

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.

2017-2018 BUDGET



FOR FISCAL YEAR JANUARY 1, 2017 THROUGH DECEMBER 31, 2018

ADOPTED BY:

The City Council
Port Orchard, Washington

ORDINANCE No. 040-16

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
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CITY OF PORT ORCHARD

Mayor

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www.cityofportorchard.us

January 1, 2017

To: Citizens of Port Orchard
Port Orchard City Council

I am pleased to present the 2017–2018 Biennium Budget, my first budget as Mayor of Port Orchard. This biennial budget presents a major change from our prior practice of single year budgets.

In the preparation of this budget we have separated operational needs from the City's Capital needs. The Operating Budget primarily captures the expenditures related to maintaining services. The Capital Budget includes projects identified by the Mayor and the City Council as well as responding to the equipment needs of staff.

As part of the biennial budget the Mayor and Finance staff has worked with the City Council to identify one time revenues to make sure these funds are allocated to capital expenditures.

This budget also includes funding for a Code City ballot measure in November 2017. As one of the few remaining Second Class Cities in the State of Washington I feel it's time for Port Orchard to have a more progressive form of Government.

Operating Budget Highlights

This budget continues to build reserves as outlined in our financial policies; this biennial budget adds \$140,000 to the stabilization fund over the next two years for a total of \$809,000 at the end of 2018.

In 2016 the City created a Transportation Benefit District that will be funded by a \$20 car tab fee; these funds will be used to fund street preservation and maintenance. This biennial budget has made funds available for the Horstman Road overlay as the first recipient for these funds.

Two additional flashing speed signs costing \$7,000 are funded out of the street fund.

Topsoil will be applied and the over seeding will occur at Van Zee Park for \$7,000.

As part of a beautification plan for downtown \$22,000 has been budgeted for the replacement of the trash receptacles and \$10,000 to replace damaged and diseased street trees on Kitsap Street, Prospect Street, Cline Ave and Sidney Ave.

Hwy 160 and Bethel Road Studies will be completed in this biennium at a cost of \$150,000 which will provide us a conceptual design for improvements to these vital roadways.

This budget implements a 4% increase to the City's Natural Gas Tax in 2018. The increase equalizes the Natural Gas Tax with our other utility taxes at 6%. The \$94,500 generated from this increase is part of the funding solution for the proposed Tremont project bond debt.

Capital Budget Highlights

I'm proud to present the largest capital budget in the history of the City of Port Orchard with over \$26M in projects, while \$18M of this is a supplemental request that represents the Tremont Widening Project, the projects below are monumental and represent a positive future for the City of Port Orchard.

Two significant waterworks projects are proposed in this biennial budget that will eliminate our water supply dependence on the City of Bremerton and vastly improve the quality of the water we produce. These projects include the development of a new well and treatment system, an upgrade to the treatment system of one of our existing wells and water main replacement. The water system improvements totaling \$7.1M represent infrastructure investments that will serve our City for generations to come.

A 100% design will be completed for the Anderson Hill Roundabout in 2017 at cost of \$50,000 which will enable the City to participate in competitive grants for funding.

This budget provides six new police vehicles at a cost of \$288,405 over the next two years funded from Criminal Justice funds.

A continuation of our IT Cloud migration project includes a Springbrook Cloud Conversion in the amount of \$63,000.

Construction of segment #3 of the Bay Street Pedestrian Path will be completed in 2017 for \$530,000. This phase of the project will create a functional pathway along our waterfront connecting the Marina Park to the Westbay Center.

To enhance our waterfront \$10,000 is budgeted for a waterfront park conceptual design to expand the Marina Park and a pocket park on the Bay Street Pedestrian Path.

Funding for the construction of Phase II of the McCormick Village Park will be provided in this biennial budget. The construction cost will come from grant funding of \$323,000, park impact fees of \$345,700, and REET 2 funds of \$286,750 for a total of \$955,450.

Additional park improvements include an irrigation system at Clayton Park in the amount of \$6,000.

The capital budget also includes the replacement of the Public Works Go-4 with a right-hand drive truck that can be used for purposes beyond meter reading. The purchase of this \$25,000 truck is significantly less expensive than replacing the single purpose Go-4. A small SUV in the amount of \$25,000 is being purchased for the Public Works and will be utilized by the Public Works Supervisor/Water System Manager, his truck will in turn be passed on to the frontline staff for use in the field.

Conclusion

I would like to thank the professional staff for their input and hard work in writing this budget. I look forward to working with the City's Finance Committee, Councilmembers and Citizens in the implementation of our 2017-2018 biennial budget.

Sincerely,



Robert Putaansuu
Mayor

CITY OVERVIEW

HISTORIC PORT ORCHARD



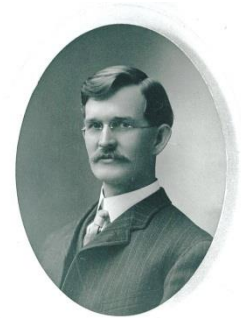
Port Orchard is the county seat of Kitsap. But it was not always the county seat, nor was it always called Port Orchard.

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 adopt a Tourism Promotion Strategic Plan. 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 4th 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.



2017 PUBLIC ACCESS & AMENITY PROJECTS

This coming year will bring additional work on the Bay Street Pedestrian Pathway; McCormick Village Park; and Dekalb Pier.



citizens and tourists alike.

In 2017 the City continues the Pedestrian Pathway by acquiring properties necessary to proceed with the final construction phase of the pathway. Beginning at the foot-ferry dock at Sidney, the pathway will make its way along Bay Street ending at the Annapolis dock. A long-term project, the pathway is expected to be completed no later than 2023. The pathway is part of Kitsap’s countywide Mosquito Fleet Trail. The Bay Street Pedestrian Pathway provides a safe area for walking and bicycling for local

McCormick Village Park began construction in 2014 with the completion of a restroom, parking area, and trail. In 2016 Phase



It brought us the final design, partially funded with a grant from the Washington State Recreation and Conservation Office (RCO). The build-out of the park is expected to be completed in 2018. Once completed, the 27.4 acre McCormick Village Park will provide the Port Orchard community with playgrounds, trails, picnic shelters and tables, and natural wetlands and forest.

The Dekalb Pier project began in 2013 with construction of the pier and uplands. In 2016, the project was completed adding a 300 foot pier extension, as well as floats and piling replacements, providing the required 7-foot minimum water depth beneath moored vessels. This project included funding from grants administered by the Washington State Department of Commerce. The Dekalb Pier will provide boaters with a convenient spot to load and unload watercraft. It also allows citizens an area to sit and watch the boats, have a picnic at the provided picnic table, or fish from the pier.



The City of Port Orchard continues to work towards making the city a place where its citizens want to live. As we move towards completion of these projects, rest assured that we will continue to look for ways to improve our city.

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	66
Rank in Size/County	3
Population – 2016	13,810
Assessed Valuation (Taxable)	1,532,640,083
City Employees	88

2017 PROPERTY TAX LEVY:

Regular Levy	\$2,699,376
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2017 PROPERTY TAX RATE:

Port Orchard City	1.761085
State School Levy	2.116735
Kitsap County C.E.	1.004677
Kitsap County Mental Health	.025000
Kitsap County Veterans Relief	.013000
Kitsap County Conservation Futures	.043511
P.U.D.	.074108
Port Of Bremerton	.350545
S.K. Schools	3.245166
S.K. Fire & Rescue	1.962012
Kitsap Regional Library	<u>.353368</u>
Total Property Tax Rate	10.949207

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	68.18
Total Pedestrian Trails in Miles	0.50

SALES TAX RATE:

State	6.50
Criminal Justice	0.10
City	0.84
Kitsap County	0.15
Kitsap Transit	1.10
County Jail Expansion	0.10
Emergency Communications	0.10
KC Mental Health Treatment Serv.	0.10
State Administration Fee	<u>0.01</u>
Sales Tax Rate	9.00

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 2016:

General Business Licenses	2641
Building Permits	398

ELECTION & VOTER REGISTRATION:

Number of Registered Voters	9,106
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2017 UTILITY BI-MONTHLY RATE:

Water	\$60.50 base up to 5000 gal. + 2.75-3.40 for each add'l 1000 gal.
Sewer	\$124.00
Storm (Residential)	\$28.00

STATISTICAL INFORMATION

Incorporated in 1890

Elevation: 140 feet

Latitude: 47.53 N, Longitude: 122.64 W

Population density: 1,476.5 people per square mile

Population in 2014: 13,266. Population change since 2000: +72.4%

Males: 6,349  47.9%

Females: 6,917  52.1%

Median resident age:  33.4 years

Washington median age:  37.5 years

For population 25 years and over in Port Orchard:

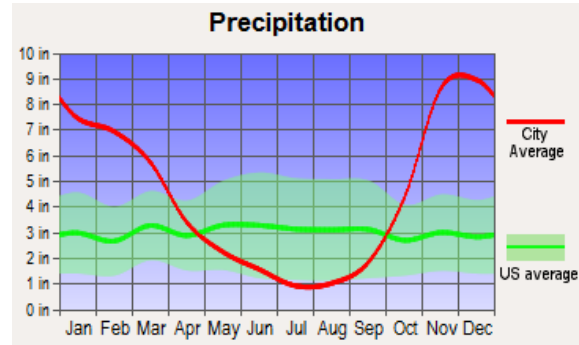
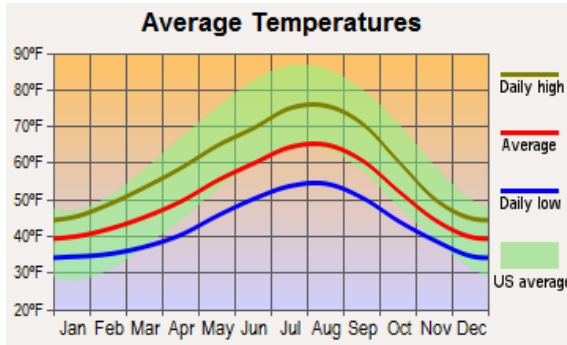
- High school or higher: 92.7%
- Bachelor's degree or higher: 25.0%
- Graduate or professional degree: 8.6%
- Unemployed: 8.8%
- Mean travel time to work (commute): 25.8 minutes

For population 15 years and over in Port Orchard city:

- Never married: 9.5%
- Now married: 51.3%
- Separated: 1.8%
- Widowed: 5.3%
- Divorced: 12.2%



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 September 2015:

Port Orchard: 5.0%

Washington: 4.8%

Full-time law enforcement employees in 2015, including police officers: 24 (22officers).

Officers per 1,000 residents here: 1.63

Washington average: 1.45

Estimated median household income in 2015: \$65,718 (it was \$34,020 in 2000)

Port Orchard: \$65,718

Washington: \$64,129

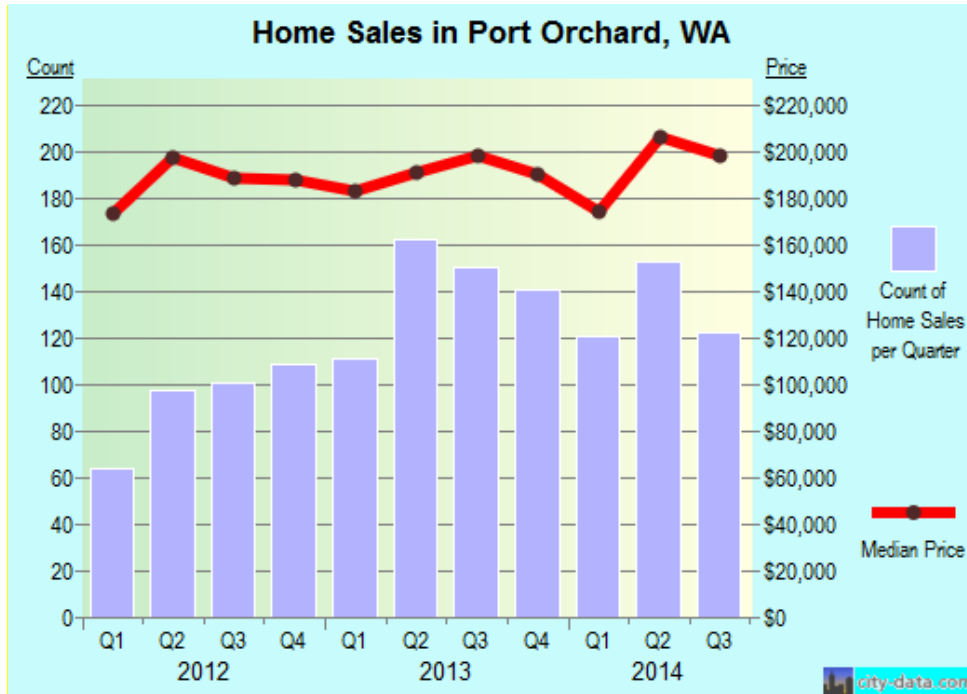
Estimated per capita income in 2015: \$29,401 (it was \$16,382 in 2000)

Estimated median house or condo value in 2015: \$261,396 (it was \$117,000 in 2000)

Port Orchard: \$261,396

Washington: \$284,000

Mean prices in 2015: All housing units: \$334,446; Detached houses: \$359,176; Townhouses or other attached units: \$312,768; In 2-unit structures: \$238,408; In 3-to-4 unit structures: \$457,348; In 5-or-more-unit structures: \$249,856; Mobile homes: \$126,927; Occupied boats, RVs, vans, etc.: \$107,463



Median gross rent in 2015: \$1,063

Median real estate property taxes paid for housing units with mortgages in 2015: \$2,528 (1.0%)

Median real estate property taxes paid for housing units with no mortgage in 2015: \$2,448 (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
- 2013: 42 buildings, average cost: \$195,600
- 2014: 49 buildings, average cost: \$229,300

SOURCES:

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

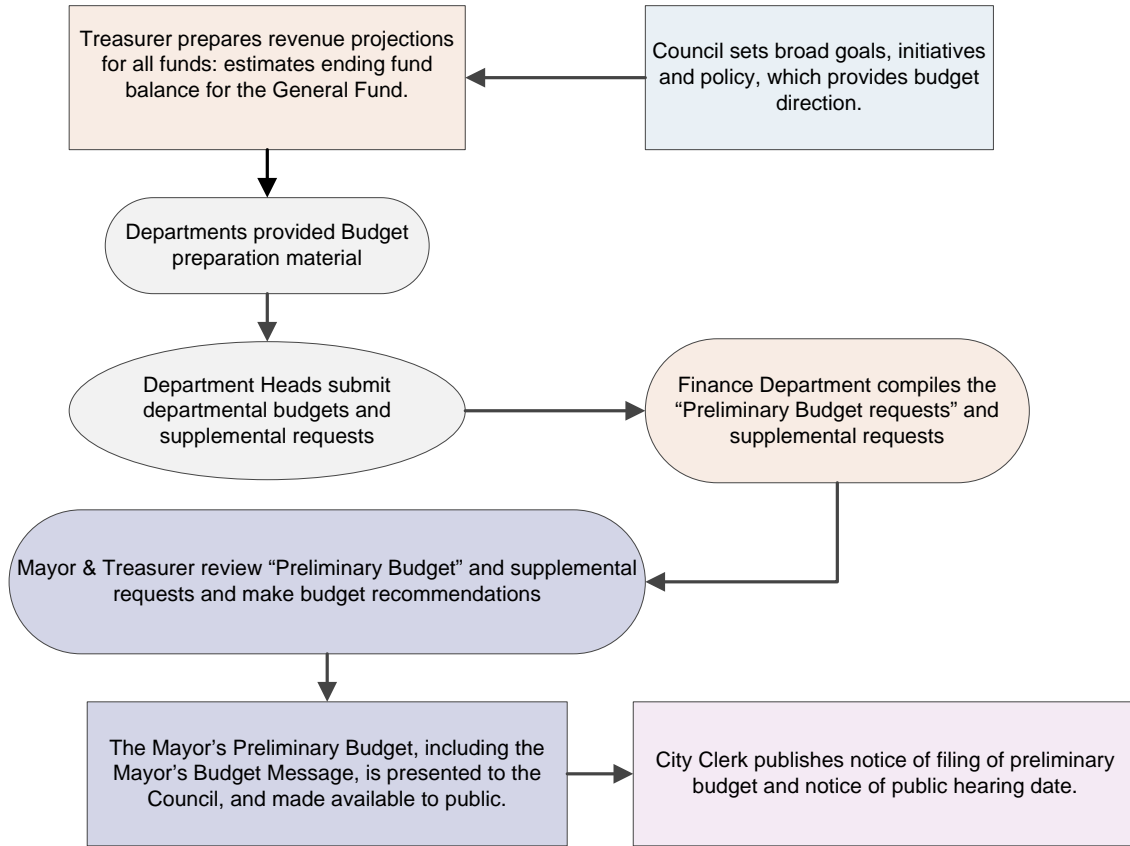
U.S. Census Bureau - <http://www.factfinder.census.gov>

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

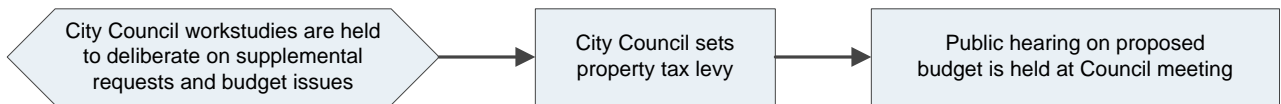
*The data presented is the most current information available

2017-2018 Budget Process

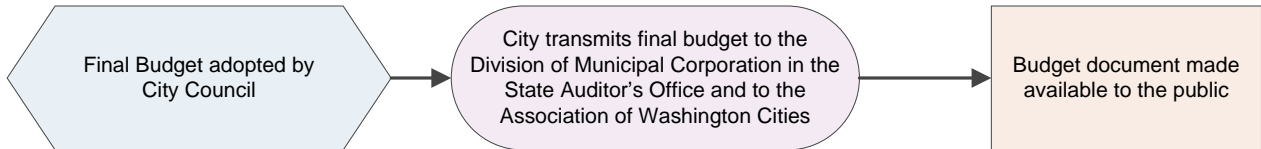
Preliminary Budget Development



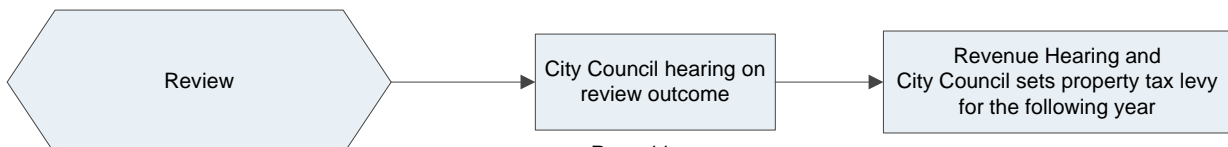
Review/Discussion



Budget Adoption



Midbiennium Review



BUDGET CALENDAR

2017 MID-BIENNIAL BUDGET REVIEW SCHEDULE

AUGUST

- Departments provided Budget Status Report
- Treasurer reviews Budget Status Reports with the Mayor
- Departments are consulted on possible modifications to the biennial budget

SEPTEMBER

- Treasurer preliminary review and status report
- Council Finance Committee initial review of status report
- Potential Department Director Interviews on modifications

OCTOBER

- Public Hearing on Revenue Sources leading to setting 2018 Property Tax Levy Collection
- Work Study Session Mid-Biennial Review modification recommendations
- Proposed modifications made available to the public
- Continuation of Council Finance Committee review

NOVEMBER

- Hearing Setting 2018 Property Tax Levy Collection
- Ordinance setting 2018 Property Tax Levy
- Work Study Session continuation
- Council Finance Committee on modification recommendations

DECEMBER

- Public Hearing on modifications to the biennial budget advertised at least once, and held no later than the first Monday in December and may be continued from time to time.
- At such hearing, the Council may consider a proposed Ordinance to carry out such modification, subject to provisions of RCW 35.34

JANUARY 2018

- Treasurer records modifications to the Biennial Budget

2018 CALENDAR FOR PREPARATION AND ADOPTION OF 2019-2020 BIENNIAL BUDGET

JULY

- Mayor discusses 2019-2020 fiscal year goals and aspirations with Department Heads. The meetings are non-documentary
- Project Revenue estimates for 2019-2020
- Current budget mid-year report to Finance Committee
- Personnel Salary and Benefits projections for 2019-2020

AUGUST

- Departments provided budget preparation material to prepare detailed estimates for the 2019-2020 budget.
- Treasurer prepares revenue projections for all funds; estimate ending balance for the General Fund on December 31, 2018

SEPTEMBER

- Department Heads submit budget and supplemental requests to the Finance Department
- Finance Department reviews budget requests for formatting and account coding
- Mayor and Treasurer review “Preliminary Budget-Narrative” and department requests
- Treasurer schedules meetings with Mayor and Department Heads to review budget and supplemental requests
- Finance Department prepares Preliminary Budget Publication

OCTOBER

- Preliminary Budget delivered to the City Council and available to the public
- Council Meeting – Public Hearing on Revenue Sources
- Finance Committee Meeting to Review Preliminary Budget
- Council Study Session regarding 2019-2020 Budget and Revenue
- Publication of notice of availability of the 2019-2020 Preliminary Budget for public review and public hearing notice for the proposed final budget to be published
- All day Finance Committee meeting: Department budget review

NOVEMBER

- City Council Meeting for the first and final reading of an Ordinance setting the 2019-2020 Property Tax Levy
- Finance Committee meeting to review the comprehensive operating and capital budgets
- Council Study Session on proposed budget
- Copies of Proposed Budget made available to the public
- City Council meeting: Public hearing and first reading of the 2019-2020 Budget Ordinance
- City Council meeting adopting the 2019-2020 final budget

ORDINANCE NO. 040-16

AN ORDINANCE OF THE CITY OF PORT ORCHARD, WASHINGTON ADOPTING THE 2017-2018 BIENNIAL BUDGET.

