CDL Licenses, Miscellaneous

2015 DEPARTMENT OPERATING BUDGET  
City Street

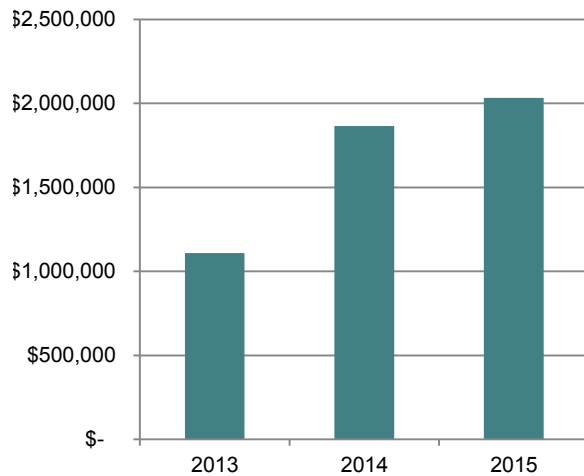
Expenditures		2013 Actual	2014 Budget	2015 Budget
10	Salaries & Wages	\$ 381,984	\$ 483,842	\$ 466,003
20	Personnel Benefits	159,111	234,544	220,929
	<b>Total Salary &amp; Benefits</b>	<b>\$ 541,095</b>	<b>\$ 718,386</b>	<b>\$ 686,932</b>
30	Supplies	\$ 58,248	\$ 65,750	\$ 70,150
40	Other Services & Charges	378,886	962,063	1,228,950
	<b>Total Other Expenditures</b>	<b>\$ 437,134</b>	<b>\$ 1,027,813</b>	<b>\$ 1,299,100</b>
63	Other Improvements	\$ 77,643	\$ 70,000	\$ -
	<b>Total Capital Expenditures</b>	<b>\$ 77,643</b>	<b>\$ 70,000</b>	<b>\$ -</b>
	<b>Operating Transfers - Out</b>	<b>\$ 54,000</b>	<b>\$ 49,593</b>	<b>\$ 48,000</b>
<b>Total City Street</b>		<b>\$ 1,109,872</b>	<b>\$ 1,865,792</b>	<b>\$ 2,034,032</b>

For additional detail, see worksheets for Maintenance, Administration, & Capital Expenditures.

2015 DEPARTMENT BUDGET



ANNUAL BUDGET COMPARISON



2015 DEPARTMENT OPERATING BUDGET  
City Street

Road and Street Maintenance Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>002.5.542.30</b>			
10 Salaries & Wages	\$ 69,494	\$ 70,354	\$ 80,710
20 Personnel Benefits	29,848	35,838	42,990
30 Supplies	9,648	8,000	9,000
40 Other Services & Charges	70,896	530,040	730,050
<b>Total Roadway</b>	<b>\$ 179,886</b>	<b>\$ 644,232</b>	<b>\$ 862,750</b>
<b>002.5.542.50</b>			
10 Salaries & Wages	\$ 1,096	\$ -	\$ 1,468
20 Personnel Benefits	885	-	858
30 Supplies	1,362	100	500
40 Other Services & Charges	20,878	46,000	58,000
<b>Total Structures (Bridges)</b>	<b>\$ 24,220</b>	<b>\$ 46,100</b>	<b>\$ 60,826</b>
<b>002.5.542.61</b>			
10 Salaries & Wages	\$ -	\$ 1,764	\$ 434
20 Personnel Benefits	-	705	232
30 Supplies	90	7,500	7,500
40 Other Services & Charges	9,164	20,000	20,000
<b>Total Sidewalks</b>	<b>\$ 9,255</b>	<b>\$ 29,969</b>	<b>\$ 28,166</b>
<b>002.5.542.63</b>			
10 Salaries & Wages	\$ 797	\$ 1,220	\$ 763
20 Personnel Benefits	363	515	395
30 Supplies	48	100	200
40 Other Services & Charges	126,732	130,000	130,000
<b>Total Street Lighting</b>	<b>\$ 127,940</b>	<b>\$ 131,835</b>	<b>\$ 131,358</b>

**542.30 Notes**

- 30 Asphalt, Crushed Rock, Supplies, Auto Parts, Fuel
- 40 Bethel Intersection Repairs, Dump Fees, HMA Crack Sealing, Printing, Saw Cutting, Vehicle Repairs

**542.50 Notes**

- 30 Graffiti Removal
- 40 2015 Bridge Program Items/Inspections, Exp. Joint/Compression Seal Replacement, Expansion Joint Cleaning, Handrail Repairs, Moss Removal

**542.61 Notes**

- 30 Concrete, Fuel, & ADA Access
- 40 Grind Sidewalks, General Maintenance

**542.63 Notes**

- 30 Marquee Sidewalk Lights, Miscellaneous Supplies
- 40 Electricity



2015 DEPARTMENT OPERATING BUDGET  
City Street

Road and Street Maintenance (Continued) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>002.5.542.64</b>			
10 Salaries & Wages	\$ 48,513	\$ 65,121	\$ 59,417
20 Personnel Benefits	21,432	29,558	27,685
30 Supplies	17,442	15,100	18,500
40 Other Services & Charges	96,682	140,000	165,500
<b>Total Traffic Control Devices</b>	<b>\$ 184,069</b>	<b>\$ 249,779</b>	<b>\$ 271,102</b>
<b>002.5.542.65</b>			
10 Salaries & Wages	\$ 2,803	\$ 4,671	\$ 2,559
20 Personnel Benefits	785	2,366	1,230
30 Supplies	1,066	400	700
40 Other Services & Charges	223	800	600
<b>Total Parking Facilities</b>	<b>\$ 4,877</b>	<b>\$ 8,237</b>	<b>\$ 5,089</b>
<b>002.5.542.66</b>			
10 Salaries & Wages	\$ 8,839	\$ 38,773	\$ 51,974
20 Personnel Benefits	3,725	15,023	25,474
30 Supplies	5,961	19,750	16,500
40 Other Services & Charges	41	200	-
<b>Total Snow &amp; Ice Control</b>	<b>\$ 18,567</b>	<b>\$ 73,746</b>	<b>\$ 93,948</b>

**542.64 Notes**

- 30 Barricades, Fuel, Street Signs/posts, Traffic Counter Repair/Replacement
- 40 Contract with Kitsap County/WSDOT, Electricity for Signal, Street Stripping, Buttons, Thermoplastic, Specific Street Signs, Sign Replacement, Guardrail Repair, Buttons

**542.65 Notes**

- 30 Fuel, Supplies
- 40 Printing, Grader

**542.66 Notes**

- 30 Fuel, Sand, Repair Parts, Brine De-Icer, Miscellaneous

2015 DEPARTMENT OPERATING BUDGET  
City Street

Road and Street Maintenance (Continued) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>002.5.542.70</b>			
10 Salaries & Wages	\$ 26,011	\$ 34,990	\$ 29,749
20 Personnel Benefits	11,562	19,119	16,488
30 Supplies	5,230	2,000	3,250
40 Other Services & Charges	3,330	7,500	9,000
<b>Total Roadside</b>	<b>\$ 46,132</b>	<b>\$ 63,609</b>	<b>\$ 58,487</b>
<b>002.5.542.80</b>			
10 Salaries & Wages	\$ 7,399	\$ 11,324	\$ 11,260
20 Personnel Benefits	4,169	8,611	5,977
30 Supplies	455	800	500
40 Other Services & Charges	719	1,150	1,000
<b>Total City Clean-Up</b>	<b>\$ 12,741</b>	<b>\$ 21,885</b>	<b>\$ 18,737</b>
<b>002.5.542.90</b>			
10 Salaries & Wages	\$ 30,734	\$ 38,706	\$ 33,683
20 Personnel Benefits	13,426	18,613	17,031
30 Supplies	13,353	9,000	10,000
40 Other Services & Charges	2,431	1,750	2,000
<b>Total Admin &amp; Overhead</b>	<b>\$ 59,944</b>	<b>\$ 68,069</b>	<b>\$ 62,714</b>
<b>Total Road and Street Maintenance</b>	<b>\$ 667,630</b>	<b>\$ 1,337,461</b>	<b>\$ 1,593,177</b>

**542.70 Notes**

- 30 Fuel, Repair Parts, Noxious Weed Abatement, Small Equipment
- 40 Noxious Weed Abatement, Tree Removal, Dump Fees

**542.80 Notes**

- 30 Fuel, Tarps
- 40 Advertisements, White Goods, Landfill Costs

**542.90 Notes**

- 30 Fuel, Miscellaneous Tools, Supplies
- 40 Hazmat-Parts Cleaner, Vehicle Repairs, Fire Extinguisher Inspections

2015 DEPARTMENT OPERATING BUDGET  
City Street

Road and Street Administration Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>002.5.543.10</b>			
10 Salaries & Wages	\$ 65,428	\$ 82,056	\$ 54,277
20 Personnel Benefits	28,087	42,556	24,671
40 Other Services & Charges	2,960	2,723	11,500
<b>Total Road &amp; Street Management</b>	<b>\$ 96,475</b>	<b>\$ 127,335</b>	<b>\$ 90,448</b>
<b>002.5.543.30</b>			
10 Salaries & Wages	\$ 91,493	\$ 101,641	\$ 106,783
20 Personnel Benefits	34,199	48,870	43,372
30 Supplies	453	500	500
40 Other Services & Charges	37,611	69,950	90,500
<b>Total General Services</b>	<b>\$ 163,756</b>	<b>\$ 220,961</b>	<b>\$ 241,155</b>
<b>002.5.543.31</b>			
10 Salaries & Wages	\$ 1,568	\$ 155	\$ -
20 Personnel Benefits	742	111	-
40 Other Services & Charges	633	750	1,000
<b>Total Training</b>	<b>\$ 2,942</b>	<b>\$ 1,016</b>	<b>\$ 1,000</b>
<b>002.5.543.50</b>			
10 Salaries & Wages	\$ 27,156	\$ 33,067	\$ 32,926
20 Personnel Benefits	9,759	12,659	14,526
30 Supplies	3,139	2,500	3,000
40 Other Services & Charges	6,586	11,200	9,800
<b>Total Road &amp; Street Facilities</b>	<b>\$ 46,641</b>	<b>\$ 59,426</b>	<b>\$ 60,252</b>
<b>Total Road and Street Administration</b>	<b>\$ 309,814</b>	<b>\$ 408,738</b>	<b>\$ 392,855</b>

**543.10 Notes**

40 KRCC Transportation

**543.30 Notes**

40 Telephone, Audit, Copy Machine, Municipal Code Codification Fees, Claims for Damages, Legal Expenses, CDL Licenses, CDL Physicals, Transportation Plan Update

**543.50 Notes**

40 Laundry Service, Electricity, Natural Gas, Utilities, Repairs, Janitorial Services

2015 DEPARTMENT OPERATING BUDGET  
City Street

Capital Expenditures Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>002.5.594.42</b>			
10 Salaries & Wages	\$ 501	\$ -	\$ -
20 Personnel Benefits	99	-	-
64 Machinery & Equipment	28,623	70,000	-
<b>Total Street Equipment</b>	<b>\$ 29,224</b>	<b>\$ 70,000</b>	<b>\$ -</b>
<b>002.5.595.30</b>			
10 Salaries & Wages	\$ 152	\$ -	\$ -
20 Personnel Benefits	32	-	-
63 Other Improvements	32,101	-	-
<b>Total Roadway Construction</b>	<b>\$ 32,286</b>	<b>\$ -</b>	<b>\$ -</b>
<b>002.5.595.64</b>			
63 Other Improvements	<b>\$ 16,918</b>	<b>\$ -</b>	<b>\$ -</b>
<b>002.5.597.00</b>			
00 Operating Transfers Out	<b>\$ 54,000</b>	<b>\$ 49,593</b>	<b>\$ 48,000</b>
<b>Total Other Governmental Expenditures</b>	<b>\$ 132,428</b>	<b>\$ 119,593</b>	<b>\$ 48,000</b>