WHEREAS, the preliminary budget for the 2017-2018 biennium, available October 3, 2016, was submitted to the City Council; and

WHEREAS, the City Council held a public hearing on revenue sources on October 11, 2016; and

WHEREAS, the Council Finance Committee met on October 31, 2016 and conducted department interviews and discussed the preliminary budget to make final recommendations to the Council which included the participation of the four additional council members; and

WHEREAS, the City Council held a comprehensive work study session on the 2016 preliminary budget on November 15, 2016 and considered the Council Finance Committee's recommendations; and

WHEREAS, A Notice of Hearing was published on November 18, 2016, and November 25, 2016, in the Port Orchard Independent newspaper stating the 2017-2018 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 December 5, 2016; and

WHEREAS, the City Council held a public hearing on December 5, 2016 regarding the preliminary budget for the 2017-2018 biennium seeking public input on city priorities, public safety enhancements, cultural and recreational opportunities, and other public services; and

WHEREAS, a copy of the 2017-2018 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, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. the Budget of the City of Port Orchard for the 2017-2018 biennium is hereby adopted in its entirety as the biennial budget of the City of Port Orchard for 2017-2018 biennium as set forth below:

(1) Estimated Revenue From All Sources: \$75,869,894

(2) Estimated Appropriations:

Current Expense Fund	21,198,624
Street Fund	3,900,635
Criminal Justice Fund	1,055,400
Special Investigative Unit Fund	68,500
Water-Sewer Utilities Fund	25,373,700
Storm Drainage Utility Fund	3,926,000
Total Operating Funds	55,522,859
Other Non-Operating Funds	20,347,035
Total Funds	75,869,894

SECTION 2. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional or unlawful by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.


SECTION 3. Publication. This Ordinance shall be published by an approved summary consisting of the title.

SECTION 4. Effective Date. This Ordinance shall take effect and be in full force and effect five days after publication, as provided by 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 13th day of December 2016.



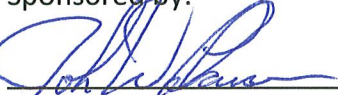
Robert Putaansuu, Mayor

ATTEST:


Brandy Rinearson, CMC, City Clerk

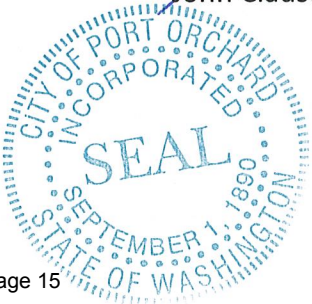
APPROVED AS TO FORM:


Sharon Cates, City Attorney

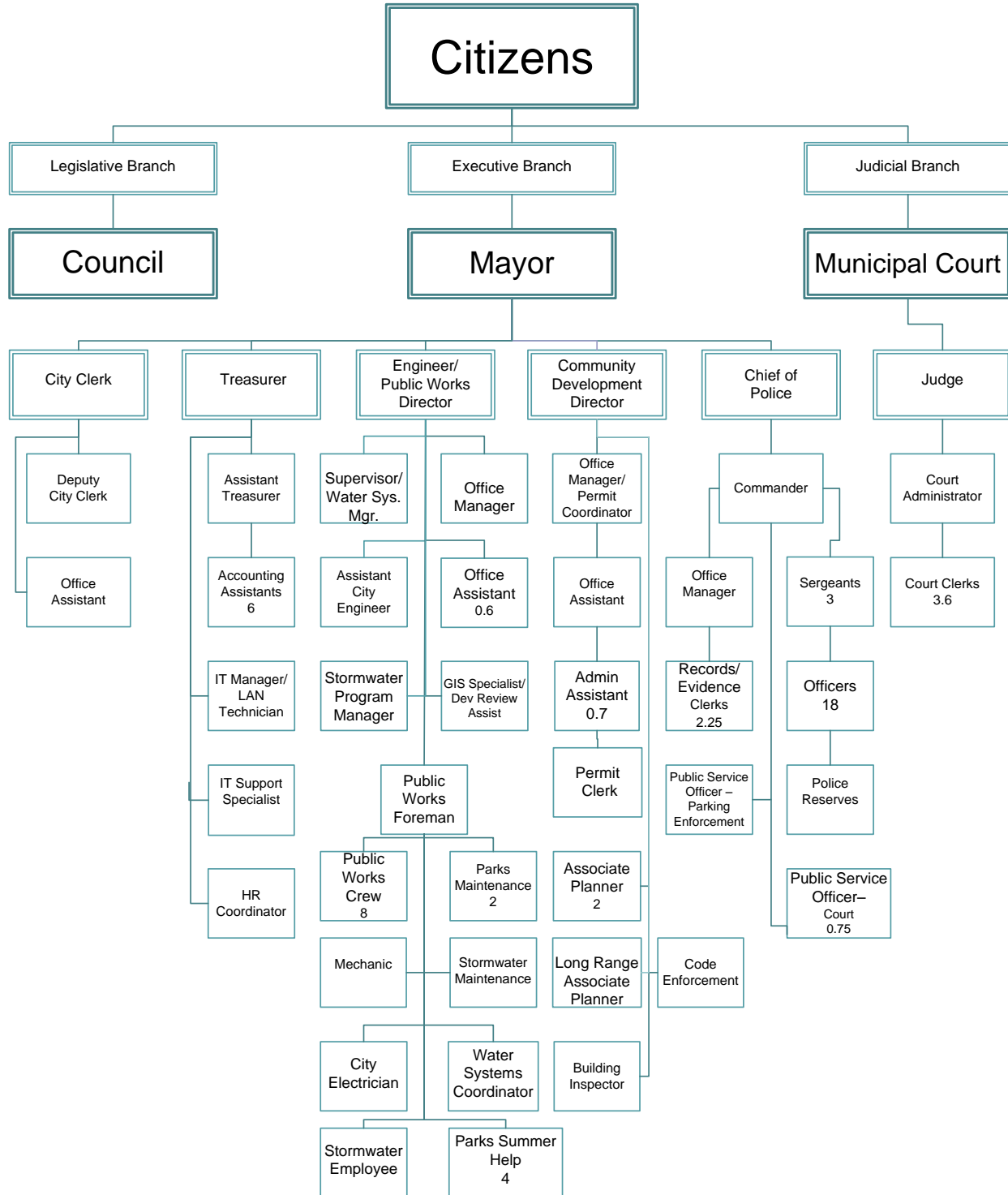
Sponsored by:


John Clauson, Councilmember

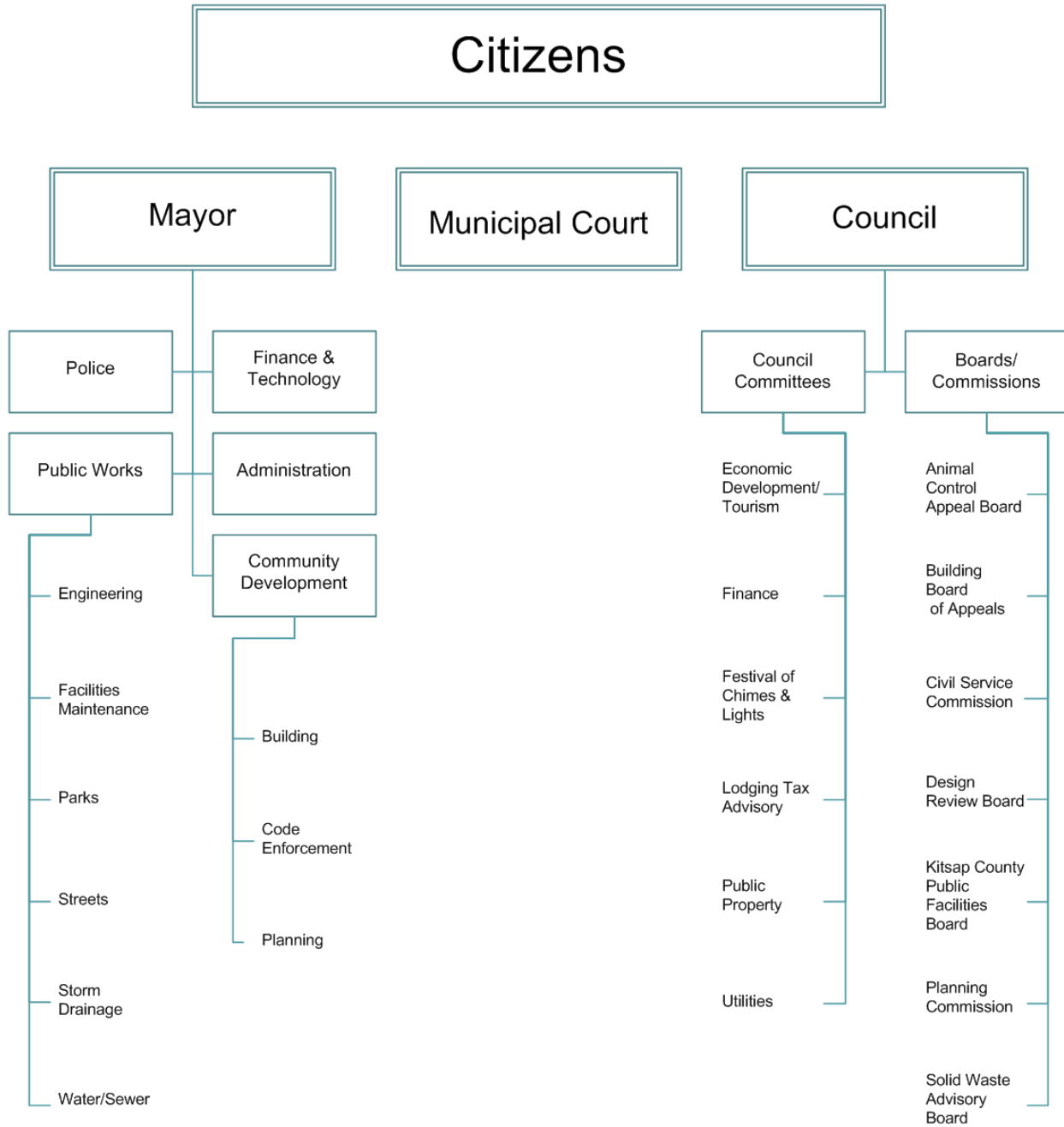
PUBLISHED: December 23, 2016
EFFECTIVE DATE: December 28, 2016



ORGANIZATION CHART



ORGANIZATION CHART



OFFICIALS

ELECTED OFFICIALS

TERM EXPIRATION

MAYOR

Robert Putaansuu December 31, 2019

COUNCIL MEMBERS

POSITION NO. 1

Shawn Cucciardi December 31, 2019

POSITION NO. 2

Bek Ashby December 31, 2017

POSITION NO. 3

Scott Diener December 31, 2017

POSITION NO. 4

John Clauson December 31, 2019

POSITION NO. 5

Cindy Lucarelli December 31, 2019

POSITION NO. 6

Fred Chang December 31, 2017

POSITION NO. 7

Clancy Donlin December 31, 2017

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

Sharon Cates of Lighthouse Law Group Attorney

BOARDS AND COMMISSIONS

ANIMAL CONTROL APPEAL BOARD

CURRENT MEMBERS: Lorraine Olsen, Dr. Nancy Isbell, and Bjorn Bjorke

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 31st.

BUILDING BOARD OF APPEAL

CURRENT MEMBERS: David Fall, Matt Zawlocki, Sean Hoynes, Scott Kiele, Robert McGee, Wayne Senter, 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: Ken Kambich, 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, Diane Buchanan, Shannon Childs, David Bernstein, Noel Larson

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: Adrienne Breznau

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, Marcus Lane, Suanne Martin Smith, Mark Trenary

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.

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, Clancy Donlin, and Fred Chang
Committee responsibilities include public events and tourism related issues.

FINANCE COMMITTEE

CURRENT MEMBERS: John Clauson, Bek Ashby, Shawn Cucciardi
Committee reviews contracts and financial issues of the city.

FESTIVAL OF CHIMES AND LIGHTS COMMITTEE

CURRENT MEMBERS: Cindy Lucarelli, and Clancy Donlin
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.

LAND USE COMMITTEE

CURRENT MEMBERS: Shawn Cucciardi, John Clauson, Scott Diener
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: Fred Chang, Cindy Lucarelli, and Scott Diener
The committee meets with the West Sound Utility District Commissioners to discuss the Joint Wastewater Treatment Facility.

UTILITIES COMMITTEE

CURRENT MEMBERS: Fred Chang, Scott Diener, 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.

COUNCIL GOALS

2017 Goals

- Be ahead of change:
 - Update code to address derelict buildings.
 - Evaluate staffing and City Hall space needs.
 - Continue staff/Council communication regarding the Gorst project.
 - Track changes in WSDOT's plan for addressing the City's fish barrier culverts.
- Harness "the evolution" that is coming to Port Orchard:
 - Provide more funding to parks and open space.
- Invest in downtown and the waterfront:
 - Create a conceptual design for the next phase of the Bay Street pathway.
 - Determine the future of the marquee.
 - Begin planning how to move parking off the waterfront.
- Engage community members:
 - Begin plans for at least 3 sub-areas prioritized in 2016.
 - Establish and start a public process for a re-design of the Bethel corridor.
- Balance growth with affordability:
 - Begin applying for funding for Tremont.
- Create predictability in development:
 - Add to and continue sharing the toolkit to attract businesses and developers to the City.
 - Establish policies for development connectivity, and check if this is already in the comprehensive plan and development regulations.

2018 Goals

- Harness "the evolution" that is coming to Port Orchard:
 - Add Sidney Avenue project to TIP for completion by 2023 (or date TBD).
 - Evaluate the need for a Parks Department and/or Director.
 - Complete conceptual design for joint-use civic center.
- Invest in downtown and the waterfront:
 - Continue the Pathway Project.
 - Move parking off the waterfront.
- Engage community members:
 - Complete all 10 sub-area plans.
- Balance growth with affordability:
 - Completed construction of Tremont.



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

January 1, 2017

Dear Citizens, elected officials, staff, and friends

You will notice that this budget is a two-year budget, called a Biennial Budget. It is my hope that by the Council's adoption of a Biennial Budget the City will have more time to focus on its most important tasks of delivering services to the public, rather than writing budgets each and every year.

Over my tenure as Treasurer it's been my goal to find ways to work smarter by taking what works best in other places and putting them to work here in Port Orchard. We have incorporated several initiatives over the years and I am quite proud of what we have been able to accomplish.

Our use of a 24-month Biennial appropriation will consolidate the amount of effort invested in the budget development and approval process. This is true for finance staff, department staff, and for the Council, which reviews the materials and eventually adopts a budget. While the benefits may be obvious as it relates to staff, the Council also realizes significant time savings that can be invested in other matters.

For this budget those include starting and successfully completing the Tremont Widening project, construction of segment 3 of the Bay Street Pedestrian Pathway that will connect the Marina Park to West Bay Center. Construction of phase 2 of the McCormick Village Park in 2018, and implementing the pavement management system to upgrade our streets.

The City is required to conduct a mid-Biennial review and modification no sooner than September 1 and be completed by the end of the year. If there are recommendations to modify the budget a public hearing on the changes is required before actions are taken.

The City is still required to set the property levy for the coming year through a hearing process that needs to be completed by the end of November. Both of these provisions, the budget modification hearing and the hearing setting the tax levy, will continue the strong public oversight that citizens have come to expect.

I am proud of our finance staff and have been honored to have had the opportunity to supervise such a fine group of individuals. Each finance person could succeed at any endeavor they choose. City employees throughout the various departments are dedicated to providing top notch public services.

I have been humbled by the support of the citizens and impressed by their understanding and interest in their local government.

Finally, I would like to thank the Mayor and Council members who have provided their thoughtful guidance. Their efforts and desire to make Port Orchard an even better place to live is commendable.

Sincerely,

Allan J Martin
Treasurer

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 biennium. 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 & Environment
- 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	
Fund	001	001
Department	1	0
Prime Digit	500 (Expenditures)	300 (Revenues)
Basic Account	5 <u>1</u> 0	3 <u>1</u> 0
Sub-Account	51 <u>4</u>	31 <u>6</u>
Element	514. <u>2</u> 0	316. <u>4</u> 0
Sub-Element	514. <u>23</u>	316. <u>41</u>
Object	514.23. <u>3</u> 0	
Sub-Object	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 2017-2018 budget contains 22 funds. Each fund has a 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 six 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. 84% of these services are supported by taxes (Property tax 24%, Sales tax 41% Utility tax 16% and other taxes 1%). Other revenues include Charges for Goods and Services 5%, Fines and Forfeits 2%, Licenses & Permits 3% and Intergovernmental Revenues 5%. In 2017-2018 Miscellaneous Revenues factor about 2%.

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)

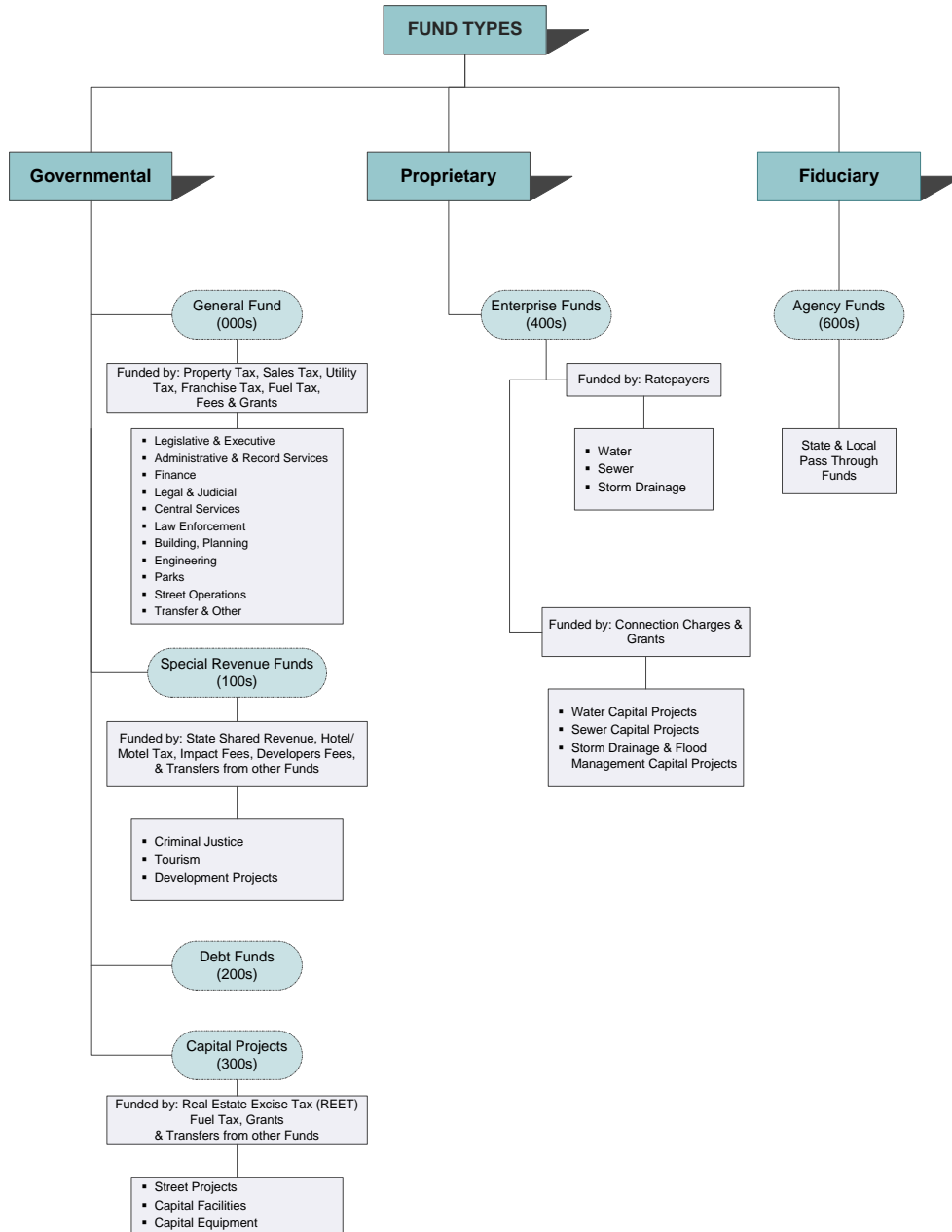
Acquisition or construction of capital projects are accounted for here. The City has three Capital Project Governmental Funds. The Capital Construction Fund receives transfers from other general funds or revenue from grant proceeds to use on capital projects. The Cumulative Reserve for Equipment Replacement Fund 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. In 2016 a Transportation Benefit District (TBD) was created implementing a car tab fee to fund street maintenance and repair projects. Revenues from the TBD are deposited into the City Street Fund for projects. Expenses for all other street related operations, maintenance and improvements are coded here as well.

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. 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 has specific ways in which they may be spent. This fund tracks the receipt and disbursement of REET 1 and REET 2. According to RCW 82.46.010(2) REET 1 funding must be used for capital projects identified in the capital facilities plan of the City's comprehensive plan. RCW 82.46.010(6) defines capital projects as "...those public works projects of a local government for planning, acquisition, construction,

reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative facilities; judicial facilities river flood control projects...” The second quarter percent (REET2) must also be used for financing capital projects specified in a capital facilities plan element of the comprehensive plan. With slight differences on what capital projects are eligible. For instance 82.46.035(5) defines REET 2 capital project funds to be used for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; and planning construction, reconstruction, repair, rehabilitation or improvement of parks. Note that acquisition of land for parks is not a permitted use for REET 2 although it is permitted for street, water and sewer projects. In 2011 legislature expanded the uses of REET both the first and second quarter. Cities may, with restrictions, use REET 1 & 2 for operation and maintenance of existing capital facilities. The maximum amount of either REET 1 or REET 2 that may be spent on a maintenance is the greater of \$100,000 or 25% of the available funds, not to exceed \$1 million per year. There are additional reporting requirements for using REET 1 or 2 funds for maintenance projects. These reporting requirements must be adopted as part of the city’s regular budget process.

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 \$459,900 on December 31, 2016.

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 \$5,000 and interest of \$250 for a total of \$5,250 outstanding as of December 31, 2016. 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

A biennial appropriated budget is 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 now budgets on a biennial basis. Prior to the first year of the biennium, 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 biennial period. In midsummer the Finance Department provides a beginning projection of the next periods 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 budget period. These calculations are used in concert with the Mayor/Council's goals for the biennium 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 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 1st week of September, prior to the beginning of the biennial period, in compliance with RCW 35.33.031.

These estimates are 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 31st, 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. In September of the first year of the biennium a budget review is conducted. Based on the outcome of the mid period review, amendments and/or council hearings may occur to make any necessary adjustments.

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). 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 2017 assessed valuation for properties in the City of Port Orchard is \$1,532,610,083. The 2017 Property tax levy is \$10.9492 per thousand of assessed valuation of which the City receives \$1.7611.

Year	Assessed Valuation	Levy Rate	Property Tax Revenue
2007	726,921,614	2.0768	1,509,652
2008	814,625,858	1.8949	1,543,671
2009	833,125,854	1.9488	1,623,607
2010	1,165,037,143	2.1424	2,495,925
2011	1,239,258,364	2.1192	2,626,382
2012	1,192,138,362	1.8477	2,202,693
2013	1,312,770,504	1.7573	2,307,207

2014	1,319,792,155	1.6979	2,240,898
2015	1,347,919,629	1.7252	2,325,748
2016	1,405,166,175	1.7493	2,458,008
2017	1,532,610,083	1.7611	2,699,058

- 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. 2017-2018 property tax revenues are estimated to be 24% 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 2017-2018 sales tax represents an estimated 41% 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 is 2% in 2017, a rate increase is budgeted in 2018 to increase the amount to 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%. 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 which 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
Bingo/ Raffles	5%	5%
Amusement Games	2%	2%
Punchboard /Pull Tabs	10%	3%
Card Room	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 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.

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, marijuana 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 revenue 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 2017 the per capita projection is \$8.45 for liquor board profits and \$4.67 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 a percentage 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 2017-2018 biennium the City of Port Orchard estimates it will receive \$605,707 in fuel tax revenues. Of this amount 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 Fund to use as a local match for grants.

HB 2136 Marijuana-Reforms-Taxation provides revenue sharing of the Marijuana Excise Tax. Per MRSC the formula for distribution is as follows:

- 60 percent is distributed to counties that have not prohibited the sale, production or processing of marijuana. The distribution amount allocated to each county, including the portion for eligible cities within the county, is ratably based on the total amount of taxable sales of marijuana products subject to the marijuana excise tax in the prior fiscal year within the county, including all taxable sales attributable to the incorporated areas within the county.
- After making any distribution to the counties, the state treasurer must distribute the remaining amount to eligible cities within the counties. The share to each eligible city within a county must be determined by a division among the eligible cities within each county ratably based on total retail sales from the prior fiscal year
- Beginning in FY 2018, if marijuana excise tax collections deposited into the general fund in the prior year exceed \$25 million, then the legislature must appropriate an amount equal to 30% of all marijuana excise taxes deposited into the general fund to be distributed to counties & cities.

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 2017-2018.

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 was awarded WSDOT / FHWA funding for the overall pathway easement and right-of-way acquisition phase. This funding requires a 13.5% local funds match. In 2015 the City completed segment 4, Blackjack Creek Bridge, with state grant funding. The 2016 right of way properties were purchased. The 2017-2018 budget continues funding for Right of Way purchases as the City moves forward with the ROW project.

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 2017-2018 the City has budgeted \$9,596. These funds are budgeted in the Street Capital Projects Fund.

STATE GRANTS

WA STATE RECREATION & CONSERVATION OFFICE (RCO) – MCCORMICK VILLAGE PARK

The City will use the remainder of this grant in 2018 to construct Phase II of the McCormick Village Park, a partially developed 30 acre park. Improvements include: completion of multi-use perimeter loop trail with pedestrian bridge, entry plaza; children's playground; wetlands boardwalk with interpretive signs; wetlands viewing platform; and other improvements. The grant award is \$385,500 with the City providing an additional \$385,500 match for this multiyear project. This project is budgeted in the Capital Construction Fund.

WA STATE TRANSPORTATION BUDGET – BAY STREET PEDESTRIAN PATH

The City will utilize \$480,000 of a \$3.5 million award from the state transportation package in 2017 to construct Segment 3 of the pathway. \$20,000 of the \$3.5 million was utilized in 2016.

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 5% of General Fund incoming revenues. The City's Proprietary funds, however, are funded almost exclusively on user fees. Charges for Goods and Services comprise 54% of the new revenues for the Water Sewer Utility and 98% for Storm Drainage Utility.

MISCELLANEOUS REVENUE

Miscellaneous revenues generate 2% 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 38.3 million. The City's Debt Policy is located in the "Financial Policies" section of the Budget Document.

In 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 the 2017-2018 fiscal period the city has budgeted \$5,000,000 for the Well 10 project.

In 2016 the Washington State Department of Ecology awarded the City \$1,015,000, in a combined financial assistance package, to construct a storm drainage decant station. This is a mixed package of grant and loan funding. The loan, in the amount of \$253,750, is a low interest, federal, State Revolving Fund loan payable over 20 years. This loan provided the local match for the grant. Repayment is expected to begin in the 2017-2018 fiscal period.

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 \$682,650 in general obligation bonds outstanding on December 31, 2016.

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 are as shown below:

Name of Issuance	Purpose	Original Amount	Maturity Date	Interest Rate	Debt Outstanding
2003 LTGO Bond-City Hall	Capital project	3,000,000	12/1/2019	2%-3.8%	\$ 682,650

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 Requirement	Principal	Interest	Total Requirement
2017-2019	459,900	34,626	494,526	170,100	12,806	182,906
	\$459,900	\$34,626	\$494,526	\$470,100	\$12,806	\$182,906

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 551st through the 800th 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
McCormick Note	\$441,250	Capital	11/23/1998	N/A	0.00%	\$168,250

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.

Construction of the Joint Wastewater Treatment Facility Expansion began in 2004. 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 \$6,195,570 at the end of 2016, these loans will not be retired until 2022 and 2024. The Facility makes an annual 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.

Name of Issuance	Purpose	Total Amount of Loan	First Draw Date	Maturity Date	Interest Rate	Debt Outstanding
Public Works Trust Fund						
Loan 1	Capital	\$10,000,000	2/29/2004	7/1/2022	0.50%	\$3,315,570
Loan 2	Capital	6,800,000	6/30/2005	7/1/2024	0.50%	\$2,880,000
Total Loans						\$6,195,570

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

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.

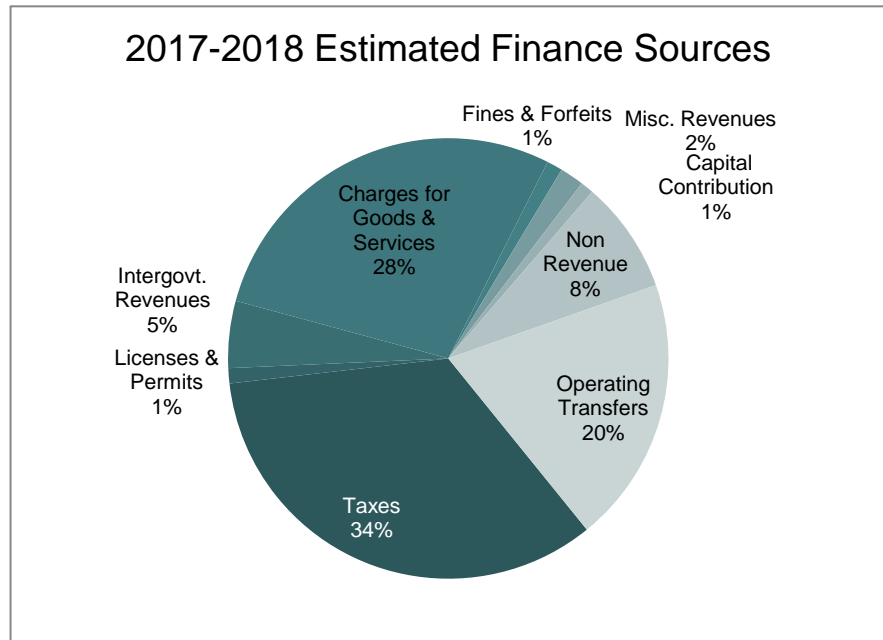
*The complete text of Port Orchard's financial policies can be accessed at:
<http://www.cityofportorchard.us/departments/finance>*

CITYWIDE REVENUES & EXPENDITURES

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

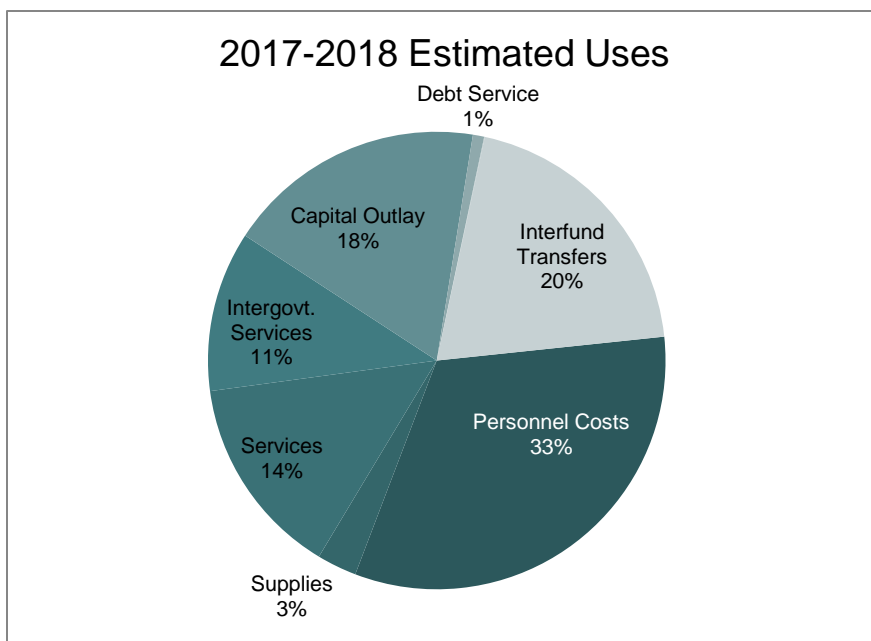
CITYWIDE OPERATING REVENUES:

The Chart below displays the projections for new revenues, by source, which the City estimates to receive in 2017-2018. These revenues allow the City to operate in its best capacity to serve the Citizens. The largest source of incoming revenues are taxes (34%) which help operate the general governmental areas of the City. Charges for Goods and Services are the next largest piece of the pie at 28%. 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 33%; Interfund Transfers (20%) for capital projects; and Capital Outlay (18%) which includes acquisitions or additions to capital assets. Next at 14% are Services which includes Professional Services, Repairs & Maintenance, Rents & Leases; Intergovernmental Services at 11%, Supplies at 3%, & debt service at 1%.



The top three are Personnel Costs (Salary and Benefits) at 33%; Interfund Transfers (20%) for capital projects; and Capital Outlay (18%) which includes acquisitions or additions to capital assets. Next at 14% are Services which includes Professional Services, Repairs & Maintenance, Rents & Leases; Intergovernmental Services at 11%, Supplies at 3%, & debt service at 1%.

SUMMARY OF REVENUES

Fund Title	Fund #	2013-2014 Actuals	2015-2016 Budget	2017-2018 Budget
General Fund				
Current Expense	001	17,265,824	18,539,550	21,198,624
City Street	002	4,110,929	5,423,573	3,900,635
Stabilization	003	700,036	1,265,380	811,900
Special Revenue Funds				
Criminal Justice	103	940,052	1,191,845	1,055,400
Special Investigative Unit	104	105,438	113,820	68,500
Community Events	107	211,624	240,120	270,500
Paths & Trails	108	5,372	9,700	7,780
Real Estate Excise Tax	109	-	3,849,260	2,307,200
Impact Fee	111	2,450,020	1,957,280	1,611,000
Capital Construction Funds				
Capital Construction	302	4,934,681	3,294,000	1,237,450
Cumulative Reserve for Equipment Replacement	303	785,970	976,870	476,687
Street Capital Projects	304	1,944,224	6,962,659	3,015,798
Proprietary Funds				
Water Sewer Utilities	401	53,046,816	18,956,400	25,373,700
Water Sewer Equipment Replacement	402	3,099	626,930	318,700
Cumulative Reserve for Water Sewer	403	1,136,187	11,987,700	9,190,000
Storm Drainage Utility	421	11,690,457	5,140,983	3,926,000
Storm Drainage Equipment Replacement	422	5,757	550,880	215,720
Storm Drainage Capital Facilities	423	-	991,020	547,440
Debt Service Funds				
2003 Limited Tax GO Refunding Bond	206	332,779	329,777	331,610
1984 Refunding	621	16,950	15,550	5,250
Grand Total		99,686,214	82,423,297	75,869,894

SUMMARY OF EXPENDITURES

Fund Title	Fund #	2013-2014 Actuals	2015-2016 Budget	2017-2018 Budget
General Fund				
Current Expense - Administration	001	1,639,959	1,979,359	2,143,026
Current Expense - Finance		1,051,723	1,463,824	1,593,477
Current Expense - Judicial		999,795	1,168,858	1,249,808
Current Expense - Law Enforcement		7,762,312	9,046,363	9,764,020
Current Expense - Community Development		1,355,162	1,994,375	2,618,860
Current Expense - Public Works		1,346,665	1,229,787	1,098,728
Current Expense - Parks & Recreation (PW)		385,056	624,894	746,595
Current Expense - Reserves & Fund Balance		2,705,996	2,776,100	1,984,110
City Street	002	4,104,251	5,423,573	3,900,635
Stabilization	003	700,037	1,265,380	811,900
Special Revenue Funds				
Criminal Justice	103	940,059	1,191,845	1,055,400
Special Investigative Unit	104	103,438	113,820	68,500
Community Events	107	211,624	240,120	270,500
Paths & Trails	108	5,372	9,700	7,780
Real Estate Excise Tax	109	-	3,849,260	2,307,200
Impact Fee	111	2,450,020	1,957,280	1,611,000
Capital Construction Funds				
Capital Construction	302	4,934,681	3,294,000	1,237,450
Cumulative Reserve for Equipment Replacement	303	785,970	976,870	476,687
Street Capital Projects	304	1,944,224	6,962,659	3,015,798
Proprietary Funds				
Water Sewer Utilities	401	18,275,399	18,956,400	25,373,700
Water Sewer Equipment Replacement	402	-	626,930	318,700
Cumulative Reserve for Water Sewer	403	682,368	11,987,700	9,190,000
Storm Drainage Utility	421	21,372,955	5,140,983	3,926,000
Storm Drainage Equipment Replacement	422	-	550,880	215,720
Storm Drainage Capital Facilities Fund	423	-	991,020	547,440
Debt Service Funds				
2003 Limited Tax GO Refunding Bond	206	332,779	329,777	331,610
1984 Refunding	621	16,931	15,550	5,250
Grand Total		74,106,776	84,167,307	75,869,894

2017-2018 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
General Fund												
Current Expense	001	1,806,400	16,356,035	671,800	513,500	1,048,350	444,000	358,539	-	-	-	21,198,624
City Street	002	900,000	2,437,835	2,000	533,000	4,000	-	23,800	-	-	-	3,900,635
Stabilization	003	669,700	-	-	-	-	-	2,200	-	-	140,000	811,900
Special Revenue Funds												
Criminal Justice	103	485,200	373,700	-	194,500	-	-	2,000	-	-	-	1,055,400
Special Investigative Unit	104	60,400	-	-	-	-	7,700	400	-	-	-	68,500
Community Events	107	80,000	190,000	-	-	-	-	500	-	-	-	270,500
Paths & Trails	108	5,200	2,580	-	-	-	-	-	-	-	-	7,780
Real Estate Excise Tax	109	1,040,000	1,250,000	-	-	-	-	17,200	-	-	-	2,307,200
Transportation Impact	111	1,118,000	-	-	-	-	-	493,000	-	-	-	1,611,000
Capital Construction Funds												
Capital Construction	302	275,000	-	-	323,000	-	-	1,000	-	-	638,450	1,237,450
Cumulative Reserve for Equipment Replacement	303	378,800	-	-	-	-	-	3,300	-	-	94,587	476,687
Street Capital Projects	304	700,000	-	-	1,416,198	-	-	9,600	-	-	890,000	3,015,798
Proprietary Funds												
Water Sewer Utilities	401	1,800,000	-	-	-	12,806,500	201,300	115,900	-	5,000,000	5,450,000	25,373,700
Water Sewer Equipment Replacement	402	315,400	-	-	-	-	-	3,300	-	-	-	318,700
Cumulative Reserve for Water Sewer	403	4,600,000	-	-	-	-	-	31,000	559,000	-	4,000,000	9,190,000
Storm Drainage Utility	421	600,000	-	2,000	-	3,248,200	47,800	3,000	25,000	-	-	3,926,000
Storm Drainage Equipment Replacement	422	150,500	-	-	-	-	-	220	-	-	65,000	215,720
Storm Drainage Capital Facilities	423	296,900	-	-	-	-	-	540	-	-	250,000	547,440
Debt Service Funds												
2003 Limited Tax GO Refunding Bond	206	-	-	-	-	-	-	-	-	-	331,610	331,610
1984 Refunding	621	-	-	-	-	-	-	550	-	4,700	-	5,250
Grand Total		15,281,500	20,610,150	675,800	2,980,198	17,107,050	700,800	1,066,049	584,000	5,004,700	11,859,647	75,869,894

2017-2018 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
General Fund											
Current Expense - Administration	001	801,747	18,715	1,124,720	197,844	-	-	-	-	-	2,143,026
Current Expense - Finance		1,052,417	112,550	343,610	17,400	67,500	-	-	-	-	1,593,477
Current Expense - Judicial		1,127,202	15,050	107,556	-	-	-	-	-	-	1,249,808
Current Expense - Law Enforcement		7,171,824	276,150	273,000	2,027,830	-	-	15,216	-	-	9,764,020
Current Expense - Community Development		2,068,960	30,800	419,100	100,000	-	-	-	-	-	2,618,860
Current Expense - Public Works		208,108	14,400	876,220	-	-	-	-	-	-	1,098,728
Current Expense - Parks & Recreation (PW)		482,975	42,100	221,520	-	-	-	-	-	-	746,595
Current Expense - Reserves & Fund Balance		-	-	-	-	-	-	-	1,011,000	973,110	1,984,110
City Street	002	1,624,135	203,200	1,411,420	-	21,600	-	-	69,587	570,693	3,900,635
Stabilization	003	-	-	-	-	-	-	-	-	811,900	811,900
Special Revenue Funds											
Criminal Justice	103	281,422	38,000	6,000	-	288,405	-	-	-	441,573	1,055,400
Special Investigative Unit	104	-	1,500	5,000	-	-	-	-	-	62,000	68,500
Community Events	107	24,000	-	190,000	-	-	-	-	-	56,500	270,500
Paths & Trails	108	-	-	-	-	-	-	-	-	7,780	7,780
Real Estate Excise Tax	109	-	-	-	-	-	-	-	618,360	1,688,840	2,307,200
Transportation Impact	111	-	-	100,000	-	-	-	-	395,700	1,115,300	1,611,000
Capital Construction Funds											
Capital Construction	302	-	-	-	-	961,450	-	-	-	276,000	1,237,450
Cumulative Reserve for Equipment Replacement	303	-	-	-	-	25,000	-	-	-	451,687	476,687
Street Capital Projects	304	-	-	-	-	1,627,975	-	-	-	1,387,823	3,015,798
Proprietary Funds											
Water Sewer Utilities	401	3,194,395	822,300	2,848,230	4,165,360	7,860,200	112,050	10,600	4,000,000	2,360,565	25,373,700
Water Sewer Equipment Replacement	402	-	-	-	-	-	-	-	-	318,700	318,700
Cumulative Reserve for Water Sewer	403	-	-	-	-	-	-	-	5,450,000	3,740,000	9,190,000
Storm Drainage Utility	421	1,249,878	97,800	541,193	223,500	41,600	24,876	-	315,000	1,432,153	3,926,000
Storm Drainage Equipment Replacement	422	-	-	-	-	-	-	-	-	215,720	215,720
Storm Drainage Capital Facilities	423	-	-	-	-	-	-	-	-	547,440	547,440
Debt Service Funds											
2003 Limited Tax GO Refunding Bond	206	-	-	-	-	-	331,610	-	-	-	331,610
1984 Refunding	621	-	-	-	-	-	5,250	-	-	-	5,250
Grand Total		19,287,063	1,672,565	8,467,569	6,731,934	10,893,730	473,786	25,816	11,859,647	16,457,784	75,869,894

FUND BALANCE CHANGES

Beginning fund balance is the projected amount of money at the beginning of the fiscal period. Expenditures made and revenues received result in the ending fund balance. The City strives to maintain a minimum amount of fund balance for cash flow purposes. Revenue inflows fluctuate and fund balance provides consistency to meet expenses and keep City operations moving forward. Amounts in excess of minimums required for cash flow purposes may be set aside as reserves or used to fund expenses the City did not anticipate when it adopted the budget. The table below represents budgeted fund balances for 2017-2018.