**597.00 Notes**

00 Reimbursement for Supersingle Truck

2015 EXPENDITURE BUDGET  
Capital Projects Fund

Capital Construction Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>302.6.518.30</b>			
30 Professional Services - REET	\$ 100	\$ -	\$ -
<b>302.6.519.20</b>			
49 Judgements & Settlements	\$ 10,090.94	\$ -	\$ -
<b>302.6.594.00</b>			
76.10 Salaries-(DOC) Dekalb Pier	\$ 5,649.26	\$ -	\$ -
76.20 Benefits-(DOC) Dekalb Pier	2,492	-	-
76.63 Other Improvements-Dekalb Pier Phase 2	570,720	255,000	255,000
77.63 Other Improvements-McCormick Village Park	-	409,300	-
78.63 Other Improvements-Paul Powers Park	-	165,000	-
<b>Total Capital Expenditures</b>	<b>\$ 578,860</b>	<b>\$ 829,300</b>	<b>\$ 255,000</b>
<b>302.6.595.62</b>			
63 Paths & Trails-Bay St Ped Path	\$ 85,657.43	\$ -	\$ -
<b>Total Other Infrastructure</b>	<b>\$ 85,657.43</b>	<b>\$ -</b>	<b>\$ -</b>
<b>302.6.595.72</b>			
10 Salaries-Paths & Trails-Bay St Ped Path	\$ 8,051.98	\$ 2,000.00	\$ -
20 Benefits-Paths & Trails-Bay St Ped Path	4,031	1,000	-
63 Paths & Trails-Bay St Ped Path	483,228	340,650	-
<b>Total Other Infrastructure</b>	<b>\$ 495,311.12</b>	<b>\$ 343,650.00</b>	<b>\$ -</b>
<b>302.6.597.00*</b>			
00 Operating Transfers-Out (REET)	\$ 186,618	\$ 496,800	\$ 1,650,000
<b>Total Other Financing Uses</b>	<b>\$ 186,618</b>	<b>\$ 496,800</b>	<b>\$ 1,650,000</b>
<b>302.9.508.30*</b>			
00 Restricted Fund Balance-REET Ending	\$ 1,328,598	\$ 791,670	\$ -
<b>Total Capital Construction</b>	<b>\$ 2,685,235</b>	<b>\$ 2,461,420</b>	<b>\$ 1,905,000</b>

**597.00 Notes**

00 City Hall Payment, Paving, Phone System, Bethel Corridor Asphalt Repair

\* Previously tracked in Fund 302, Cumulative Reserve for Municipal Facilities. To provide clarity REET was moved to Fund 109, Real Estate Excise Tax, and Fund 302 was renamed Capital Construction

2015 EXPENDITURE BUDGET  
Capital Projects Fund

Cumulative Reserve for Equipment Replacement Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>303.6.594.00</b>			
18.64 Machinery & Equipment	\$ -	\$ 30,000	\$ -
21.64 Machinery & Equipment-Police	78,916	86,800	90,300
<b>Total Capital Expenditures</b>	<b>\$ 78,916</b>	<b>\$ 116,800</b>	<b>\$ 90,300</b>
<b>303.9.508.50</b>			
52.00 Assigned Fund Balance-Police	\$ 89,434	\$ 89,907	\$ 82,740
53.00 Assigned Fund Balance-Street	\$ 48,059	\$ 96,134	\$ 107,479
54.00 Assigned Fund Balance-Miscellaneous	\$ 135,678	\$ 105,980	\$ 143,171
55.00 Assigned Fund Balance-Computers	\$ 12,530	\$ 12,535	\$ 12,530
<b>Total Cumulative Reserve for Equip Replacement</b>	<b>\$ 364,617</b>	<b>\$ 421,356</b>	<b>\$ 436,220</b>

**594.21 Notes**

64 Two Police Interceptor Vehicles with Equipment

2015 DEPARTMENT OPERATING BUDGET  
Capital Projects Fund

Street Capital Projects Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>304.5.595.10</b>			
10 Salaries & Wages	\$ 523.49	\$ -	\$ -
20 Personnel Benefits	329	-	-
63 Other Improvements	149,612	-	-
<b>Total Tremont St Widening Engineering</b>	<b>\$ 150,464</b>	<b>\$ -</b>	<b>\$ -</b>
<b>304.5.595.11</b>			
10 Salaries & Wages	\$ 2,046	\$ -	\$ -
20 Personnel Benefits	780	-	-
63 Other Improvements	12,546	-	-
<b>Total Cedar Heights Engineering</b>	<b>\$ 15,373</b>	<b>\$ -</b>	<b>\$ -</b>
<b>304.5.595.20</b>			
10 Salaries & Wages	\$ -	\$ 3,000	\$ -
20 Personnel Benefits	-	1,000	-
61 ROW-Land	39,903	396,000	-
63 ROW-Other Improvements	-	50,000	382,802
<b>Total Tremont St Widening ROW</b>	<b>\$ 39,903</b>	<b>\$ 450,000</b>	<b>\$ 382,802</b>
<b>304.5.595.21</b>			
10 Salaries & Wages	\$ 1,011	\$ 6,000	\$ -
20 Personnel Benefits	453	2,000	-
61 ROW-Land	595	500,000	2,223,802
<b>Total Bay Street Pedestrian Path ROW</b>	<b>\$ 2,059</b>	<b>\$ 508,000</b>	<b>\$ 2,223,802</b>
<b>304.5.595.62</b>			
10 Salaries & Wages	\$ -	\$ -	\$ 3,500
20 Personnel Benefits	-	-	1,500
63 DOC Bay St Ped Path	-	-	303,950
<b>Total Bay St Sea Wall Construction</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 308,950</b>
<b>304.5.595.71</b>			
10 Salaries & Wages	\$ 7,569	\$ -	\$ -
20 Personnel Benefits	2,185	-	-
63 Other Improvements	161,418	-	-
<b>Total Cedar Heights Sidewalk Construction</b>	<b>\$ 171,171</b>	<b>\$ -</b>	<b>\$ -</b>
<b>304.9.597.00.00</b>			
00 Operating Transfers Out	\$ -	\$ -	\$ 300,000
<b>304.9.508.30</b>			
00 Est Restricted Fund Balance-Ending	\$ 767,634	\$ 513,000	\$ 323,420
<b>Total Street Capital Projects</b>	<b>\$ 1,146,604</b>	<b>\$ 1,471,000</b>	<b>\$ 3,538,974</b>

**595.20 Notes**

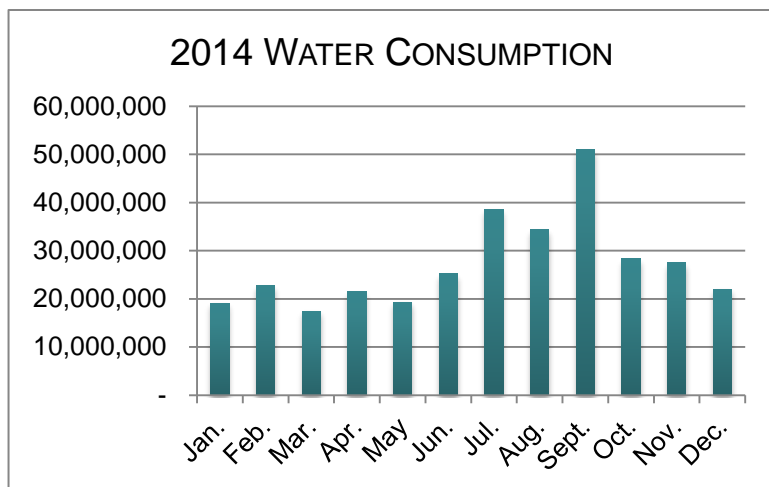
63 Tremont ROW

**595.2 Notes**

61 WSDOT/FHWA Award 1, 2, & 3

# WATER SEWER UTILITY

The City of Port Orchard operates a Water Sewer Utility providing services for its residents. Customers are billed bi-monthly for water sewer services as prescribed by Ordinance. Water fees are calculated based on how many units, size of meter, and consumption. Sewer is billed at a flat rate based on the type of service, number of units and fixture fees. The City's water sewer utility has experienced a steady

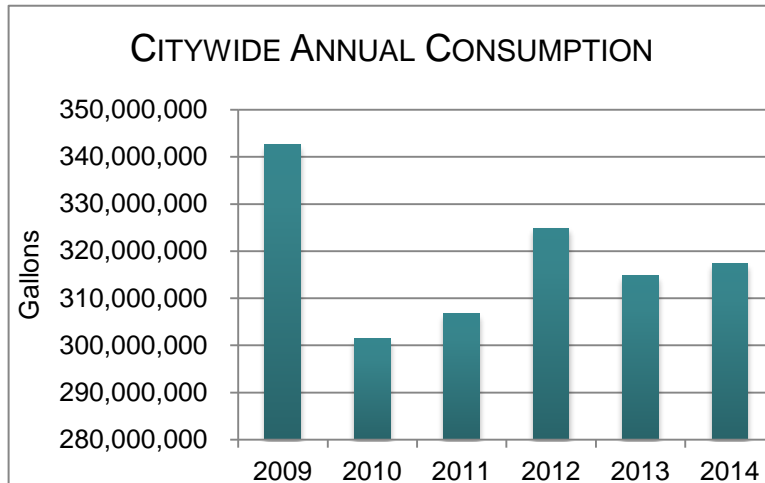


increase in accounts to service and maintain due to new development.

The City is divided into two cycle billings. Each cycle billing covers a two month period. Water usage typically increases during the warm summer months returning to lower levels for fall, winter, and spring. The City is very proactive with water conservation offering programs, literature, and education to help our citizens conserve water. One of the programs the City utilizes is the rebate for low flow toilets for all residential

customers. Due to these and other "green" practices since 2009 the City's annual consumption rates have reduced overall in comparison to years prior as indicated in the chart to the right.

Port Orchard's Utility operation and maintenance is funded, by and large, from payments received for water and sewer services. The City works very hard to be efficient in operations of this Utility. Water and sewer mains, wells, pump stations, and other infrastructure require constant maintenance and repair to keep everything flowing smoothly. Our public works crew works diligently to ensure that our drinking water is safe and that wastewater makes its way to the treatment facility. In recent years, as costs to maintain the Utility grew at a rapid rate, revenues received from



fees were less able to meet maintenance and operation needs. The City implemented rate increases to ensure the continued level of operations and maintenance required for our citizens.

The City of Port Orchard maintains fund balance to sustain sufficient revenue levels for operations and maintenance throughout the year. Unexpected emergencies which might arise are also factored into the fund balance equation.



The City's goal is to provide safe, reliable, and efficient water and sewer service for its residents. As the water sewer utility infrastructure ages, it is important to look ahead and plan for replacing and improving the system in order to keep it at peak performance. To that effect the City has reserve accounts where funds are saved for necessary future infrastructure improvements. The reserve fund receives its revenue primarily from developer fees. A study on the City's aging infrastructure indicated that significant improvements would be needed in the very near future to keep the system operating at the capacity required. In 2010 the City enacted a sewer rate increase which included a percentage to be placed in reserves and dedicated to capital improvements. In 2011 Council approved a water rate increase. To minimize impact to its customers the rate increase is spread over a period four years.

# REVENUES & EXPENDITURES

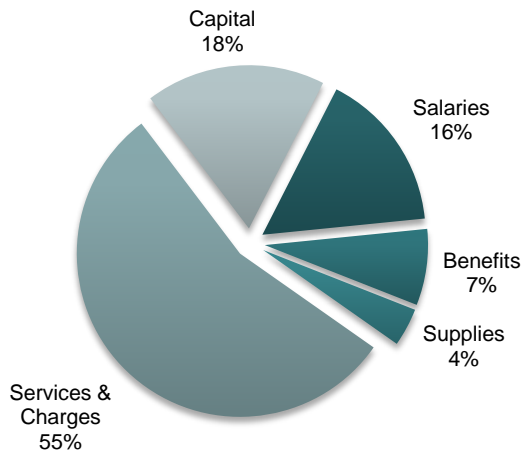
Water Sewer Fund	2012 Actuals	2013 Actuals	2014 Budget	2015 Budget
<b>Revenues</b>				
Beginning Reserved Fund Balance	300	300	-	-
Beginning Unreserved Fund Balance	1,118,402	1,690,019	800,000	1,100,000
Charges Goods & Services	4,532,095	4,527,428	4,357,300	4,681,500
Fines and Penalties	49,099	82,285	88,500	76,000
Miscellaneous Revenue	54,550	237,416	49,940	54,500
Proprietary Gains (Losses) and Other Income (Expenses)	432	34,233	-	-
Other Financing Sources	314,953	535,000	840,000	2,000,000
<b>Total Revenues</b>	<b>6,069,530</b>	<b>7,106,381</b>	<b>6,135,740</b>	<b>7,912,000</b>
<b>Expenditures</b>				
Personnel Costs (Salary & Benefits)	1,079,344	1,147,490	1,214,645	1,316,534
Supplies & Fuel	140,416	205,516	218,750	518,900
Services & Charges	737,105	1,005,508	1,149,304	1,252,700
Intergovernmental Services & ILA's	1,858,982	1,714,015	1,726,480	1,828,640
Capital Outlay	634,263	-	869,000	1,000,000
Debt Service	9,100	12,545	68,460	68,684
Other Expenditures	-	5,410	-	-
Interfund Transfers	214,548	158,000	78,242	1,000,000
Unreserved Ending Fund Balance	1,690,019	907,092	810,859	926,542
<b>Total Expenditures</b>	<b>6,363,778</b>	<b>5,155,576</b>	<b>6,135,740</b>	<b>7,912,000</b>

**2015 DEPARTMENT OPERATING BUDGET**  
Water Sewer

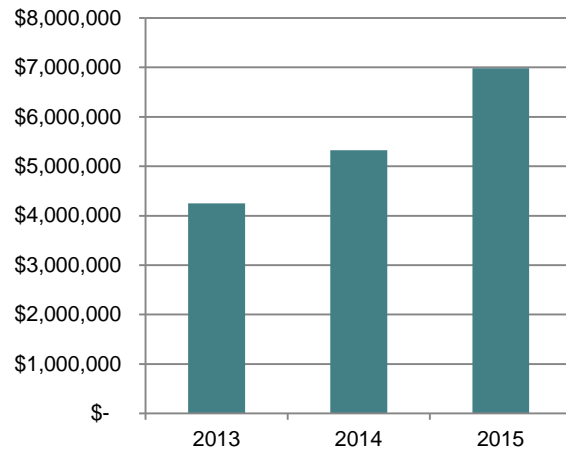
<b>Expenditures</b>		<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
10	Salaries & Wages	\$ 819,334	\$ 850,842	\$ 892,626
20	Personnel Benefits	328,156	363,803	423,908
	<b>Total Salary &amp; Benefits</b>	<b>\$ 1,147,490</b>	<b>\$ 1,214,645</b>	<b>\$ 1,316,534</b>
30	Supplies	\$ 150,234	\$ 173,750	\$ 191,900
32	Fuel Consumed	18,737	17,000	20,000
33	Water Purchased for Resale	36,545	28,000	56,000
40	Other Services & Charges	824,796	1,149,304	1,252,700
41	Professional Services - Legal	14,225	-	5,000
46	Insurance	166,487	-	246,000
50	Intergovernmental Services	1,363,500	1,383,480	1,439,640
53	Utility Tax State	124,491	122,000	149,000
54	Utility Tax City	226,024	221,000	240,000
71	Long Term Debt	-	49,950	51,300
77	Other Notes	-	7,000	7,500
83	Interest On Long Term Debt	12,903	11,510	9,884
84		(358)		
	<b>Total Other Expenditures</b>	<b>\$ 2,937,584</b>	<b>\$ 3,162,994</b>	<b>\$ 3,668,924</b>
62	Buildings & Structures	\$ -	\$ -	\$ -
63	Other Improvements	-	850,000	1,000,000
64	Machinery & Equipment	-	19,000	-
	<b>Total Capital Expenditures</b>	<b>\$ -</b>	<b>\$ 869,000</b>	<b>\$ 1,000,000</b>
00	Operating Transfers	\$ 163,410	\$ 78,242	\$ 1,000,000
<b>Total Water Sewer</b>		<b>\$ 4,248,483</b>	<b>\$ 5,324,881</b>	<b>\$ 6,985,458</b>

For additional detail, see worksheet for Water Sewer.

**2015 DEPARTMENT BUDGET**



**ANNUAL BUDGET COMPARISON**



2015 DEPARTMENT OPERATING BUDGET  
Water Sewer

Water Utilities Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>401.5.534.10</b>			
10 Salaries & Wages	\$ 26,012	\$ 32,458	\$ 33,190
20 Personnel Benefits	10,766	13,599	16,823
30 Supplies	136	400	100
40 Other Services & Charges	2,034	98,094	10,350
41 Professional Services - Legal	4,622	-	-
46 Property Insurance - WA	39,100	-	57,960
53 Utility Tax State	83,495	68,000	95,000
54 Utility Tax City	72,498	71,000	80,000
<b>Total General Administration</b>	<b>\$ 238,663</b>	<b>\$ 283,551</b>	<b>\$ 293,423</b>
<b>401.5.534.11</b>			
10 Salaries & Wages	\$ 80,885	\$ 86,819	\$ 73,885
20 Personnel Benefits	33,152	33,662	31,399
46 Liability Insurance - WA	44,143	-	68,040
<b>Total General Administration Executive</b>	<b>\$ 114,037</b>	<b>\$ 120,481</b>	<b>\$ 105,284</b>
<b>401.5.534.12</b>			
10 Salaries & Wages	\$ 105,419	\$ 107,085	\$ 113,939
20 Personnel Benefits	38,978	44,576	46,524
<b>Total General Administration Clerical</b>	<b>\$ 144,397</b>	<b>\$ 151,661</b>	<b>\$ 160,463</b>
<b>401.5.534.20</b>			
40 Other Services & Charges	\$ -	\$ 41,200	\$ 109,150
<b>Total Other Administration</b>	<b>\$ -</b>	<b>\$ 41,200</b>	<b>\$ 109,150</b>
<b>401.5.534.50</b>			
10 Salaries & Wages	\$ 2,708	\$ 13,540	\$ 4,687
20 Personnel Benefits	1,138	4,699	2,475
30 Supplies	3,352	4,000	3,000
40 Other Services & Charges	1,880	6,300	7,550
<b>Total Structures Maintenance</b>	<b>\$ 9,078</b>	<b>\$ 28,539</b>	<b>\$ 17,712</b>

**534.10 Notes**

- 30 Office Copier Supplies
- 40 State Audit, CDL Licenses & Physicals, Legal, Code Codification, Copier Maintenance & Printing, Public Records Request

**534.20 Notes**

- 40 Emergency Generator Rental, USGS Groundwater Study, Required Safety Training, Water System Updates, Water Rights 2015, Well#4 Action Plan, Dues

**534.50 Notes**

- 30 Crushed Rock, Shop Materials, Miscellaneous Supplies
- 40 Carpet Cleaning, Janitorial Services, Miscellaneous Repairs

2015 DEPARTMENT OPERATING BUDGET  
Water Sewer

Water Utilities (Continued) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>401.5.534.51</b>			
10 Salaries & Wages	\$ 3,132	\$ 2,471	\$ 3,150
20 Personnel Benefits	1,213	936	1,345
30 Supplies	5,910	3,000	5,000
40 Other Services & Charges	1,838	900	1,700
<b>Total Transportation Equipment</b>	<b>\$ 12,093</b>	<b>\$ 7,307</b>	<b>\$ 11,195</b>
<b>401.5.534.52</b>			
10 Salaries & Wages	\$ 41,947	\$ 36,712	\$ 58,752
20 Personnel Benefits	19,361	17,689	32,779
30 Supplies	22,300	20,000	21,000
40 Other Services & Charges	17,145	5,500	27,000
<b>Total Water Treatment</b>	<b>\$ 100,753</b>	<b>\$ 79,901</b>	<b>\$ 139,531</b>
<b>401.5.534.53</b>			
10 Salaries & Wages	\$ 1,350	\$ 745	\$ 1,527
20 Personnel Benefits	823	590	914
30 Supplies	379	500	500
40 Other Services & Charges	512	1,500	1,500
<b>Total Wells Maintenance</b>	<b>\$ 3,065</b>	<b>\$ 3,335</b>	<b>\$ 4,441</b>

**534.51 Notes**

- 30 Auto Parts, Fuel
- 40 Claims for Damages, Equipment Rental, Miscellaneous Equipment

**534.52 Notes**

- 30 Chlorine, Floride, Potassium(Well #9)
- 40 Chlorinator Repairs, Training, Travel, Water Testing, Miscellaneous Repairs

**534.53 Notes**

- 40 Well Testing (VOC, IOC, Chlorine Residual), Miscellaneous Repairs

2015 DEPARTMENT OPERATING BUDGET  
Water Sewer

Water Utilities (Continued) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>401.5.534.54</b>			
10 Salaries & Wages	\$ 31,880	\$ 31,956	\$ 49,456
20 Personnel Benefits	12,162	13,463	24,304
30 Supplies	2,111	1,750	2,000
40 Other Services & Charges	12,411	20,000	18,500
<b>Total Supply Main Maintenance</b>	<b>\$ 58,563</b>	<b>\$ 67,169</b>	<b>\$ 94,260</b>
<b>401.5.534.55</b>			
10 Salaries & Wages	\$ 17,922	\$ 18,135	\$ 18,728
20 Personnel Benefits	7,266	7,996	10,249
30 Supplies	2,041	2,000	2,000
40 Other Services & Charges	7,988	7,300	9,000
<b>Total Services Maintenance</b>	<b>\$ 35,217</b>	<b>\$ 35,431</b>	<b>\$ 39,977</b>
<b>401.5.534.56</b>			
10 Salaries & Wages	\$ 49,465	\$ 48,127	\$ 55,826
20 Personnel Benefits	20,593	21,491	30,281
30 Supplies	10,766	13,400	16,000
40 Other Services & Charges	101,948	62,000	91,000
<b>Total Pumping Expenses</b>	<b>\$ 182,773</b>	<b>\$ 145,018</b>	<b>\$ 193,107</b>

**534.54 Notes**

- 30 Pipe & Water Main Parts
- 40 Asphalt Sawing, Leak Detection, Underground Location Fees, Miscellaneous Repairs

**534.55 Notes**

- 30 Cross Connection Control Program, Water Service Parts
- 40 Asphalt Sawing, DOH Permit, Training, Travel, Miscellaneous Repairs, Cross-Connection Testing