	Fund	Budgeted Beginning	Increase / (Decrease)	Budgeted Ending	Variance
001	Current Expense	1,625,000	(888,690)	736,310	-55%
002	City Street	900,000	(329,307)	570,693	-37%
003	Stabilization	669,700	142,200	811,900	21%
103	Criminal Justice	485,200	(43,627)	441,573	-9%
104	Special Investigative Unit	60,400	1,600	62,000	3%
107	Community Events	80,000	(23,500)	56,500	-29%
108	Paths & Trails	5,200	2,580	7,780	50%
109	REET Fund	1,040,000	648,840	1,688,840	62%
111	Impact Fees	1,118,000	(2,700)	1,115,300	-0.24%
302	Capital Construction Fund	275,000	1,000	276,000	0%
303	Cumulative Reserve for Equipment Replacemnt	378,800	72,887	451,687	19%
304	Street Capital Projects Fund	700,000	687,823	1,387,823	98%
401	Water Sewer Utility	1,800,000	560,565	2,360,565	31%
402	Water Sewer Equipment Replacement	315,400	3,300	318,700	1%
403	Water Sewer Cumulative Reserve	4,600,000	(860,000)	3,740,000	-19%
421	Storm Drainage Utility	600,000	832,153	1,432,153	139%
422	Storm Drainage Equipment Reserve	150,500	65,220	215,720	43%
423	Storm Drainage Capital Facilities Fund	296,900	250,540	547,440	84%

Some of the significant increases and decreases are explained as follows:

- Current Expense Fund decreases largely due to a funds transfer to the Capital Construction Fund and Stabilization Fund.
- The City Street Fund also decreases due to a multiyear study and new projects.
- Stabilization Fund will increase with the transfer from Current Expense.
- Criminal Justice Fund reduces with the purchase of Police vehicles/equipment.
- Special investigative Unit is up slightly.
- Paths and Trails ends the period with a higher fund balance due to fuel tax revenue.
- The City's REET fund will increase with only one project to receive REET funds in 2018.
- Impact Fee Fund decreases slightly because of transfers to other funds for projects.
- The Capital Construction fund will experience very little change this biennium.
- Cumulative Reserve for Municipal Equipment increases this period due to a transfer from the City Street Fund.
- Street Capital Projects fund balance increases from a Current Expense Fund transfer for projects.
- Water Sewer experiences an increase with funds transferred from the Water Sewer reserve account for projects.
- Water Sewer Cumulative Reserve decreases by 19% due to transfers to the Water Sewer Utility for projects.
- Storm Drainage Utility fund balance increases significantly over this period creating a balance for future projects.
- Lastly, Storm Drainage Equipment Reserve and Capital Facilities Reserve expect to increase with funding transferred from the Storm Drainage Utility to be set aside for future projects and equipment purchases.

PERSONNEL LIST

	2013- 2014	2015- 2016	2017- 2018	Change	2017 Range	
					Low	High
Mayor	1	1	1	0	6,563	6,727
Council	7	7	7	0	1,000	1,000
Total Legislative	8	8	8	0		
City Clerk	1	1	1	0	6,852	8,144
Deputy Clerk	1	1	1	0	4,538	5,396
Office Assistant II	0.80	1	1	0	3,794	4,511
Total Administration	2.8	3.0	3.0	0.0		
City Treasurer	1	1	1	0	9,539	11,339
Assistant Treasurer	1	1	1	0	7,110	8,452
Accounting Assistants II	4	4	4	0	4,297	5,106
Accounting Assistants III	2	2	2	0	4,914	5,840
Human Resources Coordinator	1	1	1	0	6,287	7,473
LAN Tech/IT Manager	1	1	1	0	5,656	6,723
IT Support Specialist	0	0	0.5	0.5	5,500	6,536
Total Finance/IT/HR	10.0	10.0	10.5	0.5		
City Development Director	1	1	1	0	9,147	10,873
Administrative Assistant Planning	0	0.35	0.70	0.35	4,370	5,195
Office Manager/Permit Coord	1	1	1	0	4,781	5,682
Associate Planner	2	2	2	0	5,474	6,508
Long Range Associate Planner	0	1	1	0	6,280	7,464
Code Enforcement	1	1	1	0	5,134	6,103
Building Inspector	1	1	1	0	5,320	6,325
Building/Planning Office Assistant I	0.75	1	1	0	3,590	4,266
Permit Clerk	0	0	1	1	4,404	5,236
Total Community Development	6.75	8.35	9.70	1.35		
Judge	0.6	0.6	0.6	0	7,532	7,721
Court Administrator	1	1	1	0	7,287	8,665
Lead Clerk	0	1	1	0	4,117	5,152
Court Clerks	3.6	2.6	2.6	0	3,399	4,349
Total Judicial	5.2	5.2	5.2	0.0		
Chief of Police	1	1	1	0	10,048	11,945
Commander	1	1	1	0	8,819	10,484
Sergeant	3	3	3	0	7,245	8,208
Office Manager	0	1	1	0	4,862	5,890
Records/Evidence Manager	1	0	0	0	3,947	4,846
Records/Evidence Specialist	2.35	2.25	2.25	0	3,494	4,499
Public Service Officer Part Time	0.75	0.75	0.75	0	4,479	5,325
Parking Enforcement Officer	1	1	1	0	4,072	4,838
Patrolmen	18	18	18	0	4,862	6,829
Total Police Department	28.10	28.00	28.00	0.00		
Public Works Director/City Engineer	1	1	1	0	9,577	11,385
Assistant City Engineer	1	1	1	0	7,821	9,299
Stormwater Program Assistant	0	1	0	-1	5,110	6,191
GIS Specialist/Devel. Review Asst	0	1	1	0	5,862	6,970
Public Works Office Manager	1	1	1	0	4,781	5,682
Public Works Office Assistants I	1.5	1.6	0.6	-1	3,590	4,266
Public Works Foreman	1	1	1	0	6,266	6,423
Public Works Supervisor/Water Sys. Mgr.	0	0	1	1	6,438	7,650
City Mechanic	1	1	1	0	4,921	5,621
City Electrician	1	1	1	0	4,921	5,621
PW Crew	9	8	8	0	3,943	5,456
Water System Coordinator (PW Crew)	0	1	1	0	4,675	5,783
Storm Water Program Manager	0	0	1	1	5,626	6,687
Stormwater Employee (PW Crew)	0	1	1	0	4,675	5,783
Parks Maintenance	2	2	2	0	3,943	5,456
Parks Maintenance (Summer Help)	0.5	2	4	2	1,907	1,993
Total Public Works	19.0	23.6	25.6	2.0		
Grand Totals	79.85	86.15	90.00	3.85		

SALARY SCHEDULE

2017	Current Expense	Criminal Justice	Water Sewer	City Street	Storm Drainage	Totals
Mayor	54,773		12,888	6,444	6,444	80,549
Council (7)	84,000					84,000
City Clerk	44,019		26,411	13,206	4,402	88,038
Deputy Clerk	38,511		11,849	5,925	2,962	59,247
Office Assistant II	42,140		1,405	2,341	936	46,822
City Treasurer	58,788		32,659	26,128	13,064	130,639
Assistant Treasurer	27,406		30,057	17,680	13,260	88,403
Treasurer's Accounting Assistants (6)	107,485		145,849	29,979	69,860	353,174
LAN Tech	61,213		11,698	3,605	3,605	80,122
IT Specialist	32,180		6,150	1,895	1,895	42,120
Human Resources Coordinator	73,634		6,136	4,383	3,506	87,659
Public Works Director/City Engineer	19,313		57,940	45,065	6,438	128,756
Assistant City Engineer	3,082		9,246	77,052	13,356	102,736
Public Works Supervisor/ Water Sys. Mgr.	4,692		53,174	6,256	14,076	78,198
Public Works Office Manager	17,533		23,377	11,689	5,844	58,443
Public Works Office Assistants (0.6)	11,361		11,361	2,840	2,840	28,403
Public Works Foreman	18,842		18,842	18,842	18,842	75,369
City Mechanic	36,723		15,357	8,680	6,009	66,770
Electrician	4,358		57,790	2,048	2,071	66,267
Laborers (8)	18,321		296,230	164,066	48,610	527,226
Parks Maintenance (2 FT, 2 Summer, 2 Seasonal)	128,286		14,231	28,406	3,670	174,593
City Development Director	112,722					112,722
Office Manager/Permit Coordinator	67,995					67,995
Associate Planner (3 FT)	231,645					231,645
DCD Office Assistant I (Front Desk)	46,233					46,233
DCD Administrative Assistant	39,879					39,879
Permit Clerk	45,491		5887.02	1070.37	1070.37	53,518
Code Enforcement	71,429					71,429
Building Inspector	74,048					74,048
Judge	99,079					99,079
Court Administrator	102,288					102,288
Court Clerks (3.60)	175,387					175,387
Total General Government	1,952,859		848,538	477,600	242,763	3,521,760
Chief of Police	135,732					135,732
Commander	127,592					127,592
Sergeant (3)	308,083					308,083
Office Manager	70,234					70,234
Records/Evidence Specialist (1 FT 2 PT)	116,660					116,660
Public Service Officer Part Time	46,940					46,940
Parking Enforcement Officer (2 PT)	53,864					53,864
Patrolmen (18)	1,393,540	85,579				1,479,119
Total Police Department	2,252,644	85,579				2,338,223
Water System Coordinator	1401		48,386	6,239	13,811	69,837
GIS Specialist/Development Review Asst			37,917	18,958	18,958	75,834
Stormwater Program Manager					69,135	69,135
Stormwater Crew	1,523		12,723	6,244	50,568	71,058
Total Other Departmental	2,924	0	99,026	31,441	152,472	285,864
Grand Totals	4,208,427	85,579	947,564	509,041	395,235	6,145,847
Note: All totals are wages only and do not include overtime or benefits						

SALARY SCHEDULE

2018	Current Expense	Criminal Justice	Water Sewer	City Street	Storm Drainage	Totals
Mayor	56,416		13,274	6,637	6,637	82,969
Council (7)	84,000					84,000
City Clerk	45,340		27,204	13,602	4,534	90,680
Deputy Clerk	41,207		12,679	6,339	3,170	63,398
Office Assistant II	45,090		1,503	2,505	1,002	50,103
City Treasurer	54,110		30,061	24,049	12,024	120,245
Assistant Treasurer	29,050		31,860	18,741	14,056	93,712
Treasurer's Accounting Assistants (6)	112,112		151,880	31,381	72,539	367,930
LAN Tech	63,202		12,078	3,723	3,723	82,727
IT Specialist	34,271		6,549	2,019	2,019	44,646
Human Resources Coordinator	75,843		6,320	4,514	3,612	90,292
Public Works Director/City Engineer	20,472		61,417	47,769	6,824	136,486
Assistant City Engineer	3,175		9,524	79,364	13,756	105,820
Public Works Supervisor/ Water Sys. Mgr.	4,833		54,770	6,443	14,498	80,545
Public Works Office Manager	18,848		25,130	12,565	6,283	62,829
Public Works Office Assistants (0.6)	12,014		12,014	3,004	3,004	30,039
Public Works Foreman	19,455		19,455	19,455	19,455	78,336
City Mechanic	38,202		15,976	9,030	6,252	69,460
Electrician	4,500		59,668	2,114	2,139	68,949
Laborers (8)	18,945		318,743	169,907	50,248	555,086
Parks Maintenance (2 FT, 2 Summer, 2 Seasonal)	133,127		14,777	29,498	3,821	182,275
City Development Director	120,331					120,332
Office Manager/Permit Coordinator	70,036					70,036
Associate Planner (3 FT)	241,975					241,975
DCD Office Assistant I (Front Desk)	49,008					49,008
DCD Administrative Assistant	42,371					42,372
Permit Clerk	48,220		6240.2412	1134.592	1134.592	56,733
Code Enforcement	71,429					71,429
Building Inspector	78,676					78,676
Judge	90,000					90,000
Court Administrator	96,447					96,447
Court Clerks (3.60)	187,271					187,271
Total General Government	2,009,976		891,124	493,793	250,729	3,644,803
Chief of Police	140,143					140,143
Commander	131,738					131,738
Sergeant (3)	318,097					318,099
Office Manager	72,517					72,517
Records/Evidence Specialist (1 FT 2 PT)	121,533					121,535
Public Service Officer Part Time	48,349					48,349
Parking Enforcement Officer (2 PT)	55,480					55,480
Patrolmen (18)	1,468,040	88,360				1,556,400
Total Police Department	2,355,896	88,360				2,444,261
Water System Coordinator	1447		50,481	6,445	18,711	77,084
GIS Specialist/Development Review Asst			39,055	19,527	19,527	78,112
Stormwater Program Manager					73,629	73,629
Stormwater Crew	1,573		13,140	6,449	52,730	73,892
Total Other Departmental	3,020	0	102,676	32,421	164,597	302,717
Grand Totals	4,368,893	88,360	993,800	526,214	415,326	6,391,780
Note: All totals are wages only and do not include overtime or benefits						

OPERATING TRANSFERS

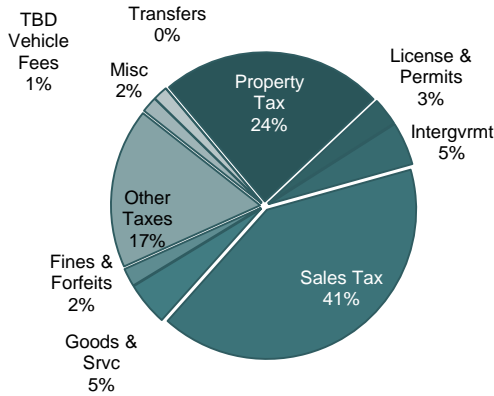
Transfer from Account	Transfer to Account	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
Current Expense -001	Stabilization -003	\$ 415,746	\$ 148,000	\$ 140,000
Current Expense -001	Capital Projects -302*	70,918	279,000	6,000
Current Expense -001	Cum. Res. for Municipal Equipment -303	164,956	190,300	25,000
Current Expense -001	Street Capital Projects -304	-	300,000	840,000
Current Expense -001	City Street -002	27,500	-	-
City Street -002	Current Expense Fund -001	7,593	-	-
City Street -002	Cum. Res. for Municipal Equipment -303	96,000	131,000	69,587
City Street -002	Street Capital Projects -304	-	7,500	-
REET -109*	Current Expense Fund -001	75,483	108,000	-
REET -109*	City Street -002	195,975	870,000	-
REET -109*	2003 Ltd GO Refunding Bond -206	332,780	329,777	331,610
REET -109*	Capital Construction -302*	-	227,650	286,750
REET -109*	Street Capital Projects -304	-	98,250	-
Impact Fee -111	Current Expense Fund -001	72,342	80,000	-
Impact Fee -111	Capital Construction -302*	372,430	62,500	345,700
Impact Fee -111	Street Capital Projects -304	-	150,000	50,000
Capital Construction -302*	REET -109*	-	1,650,000	-
Street Capital Projects -304	City Street -002	-	300,000	-
Water Sewer Utility -401	Current Expense Fund -001	4,742	-	-
Water Sewer Utility -401	Cum. Res. for Water Sewer -403	231,479	3,000,000	4,000,000
Cum. Res. for Water Sewer -403	Water Sewer Utility -401	682,368	3,490,000	5,450,000
Storm Drainage Utility -421	Current Expense Fund -001	1,062	-	-
Storm Drainage Utility -421	Storm Drainage Equipment Reserve -422	50,000	100,000	65,000
Storm Drainage Utility -421	Storm Drainage Facilities Reserve -423	-	693,850	250,000
Storm Drainage Equipment Res. -422	Storm Drainage Utility -421	-	250,000	-
Totals		\$ 2,801,373	\$ 12,465,827	\$ 11,859,647

*In 2015 Cum. Res. for Municipal Facilities Fund No. 302 was re-named Capital Projects Fund 302. REET Funds were moved to REET Fund No. 109.

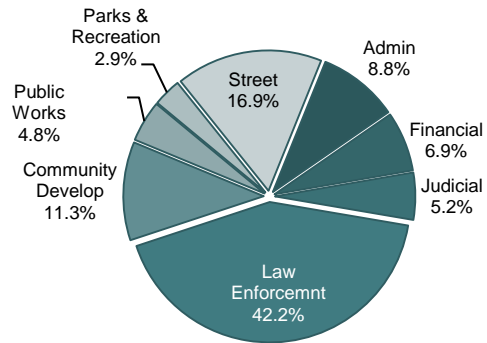
OVERVIEW

The General Fund provides for the daily operations of the Port Orchard city government. The pie charts below indicate revenues and expenditures Port Orchard expects in 2017-2018.

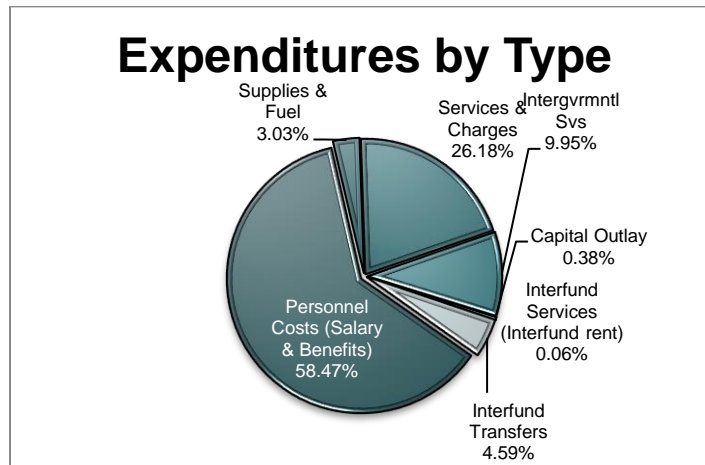
Projected Revenues



Department Projected Expenditures

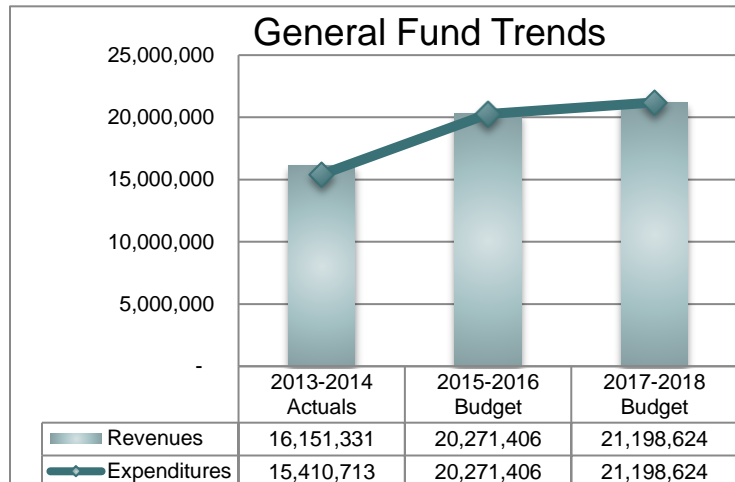


Expenditures by Type



This table compares revenues received to expenditures incurred in the General Fund. For the 2013-2014 fiscal period actual expenses & revenues received are depicted. 2015-2016 is budgeted and 2017-2018 is a projection of what the City anticipates for the year. Fund balance and reserves are not included in this graph.