**534.56 Notes**

- 30 Telemetry Parts, Miscellaneous Supplies
- 40 Electricity, Pump Repairs, Training, Travel, Fuel Tank Replacement, Telemetry SCADA

2015 DEPARTMENT OPERATING BUDGET  
Water Sewer

Water Utilities (Continued) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>401.5.534.57</b>			
10 Salaries & Wages	\$ 1,790	\$ 3,127	\$ 2,065
20 Personnel Benefits	1,461	1,378	1,285
30 Supplies	269	200	300
40 Other Services & Charges	8,971	10,000	76,000
<b>Total Distribution Reservoirs &amp; Maintenance</b>	<b>\$ 12,492</b>	<b>\$ 14,705</b>	<b>\$ 79,650</b>
<b>401.5.534.58</b>			
10 Salaries & Wages	\$ 6,395	\$ 10,460	\$ 6,658
20 Personnel Benefits	3,418	5,449	4,186
30 Supplies	40,324	20,000	40,000
40 Other Services & Charges	(5,446)	300	1,000
<b>Total Meters Maintenance</b>	<b>\$ 44,691</b>	<b>\$ 36,209</b>	<b>\$ 51,844</b>
<b>401.5.534.59</b>			
10 Salaries & Wages	\$ 1,468	\$ 1,132	\$ 2,412
20 Personnel Benefits	638	546	1,306
30 Supplies	66	500	500
40 Other Services & Charges	-	2,250	1,300
<b>Total Hydrants Maintenance</b>	<b>\$ 2,172</b>	<b>\$ 4,428</b>	<b>\$ 5,518</b>

**534.57 Notes**

40 Training, Travel, Reservoir Cleaning/Painting, Miscellaneous Repairs

**534.58 Notes**

30 Touch Read Meter Conversion Parts

40 Asphalt Sawing, Miscellaneous Repairs

**534.59 Notes**

30 Hydrant Repairs & Parts

40 Asphalt Sawing, Training, Travel, Miscellaneous Repairs

2015 DEPARTMENT OPERATING BUDGET  
Water Sewer

Water Utilities (Continued) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>401.5.534.72</b>			
10 Salaries & Wages	\$ 11,925	\$ 17,541	\$ 15,144
20 Personnel Benefits	6,991	10,651	9,346
30 Supplies	105	500	-
40 Other Services & Charges	3,050	3,800	3,000
<b>Total Customer Service Meter Read</b>	<b>\$ 22,071</b>	<b>\$ 32,492</b>	<b>\$ 27,490</b>
<b>401.5.534.73</b>			
10 Salaries & Wages	\$ 62,281	\$ 52,613	\$ 63,861
20 Personnel Benefits	23,432	22,888	30,167
30 Supplies	1,275	1,000	1,500
40 Other Services & Charges	14,328	24,190	16,000
<b>Total Customer Service Record &amp; Collection</b>	<b>\$ 101,316</b>	<b>\$ 100,691</b>	<b>\$ 111,528</b>
<b>401.5.534.77</b>			
30 Supplies-Cust Serv & Info Exp	\$ -	\$ -	\$ 100
40 Other Services & Charges	200	500	200
<b>Total Customer Service &amp; Information</b>	<b>\$ 200</b>	<b>\$ 500</b>	<b>\$ 200</b>
<b>401.5.534.80</b>			
30 Supplies	\$ 2,068	\$ -	\$ 2,000
32 Fuel Consumed	9,368	10,000	10,000
33 Water Purchased for Resale	36,545	28,000	56,000
40 Other Services & Charges	13,923	32,500	15,700
<b>Total General Operations</b>	<b>\$ 61,904</b>	<b>\$ 70,500</b>	<b>\$ 83,700</b>
<b>401.5.534.90</b>			
40 Other Services & Charges	\$ 15,866.17	\$ -	\$ -
<b>Total Other Operating Expense</b>	<b>\$ 15,866</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Water Utilities</b>	<b>\$ 1,159,351</b>	<b>\$ 1,223,118</b>	<b>\$ 1,528,473</b>

**534.72 Notes**

40 Meters-Touch Read Conversion, Sensus Software Support

**534.73 Notes**

30 Consumer Confidence Report , Office Supplies

40 Communication, Mailing Service, Billing Software Maintenance, Postage, Credit Card Program

**534.80 Notes**

33 Bremerton Water, West Sound Utility District

40 Beeper, Blackjack Creek Mitigation, Laundry, Operater Certification, Phones, Utilities



2015 DEPARTMENT OPERATING BUDGET  
Water Sewer

Sewer Utilities Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>401.5.535.10</b>			
10 Salaries & Wages	\$ 28,216	\$ 32,561	\$ 33,267
20 Personnel Benefits	10,793	13,670	16,874
30 Supplies	136	200	200
40 Other Services & Charges	4,098	98,100	8,900
50 Intergovernmental Services	-	-	-
41 Professional Services - Legal	9,602	-	5,000
46 Property Insurance - SW	39,100	-	55,200
53 Utility Tax State	40,996	54,000	54,000
54 Utility Tax City	153,526	150,000	160,000
<b>Total General Administration</b>	<b>\$ 286,469</b>	<b>\$ 348,531</b>	<b>\$ 333,441</b>
<b>401.5.535.11</b>			
10 Salaries & Wages	\$ 82,462	\$ 86,819	\$ 73,885
20 Personnel Benefits	33,131	33,662	31,399
46 Liability Insurance - SW	44,143	-	64,800
<b>Total General Administration Executive</b>	<b>\$ 115,593</b>	<b>\$ 120,481</b>	<b>\$ 105,284</b>
<b>401.5.535.12</b>			
10 Salaries & Wages	\$ 107,949	\$ 105,809	\$ 113,939
20 Personnel Benefits	38,947	43,853	46,524
<b>Total General Administration Clerical</b>	<b>\$ 146,896</b>	<b>\$ 149,662</b>	<b>\$ 160,463</b>
<b>401.5.535.20</b>			
40 Other Services & Charges	\$ -	\$ 32,500	\$ 121,000
<b>Total Other Administration</b>	<b>\$ -</b>	<b>\$ 32,500</b>	<b>\$ 121,000</b>
<b>401.5.535.50</b>			
10 Salaries & Wages	\$ 2,742	\$ 13,035	\$ 4,681
20 Personnel Benefits	1,104	4,413	2,462
30 Supplies	3,150	3,200	3,200
40 Other Services & Charges	1,871	5,800	7,550
<b>Total Structures Maintenance</b>	<b>\$ 8,868</b>	<b>\$ 26,448</b>	<b>\$ 17,893</b>

**535.10 Notes**

40 State Audit, CDL Licenses & Physicals, Legal, Code Codification, Copier Maintenance, Printing

**535.20 Notes**

40 Required Safety Training, Sanitary Sewer System Plan Update

**535.50 Notes**

30 Crushed Rock, Materials, Miscellaneous Supplies

40 Carpet Cleaning, Janitorial, Miscellaneous Repairs

2015 DEPARTMENT OPERATING BUDGET  
Water Sewer

Sewer Utilities (Continued) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>401.5.535.51</b>			
10 Salaries & Wages	\$ 3,132	\$ 2,295	\$ 3,206
20 Personnel Benefits	1,213	831	1,378
30 Supplies	6,029	5,000	6,000
40 Other Services & Charges	1,838	600	1,500
<b>Total Transportation Equipment</b>	<b>\$ 12,212</b>	<b>\$ 8,726</b>	<b>\$ 12,084</b>
<b>401.5.535.52</b>			
10 Salaries & Wages	\$ 421	\$ 1,790	\$ 330
20 Personnel Benefits	90	543	175
30 Supplies	-	100	-
40 Other Services & Charges	-	1,200	1,000
50 Intergovernmental Services	1,363,500	1,383,480	1,439,640
<b>Total Sewer Treatment</b>	<b>\$ 1,364,011</b>	<b>\$ 1,387,113</b>	<b>\$ 1,441,145</b>
<b>401.5.535.54</b>			
10 Salaries & Wages	\$ 20,708	\$ 17,355	\$ 22,492
20 Personnel Benefits	9,691	8,773	12,033
30 Supplies	1,129	5,000	3,000
40 Other Services & Charges	120,316	143,500	152,500
<b>Total Supply Main Maintenance</b>	<b>\$ 151,844</b>	<b>\$ 174,628</b>	<b>\$ 190,025</b>

**535.51 Notes**

- 30 Auto Parts, Fuel
- 40 Claims for Damages, Equipment Rental, Miscellaneous Equipment

**535.52 Notes**

- 40 Travel, Training, Miscellaneous Repairs
- 50 South Kitsap Water Reclamation Facility

**535.54 Notes**

- 30 Pipe & Sewer Main Parts
- 40 Asphalt Sawing, Sanitary Sewer Main Maintenance, Underground Location Fees, Miscellaneous

2015 DEPARTMENT OPERATING BUDGET  
Water Sewer

Sewer Utilities (Continued) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>401.5.535.55</b>			
10 Salaries & Wages	\$ 27,369	\$ 21,064	\$ 26,250
20 Personnel Benefits	12,307	10,538	15,873
30 Supplies	1,794	3,000	2,000
40 Other Services & Charges	21,405	40,200	44,000
<b>Total Services Maintenance</b>	<b>\$ 62,876</b>	<b>\$ 74,802</b>	<b>\$ 88,123</b>
<b>401.5.535.56</b>			
10 Salaries & Wages	\$ 63,629	\$ 56,829	\$ 74,472
20 Personnel Benefits	28,359	26,697	40,458
30 Supplies	43,551	85,000	80,000
40 Other Services & Charges	447,528	468,100	495,000
<b>Total Pumping Expenses</b>	<b>\$ 583,067</b>	<b>\$ 636,626</b>	<b>\$ 689,930</b>
<b>401.5.535.73</b>			
10 Salaries & Wages	\$ 38,128	\$ 50,364	\$ 36,824
20 Personnel Benefits	11,124	21,210	13,349
30 Supplies	1,275	1,000	1,500
40 Other Services & Charges	15,013	24,920	17,000
<b>Total Cust Serv-Record &amp; Collection</b>	<b>\$ 65,540</b>	<b>\$ 97,494</b>	<b>\$ 68,673</b>

**535.55 Notes**

- 30 Sewer Parts, Sewer Service Pumps & Parts
- 40 Asphalt Sawing, Calibrate Sewer Meter, McCormick STEP System Service/Tank Pumping, Training, Travel, Miscellaneous Repairs

**535.56 Notes**

- 30 Pump Station Odor Control Supplies, Pump Replacement & Telemetry Parts, Woods
- 40 Electricity, Telemetry Upgrades, Pump Repairs, STEP Conversion, Training, Travel, Wet Well Pumping

**535.73 Notes**

- 40 Communication, Mailing Service, Software Maintenance, Postage, Credit Card Program

2015 DEPARTMENT OPERATING BUDGET  
Water Sewer

Sewer Utilities (Continued) Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>401.5.535.80</b>			
30 Supplies	\$ 2,068	\$ 4,000	\$ 2,000
32 Fuel Consumed	9,368	7,000	10,000
40 Other Services & Charges	13,610	18,050	15,300
<b>Total General Operations</b>	<b>\$ 25,046</b>	<b>\$ 29,050</b>	<b>\$ 27,300</b>
<b>401.5.535.90</b>			
40 Other Services & Charges	\$ 2,470	\$ -	\$ -
<b>Total Miscellaneous Expense</b>	<b>\$ 2,470</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Sewer Utilities</b>	<b>\$ 2,824,891</b>	<b>\$ 3,086,061</b>	<b>\$ 3,255,361</b>

**535.80 Notes**

40 Beeper, Laundry, Operator Certification, Phones, Utilities

2015 DEPARTMENT OPERATING BUDGET  
Water Sewer

Correction Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>401.5.588.80</b>			
00 Prior Year Correction	\$ 5,410	\$ -	\$ -
Total	5,410	-	-
<b>TOTAL</b>	<b>\$ 5,410</b>	<b>\$ -</b>	<b>\$ -</b>

2015 DEPARTMENT OPERATING BUDGET  
Water Sewer

Water Sewer Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>401.5.591.00</b>			
34.71 Long Term Debt-Water	\$ -	\$ 24,975	\$ 25,650
35.71 Long Term Debt-Sewer	-	24,975	25,650
34.77 Other Notes	-	7,000	7,500
<b>Total Redemption of Long Term Debt</b>	<b>\$ -</b>	<b>\$ 56,950</b>	<b>\$ 58,800</b>
<b>401.5.592.00</b>			
34.83 Interest on LT Debt-Water	\$ 6,451	\$ 5,755	\$ 4,942
34.84 Amortization of Debt Premium/Refund	(179)	-	-
35.83 Interest on LT Debt-Sewer	6,451	5,755	4,942
35.84 Amortization of Debt Premium/Refund	(179)	-	-
<b>Total Interest on Long Term Debt</b>	<b>\$ 12,724</b>	<b>\$ 11,510</b>	<b>\$ 9,884</b>
<b>401.5.594.34</b>			
63 Other Improvements	\$ -	\$ 840,000	\$ 1,000,000
64 Machinery & Equipment	-	9,500	-
<b>Total Capital Expenditures Water</b>	<b>\$ -</b>	<b>\$ 849,500</b>	<b>\$ 1,000,000</b>
<b>401.5.594.35</b>			
63 Other Improvements	\$ -	\$ 10,000	\$ -
64 Machinery & Equipment	-	9,500	-
<b>Total Capital Expenditures Sewer</b>	<b>\$ -</b>	<b>\$ 19,500</b>	<b>\$ -</b>
<b>401.5.597.00</b>			
00 Operating Transfers Out	\$ 158,000	\$ 78,242	\$ 1,000,000
<b>Total Interfund Transfers</b>	<b>\$ 158,000</b>	<b>\$ 78,242</b>	<b>\$ 1,000,000</b>
<b>Total Water Sewer</b>	<b>\$ 170,724</b>	<b>\$ 1,015,702</b>	<b>\$ 2,068,684</b>

**594.34 Notes**

63 Well #10 Final Design & Permitting

2015 EXPENDITURE BUDGET  
Proprietary Fund

Water Sewer Equipment Replacement Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>402.9.508.80</b>			
00 Ending Unreserved Fund Balance	\$ 310,247	\$ 311,290	\$ 312,190
<b>Total Water Sewer Equipment Replacement</b>	<b>\$ 310,247</b>	<b>\$ 311,290</b>	<b>\$ 312,190</b>

2015 EXPENDITURE BUDGET  
Proprietary Fund

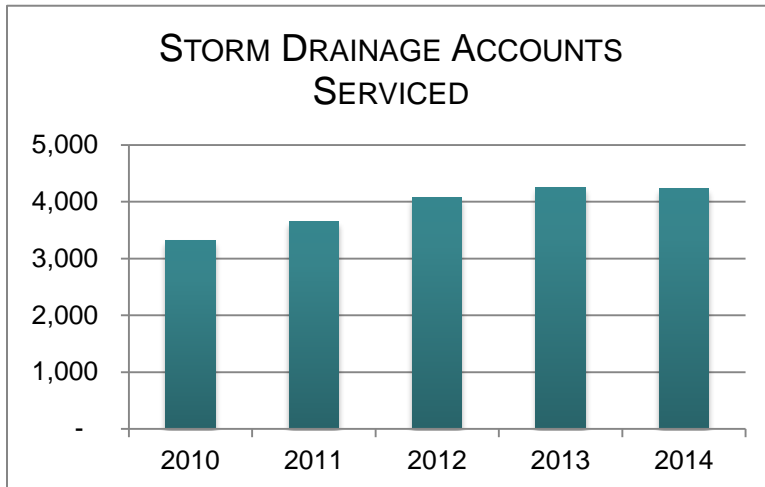
Cumulative Reserve for Water Sewer Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>403.5.597.00</b>			
00 Operating Transfers-Out	\$ 535,000	\$ 840,000	\$ 1,000,000
<b>Total Other Financing Uses</b>	<b>\$ 535,000</b>	<b>\$ 840,000</b>	<b>\$ 1,000,000</b>
<b>403.9.508.80</b>			
00 Ending Unreserved Fund Balance	\$ 4,000,858	\$ 2,410,100	\$ 4,325,300
<b>Total Cumulative Reserve for Water Sewer</b>	<b>\$ 4,535,858</b>	<b>\$ 3,250,100</b>	<b>\$ 5,325,300</b>

**597.00 Notes**

00 Final Design and permitting of Well No. 10

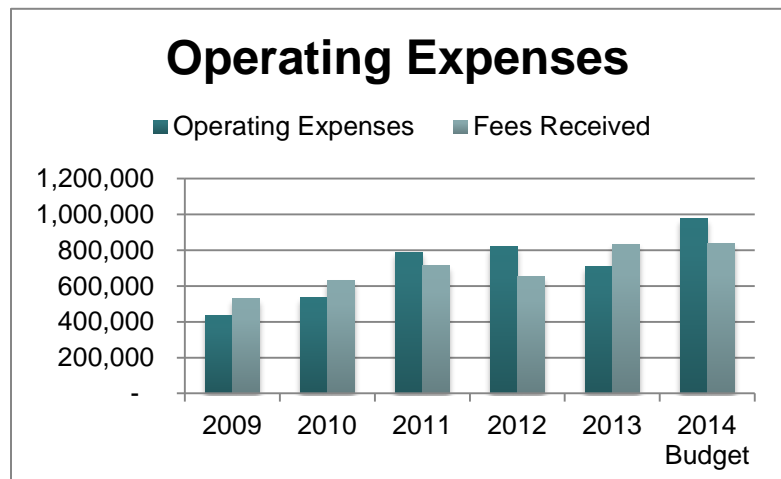
# STORM DRAINAGE UTILITY

Federal Clean Water Act regulations required the City of Port Orchard to have a Storm Management Program. The City established the Storm Drainage Utility in 2009 (Ordinance #036-08) to protect the public health, safety, and welfare by minimizing uncontrolled surface and storm water, erosion, and water pollution enhancing water quality and environmental habitat and resources and providing for comprehensive management and administration of surface and storm water. The Storm Drainage Utility



receives its funding from user fees. Port Orchard bills for storm drainage fees on the same bi-monthly schedule as the water sewer billings. Single-Family residences, duplexes, and triplexes are billed the minimum storm drainage rate for each residential unit. Fees for all other developed properties are calculated based on the amount of impervious ground cover on each property. Storm Drainage fees, collected from customers, fund operations and maintenance of storm drains, ponds and culverts, and street sweeping. The chart above shows the

growth in Port Orchard's storm drainage accounts from 2010 through 2014. The number of storm drainage accounts grows as new areas are developed or annexed into the City. Charges for storm drainage services need to be adequate to provide for system operations and maintenance, administration, engineering and legal expenses, and to fund replacement reserve accounts and system improvement projects. The Federal Clean Water Act requires the City to comply with the Municipal NPDES permit administered by Washington State Department of Ecology. The compliance requirements increased greatly for the new permit cycle. In preparation of this, the City conducted a Storm Water GAP Analysis study which highlighted areas the City needed to expand to remain in compliance, including several million dollars of infrastructure repair or replacement. To that effect the City enacted a rate increase in 2015. This will allow the utility to hire additional staff to meet the NPDES requirements and also to build a capital improvement program to repair or replace the aging infrastructure.



The Storm Drainage Utility's fund balance allows the utility to continue to maintain a positive cash flow for operations. Revenue inflows fluctuate throughout the year and it is important to have sufficient cash on hand to allow operations and maintenance to continue unhindered. Fund balance also provides for emergency repairs that may be required during the year. The Utility has an Equipment Replacement Fund. Equipment is maintained regularly and utilized to the full extent of its life. All equipment, however,

eventually becomes fatigued and repair costs can become a drain on the Utilities cash flow. The equipment replacement fund helps to replace an aging piece of equipment or to fund an emergency purchase should a piece of equipment experience a catastrophic failure. These reserves allow this type of purchase without impacting the operations of the utility. The 2015 budget includes a purchase of a street sweeper using these reserve funds. New in 2015 is the Storm Drainage Capital Facilities Fund to which dollars will be added to finance or subsidize a grant match for large projects.



# REVENUES & EXPENDITURES

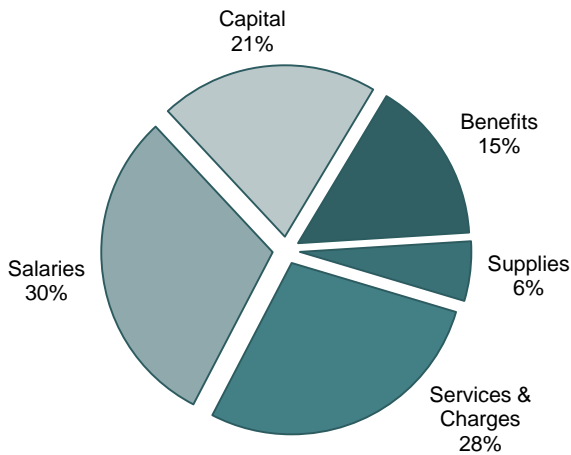
Storm Drainage Fund	2012 Actuals	2013 Actuals	2014 Budget	2015 Budget
<b>Revenues</b>				
Beginning Unreserved Fund Balance	372,337	337,264	265,000	340,000
Licenses & Permits	1,200	2,400	2,100	1,800
Intergovernmental	-	141,810	170,000	-
Charges Goods & Services	727,758	841,569	779,656	1,445,963
Fines and Penalties	2,000	8,450	20,344	10,000
Miscellaneous Revenues	822	423	550	350
Proprietary Gains (Losses) and Other Income (Expenses)	-	20,366	-	-
Other Financing Sources	-	-	250,000	250,000
<b>Total Revenues</b>	<b>1,104,118</b>	<b>1,352,281</b>	<b>1,487,650</b>	<b>2,048,113</b>
<b>Expenditures</b>				
Personnel Costs (Salary & Benefits)	357,738	331,777	402,981	623,933
Supplies & Fuel	21,228	21,068	23,805	76,350
Services & Charges	169,518	307,733	353,315	381,685
Capital Outlay	21,264	-	448,000	280,000
Interfund Transfers	250,000	50,000	1,062	396,925
Unreserved Ending Fund Balance	337,264	623,768	258,487	289,220
<b>Total Expenditures</b>	<b>1,157,013</b>	<b>1,334,347</b>	<b>1,487,650</b>	<b>2,048,113</b>

**2015 DEPARTMENT OPERATING BUDGET**  
Storm Drainage

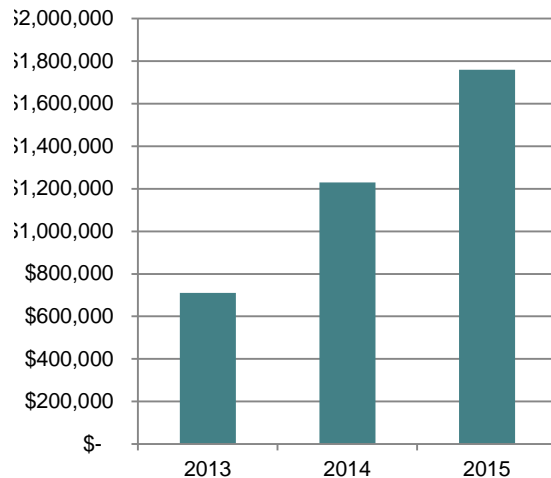
<b>Expenditures</b>	<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
10 Salaries & Wages	\$ 246,070	\$ 285,127	\$ 414,197
20 Personnel Benefits	85,708	117,854	209,736
<b>Total Salary &amp; Benefits</b>	<b>\$ 331,777</b>	<b>\$ 402,981</b>	<b>\$ 623,933</b>
30 Supplies	\$ 21,068	\$ 23,805	\$ 76,350
40 Other Services & Charges	307,733	353,315	381,685
<b>Total Other Expenditures</b>	<b>\$ 328,802</b>	<b>\$ 377,120</b>	<b>\$ 458,035</b>
63 Other Improvements	\$ -	\$ 140,000	\$ -
64 Machinery & Equipment	-	308,000	280,000
<b>Total Capital Expenditures</b>	<b>\$ -</b>	<b>\$ 448,000</b>	<b>\$ 280,000</b>
00 Operating Transfers	\$ 50,000	\$ 1,062	\$ 396,925
<b>Total Storm Drainage</b>	<b>\$ 710,579</b>	<b>\$ 1,229,163</b>	<b>\$ 1,758,893</b>

For additional detail, see worksheet for Storm Drainage and Capital Expenditures.