General Fund Trends



REVENUES & EXPENDITURES

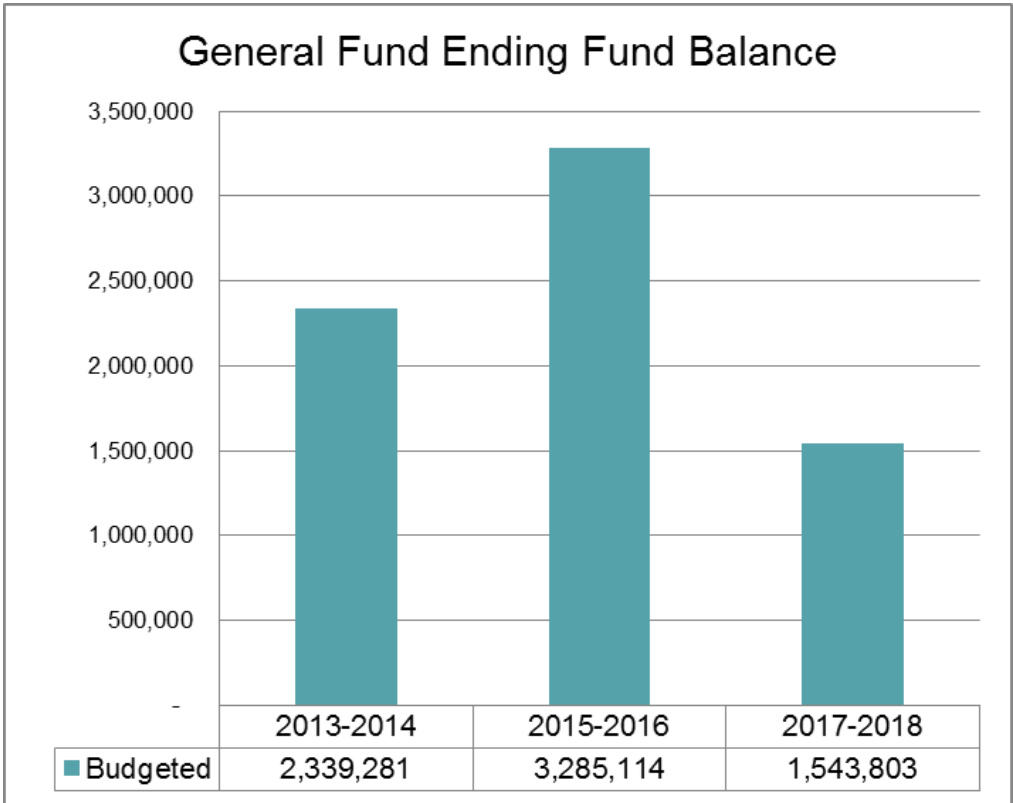
General Funds	2013-2014 Actuals	2015-2016 Budget	2017-2018 Budget
Revenues			
Assigned Beginning Fund Balance	809,646	976,210	971,600
Committed Beginning Fund Balance	204,191	281,000	109,800
Restricted Beginning Fund Balance	7,500	7,500	-
Unassigned Beginning Fund Balance	642,667	1,000,000	1,625,000
Property Tax	4,545,214	4,768,800	5,396,235
Sales Tax	7,501,359	8,334,000	9,167,000
Utility/Franchise Tax	3,052,909	3,090,700	3,506,035
Gambling Tax	142,239	147,400	152,000
Other Taxes	209,775	196,000	572,600
Licenses & Permits	609,026	649,300	673,800
Intergovernmental	788,992	972,563	1,046,500
Charges Goods & Services	834,903	834,600	1,052,350
Fines & Forfeits	505,514	441,800	444,000
Miscellaneous Revenue	456,696	341,750	382,339
Operating Transfers In	384,696	1,358,000	-
Total Revenues	20,695,327	23,399,623	25,099,259
Expenditures			
Personnel Costs (Salary & Benefits)	11,339,868	12,887,512	14,537,368
Supplies & Fuel	582,004	601,655	712,965
Services & Charges	3,483,618	5,871,512	4,777,146
Intergovernmental Services	1,278,301	2,046,203	2,343,074
Capital Outlay	291,188	282,067	89,100
Interfund Services	47,999	18,666	15,216
Interfund Transfers	973,634	1,119,300	1,080,587
Assigned Ending Fund Balance	952,308	566,300	570,693
Committed Ending Fund Balance	287,818	109,800	236,800
Restricted Ending Fund Balance	7,500	-	-
Unassigned Ending Fund Balance	1,427,912	724,345	736,310
Total Expenditures	20,672,150	24,227,360	25,099,259

*2013-2014 & 2015-2016 are annual budgets combined to be comparable to the 2017-2018

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 cash flow, or Council might choose to set aside funds for special projects anticipated in future years.

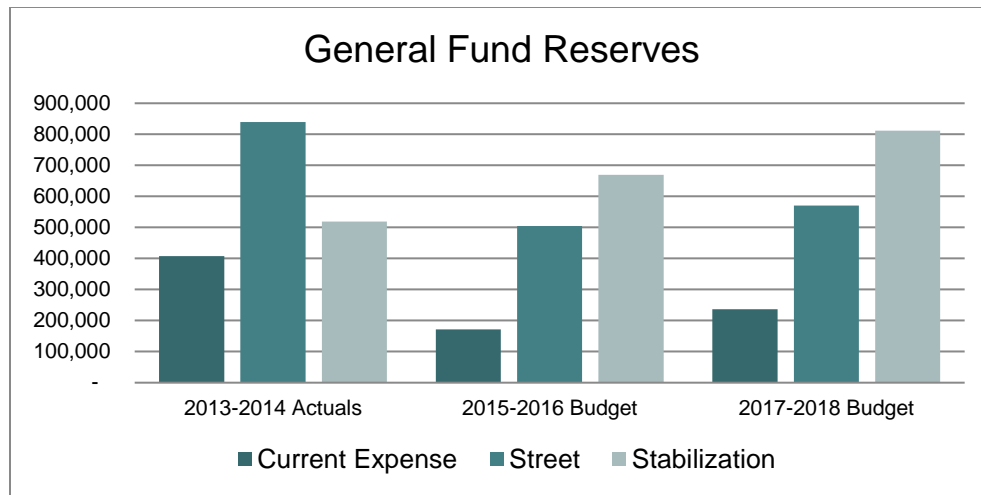


The graph above shows the trend for the budgeted general fund balance. Fund Balance is divided into four different categories. These allow one to easily determine what the funds are to be utilized for. Port Orchard's General Fund balance includes restricted, committed, assigned, and unassigned funds.

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 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. The City adopted financial policies (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.

GENERAL FUND RESERVES

Portions of fund balance dollars are designated for a specific use or to meet a future need. This funding is maintained in separate line item accounts sometimes known as reserve accounts. The City has reserve accounts in its Current Expense, City Street & Stabilization Funds. Funds in these accounts are restricted, committed, or assigned depending on the constraints set upon how the funds may be spent. The chart below indicates the increases and decreases to the General Fund reserve accounts as funds are saved or spent on projects.

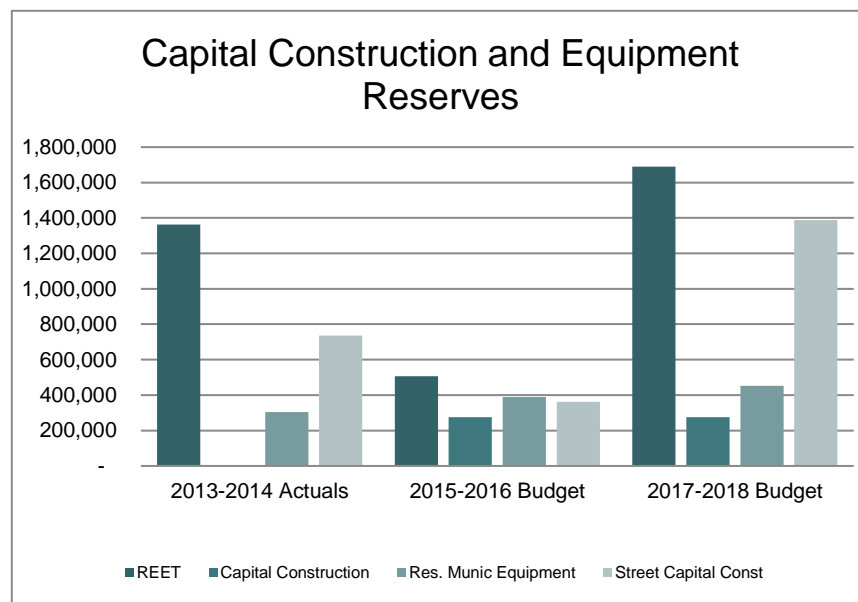


Port Orchard also has funds for Capital Construction and Equipment Reserves. These dollars are set aside for large projects and equipment purchases. The funds frequently have spending restrictions placed upon them due to the type of revenue received by the City (Grants, Real Estate Excise Tax [REET]). It is important that the City maintain and continue to build these reserves to provide the funding necessary for future improvements to equipment and infrastructure, 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. The chart to the right illustrates the ebb and flow of the reserves for capital construction/equipment.

The fluctuations occur as a result of expenditures for large projects or equipment which reduces reserve fund balance and also receipt of Real Estate Excise Tax (REET) funds which rise and fall based on properties sold within

Port Orchard's City limits. The 2013-2014 cycle shows actual dollars. 2015-2016 and 2017-2018 are budgeted amounts.



2017-2018 EXPENDITURE BUDGET
Stabilization Fund

Stabilization Fund Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
003.0.508.90			
00 Committed Fund Balance-Ending	\$ 519,179	\$ 669,030	\$ 811,900
Total Stabilization	\$ 519,179	\$ 669,030	\$ 811,900

Administration - Mayor

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.

DEPARTMENT 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.

2017 & 2018 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

NON FINANCIAL LONG-TERM GOALS

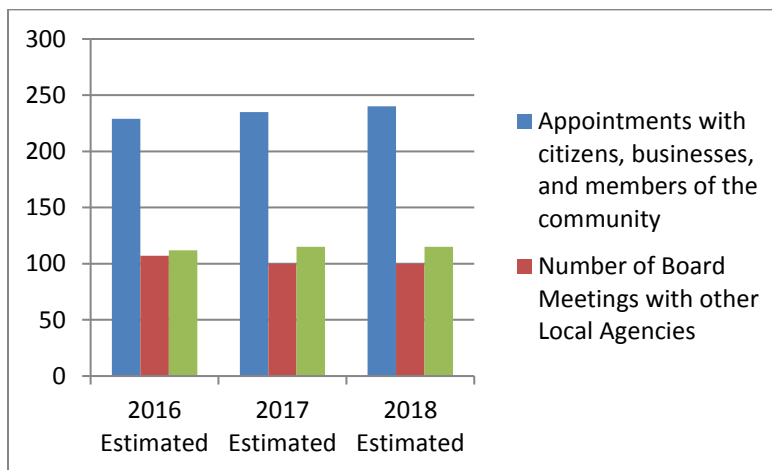
- Planning and implementation of our community centers concept
- Advocate for changes that will energize our downtown with activity
- Invite investment and development to our community that will fund our capital facilities needs
- Encourage management and our elected leaders to be innovators by thinking out of the box

DEPARTMENT OBJECTIVE

- 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

STATISTICS/WORKLOAD MEASURES

Department Measures	2016 Estimated	2017 Estimated	2018 Estimated
Appointments with citizens, businesses, and members of the community	229	235	240
Number of Board Meetings with other Local Agencies	107	100	100
Participation in Community Events	112	115	115

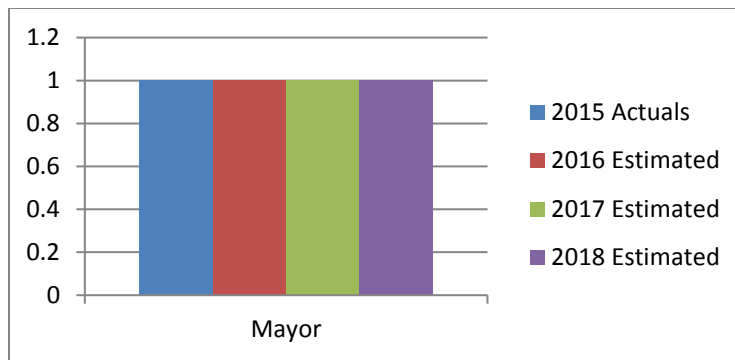


PERFORMANCE MEASURES

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.

STAFFING LEVELS

Staffing Levels	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
Mayor	1	1	1	1



ACCOMPLISHMENTS

The Mayor has met extensively with local businesses, community forums, and other local government partners. He initiated a space analysis on the space needs of City Hall, added additional space for department needs, negotiated a number of long term leases that were up for renewal, hired a professional facilitator to conduct a Council and Staff retreat, and implemented the City's website.

SIGNIFICANT BUDGET CHANGES

There were no significant budget changes, however minor increases in various categories to strengthen the partnerships with our local businesses, local governmental agencies, and network opportunities with other local officials.

Mayor	2015 Actuals	2016 Budgeted	2017 Budgeted	2018 Budgeted
Salaries & Wages	\$ 44,497	\$ 43,487	\$ 54,774	\$ 56,417
Personnel Benefits	8,988	29,845	19,942	20,540
Office & Operating Supplies	404	375	475	475
Professional Services	-	-	3,500	3,500
Communication	466	400	450	450
Travel	48	1,400	3,245	3,245
Operating Rentals & Leases	141	250	250	250
Repairs & Maintenance	99	150	150	150
Miscellaneous	3,581	3,575	4,475	4,475
Total	\$ 58,224	\$ 79,482	\$ 87,261	\$ 89,502

Mayor - Legal Services	2015 Actuals	2016 Budgeted	2017 Budgeted	2018 Budgeted
City Attorney Retainer	\$ 90,000	\$ 101,500	\$ 150,000	\$ 150,000
City Attorney Above Retainer	14,667	61,000	15,000	15,000
Prosecuting Attorney (Criminal)	88,025	90,000	102,250	102,250
Prosecuting Attorney (Traffic)	9,780	10,050	10,700	10,700
Indigent Defense Services	120,228	126,000	131,400	131,400
Total	\$ 322,700	\$ 388,550	\$ 409,350	\$ 409,350

Total Mayor Expenditures	\$ 380,924	\$ 468,032	\$ 496,611	\$ 498,852
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Administration – 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 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.

2017 GOALS

Be ahead of change:

- Update code to address derelict buildings.
- Evaluate staffing and City Hall space needs.
- Continue staff/Council communication regarding the Gorst project.
- Track changes in WSDOT’s plan for addressing the City’s fish barrier culverts.

Harness “the evolution” that is coming to Port Orchard:

- Provide more funding to parks and open space.

Invest in downtown and the waterfront:

- Create a conceptual design for the next phase of the Bay Street pathway.
- Determine the future of the marquee.
- Begin planning how to move parking off the waterfront.

Engage community members:

- Begin plans for at least 3 sub-areas prioritized in 2016.
- Establish and start a public process for a re-design of the Bethel corridor.

Balance growth with affordability:

- Begin applying for funding for Tremont.

Create predictability in development:

- Add to and continue sharing the toolkit to attract businesses and developers to the City.
- Establish policies for development connectivity, and check if this is already in the comprehensive plan and development regulations.

2018 GOALS

Harness “the evolution” that is coming to Port Orchard:

- Add Sidney Avenue project to TIP for completion by 2023 (or date TBD).
- Evaluate the need for a Parks Department and/or Director.
- Complete conceptual design for joint-use civic center.

Invest in downtown and the waterfront:

- Continue the Pathway Project.
- Move parking off the waterfront.

Engage community members:

- Complete all 10 sub-area plans.

Balance growth with affordability:

- Completed construction of Tremont.

NON FINANCIAL LONG-TERM GOALS

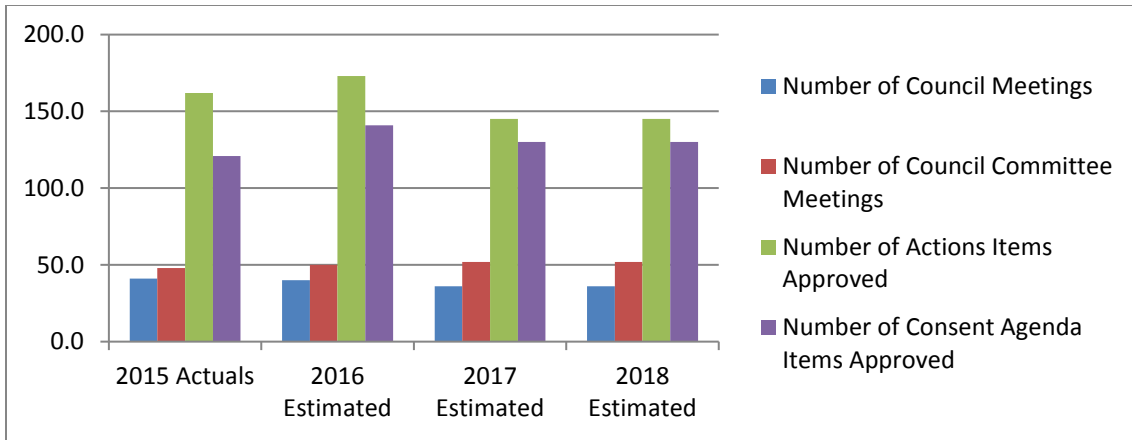
The Council shall protect and improve the quality of life for City residents by adopting policies that reflect the needs and desires of the majority of citizens living within the City.

DEPARTMENT OBJECTIVE

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

STATISTICS/WORKLOAD MEASURES

Department Measures	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
Number of Council Meetings	41.0	40	36	36
Number of Council Committee Meetings	48	50	52	52
Number of Actions Items Approved	162	173	145	145
Number of Consent Agenda Items Approved	121	141	130	130



PERFORMANCE MEASURES

Insure the Mayor and staff are working to complete policies and goals set by the Council.

STAFFING LEVELS

Staffing Levels	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
Council Members	7	7	7	7



ACCOMPLISHMENTS

Created a Transportation Benefit District (TBD), increased staff for departments in need, updated the Council meeting process to create efficiencies in council meetings, vacated unused city rights-of-way, and updated the Fireworks Ordinance to allow the ability to ban firework in extreme weather.

SIGNIFICANT BUDGET CHANGES

No significant budget changes, however the need of new council chairs have been included in the 2017 budget.

Miscellaneous General Government	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
Association of Washington Cities Membership	\$ 8,210	\$ 8,310	\$ 8,900	\$ 8,900
Puget Sound Air Pollution Control Agency	7,992	8,930	9,110	9,100
Animal Control	39,300	41,000	42,000	43,000
Public Health	10,698	10,943	12,812	12,812
Substance Abuse	3,166	3,500	3,500	3,500
Elections Cost	2,809	-	12,000	10,000
Voter Registration	17,513	20,000	20,000	20,000
Total	\$ 89,688	\$ 92,683	\$ 108,322	\$ 107,312

Miscellaneous General Government	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
Association of Washington Cities Membership	\$ 8,310	\$ 8,310	\$ 8,900	\$ 8,900
Puget Sound Air Pollution Control Agency	7,992	8,930	9,110	9,110
Animal Control	39,300	41,000	42,000	43,000
Public Health	8,578	10,943	12,812	12,812
Substance Abuse	3,166	3,500	3,500	3,500
Elections Cost	2,809	-	12,000	10,000
Voter Registration	17,513	20,000	20,000	20,000
Total	\$ 87,668	\$ 92,683	\$ 108,322	\$ 107,322

Total City Council Expenditures	\$ 242,996	\$ 283,699	\$ 305,940	\$ 302,075
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Administration – 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 cabaret licenses, pawnbrokers licenses, fireworks, peddlers and hawkers licenses, public event applications; and master vendor licenses; and staffs Town Hall meetings, Festival of Chimes and Lights, and the Lodging Tax Advisory Committee.

2017 & 2018 GOALS

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

NON FINANCIAL LONG-TERM GOALS

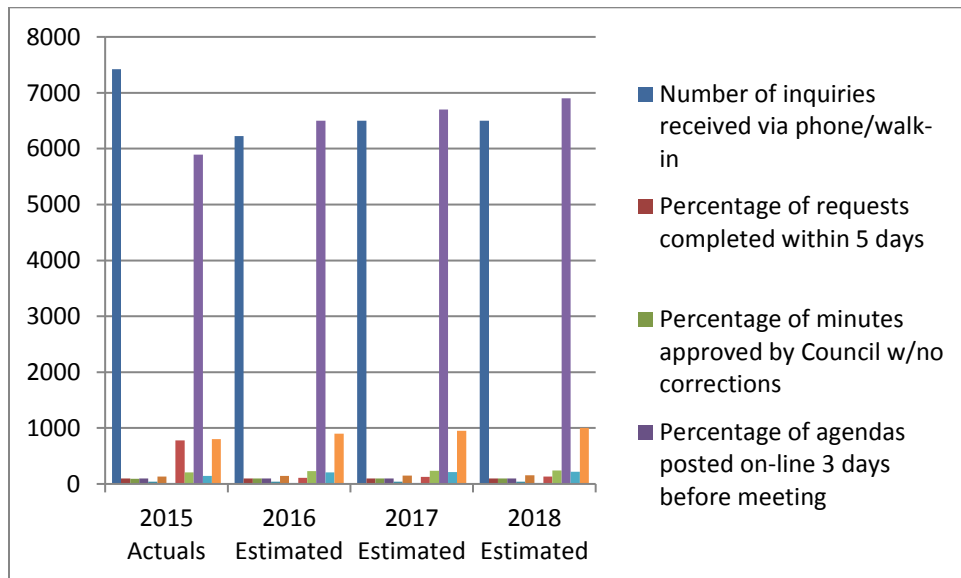
Continue to streamline processes, maintain consistency of managing electronic and paper records, and develop a Claims management program.

DEPARTMENT OBJECTIVE

Provide excellent customer service to the public, assist the Mayor in day-to-day operations of the City, perform actions by the Council, and assist other departments when needed.