**2015 DEPARTMENT BUDGET**



**ANNUAL BUDGET COMPARISON**



2015 DEPARTMENT OPERATING BUDGET  
Storm Drainage

Storm Drainage Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>421.5.531.00</b>			
10 Salaries & Wages	\$ 154,717	\$ 175,473	\$ 232,692
20 Personnel Benefits	48,677	60,338	107,251
30 Supplies	5,845	1,500	27,150
40 Other Services & Charges	117,400	111,615	253,852
<b>Total Storm Drainage Utility</b>	<b>\$ 326,639</b>	<b>\$ 348,926</b>	<b>\$ 620,945</b>
<b>421.5.542.40</b>			
10 Salaries & Wages	\$ 65,106	\$ 73,901	\$ 153,911
20 Personnel Benefits	25,926	41,075	89,786
30 Supplies	3,241	14,735	29,200
40 Other Services & Charges	142,217	188,200	68,283
<b>Total Storm Drainage Maintenance</b>	<b>\$ 236,491</b>	<b>\$ 317,911</b>	<b>\$ 341,180</b>
<b>421.5.542.41</b>			
10 Salaries & Wages IDDE Grant	\$ 58	\$ -	\$ -
20 Personnel Benefits IDDE Grant	59	-	-
40 Other Services & Charges	44,972	-	-
<b>Total IDDE Grant</b>	<b>\$ 45,089</b>	<b>\$ -</b>	<b>\$ -</b>
<b>421.5.542.42</b>			
10 Salaries & Wages	\$ 136	\$ -	\$ -
20 Personnel Benefits	24	-	-
40 Other Services & Charges	-	50,000	-
<b>Total DOE Grant</b>	<b>\$ 160</b>	<b>\$ 50,000</b>	<b>\$ -</b>
<b>421.5.542.67</b>			
10 Salaries & Wages	\$ 26,053	\$ 35,753	\$ 27,594
20 Personnel Benefits	11,021	16,441	12,699
30 Supplies	11,982	7,570	20,000
40 Other Services & Charges	3,144	3,500	59,550
<b>Total Street Sweeping</b>	<b>\$ 52,200</b>	<b>\$ 63,264</b>	<b>\$ 119,843</b>
<b>Total Storm Drainage</b>	<b>\$ 660,579</b>	<b>\$ 780,101</b>	<b>\$ 1,081,968</b>

**531.00 Notes**

40 Aerial Mapping, State Audit, Insurance, CDL Physical License, Phone, Claims, Utilities Tax, Copier Lease & Maintenance, Credit Card Program, Utilities, Municipal Code Codificatoin Fees, Pond Maintenance, Postage, Software Maintenance, Stormwater Permits, Training Registration

**542.40 Notes**

30 Concrete, Fuel, Office Supplies, Pipe, Vehicle Supplies  
40 Catch Basin Cleaning, Decant Station Sewer/Permit Fees, Ditch Cleaning, DOE Studies, Equipment Rentals/Miscellaneous, Pond Maintenance, Signs, Vacuum Truck Repairs, Utilities

**542.67 Notes**

30 Brooms, Repair Parts, Fuel  
40 Water Service for Sweeper Pad, Sweeper Repair & Maintenance, CDL License/Physical

2015 DEPARTMENT OPERATING BUDGET  
Storm Drainage

Capital Expenditures Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>421.5.594.42</b>			
63 Other Improvements	-	140,000	-
64 Machinery & Equipment	-	308,000	280,000
<b>Total Capital Expenditures</b>	<b>\$ -</b>	<b>\$ 448,000</b>	<b>\$ 280,000</b>
<b>421.5.597.00</b>			
00 Operating Transfers-Out	\$ 50,000	\$ 1,062	\$ 396,925
<b>Total Other Financing Uses</b>	<b>\$ 50,000</b>	<b>\$ 1,062</b>	<b>\$ 396,925</b>
<b>Total Capital Expenditures</b>	<b>\$ 50,000</b>	<b>\$ 449,062</b>	<b>\$ 676,925</b>

**594.42 Notes**

- 63 Culvert Repairs, Ruby Creek Culvert Design
- 64 Sweeper, Flail Mower Attachment

2015 EXPENDITURE BUDGET  
Proprietary Fund

Storm Drainage Equipment Replacement Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>422.5.597.00</b>			
00 Operating Transfers-Out	\$ -	\$ 250,000	\$ 250,000
<b>Total Other Financing Uses</b>	<b>\$ -</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>
<b>422.9.508.80</b>			
00 Ending Unreserved Fund Balance	\$ 300,299	\$ 50,450	\$ 150,270
<b>Total Storm Drainage Equipment Replacement</b>	<b>\$ 300,299</b>	<b>\$ 300,450</b>	<b>\$ 400,270</b>

2015 EXPENDITURE BUDGET  
Proprietary Fund

Storm Drainage Capital Facilities Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>423.9.508.80</b>			
00 Est. End Unreserved Fund Balance	\$ -	\$ -	\$ 296,925
<b>Total Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 296,925</b>
<b>Total Storm Drainage Equipment Replacement</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 296,925</b>

2015 EXPENDITURE BUDGET  
Criminal Justice

Criminal Justice Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>103.3.521.10</b>			
31 Supplies	\$ 12,176	13,200	\$ 34,294
48 Repairs & Maintenance	-	1,500	1,500
49 Miscellaneous	-	19,946	-
51 Intergovernmental Services	19,946	-	22,812
<b>Total Administration</b>	<b>\$ 32,122</b>	<b>\$ 34,646</b>	<b>\$ 58,606</b>
<b>103.3.521.22</b>			
10 Salaries & Wages	\$ 76,838	86,825	\$ 85,562
20 Personnel Benefits	20,238	21,825	33,152
<b>Total Operations</b>	<b>\$ 97,076</b>	<b>\$ 108,650</b>	<b>\$ 118,714</b>
<b>103.3.562.00</b>			
41 Professional Services	\$ -	\$ 500	\$ 500
<b>Total Public Health</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 500</b>
<b>103.3.566.00</b>			
51 Intergovernmental Professional Services	\$ -	\$ 2,000	\$ 2,000
<b>Total Substance Abuse</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>
<b>103.3.594.21</b>			
64 Machinery & Equipment	\$ 27,692	\$ 35,000	\$ 45,150
<b>Total Capital Expenditures</b>	<b>\$ 27,692</b>	<b>\$ 35,000</b>	<b>\$ 45,150</b>
<b>103.9.508.30</b>			
00 <b>Estimated Restricted Fund Balance-Ending</b>	<b>\$ 256,915</b>	<b>\$ 226,174</b>	<b>\$ 273,200</b>
<b>Total Criminal Justice</b>	<b>\$ 413,805</b>	<b>\$ 406,970</b>	<b>\$ 498,170</b>

**521.10 Notes**

- 31 Diver Communication and Rescue Equipment, New Handguns, Holsters, Lights, Replace Obsolete Tasers
- 48 Crimereports.com, AFIS Live Scan
- 49 CENCOM Maintenance, Tech Improvements

**562.00 Notes**

- 41 S.A.I.V.S. (Special Assault Investigation & Victims)

**566.00 Notes**

- 51 Drug Court

**594.21 Notes**

- 64 Police SUV Interceptor, Contract for Upfit, Police Decals, Vehicle Equipment

2015 EXPENDITURE BUDGET  
Special Investigative Unit

Special Investigative Unit Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>104.3.521.21</b>			
21 Uniforms	\$ -	\$ 750	\$ 750
31 SIU Supplies	723	2,500	2,500
32 Fuel Consumed	327	-	400
41 Professional Services	739	750	500
42 Communication	162	-	100
43 Travel	665	750	750
48 Repairs & Maintenance	700	300	650
49 Miscellaneous	2,346	1,750	1,750
98 Interfund Repairs & Maintenance	40	750	-
<b>Total Special Investigative Unit</b>	<b>\$ 5,701</b>	<b>\$ 7,550</b>	<b>\$ 7,400</b>
<b>104.9.508.30</b>			
00 Est Restricted Fund Balance-Ending	<b>\$ 46,083</b>	<b>\$ 44,580</b>	<b>\$ 42,750</b>
<b>Total Special Investigative Unit</b>	<b>\$ 51,784</b>	<b>\$ 52,130</b>	<b>\$ 50,150</b>

**521.21 Notes**

- 21 Special Response & K-9 Special Duty Uniforms
- 31 Drug Testing Kits, Ballistic Shields, Safety Equipment for High Risk Warrants, Criminal Intelligence and Analysis Programs, Parts to Retrofit Seized Firearms for Police Use, Air Conditioning Device for K-9 Car, Canine Food & Supplies
- 41 Canine Veterinary Services
- 43 Travel for Canine/Drug Detection Training
- 48 Night vision maintenance Contract, Canine Vehicle Maintenance
- 49 Tuition for Canine/Drug Detection Training, Drug Seizure Tows, Assoc./Membership Dues, Community Awareness Pamphlets

2015 EXPENDITURE BUDGET  
Community Events

Community Events Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>107.6.557.30</b>			
41 Professional Services	\$ 76,863	\$ 59,600	\$ 108,000
<b>Total Administration</b>	<b>\$ 76,863</b>	<b>\$ 59,600</b>	<b>\$ 108,000</b>
<b>107.9.508.30</b>			
00 Est Restricted Fund Balance-Ending	\$ 25,523	\$ 9,660	\$ 11,040
<b>Total Community Events</b>	<b>\$ 102,386</b>	<b>\$ 69,260</b>	<b>\$ 119,040</b>

Organization	Allocation
City 125th Anniversary Event	\$ 2,571
City Festival of Chimes and Lights	9,318
City Foot Ferry Services	10,571
City Media Kit	3,714
Concerts by the Bay	7,750
Explore Port Orchard	16,809
Fathoms O'Fun Festivals	15,916
Port Orchard Bay Street Association	17,200
Port Orchard Chamber of Commerce	9,834
Saints Car Club (The Cruz)	1,918
Sidney Museum and Arts Association	6,714
Visit Kitsap	5,685
<b>Total Approved Allocations</b>	<b>\$ 108,000</b>