STATISTICS/WORKLOAD MEASURES

Department Measures	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
Number of inquiries received via phone/walk-in	7423	6228	6500	6500
Percentage of requests completed within 5 days	98	100	100	100
Percentage of minutes approved by Council w/no corrections	92	98	100	100
Percentage of agendas posted on-line 3 days before meeting	100	100	100	100
Number of meeting packets prepared	41	40	40	40
Number of requests received	134	145	150	155
Number of requests taking more than 10 days to complete	19	15	17	18
Number of staff hours spent on requests; Excluding Police & OTC	780	112	125	135
Paper files created & inventoried	209	230	235	240
Paper pages scanned & inventoried	5895	6500	6700	6900
Ordinances/Resolutions/Minutes/Contracts processed	144	205	215	220
Number of Followers/Likes of Social Media	800	900	950	1000
Number of visits of website Traffic	325000	325000	325000	330000

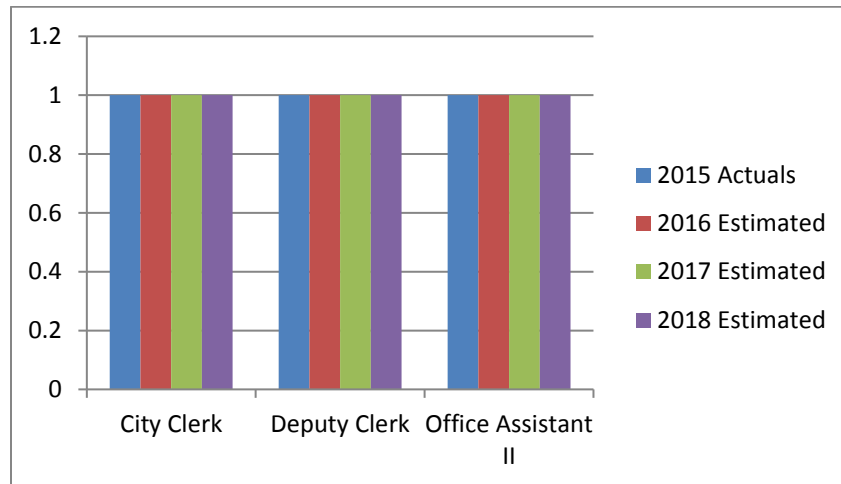


PERFORMANCE MEASURES

Performance measures are to insure the public are getting records and information on Council's actions and goal in an efficient and timely manner.

STAFFING LEVELS

Staffing Levels	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
City Clerk	1	1	1	1
Deputy Clerk	1	1	1	1
Office Assistant II	1	1	1	1



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 and acquired a public records request software for public use and staff.
- Created and implemented the codification of Special Events.
- Integrated and updated the City's website.

Transcribed Ordinances from 1890 to 1903 and added to the records management program.

SIGNIFICANT BUDGET CHANGES

No significant changes, however there is an increase in ongoing contracts that were finalized in 2016. They included a public records request software and a records management software. In addition, there was an increase in training costs due to new staff.

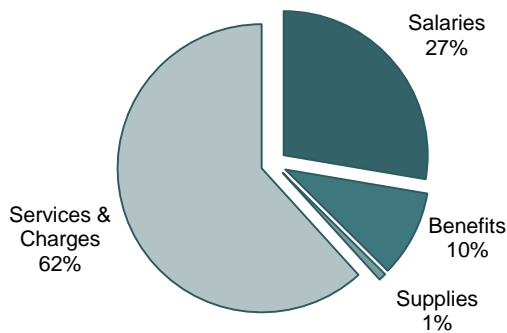
City Clerk	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
Salaries & Wages	\$ 153,628	\$ 158,363	\$ 153,249	\$ 160,541
Personnel Benefits	46,760	55,064	68,208	71,570
Office & Operating Supplies	3,418	4,950	4,550	4,550
Professional Services	2,693	6,000		
Communication	1,244	1,400	1,555	1,555
Fuel Consumed	-	150	200	200
Travel	3,265	4,020	4,225	4,225
Advertising	7,016	7,400	8,200	7,200
Operating Rentals & Leases	2,341	3,750	3,550	3,550
Insurance	355	425	425	425
Repairs & Maintenance	1,997	1,000	1,500	1,500
Miscellaneous	7,318	7,875	22,655	15,915
Total	\$ 230,035	\$ 250,397	\$ 268,317	\$ 271,231

2017-2018 DEPARTMENT OPERATING BUDGET
Administration Department

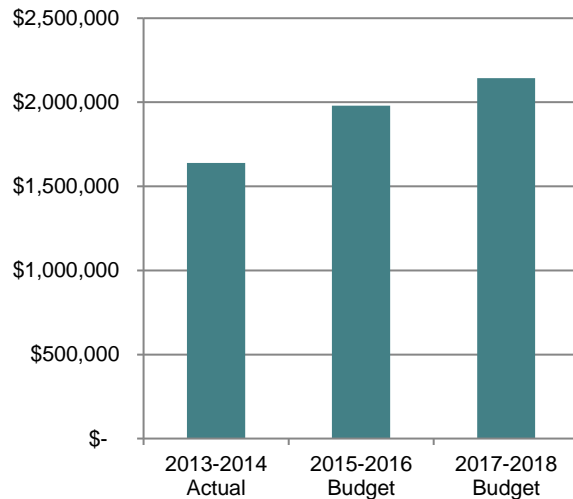
Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
10 Salaries & Wages	\$ 538,338	\$ 560,750	\$ 592,981
20 Personnel Benefits	134,656	175,176	208,766
Total Salary & Benefits	\$ 672,994	\$ 735,926	\$ 801,747
31 Office & Operating Supplies	\$ 14,889	\$ 13,175	\$ 18,315
32 Fuel Consumed	-	300	400
41 Professional Services	656,546	850,210	933,500
42 Communication	5,589	5,550	4,510
43 Travel	7,192	16,960	21,840
44 Advertising	15,120	22,120	15,400
45 Operating Rentals & Leases	17,553	15,700	14,600
46 Insurance	805	800	850
48 Repairs & Maintenance	5,698	8,250	7,300
49 Miscellaneous	79,564	120,060	126,720
51 Intergovernmental Professional Services	164,010	184,808	197,844
52 Intergovernmental & Pay	-	5,500	-
Total Other Expenditures	\$ 966,966	\$ 1,243,433	\$ 1,341,279
Total Administration	\$ 1,639,959	\$ 1,979,359	\$ 2,143,026

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

2017-2018 DEPARTMENT BUDGET



ANNUAL BUDGET COMPARISON



2017-2018 DEPARTMENT OPERATING BUDGET
Administration Department

Legislative Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.7.511.30			
10 Salaries & Wages	\$ 105,793	\$ 120,917	\$ 120,154
20 Personnel Benefits	29,741	40,331	56,496
42 Communication	140	200	150
44 Advertising	943	920	1,800
49 Miscellaneous	954	2,410	1,500
Total Official Publication Services	\$ 137,571	\$ 164,778	\$ 180,100
001.7.511.60			
10 Salaries & Wages	\$ 139,778	\$ 160,165	\$ 168,000
20 Personnel Benefits	17,971	24,488	28,506
31 Office & Operating Supplies	3,009	1,750	8,265
41 Professional Services	81,289	86,940	107,800
42 Communication	322	850	500
43 Travel	3,077	6,740	6,900
44 Advertising	-	5,600	-
45 Operating Rentals & Leases	8,527	8,000	7,000
48 Repairs & Maintenance	3,600	4,400	4,000
49 Miscellaneous	35,014	68,534	61,400
52 Intergovernmental & Pay	-	5,500	-
Total Legislative Services	\$ 292,587	\$ 372,967	\$ 392,371
Total Legislative	\$ 430,159	\$ 537,745	\$ 572,471

511.30 Notes

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

511.60 Notes

- 41 Lobbyist, Training Consultant, Council Chamber Microphones, Video
- 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

2017-2018 DEPARTMENT OPERATING BUDGET
Administration Department

Executive (Mayor) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.7.513.10			
10 Salaries & Wages	\$ 91,858	\$ 88,326	\$ 111,191
20 Personnel Benefits	17,200	41,647	40,482
31 Office & Operating Supplies	428	1,225	950
41 Professional Services	-	-	7,000
42 Communication	649	900	900
43 Travel	-	2,900	6,490
44 Advertising	1,400	100	-
45 Operating Rentals & Leases	297	500	500
48 Repairs & Maintenance	139	300	300
49 Miscellaneous	5,364	7,325	8,950
Total Executive Administration	\$ 117,335	\$ 143,223	\$ 176,763
Total Executive (Mayor)	\$ 117,335	\$ 143,223	\$ 176,763

513.10 Notes

- 43 Mileage and Meal Reimbursement
- 45 Copier & Postage Machine Maintenance
- 49 Membership/Dues and Training Registrations, Economic Development Networking

2017-2018 DEPARTMENT OPERATING BUDGET
Administration Department

Records Services Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.7.514.30			
10 Salaries & Wages	\$ 153,057	\$ 151,361	\$ 144,158
20 Personnel Benefits	50,384	57,806	67,563
31 Office & Operating Supplies	3,716	5,050	4,800
41 Professional Services	1	11,000	-
42 Communication	4,478	3,600	2,960
43 Travel	4,115	7,320	8,450
44 Advertising	251	2,200	600
45 Operating Rentals & Leases	5,048	5,500	4,900
46 Insurance	805	800	850
48 Repairs & Maintenance	1,958	3,000	3,000
49 Miscellaneous	5,636	9,650	23,320
Total Records Services	\$ 229,449	\$ 257,287	\$ 260,601
001.7.514.40			
51 Intergovernmental Professional Services	\$ 17,253	\$ 17,000	\$ 22,000
Total Election Services	\$ 17,253	\$ 17,000	\$ 22,000
001.7.514.90			
51 Intergovernmental Professional Services	\$ 34,646	\$ 40,000	\$ 40,000
Total Intergovernmental Professional Services	\$ 34,646	\$ 40,000	\$ 40,000
Total Records Service	\$ 281,348	\$ 314,287	\$ 322,601

514.30 Notes

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

2017-2018 DEPARTMENT OPERATING BUDGET
Administration Department

Legal Services Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.7.515.31			
41 Legal Services	\$ 175,050	\$ 180,500	\$ 204,500
Total Legal Service-Criminal	\$ 175,050	\$ 180,500	\$ 204,500
001.7.515.32			
41 Legal Services	\$ 189,477	\$ 305,420	\$ 330,000
Total Legal Service-Civil	\$ 189,477	\$ 305,420	\$ 330,000
001.7.515.32			
49 Miscellaneous	\$ -	\$ 100	\$ -
Total Legal Service-Civil	\$ -	\$ 100	\$ -
001.7.515.33			
41 Legal Services	\$ 19,450	\$ 20,050	\$ 21,400
Total Legal Service-Traffic	\$ 19,450	\$ 20,050	\$ 21,400
001.7.515.91			
41 Legal Services	\$ 191,279	\$ 246,300	\$ 262,800
Total General Indigent Defense	\$ 191,279	\$ 246,300	\$ 262,800
Total Legal Services	\$ 575,256	\$ 752,370	\$ 818,700

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

2017-2018 DEPARTMENT OPERATING BUDGET
Administration Department

Miscellaneous Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.7.518.90			
49 Miscellaneous (AWC)	\$ 15,302	\$ 16,620	\$ 17,800
Total Other Centralized Services	\$ 15,302	\$ 16,620	\$ 17,800
001.7.553.70			
51 Intergovernmental Professional Services	\$ 11,838	\$ 16,922	\$ 18,220
Total Pollution Control	\$ 11,838	\$ 16,922	\$ 18,220
001.7.554.30			
51 Intergovernmental Professional Services	\$ 73,609	\$ 82,000	\$ 85,000
Total Animal Control	\$ 73,609	\$ 82,000	\$ 85,000
001.7.562.00			
51 Intergovernmental Professional Services	\$ 21,626	\$ 21,886	\$ 25,624
Total Public Health	\$ 21,626	\$ 21,886	\$ 25,624
001.7.566.00			
51 Intergovernmental Professional Services	\$ 5,038	\$ 7,000	\$ 7,000
Total Substance Abuse	\$ 5,038	\$ 7,000	\$ 7,000
Total Miscellaneous	\$ 127,413	\$ 144,428	\$ 153,644

518.90 Notes

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

2017-2018 DEPARTMENT OPERATING BUDGET
Administration Department

Festival of Chimes and Lights Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.7.573.90			
10 Salaries & Wages	\$ 47,852	\$ 39,981	\$ 49,478
20 Personnel Benefits	19,359	10,904	15,719
31 Office & Operating Supplies	7,735	5,150	4,300
32 Fuel Consumed	-	300	400
44 Advertising	12,526	13,300	13,000
45 Operating Rentals & Leases	3,682	1,700	2,200
48 Repairs & Maintenance	-	550	-
49 Miscellaneous	4,164	4,850	13,750
91.49 Miscellaneous-Foot Ferry Services	13,129	10,571	-
Total Spectator & Community Events	\$ 108,449	\$ 87,306	\$ 98,847
Total Festival of Chimes and Lights	\$ 108,449	\$ 87,306	\$ 98,847

573.90 Notes

- 45 Postage Meter and Copy Machine
- 49 Printing, Audio, Miscellaneous, Garland & Wreaths

Finance

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. Safeguarding public assets and providing the financial support needed to deliver quality public services.

DEPARTMENT DESCRIPTION

The Finance Department is responsible for accounting, accounts payable, billing, budgeting, business licensing, collections, financial reporting, payroll, purchasing, and revenue accounting. The department consists of eight finance professionals. The City Treasurer is responsible for the Information Technologies (IT) Division, which provides technical and operational support to users, and includes procurement, setup and maintenance of all City computer hardware, and software. The City Treasurer provides supervisory support to Human Resource Management (HR) and the Human Resource Coordinator.

2017 GOALS

- Manage Biennial Budget to include the mid-biennial review
- Provide finance options for the Tremont Street Widening Project
- Support Community Development Department in implementation of building abatement program

2018 GOALS

- Provide accounting support to Public Works in constructing the Tremont Street Widening Project
- Implementation of an Equipment Replacement Revolving Fund (ER&R)

NON-FINANCIAL LONG-TERM GOALS

- Secure unqualified audit opinions
- Support training opportunities to staff
- Provide cross training opportunities that allow for professional enhancement

DEPARTMENT OBJECTIVE

Finance

- Professional and courteous finance staff that responds promptly to public inquires and requests.
- 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.
- 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.
- 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.
- Maintain miscellaneous electronic items, such as the clock tower, chimes, and courtroom video arraignment system.
- Maintain and support City telephones and telephone system.
- Provide on call support 24/7/365 for all City systems by staff or contract services.

Human Resources

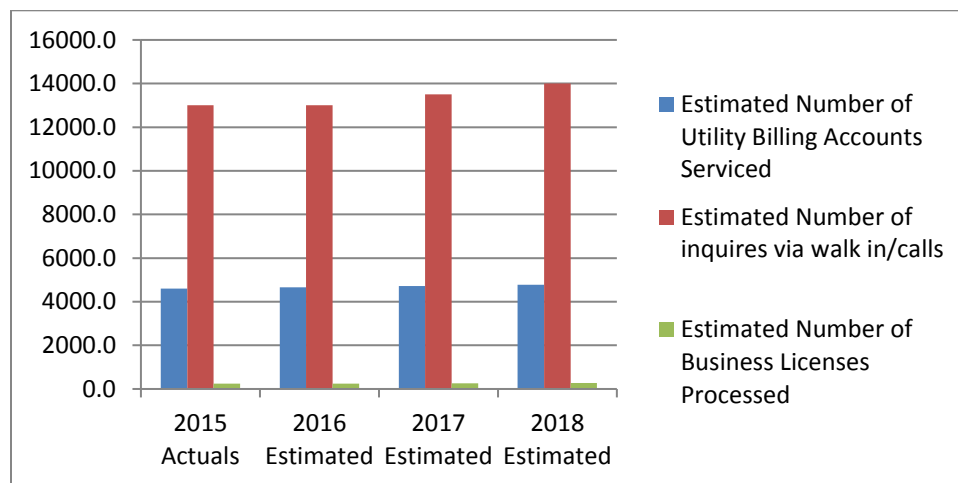
Provide effective Human Resource Management by developing and implementing policies, programs, and services which contribute to the attainment of employee goals by:

- 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 benefit 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.

STATISTICS/WORKLOAD MEASURES

Department Measures	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
Estimated Number of Utility Billing Accounts Serviced	4603	4655	4715	4775
Estimated Number of inquires via walk in/calls	13000	13000	13500	14000
Estimated Number of Business Licenses Processed	240	250	260	275

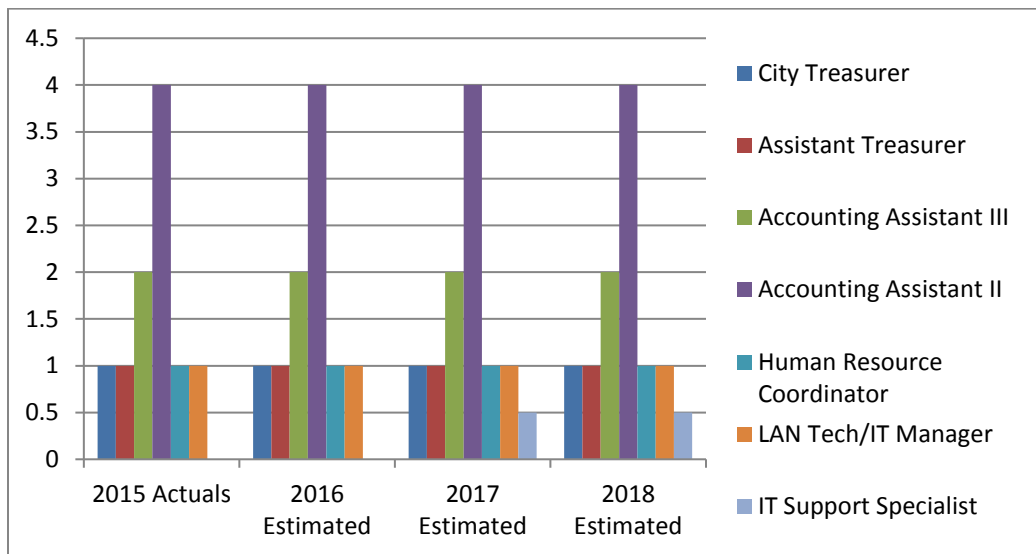


PERFORMANCE MEASURES

- Earn the 2016 and 2017 AWC Well City Award.
- Have all City Employees trained in First Aid and CPR in 2018.
- Conduct ADA awareness training for Supervisors.

STAFFING LEVELS

Staffing Levels	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
City Treasurer	1	1	1	1
Assistant Treasurer	1	1	1	1
Accounting Assistant III	2	2	2	2
Accounting Assistant II	4	4	4	4
Human Resource Coordinator	1	1	1	1
LAN Tech/IT Manager	1	1	1	1
IT Support Specialist	0	0	0.5	0.5



ACCOMPLISHMENTS

- Implementation of 2017 - 2018 Biennial Budget
- Comprehensive upgrade to Information Technology infrastructure, systems, and procedures
- Integration of new IT Specialist position providing computer support
- Well City Award. For the past six years the City 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. 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 2017 budget year.
- Implementation of ADA requirements as ADA Coordinator to bring all programs, services and activities of the City into compliance under Title II, Section 35.102.
- Provided support through the research and development of materials and comparison data needed for the negotiation process in reaching a successful Collective Bargain Agreements between the City and Teamsters 589 and the City and the Port Orchard Police Guild for 2016-2018.
- Developed the Building Beneficial Partnerships Program to offer experiential learning for the student/volunteer seeking experience with the City of Port Orchard.
- Awarded the Distinguished Budget Award for the 2016 Budget.

SIGNIFICANT BUDGET CHANGES

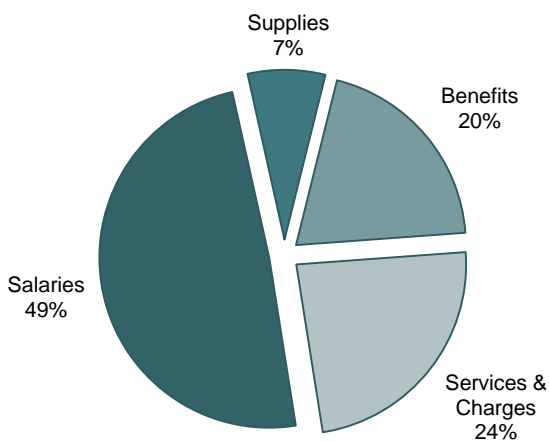
Springbrook Cloud Conversion is included in the 2017-2018 Budget. The cost will be allocated across various funds using the Cost Allocation Module. The estimated cost is \$63,000.

2017-2018 DEPARTMENT OPERATING BUDGET
Finance Department

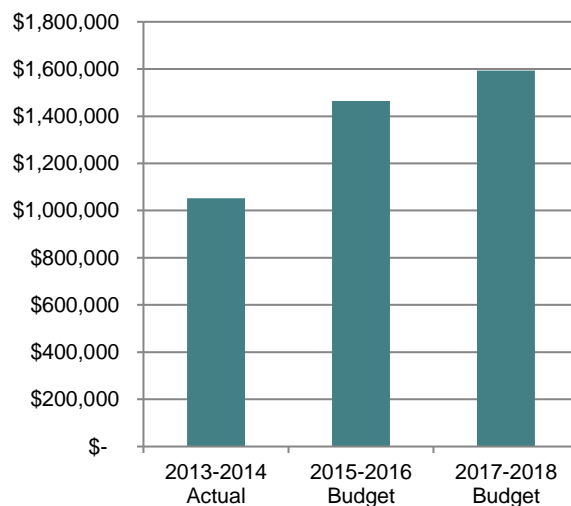
Expenditures		2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
10	Salaries & Wages	\$ 574,776	\$ 648,969	\$ 747,846
20	Personnel Benefits	195,864	263,818	304,571
	Total Salary & Benefits	\$ 770,641	\$ 912,787	\$ 1,052,417
31	Office & Operating Supplies	\$ 68,188	\$ 79,280	\$ 112,550
41	Professional Services	91,042	201,438	113,400
42	Communication	9,809	13,000	8,600
43	Travel	9,315	14,000	15,000
44	Advertising	975	1,000	2,000
45	Operating Rentals & Leases	4,483	8,247	8,350
46	Insurance	175	200	200
48	Repairs & Maintenance	33,258	50,200	62,200
49	Miscellaneous	58,295	63,660	133,860
51	Intergovernmental Professional Services	-	-	17,400
	Total Other Expenditures	\$ 275,540	\$ 431,025	\$ 473,560
64	Machinery & Equipment	\$ 5,542	\$ 120,012	\$ 67,500
	Total Capital Expenditures	\$ 5,542	\$ 120,012	\$ 67,500
Total Finance Department		\$ 1,051,723	\$ 1,463,824	\$ 1,593,477

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

2017-2018 DEPARTMENT BUDGET



ANNUAL BUDGET COMPARISON



2017-2018 DEPARTMENT OPERATING BUDGET
Finance Department

Finance Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.1.514.22			
10 Salaries & Wages	\$ 46,182	\$ 42,258	\$ 51,000
20 Personnel Benefits	14,511	15,312	18,379
Total Fiduciary Services	\$ 60,693	\$ 57,570	\$ 69,379
001.1.514.23			
10 Salaries & Wages	\$ 283,800	\$ 322,091	\$ 352,351
20 Personnel Benefits	105,803	150,384	174,078
31 Office & Operating Supplies	5,911	9,550	10,100
41 Professional Services	52,645	54,500	51,300
42 Communication	4,981	5,600	5,600
43 Travel	7,757	9,400	9,400
45 Operating Rentals & Leases	3,206	6,500	6,600
46 Insurance	175	200	200
48 Repairs & Maintenance	3,158	8,850	9,000
49 Miscellaneous	50,990	47,840	39,040
Total Budgeting/Accounting/Auditing	\$ 518,425	\$ 614,915	\$ 657,669
001.1.594.10			
14.64 Machinery & Equipment	\$ 1,110	\$ 18,500	\$ -
Total Machinery & Equipment	\$ 1,110	\$ 18,500	\$ -
Total Finance	\$ 580,228	\$ 690,985	\$ 727,048

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 Permit Stickers, Springbrok User Fees, Shredding Services, Dues, Printing, Service Subscription for Parking Boxes, Business License Fees, Banking/Fiscal Agent, Parkeon Service Fee, Registrations

2017-2018 DEPARTMENT OPERATING BUDGET
Finance Department

Human Resource Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.1.517.90			
31 Office & Operating Supplies	\$ 1,424	\$ 1,700	\$ 1,400
43 Travel	336	600	600
49 Miscellaneous	22	1,200	2,900
Total Employee Benefit	\$ 1,783	\$ 3,500	\$ 4,900
001.1.518.10			
10 Salaries & Wages	\$ 103,139	\$ 137,914	\$ 149,477
20 Personnel Benefits	19,940	31,704	35,691
31 Office & Operating Supplies	758	1,050	800
41 Professional Services	14,509	21,900	21,200
42 Communication	2,355	3,000	600
43 Travel	1,016	2,000	2,000
44 Advertising	975	900	2,000
45 Operating Rentals & Leases	1,277	1,647	1,750
48 Repairs & Maintenance	530	1,200	1,000
49 Miscellaneous	4,720	6,800	7,500
Total Personnel Services	\$ 149,221	\$ 208,115	\$ 222,018
001.1.518.11			
10 Salaries & Wages	\$ 23,994	\$ -	\$ -
20 Personnel Benefits	3,992	-	-
31 Office & Operating Supplies	987	-	-
41 Professional Services	22,174	-	-
43 Travel	206	-	-
49 Miscellaneous	1,913	-	-
Total S.H.I.P. Grant	\$ 53,265	\$ -	\$ -
Total Human Resource	\$ 204,269	\$ 211,615	\$ 226,918

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

2017-2018 DEPARTMENT OPERATING BUDGET
Finance Department

Information Technology Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.1.518.88			
10 Salaries & Wages	\$ 117,661	\$ 146,706	\$ 195,018
20 Personnel Benefits	51,619	66,418	76,423
31 Office & Operating Supplies	59,108	66,980	100,250
41 Professional Services	1,713	125,038	40,900
42 Communication	2,473	4,400	2,400
43 Travel	-	2,000	3,000
44 Advertising	-	100	-
45 Operating Rentals & Leases	-	100	-
48 Repairs & Maintenance	29,570	40,150	52,200
49 Miscellaneous	650	7,820	84,420
51 Intergovernmental Professional Services	-	-	17,400
Total Information Technology	\$ 262,794	\$ 459,712	\$ 572,011
001.1.594.10			
18.64 Machinery & Equipment	\$ 4,433	\$ 101,512	\$ 67,500
Total Machinery & Equipment	\$ 4,433	\$ 101,512	\$ 67,500
Total Information Technology	\$ 267,227	\$ 561,224	\$ 639,511

518.88 Notes

- 31 Parts, Equipment, & Supplies, Barracuda Firewall & Spam Filter, Surface Pros, DCD IT Equipment, Workstations(18)
- 41 Computer Consultant, Website Upkeep
- 42 Modems, Phone, Fax, Website Hosting
- 48 Software Maintenance, Antispam, Miscellaneous Repairs, Mobileguard Text Archiving
- 49 Dues, Subscriptions, KRCC-Kitnet Dues, Training Registrations

Municipal Court

MISSION STATEMENT

The mission of 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) and 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.

2017 GOALS

- Continue to maintain all court records within the parameters required by State law, local laws, and court rules
- Continue to efficiently and effectively administer justice
- 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
- Prepare Court for electronic filings and retention (paperless court)

2018 GOALS

- Convert to digital (paperless) court by converting to electronic Case Management System
- Continue to maintain all court records within the parameters required by State law, local laws, and court rules
- Continue to efficiently and effectively administer justice
- Continue maintenance of bail schedules, court forms and procedures as legislation dictates
- Continue monitoring of interpreter Language Assistance Plan

NON FINANCIAL LONG-TERM GOALS

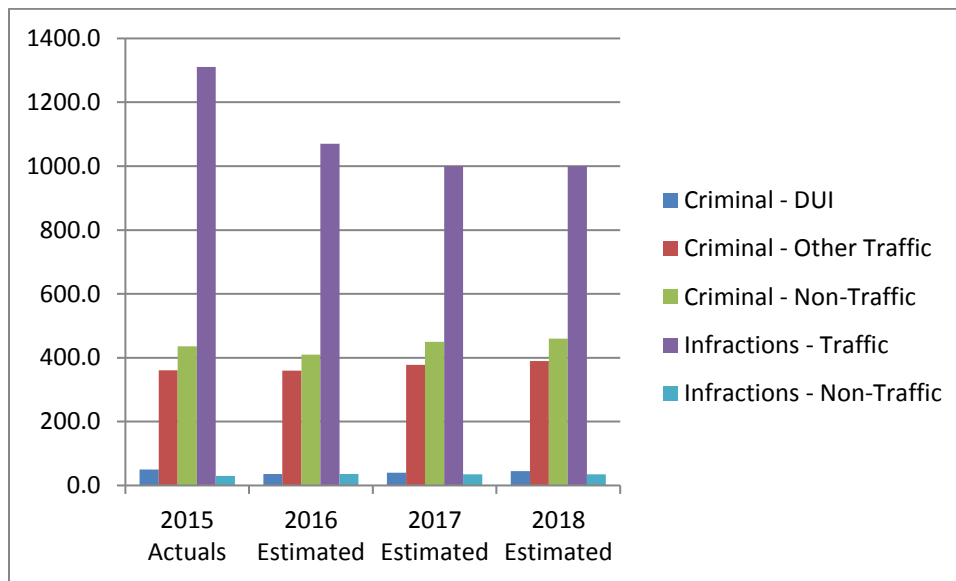
- Continue to maintain all court records within the parameters required by State law, local laws, and court rules
- Continue to efficiently and effectively administer justice
- Continue maintenance of bail schedules, court forms and procedures as legislation dictates
- Continue monitoring of interpreter Language Assistance Plan

DEPARTMENT OBJECTIVE

The Court's objective for 2018 is to convert to an electronic (paperless) court management system.

STATISTICS/WORKLOAD MEASURES

Department Measures	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
Criminal - DUI	50.0	36	40	45
Criminal - Other Traffic	361	360	378	390
Criminal - Non-Traffic	436	410	450	460
Infractions - Traffic	1311	1070	1000	1000
Infractions - Non-Traffic	30	36	35	35

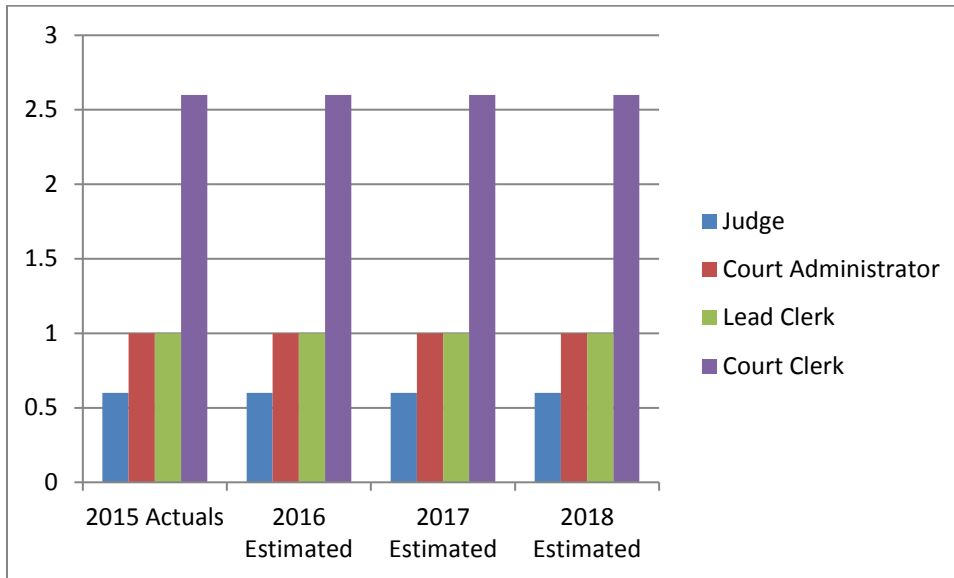


PERFORMANCE MEASURES

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.

STAFFING LEVELS

Staffing Levels	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
Judge	0.6	0.6	0.6	0.6
Court Administrator	1	1	1	1
Lead Clerk	1	1	1	1
Court Clerk	2.6	2.6	2.6	2.6



ACCOMPLISHMENTS

The Court continues to efficiently and accurately maintain all court records and effectively administer justice.

SIGNIFICANT BUDGET CHANGES

No significant budget changes.

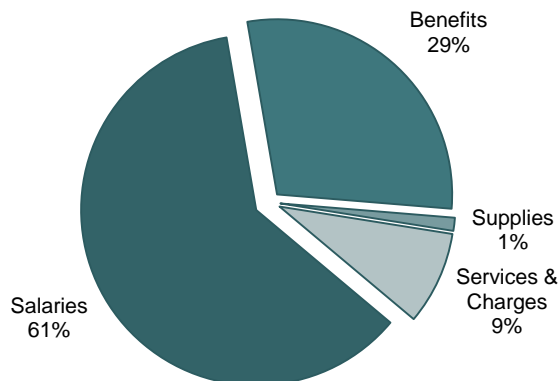
2017-2018 DEPARTMENT OPERATING BUDGET
Municipal Court

Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.2.512.50			
10 Salaries & Wages	\$ 640,612	\$ 707,397	\$ 764,565
20 Personnel Benefits	261,311	323,829	362,637
Total Salary & Benefits	\$ 901,924	\$ 1,031,226	\$ 1,127,202
31 Office & Operating Supplies	\$ 15,971	\$ 15,050	\$ 15,050
41 Professional Services	34,540	42,500	39,800
42 Communication	9,107	9,200	10,000
43 Travel	4,001	5,900	5,000
45 Operating Rentals & Leases	7,625	8,000	7,500
48 Repairs & Maintenance	3,949	4,760	6,000
49 Miscellaneous	22,679	44,022	39,256
64 Machinery & Equipment	-	8,200	-
Total Other Expenditures	\$ 97,871	\$ 137,632	\$ 122,606
Total Municipal Court	\$ 999,795	\$ 1,168,858	\$ 1,249,808

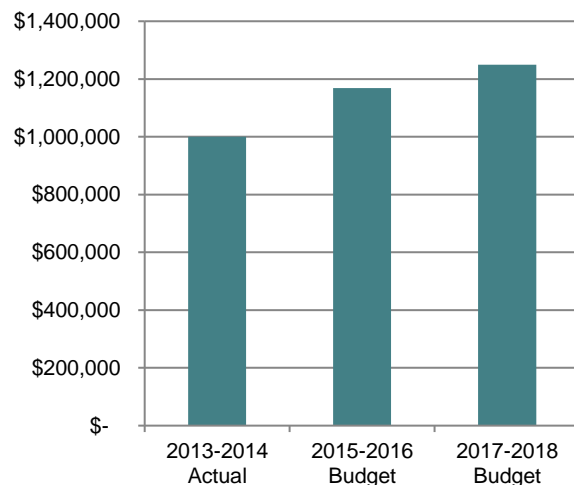
512.50 Notes

- 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, Video Support
- 49 Printing Forms, Assoc Dues, County Clerk (juries), Training/Conferences, Witness Fees, Shredder Service, Bank Fees

2017-2018 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 9 volunteers. The department has one chief, one commander, 3 sergeants, 2 detectives, and 17 police officers. The department is also supported by an office manager, a full time records/evidence specialist, 2 part-time record/evidence specialists, 2 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, 7 reserve police officers, and a police Chaplain.

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.

2017 GOALS

- Establish a threat assessment group for the South Kitsap School District.
- Maintain appropriate staffing levels for the demands of the City.
- Complete 50 community policing projects.

2018 GOALS

- Maintain and manage a threat assessment group for the South Kitsap School District.
- Maintain appropriate staffing levels for the demands of the City.
- Complete 50 community policing projects.

NON-FINANCIAL LONG-TERM GOALS

- Continue community based problem oriented policing.
- Keep crime clearance rates the highest in Kitsap County.

DEPARTMENT OBJECTIVES

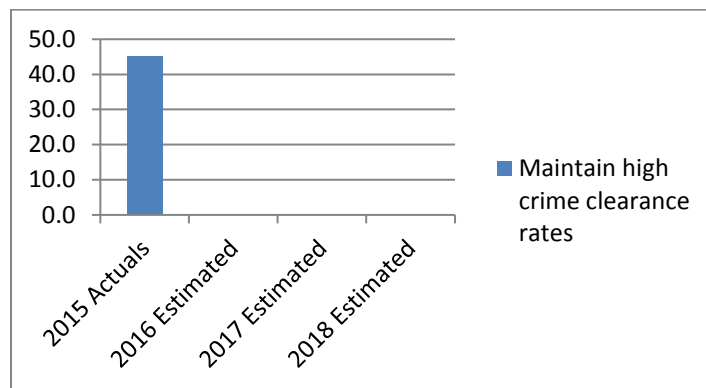
- Identify Opportunities.
- Imagine the Possibilities.
- Align Partners.
- Empower Employees.
- Think, Act and Move as One.
- Engage the Community.
- Fulfill the Promise.
- Map the Future.

DEPARTMENT VALUES

- Every employee and their contribution to the department.
- Provide opportunities for individual achievement, personal growth and professional development.
- Maintain the highest level of integrity, ethics, and morals.
- Commit to the concept of teamwork.
- Create positive working relationships through community, problem based policing.
- We value the sanctity of life and 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 we serve.

STATISTICS/WORKLOAD MEASURES

Department Measures	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
Maintain high crime clearance rates	45.2			

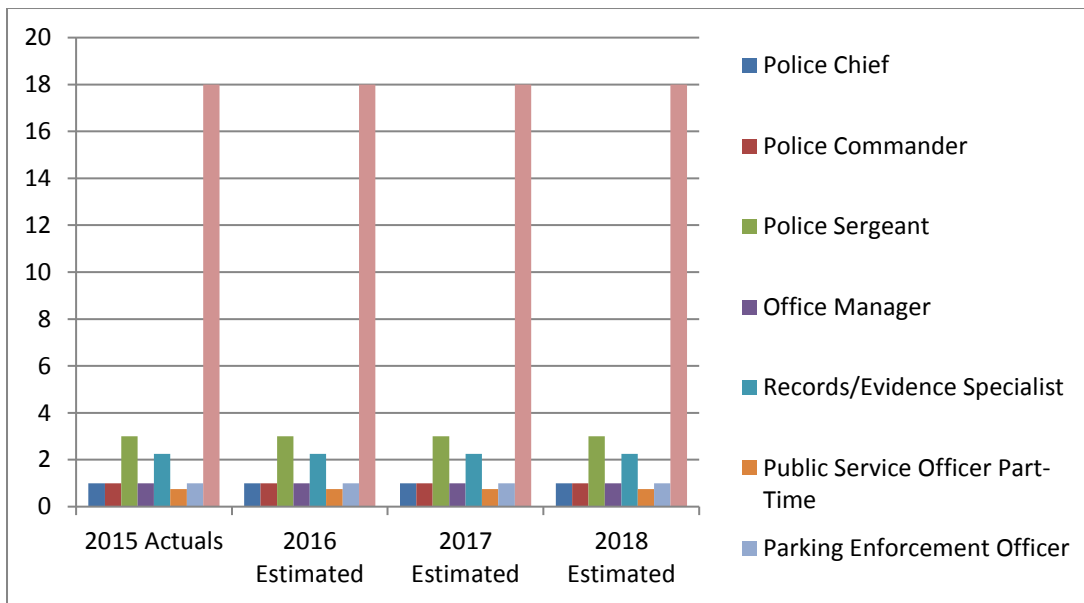


PERFORMANCE MEASURES

The Port Orchard police Department reports all crime information through NIBRS. Each year WASPC publishes these crime statistics for public view. This includes crime types, number of reported offences, and clearance rates. Port Orchard maintains the highest clearance rate in Kitsap County.

STAFFING LEVELS

Staffing Levels	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
Police Chief	1	1	1	1
Police Commander	1	1	1	1
Police Sergeant	3	3	3	3
Office Manager	1	1	1	1
Records/Evidence Specialist	2.25	2.25	2.25	2.25
Public Service Officer Part-Time	0.75	0.75	0.75	0.75
Parking Enforcement Officer	1	1	1	1
Patrolmen	18	18	18	18



ACCOMPLISHMENTS

Our internal disciplinary process provides accountability and transparency.

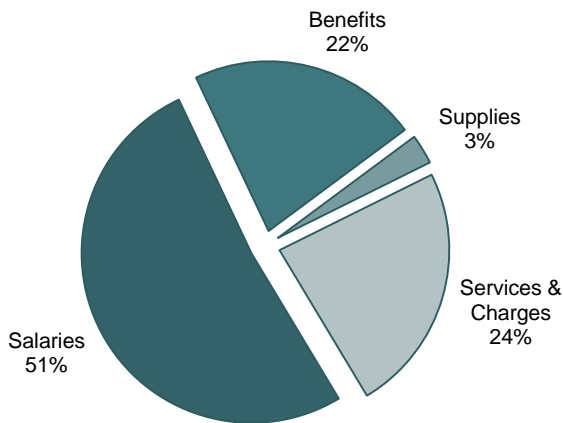
SIGNIFICANT BUDGET CHANGES

The costs for incarceration continue to increase year over year. For 2017-18 budget years the budgeted amount for incarceration costs have been increased to meet estimates.