2014 EXPENDITURE BUDGET  
Paths & Trails

Paths & Trails Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>108.9.508.30</b>			
Est Restricted Fund Balance-Ending	\$ 2,127	\$ 3,150	\$ 4,200
<b>Total Paths &amp; Trails</b>	<b>\$ 2,127</b>	<b>\$ 3,150</b>	<b>\$ 4,200</b>

2015 EXPENDITURE BUDGET  
Real Estate Excise Tax

Real Estate Excise Tax Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>109.6.597.00</b>			
01 Operating Transfers Out REET 1	\$ -	\$ -	\$ 265,421
02 Operating Transfers Out REET 2	-	-	150,000
<b>Total Administration</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 415,421</b>
<b>109.9.509.30</b>			
01 Est End Restricted Fund Balance REET 1	\$ -	\$ -	\$ 556,659
02 Est End Restricted Fund Balance REET 2	-	-	1,003,120
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,559,779</b>
<b>Total Real Estate Excise Tax</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,975,200</b>

\* REET was previously tracked in Fund 302 Cumulative Reserve for Municipal Facilities. To provide better clarity, REET was moved to this new special revenue fund & Fund 302 was renamed Capital Construction Fund

2015 EXPENDITURE BUDGET  
Impact Fee

Impact Fee Expenditures	2013 Actual	2014 Budget	2015 Budget
<b>111.5.544.70</b>			
<b>111.5.544.70</b>			
49 Miscellaneous-Transportation	\$ -	\$ -	\$ 50,000
<b>Total Administration</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>
<b>111.5.597.00.00</b>			
<b>Operating Transfers-Out Transportation</b>	<b>\$ 570,720</b>	<b>\$ 255,000</b>	<b>\$ 80,000</b>
<b>Operating Transfers-Out McCormick Wood</b>	<b>\$ -</b>	<b>\$ 165,000</b>	<b>\$ -</b>
<b>111.9.508.30</b>			
<b>Est Rest Fund Balance-Trans Ending</b>	<b>\$ 8,052</b>	<b>\$ 2,000</b>	<b>\$ -</b>
<b>Est Rest Fund Balance-MW Parks Ending</b>	<b>\$ 4,031</b>	<b>\$ 1,000</b>	<b>\$ -</b>
<b>Est Rest Fund Balance-Parks Ending</b>	<b>\$ 483,228</b>	<b>\$ 340,650</b>	<b>\$ -</b>
<b>Total Impact Fee</b>	<b>\$ 1,066,031</b>	<b>\$ 763,650</b>	<b>\$ 130,000</b>

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2015 EXPENDITURE BUDGET  
Debt Service Fund

| 2003 Limited Tax GO Refunding Expenditures           | 2013 Actual       | 2014 Budget       | 2015 Budget       |
|------------------------------------------------------|-------------------|-------------------|-------------------|
| <b>206.6.591.89</b>                                  |                   |                   |                   |
| 71 General Obligation Bonds                          | \$ 131,400        | \$ 135,050        | \$ 138,700        |
| <b>Total Redemption of Long Term Debt</b>            | <b>\$ 131,400</b> | <b>\$ 135,050</b> | <b>\$ 138,700</b> |
| <b>206.6.592.00</b>                                  |                   |                   |                   |
| 83 Interest on Long-Term External Debt               | \$ 35,218         | \$ 31,150         | \$ 26,721         |
| <b>Total Interest &amp; Other Debt Service Costs</b> | <b>\$ 35,218</b>  | <b>\$ 31,150</b>  | <b>\$ 26,721</b>  |
| <b>Total 2003 Limited Tax GO Refunding</b>           | <b>\$ 166,618</b> | <b>\$ 166,200</b> | <b>\$ 165,421</b> |

2015 EXPENDITURE BUDGET  
Debt Service Fund

| 1984 Refunding Expenditures                          | 2013 Actual     | 2014 Budget     | 2015 Budget     |
|------------------------------------------------------|-----------------|-----------------|-----------------|
| <b>621.6.591.34</b>                                  |                 |                 |                 |
| 71 Principal                                         | \$ 7,000        | \$ 7,000        | \$ 7,000        |
| 83 Interest                                          | 1,650           | -               | -               |
| <b>Total Refunding Debt-Prinicipal</b>               | <b>\$ 8,650</b> | <b>\$ 7,000</b> | <b>\$ 7,000</b> |
| <b>621.6.592.34</b>                                  |                 |                 |                 |
| 83 Interest on Long-Term External Debt               | \$ -            | \$ 1,300        | \$ 950          |
| <b>Total Interest &amp; Other Debt Service Costs</b> | <b>\$ -</b>     | <b>\$ 1,300</b> | <b>\$ 950</b>   |
| <b>Total 1984 Refunding</b>                          | <b>\$ 8,650</b> | <b>\$ 8,300</b> | <b>\$ 7,950</b> |

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# GLOSSARY OF BUDGET TERMS

## ACCOUNT:

A chronological record of public funds showing receipts, disbursements, and balances.

## ACCOUNTING SYSTEM:

The total set of records and procedures, which are used to record, classify, and report, information on the financial status and operations of an entity.

## ACCOUNTS PAYABLE:

A short-term liability account reflecting amounts owed to private person(s) or organization(s) for goods and services received by a government.

## ACCOUNTS RECEIVABLE:

An asset account reflecting amounts due from a private person(s) or organization(s) for goods and services furnished by a government (not including amounts due from other funds or governments).

## ACCRUAL BASIS OF ACCOUNTING:

The method of accounting under which revenues are recorded when they are earned and expenses are recognized when incurred. The actual receipt or distribution of cash is not a determining factor.

## AD VALOREM TAXES:

A tax levied on the assessed value of real property.

## ADOPTED BUDGET:

The financial plan adopted by the City Council which forms the basis for appropriations.

## ALLOCATION:

To set aside or designate funds for specific purposes. An allocation does not authorize the expenditure of funds.

## AMORTIZATION:

(1) The portion of the cost of a limited life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

## ANNEXATION:

The incorporation of land into an existing city with a resulting change in the boundaries of that city.

## ANNUAL DEBT SERVICE:

The amount required to be paid in a calendar year for (1) interest on all bonds then outstanding; and (2) principal of all bonds then outstanding, but excluding any outstanding term bonds.

## ANNUAL FINANCIAL REPORT:

The official annual report of a government. It includes (a) the five combined statements – overview and their related notes, and (b) combines statements by fund type and individual fund financial statements prepared in conformity with GAAP. It also includes necessary supporting schedules to demonstrate compliance with finance-regulated legal and contractual provisions, required supplementary information, extensive introductory material and a detailed statistical section.

**APPROPRIATION:**

An authorization made by the City Council, which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

**ARBITRAGE:**

Classically, the simultaneous purchase and sale of the same or an equivalent security in order to profit from price discrepancies. In government finance, the most common occurrence of arbitrage involves the investment of the proceeds from the sale of tax-exempt securities in a taxable money market instrument that yields a higher rate, resulting in interest revenue in excess of interest costs.

**ASSESSED VALUATION:**

The estimated value placed upon real and personal property by the County Assessor as the basis for levying property taxes.

**ASSETS:**

Property owned by a government, that has a recognized monetary value.

**AUDIT:**

An examination to determine the accuracy and validity of records and reports or the conformity of procedures with established policies.

**BALANCED BUDGET:**

A budget in which current expenditures do not exceed current projected revenues.

**BALANCE SHEET:**

A statement presenting the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specific date.

**BARS:**

The State of Washington prescribed Budgeting, Accounting, and Reporting System Manual required for all governmental entities in the state of Washington.

**BASE BUDGET:**

Ongoing expense for personnel, contractual services, and the replacement of supplies and equipment to maintain service levels previously authorized by the City Council.

**BASIC FINANCIAL STATEMENTS:**

Those financial statements necessary for the fair presentation of the financial position and results of operations of an entity in conformity with GAAP. The basic financial statements include a balance sheet, an "all-inclusive" operating statement, a budget comparison statement (for all governmental funds for which annual appropriated budgets are adopted), and a statement of changes in financial position (for proprietary funds, pension trust funds and non-expendable trust funds).

**BASIS OF ACCOUNTING:**

A term used to refer to when revenues, expenditures, expenses, and transfers – and the related assets and liabilities - are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or accrual method.

**BOND:**

A written promise to pay a specified sum of money, called the maturity date(s), together with periodic interest at a specified rate. The difference between a note and a bond is that the latter runs for a longer period of time and requires greater legal formality.

**BOND ANTICIPATION NOTES (BANS):**

Short term interest-bearing notes issued in anticipation of bond proceeds to be received at a later date. The note is retired from proceeds of the bonds to which it is related.

**BOND REGISTRAR:**

The fiscal agency of the State of Washington in either Seattle, WA or New York, NY, for the purposes of registering and authenticating the bonds, maintaining the bonds, and bond register, effecting transfer of ownership of the bonds and paying interest on and principal of the bonds.

**BUDGET:**

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

**BUDGET AMENDMENT:**

A change to a budget adopted in accordance with state law. A budget may be amended to increase expenditures/expenses at a fund level by ordinance without public notice or public hearing requirements, when unanticipated revenues occur or emergencies exist.

**CAPITAL ASSETS:**

Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

**CAPITAL BUDGET:**

A plan of proposed capital outlays and the means of financing them. The capital budget may be enacted as part of the complete annual budget including both capital and operating outlays.

**CAPITAL OUTLAYS:**

Expenditures which result in the acquisition of or addition to capital assets.

**CAPITAL PROJECTS:**

Projects which purchase or construct capital assets. Typically, a capital project encompasses a purchase of land or construction of a building or facility, with a life expectancy of more than 10 years.

**CASH BASIS:**

A basis of accounting under which transactions are recognized only when cash is received or disbursed.

**CASH DISCOUNT:**

An allowance received or given if payment is completed within a stated period of time.

**CASH EQUIVALENT:**

Short-term, highly liquid investments that are both (1) readily convertible into cash and (2) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

**CERTIFICATE OF DEPOSIT:**

A negotiable or non-negotiable receipt for monies deposited in a bank or other financial institution for a specified period for a specified rate of interest.



**COLA:**

Cost of Living Allowance.

**COMPREHENSIVE PLAN:**

A general plan that outlines growth and land use for residential, commercial, industrial, and open space areas.

**CONCURRENCY:**

The improvements that are in place at the time the impacts of development occur, or that the necessary financial commitments are in place. Public facilities and services shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.

**CONNECTION FEES:**

Fees charged to join or to extend an existing utility system.

**CONSUMER PRICE INDEX (CPI):**

A statistical description of price levels for a fixed market basket of goods and services provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living.

**CONTINGENCY:**

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

**COST ACCOUNTING:**

Accounting which assembles and records all costs incurred to carry out a particular activity or to deliver a particular service.

**CURRENT:**

A term which, applied to budgeting and accounting, designates the operations of the present fiscal period as opposed to past or future periods. It usually connotes items likely to be used up or converted into cash within one year.

**CURRENT LIABILITIES:**

Liabilities which are payable within the next operating cycle.

**DEBT:**

An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include: bonds, registered warrants, notes, contracts and accounts payable.

**DEBT LIMIT:**

The maximum amount of gross or net debt which is legally permitted.

**DEBT SERVICE FUND:**

Funds used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

**DEBT SERVICE REQUIREMENT:**

The amount of money required to pay interest on outstanding debt, serial maturities of principal for serial bonds, and required contributions to accumulate monies for future retirement of term bonds.

**DEFICIT:**

(1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period; or, in the case of proprietary funds, the excess of expense over income during an accounting period.

**DELINQUENT TAXES:**

Taxes remaining unpaid on and after the date on which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or canceled, the unpaid balances continue to be delinquent taxes until abated, canceled, paid or converted into tax liens.

**DEPLETION:**

(1) The reduction in quantity of a natural resource (wasting asset), such as: coal, standing timber, or a rock quarry. (2) The portion of the cost of a wasting asset which is charged as an expense during a particular period.

**DEPRECIATION:**

(1) Expiration in the service life of capital assets, other than wasting assets. (2) The portion of the cost of a capital asset other than a wasting asset which is charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

**DUE FROM OTHER FUNDS:**

An asset account used to indicate amounts owed to a particular fund by another fund for goods or services rendered. This account includes only short-term obligations on open account, not interfund loans.

**ENCUMBRANCES:**

Obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a part of the appropriations is reserved. They cease to be encumbrances when paid or when actual liability is set up.

**ENDING FUND BALANCE:**

The cash balance remaining at the end of the fiscal year available for appropriation in future years.

**ENTERPRISE FUND:**

Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.

**ENTITLEMENT:**

The amount of payment to which a state or local government is entitled as determined by the federal government pursuant to an allocation formula contained in applicable statutes.

**EXPENDITURES/EXPENSES:**

Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are only recognized when the cash payments for the above purposes are made.

**FICA:**

Federal Insurance Contribution Act is an employment tax levied against both an employee and employer for Social Security and Medicare taxes.

**FISCAL YEAR:**

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations.

**FIXED ASSETS:**

Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include: buildings, equipment, improvement other than buildings, and land.

**FUND:**

A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and charges therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**FUND BALANCE:**

The excess of an entity's assets over its liabilities. A negative fund balance may be called a deficit.

**GAAFR:**

"Governmental Accounting, Auditing and Financial Reporting". Published by the Government Finance Officers Association to provide guidance for the application of accounting principles for governments.

**GAAP:**

Generally Accepted Accounting Principles are standards used for accounting and reporting in both private industry and government.

**GASB:**

Government Accounting Standards Board, established in 1985 to regulate the rules and standards for all governmental agencies.

**GENERAL FUND:**

Fund used to account for and report all financial resources not accounted for and reported in another fund.

**GENERAL LEDGER:**

A book, file or other device which contains the accounts needed to reflect the financial position and the results of operations of an entity. In double entry bookkeeping, the debits and credits in the general ledger are equal. Therefore, the debit balance equals the credit balance.

**GOVERNMENTAL FUNDS**

Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

**GRANT:**

A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specific purposes.

**IMPACT FEES:**

Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development.

**IMPROVEMENTS:**

An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

**INDEBTEDNESS:**

The state of owing financial resources to other financial institutions and investors.

**INTERFUND LOANS:**

A loan made by one fund to another and authorized by resolution or ordinance.

**INTERFUND PAYMENTS:**

Expenditures made to other funds for services rendered. This category includes interfund repairs and maintenance.

**INTERFUND TRANSFERS:**

Contributions from one City fund to another in support of activities of the receiving fund. Loans are not included.

**INTERGOVERNMENTAL COSTS:**

Costs or expenses paid from one government to another government for services. These costs include, but are not limited to, such things as: dispatch and jail services, animal control services, audit and voter costs.

**INTERNAL CONTROL:**

A plan of organization for purchasing, accounting and other financial activities, which, among other things, provides that:

- The duties of employees are subdivided so that no single employee handles financial action from beginning to end.
- Proper authorization from specific responsible officials is obtained before key steps in the processing of a transaction are completed.
- Records and procedures are arranged appropriately to facilitate effective control.

**INTERNAL SERVICE FUND:**

Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

**INVESTMENT:**

Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals, and base payments. This does not include capital assets used in governmental operations.

**JOINT VENTURE:**

A legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest, or (b) an ongoing financial responsibility.

**JOURNAL:**

A book of original entry. Journals provide a chronological history of financial transactions and systematic means by which the transactions can be distributed and summarized for convenient posting to ledger accounts.

**LEDGER:**

A group of accounts in which are recorded the financial transactions of an entity.

**LEVY:**

(verb) To impose taxes, special assessments, or service charges for the support of governmental activities.

(noun) The total amount of taxes, special assessments, or service charges imposed by a government.

**LIABILITIES:**

Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date.

**LONG TERM DEBT:**

Debt with a maturity of more than one year after the date of issuance.

**MAINTENANCE:**

Activities that ensure the right-of-way and each type of roadway, roadway structure and facility remain, as nearly as practical, in its original, as constructed condition or its subsequent improved condition. Also known as the act of keeping capital assets in a state of good repair. It includes preventative maintenance, normal periodic repairs, replacement of parts or structural components, and other activities needed to maintain the asset so that it continues to provide normal services and achieves its optimum life.

**MATCHING REQUIREMENT:**

A requirement that grant recipients contribute resources to a program that equal or exceed a predetermined percentage of amounts provided by the grantor.

**MODIFIED ACCRUAL BASIS:**

Basis of accounting according to which (a) revenues are recognized in the accounting period of which they become available and measureable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measureable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

**MODIFIED CASH BASIS:**

Modified cash basis is the cash basis of accounting adjusted for Washington State statute. RCW 35.33.515 and RCW 35QA.33.150 require cities to keep their books open in order to pay December bills by the following January 20. RCW 36.40.200 requires counties to keep their books open until January 30 in order to pay December bills and charge the prior-year budget.

**NET REVENUE:**

The revenue of the system less the cost of maintenance and operation of the system.

**NET ASSETS:**

The difference between assets and liabilities reported in government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statements.

**NOMINAL INTEREST RATE:**

The contractual interest rate shown on the face and in the body of a bond and representing the amount of interest to be paid, in contrast to the effective interest rate.

**NOTE PAYABLE:**

In general, an unconditional written promise signed by the maker to pay a certain sum in money on demand or at a fixed or determinable time either to the bearer or to the order of a person designated therein.

**NOTE RECEIVABLE:**

An unconditional written promise signed by the maker, to pay a certain sum in money on demand or at a fixed or determinable future time either to the bearer or to the order of a person designated therein. The note may be held by the reporting governmental unit as designated payee or by endorsement.

**OBJECT:**

As used in expenditure classification, this term applies to the type of item purchased or the service obtained (as distinguished from the results obtained from expenditures). Examples include: personnel services, supplies, and services and charges.

**OFM:**

Office of Financial Management

**OPERATING FUNDS:**

Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

**OPERATING REVENUES:**

Those revenues received within the present fiscal year.

**OPERATING BUDGET:**

Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law.

**ORDINANCE:**

A statute or regulation enacted by the City Council.

**OTHER SERVICES AND CHARGES:**

A basic classification for services, other than personnel services, which are needed by the City. This item includes professional services, communication, travel, advertising, training, dues and subscriptions, printing, equipment rental and costs, insurance, public utility services, repairs and maintenance.

**PERS:**

Public Employees Retirement Systems provided by the State of Washington for all employees other than Police and Fire.

**PERSONNEL COSTS:**

Costs that include all salaries, wages, and benefits for all full-time, part-time, seasonal and temporary employees.

**PETTY CASH:**

A sum of money set aside on an imprest basis for the purpose of making change or paying small obligations for which the issuance of a formal voucher and warrant would be too expensive and time consuming. Petty cash accounts are sometimes referred to as petty cash "funds". However, they are not "funds" in the sense of governmental accounting fund types. Petty cash accounts should be reported as assets of the fund of ownership.

**POSTING:**

The act of transferring to an account in a ledger the data, either detailed or summarized, contained in a book or document of original entry.

**PRIOR YEAR:**

The fiscal year immediately preceding the current year.

**PROPERTY TAXES:**

Ad valorem tax certified to the county assessor by a local government unit.

**PROPRIETARY FUND:**

Funds that focus on the determinations of operating income, changes in net assets (or cost recovery), financial position and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

**QUALIFIED OPINION:**

A modification of the independent auditor's report on the fair presentation of the financial statements indicating that there exists one or more specific exceptions to the auditor's general assertion that the financial statements are fairly presented.

**RCW:**

Revised Code of Washington. Laws of the State of Washington enacted by the State Legislature.

**REET:**

Real Estate Excise Tax. A tax upon the sale of real property from one person or company to another.

**REGISTERED WARRANT:**

A warrant which is registered by the paying officer for future payment due to a present lack of money and which is to be paid in the order of its registration.

**RESERVE FUND:**

A fund established to accumulate money from year to year for a specific purpose, such as the purchase of new equipment.

**RESTRICTED ASSETS:**

Moneys or other resources, the use of which is restricted by legal or contractual requirements. In governmental accounting, special treatments are applied to restricted assets arising out of revenue bond indentures in enterprise funds.

**RESTRICTED FUND BALANCE:**

Portion of fund balance that reflects constraints placed on the use of resources (other than nonspendable items) that are either: a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

**RETAINED EARNINGS:**

An equity account reflecting the accumulated earnings of the City.

**REVENUE:**

Income received by the City in support of a program of services to the community.

**STANDARD COSTING:**

Method of estimating the historical cost of a capital asset by establishing the average cost of obtaining the same or a similar asset at the time of acquisition.

**SPECIAL REVENUE FUND:**

Funds used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

**STATE SHARED REVENUE:**

Revenues received from the State of Washington from sources like the liquor tax and gas taxes.

**SUBSIDIARY ACCOUNT:**

One of a group of related accounts supporting in detail the debit and credit summaries recorded in a control account (e.g. the individual property taxpayers' accounts for the taxes receivable control account in the general ledger).

**SUBSIDIARY LEDGER:**

A group of subsidiary accounts, the sum of balances of which should equal the balance of the related control account.

**SUPPLIES:**

A basic classification of expenditures for articles and commodities purchased for consumption or resale. Examples include: office and operating supplies, fuel, power, water, gas, inventory or resale items, small tools, and equipment.

**SYSTEM DEVELOPMENT CHARGES:**

A charge levied on new construction to help pay for additional expenses created by this growth or to compensate for already existing capacity in key facilities and systems already in place which support the new development.

**TAX:**

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only by those who pay, for example, water service charges.

**TAX ANTICIPATION NOTES:**

Short-term, interest –bearing notes issued by a government in anticipation of tax revenues to be received at a later date. The note is retired from the tax revenues to which it is related.

**TAX LEVY:**

Total amount of ad valorem tax certified by the city.

**TAX RATE:**

The amount of tax stated in terms of units per \$1,000 of assessed value of taxable property. The tax rate is the result of dividing the tax levied by the assessed value of the taxing district.

**TRIAL BALANCE:**

A list of the balances of the accounts in a ledger kept by double entry, with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal or their net balance agrees with a control account, the ledger from which the figures are taken is said to be "in balance".



**UNAPPROPRIATED ENDING FUND BALANCE:**

An amount set aside in the budget to be used as cash carry over to the next year's budget to provide needed cash flow until other money is received. No expenditures can be made from the Unappropriated Ending Fund Balance during the fiscal year in which it is budgeted.

**UNASSIGNED FUND BALANCE:**

Residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount.

**UNQUALIFIED OPINION:**

An auditor's opinion, which states that the basic financial statements of a specified entity are fairly presented in conformity with GAAP, applied on a basis consistent with the prior year.

**USER FEES:**

The payment of a fee for direct receipt of a public service by the person benefiting from the service.

**VOUCHER:**

A written document which evidences a propriety of transactions and usually indicates the accounts in which they are to be recorded.

**WARRANT:**

An order drawn by the legislative body or an officer of a government upon its treasurer directing the latter to pay a specified amount to the person named or to the bearer. It may be payable upon demand, in which case it usually circulates the same as a bank check; or it may be payable only out of certain revenues when and if received, in which case it does not circulate as freely.