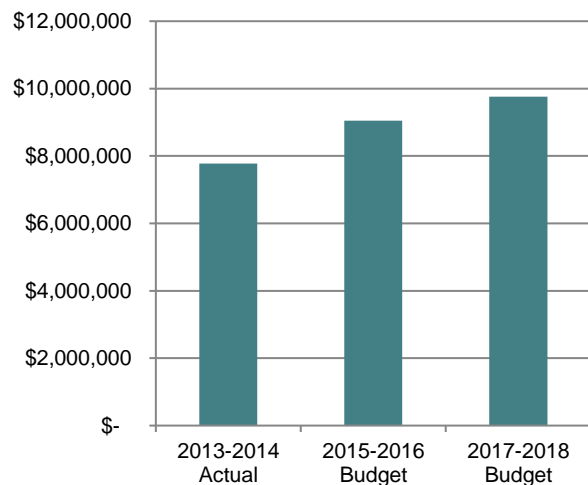
2017-2018 DEPARTMENT OPERATING BUDGET
Law Enforcement

Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
10 Salaries & Wages	\$ 4,404,633	\$ 4,692,162	\$ 5,036,803
20 Personnel Benefits	1,637,297	1,871,380	2,093,821
21 Uniforms	31,815	34,300	41,200
Total Salary & Benefits	\$ 6,073,745	\$ 6,597,842	\$ 7,171,824
31 Office & Operating Supplies	\$ 114,794	\$ 122,450	\$ 162,650
32 Fuel Consumed	157,817	132,000	113,500
41 Professional Services	47,966	59,400	28,000
42 Communication	24,854	27,300	27,200
43 Travel	11,749	26,650	29,400
44 Advertising	30	500	500
45 Operating Rentals & Leases	18,085	24,650	24,600
46 Insurance	-	200	200
47 Public Utility Service	814	4,050	2,700
48 Repairs & Maintenance	99,676	113,010	103,300
49 Miscellaneous	51,265	66,350	57,100
51 Intergovernmental Professional Services	1,129,228	1,855,895	2,027,830
64 Machinery & Equipment	4,727	-	-
95 Interfund Rentals/Leases	9,419	15,216	15,216
98 Interfund Repairs & Maintenance	33,080	850	-
Total Other Expenditures	\$ 1,703,504	\$ 2,448,521	\$ 2,592,196
Total Law Enforcement	\$ 7,777,249	\$ 9,046,363	\$ 9,764,020

2017-2018 DEPARTMENT BUDGET



ANNUAL BUDGET COMPARISON



2017-2018 DEPARTMENT OPERATING BUDGET
Law Enforcement

Law Enforcement Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.3.521.10			
10 Salaries & Wages	\$ 819,829	\$ 881,643	\$ 985,842
20 Personnel Benefits	411,777	471,272	535,991
21 Uniforms	1,227	3,000	3,400
31 Office & Operating Supplies	19,612	27,650	34,000
32 Fuel Consumed	5,486	3,500	3,000
41 Professional Services	12,859	2,500	3,500
42 Communication	23,768	25,600	26,000
43 Travel	2,099	10,250	10,000
44 Advertising	-	500	500
45 Operating Rentals & Leases	10,303	15,000	15,000
46 Insurance	-	200	200
48 Repairs & Maintenance	16,927	22,700	18,500
49 Miscellaneous	13,534	11,000	11,500
51 Intergovernmental Professional Services	225,466	269,092	313,747
98 Interfund Repairs & Maintenance	80	-	-
Total Administration	\$ 1,562,966	\$ 1,743,907	\$ 1,961,180

521.10 Notes

- 31 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

2017-2018 DEPARTMENT OPERATING BUDGET
Law Enforcement

Law Enforcement (Continued) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.3.521.21			
10 Salaries & Wages	\$ 342,600	\$ 357,339	\$ 381,159
20 Personnel Benefits	90,273	90,386	99,955
21 Uniforms	1,591	3,000	3,000
31 Office & Operating Supplies	4,237	13,000	19,000
32 Fuel Consumed	6,681	6,000	5,000
41 Professional Services	100	3,000	3,000
42 Communication	32	500	-
43 Travel	375	1,000	3,000
47 Public Utility Services	-	200	-
48 Repairs & Maintenance	3,070	4,000	4,000
49 Miscellaneous	4,745	5,000	7,000
95 Interfund Rentals/Leases	-	-	-
98 Interfund Repairs & Maintenance	1,280	-	-
Total Investigation	\$ 454,983	\$ 483,425	\$ 525,114

521.21 Notes

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

2017-2018 DEPARTMENT OPERATING BUDGET
Law Enforcement

Law Enforcement (Continued) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.3.521.22			
10 Salaries & Wages	\$ 2,150,457	\$ 2,347,170	\$ 2,689,094
20 Personnel Benefits	740,965	837,502	1,028,687
21 Uniforms	19,483	20,300	26,800
31 Office & Operating Supplies	31,282	28,000	54,000
32 Fuel Consumed	76,349	64,000	64,000
43 Travel	375	400	400
48 Repairs & Maintenance	35,474	33,000	42,000
49 Miscellaneous	4,859	4,000	5,000
98 Interfund Repairs & Maintenance	18,840	-	-
Total Patrol	\$ 3,078,085	\$ 3,334,372	\$ 3,909,981
001.3.521.23			
10 Salaries & Wages	\$ 45,433	\$ 27,600	\$ 35,569
20 Personnel Benefits	14,129	10,500	10,675
31 Office & Operating Supplies	2,348	1,950	2,000
32 Fuel Consumed	11,307	10,000	10,000
43 Travel	3,588	2,000	3,000
44 Advertising	30	-	-
45 Operating Rentals & Leases	1,865	2,000	2,000
47 Public Utility Service	114	500	500
48 Repairs & Maintenance	18,157	10,850	6,000
49 Miscellaneous	6,151	15,500	6,000
98 Interfund Repairs & Maintenance	920	250	-
Total Marine Patrol	\$ 104,042	\$ 81,150	\$ 75,744

521.22 Notes

- 31 Office Supplies, Reserve Officer Equipment, Vehicle Tires, Parts & Supplies, Flares, Vehicle Warning Devices, Batteries, Lights, M4 Rifle Replacement
- 48 Emergency Equipment Repair, Vehicle Maintenance, Radio & Light Bar Installations, Fire Extinguisher Recharging, Vehicle Washes, Reserve Vehicle Maintenance
- 49 Police Vehicles Graphics Replacement, 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

2017-2018 DEPARTMENT OPERATING BUDGET
Law Enforcement

Law Enforcement (Continued) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.3.521.25			
10 Salaries & Wages	\$ 170,248	\$ 185,028	\$ 194,674
20 Personnel Benefits	74,562	92,140	93,889
21 Uniforms	1,210	1,000	1,000
31 Office & Operating Supplies	1,709	4,850	3,500
32 Fuel Consumed	15,971	10,500	6,000
48 Repairs & Maintenance	22	2,000	2,000
49 Miscellaneous	100	600	600
98 Interfund Repairs & Maintenance	1,080	-	-
Total Gambling Enforcement	\$ 264,903	\$ 296,118	\$ 301,663
001.3.521.30			
10 Salaries & Wages	\$ 425,982	\$ 452,030	\$ 281,976
20 Personnel Benefits	132,549	174,392	110,528
21 Uniforms	4,395	3,000	3,000
31 Office & Operating Supplies	3,700	5,500	5,300
32 Fuel Consumed	19,934	16,000	8,500
48 Repairs & Maintenance	6,141	8,000	3,000
49 Miscellaneous	1,351	2,750	2,500
98 Interfund Repairs & Maintenance	3,400	-	-
Total Crime Prevention	\$ 597,453	\$ 661,672	\$ 414,804

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 & Accessories, Vehicle Tires, Parts & Supplies, Emergency Equipment Parts
- 48 Vehicle & Bicycle Maintenance
- 49 Associations Dues, Community Policing Projects, Crime Prevention Materials

2017-2018 DEPARTMENT OPERATING BUDGET
Law Enforcement

Law Enforcement (Continued) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.3.521.40			
31 Office & Operating Supplies	\$ 19,434	\$ 20,400	\$ 25,750
41 Professional Services	990	1,500	1,000
43 Travel	5,107	12,000	12,000
45 Operating Rentals & Leases	1,313	4,000	4,000
47 Public Utility Services	700	3,350	2,000
48 Repairs & Maintenance	95	2,000	2,000
49 Miscellaneous	16,229	18,000	18,000
98 Interfund Repairs & Maintenance	-	-	-
Total Training	\$ 43,868	\$ 61,250	\$ 64,750
001.3.521.50			
10 Salaries & Wages	\$ 1,185	\$ -	\$ -
20 Personnel Benefits	430	-	-
31 Office & Operating Supplies	694	-	-
45 Operating Rentals & Leases	3,600	3,600	3,600
47 Public Utility Service	-	-	200
48 Repairs & Maintenance	4,867	2,560	2,600
49 Miscellaneous	76	1,500	1,000
95 Interfund Operating & Rentals	9,419	15,216	15,216
Total Facilities	\$ 20,271	\$ 22,876	\$ 22,616

521.40 Notes

- 31 Defensive Tactics Equipment, Office Supplies, Ammo Up Brass Roller, T&E RMR Handgun Sight, Cert Pistol & Rifle Lasers, Ammunition, Targets
- 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, EVOG Track Rental
- 49 Tuition & Registration Costs

521.50 Notes

- 45 Storage Garage
- 48 Security Monitoring
- 95 Storage Facilities

2017-2018 DEPARTMENT OPERATING BUDGET
Law Enforcement

Law Enforcement (Continued) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.3.521.70			
10 Salaries & Wages	\$ 448,184	\$ 441,252	\$ 468,489
20 Personnel Benefits	172,094	195,138	214,096
21 Uniforms	3,909	4,000	4,000
31 Office & Operating Supplies	14,354	12,000	10,000
32 Fuel Consumed	17,683	17,000	12,000
41 Professional Services	-	500	500
42 Communications	41	200	200
43 Travel	206	1,000	1,000
45 Operating Rentals & Leases	11	50	-
48 Repairs & Maintenance	14,844	25,900	21,200
49 Miscellaneous	3,928	6,500	4,000
51 Intergovernmental Professional Services	5,000	5,000	5,000
98 Interfund Repairs & Maintenance	5,560	-	-
Total Traffic Policing	\$ 685,813	\$ 708,540	\$ 740,485
Total Law Enforcement	\$ 6,812,383	\$ 7,393,310	\$ 8,016,337

521.70 Notes

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

2017-2018 DEPARTMENT OPERATING BUDGET
Law Enforcement

Detention and Correction Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.3.523.20			
10 Salaries & Wages	\$ 120	\$ 100	\$ -
20 Personnel Benefits	70	50	-
31 Office & Operating Supplies	1,135	500	500
32 Fuel Consumed	4,405	5,000	5,000
41 Professional Services	-	-	-
45 Operating Rentals and Leases	993	-	-
48 Repairs & Maintenance	80	2,000	2,000
49 Miscellaneous	292	500	500
51 Intergovernment Professional Service	73,116	87,228	92,000
98 Interfund Repairs & Maintenance	1,920	600	-
Total Monitoring Prisoners	\$ 82,130	\$ 95,978	\$ 100,000
001.3.523.60			
31 Office & Operating Supplies	\$ 16,065	\$ 7,000	\$ 7,000
41 Professional Services	34,017	51,900	20,000
51 Intergovernment Professional Service	795,196	1,458,947	1,576,345
Total Care/Custody/Prisoners	\$ 845,279	\$ 1,517,847	\$ 1,603,345
Total Detention and Correction	\$ 927,408	\$ 1,613,825	\$ 1,703,345

523.20 Notes

- 48 Repair Community Service Van, Miscellaneous Repairs
- 51 KCR-Community Service Program

523.60 Notes

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

2016 DEPARTMENT OPERATING BUDGET
Law Enforcement

Emergency Services Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.3.525.10			
51 Intergov'l Professional Svcs-Emergency	\$ 30,450	\$ 35,628	\$ 40,738
Total Emergency Services Admin	\$ 30,450	\$ 35,628	\$ 40,738
001.3.525.60			
10 Salaries & Wages	\$ 595	\$ -	\$ -
20 Personnel Benefits	448	-	-
31 Office & Operating Supplies	225	1,600	1,600
42 Communication	1,013	1,000	1,000
43 Travel	-	-	-
48 Repairs & Maintenance	-	-	-
49 Miscellaneous	-	1,000	1,000
Total Emergency Preparedness	\$ 2,281	\$ 3,600	\$ 3,600
Total Emergency Services	\$ 32,731	\$ 39,228	\$ 44,338

525.10 Notes

51 Kitsap County Emergency Management

525.60 Notes

31 Backup Power Supplies, Site Communications & Set-up, Food & Water, Respirators, Cots

49 Department Training on Hazmat, WMD, Terrorism Tuition Costs for FEMA

2015 DEPARTMENT OPERATING BUDGET
Law Enforcement

Machinery & Equipment Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.3.594.21			
64 Machinery & Equipment	\$ 4,727	\$ -	\$ -
Total Machinery & Equipment	\$ 4,727	\$ -	\$ -
Total Machinery & Equipment	\$ 4,727	\$ -	\$ -

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.

2017 GOALS

- Best Available Science Review. Complete an analysis of the development regulations for Best Available Science as required by law (June 30, 2017 Deadline).
- 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 Implementation. Coordinate the construction of the McCormick Phase 2 park improvements.
- Wayfinding Signs. Work with the Public Works department to implement phase 2 of the wayfinding sign program.
- Dangerous/Abandoned Buildings. Continue to enforce land use codes concerning dangerous and abandoned buildings and seek abatement if required (1-2 houses annually).

- Launch SmartGOV public portal.
- 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.

2018 GOALS

- Wayfinding Signs. Work with the Public Works department to implement phase 2 of the wayfinding sign program.
- Dangerous/Abandoned Buildings. Continue to enforce land use codes concerning dangerous and abandoned buildings and seek abatement if required (1-2 houses annually).
- 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.

NON FINANCIAL LONG-TERM 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.

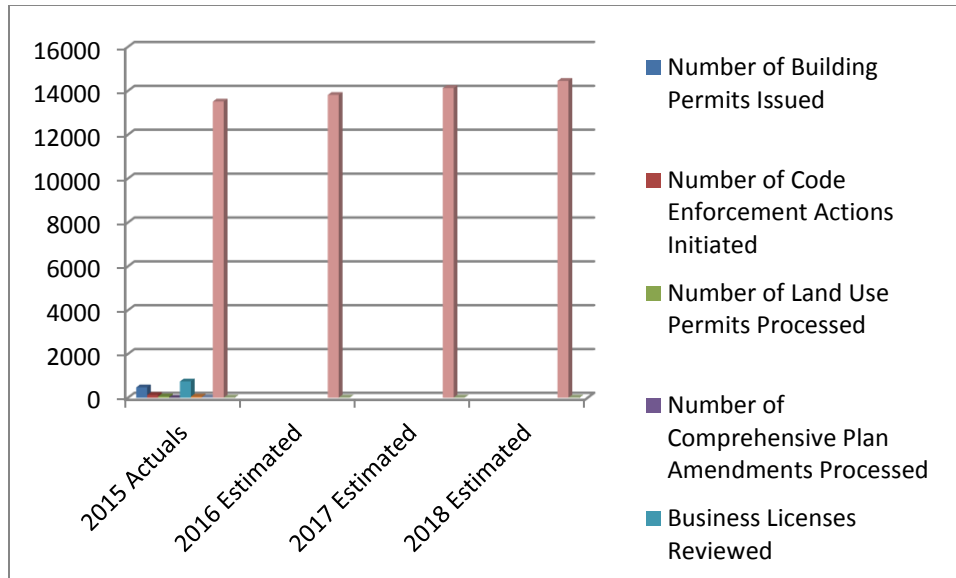
- **Annexation Guidance.** Provide guidance to landowners or interest groups who desire to annex unincorporated areas into the City of Port Orchard, consistent with state law and the city's annexation policy. Process annexation petitions with Kitsap County, the Kitsap Regional Coordinating Council, and 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.

DEPARTMENT OBJECTIVE

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.

STATISTICS/WORKLOAD MEASURES

Department Measures	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
Number of Building Permits Issued	474			
Number of Code Enforcement Actions Initiated	125			
Number of Land Use Permits Processed	60			
Number of Comprehensive Plan Amendments Processed	1			
Business Licenses Reviewed	744			
Event, Cabaret, and Marijuana Licenses Approved/Reviewed	49			
Pre-Application Meetings	22			
Population	13,510	13,810	14,125	14,450
City Area (Square Miles)	9.35	9.35	9.35	9.35

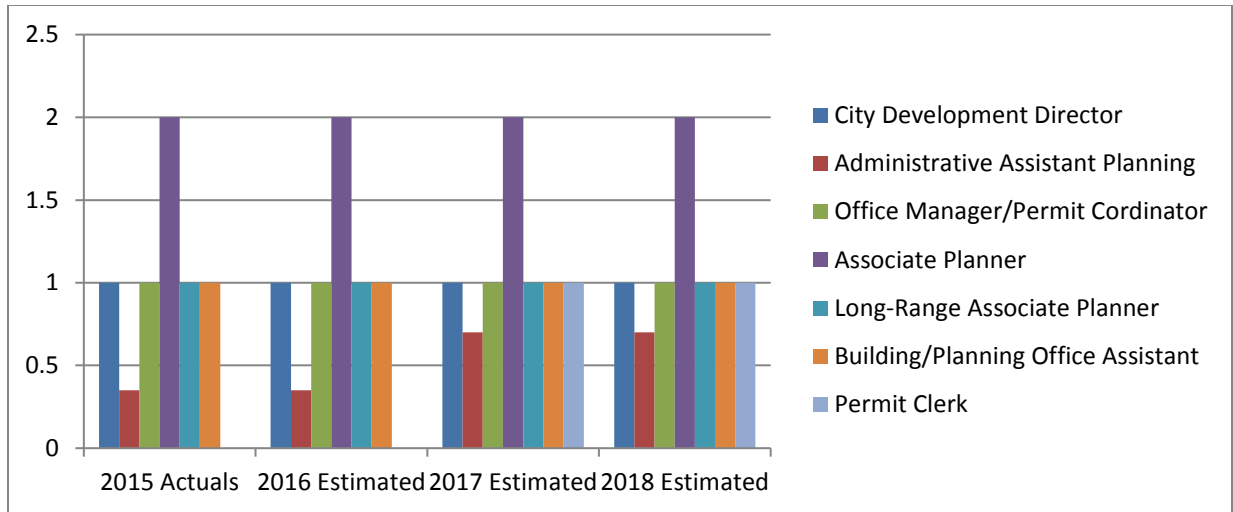


PERFORMANCE MEASURES

Permitting activity has remained steady from 2015-2016. We expect building permit activity to increase considerably in 2017 and 2018 with minor increases in other activity. Staffing levels are proposed to be maintained at current levels in 2017-2018.

STAFFING LEVELS

Staffing Levels	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
City Development Director	1	1	1	1
Administrative Assistant Planning	0.35	0.35	0.7	0.7
Office Manager/Permit Cordinator	1	1	1	1
Associate Planner	2	2	2	2
Long-Range Associate Planner	1	1	1	1
Code Enforcement	1	1	1	1
Building Inspector	1	1	1	1
Building/Planning Office Assistant	1	1	1	1
Permit Clerk	0	0	1	1



ACCOMPLISHMENTS

The 2016 Comprehensive Plan was the departments biggest accomplishment of 2016. The plan was approved, was not appealed, and is on track for an October 2016 certification from PSRC. Other accomplishments include the review of 7 permits requiring Hearing Examiner review, an all time high for permits of this type. One particular review, the Stetson Heights project was the largest, most complex, and controversial residential project ever reviewed by the DCD. Other projects that have been initiated and/or completed include the design of the McCormick Village Park Phase 2 project, the way finding sign phase 1 project, the acquisition of the 640 Bay Street property, and the acquisition of the Comfort Inn (beach) property.

Numerous ordinances were brought forward for City Council approval including:

- Interim Subdivision and Permit Processing Regulations
- 2015 Building and Fire Code Adoption
- Marijuana Code Updates
- Street Use Permit Code
- Multi Family Tax Exemption Code

Other code updates were initiated including:

- Complete Overhaul of the Development Regulations
- Minor Shoreline Master Program Updates
- Sign Code Update
- DOD Overlay District Update
- VPOD Code Update
- Landscape and Parking Code Update

SIGNIFICANT BUDGET CHANGES

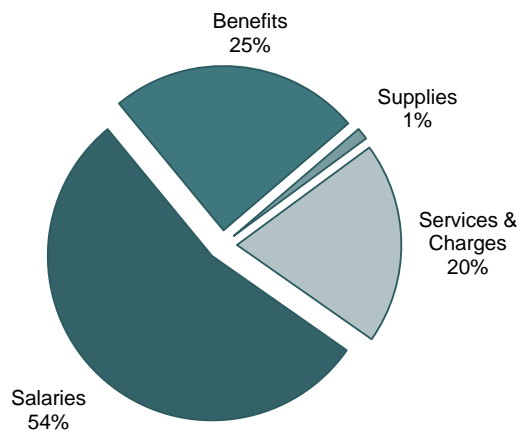
In 2017, the City proposes to consolidate all permitting into a single “Permit Center.” The permit center would be the location where all public works, planning, and building permits are to be submitted, routed, tracked, and returned to the customer. As part of this proposed change, there is some minor reorganization that is proposed, but no additional staff requested. In conjunction with the creation of a permit center, the City has purchased the 720 Prospect Street building. This will be the location of the permit center and the Department of Community Development. There are some minor increases to certain budget lines to account for providing supplies and equipment for this new space and to accommodate any unforeseen expenses related to the move.

2017-2018 DEPARTMENT OPERATING BUDGET
 Department of Community Development

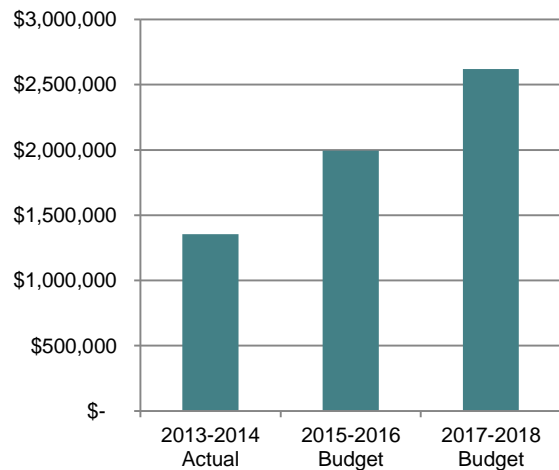
Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
10 Salaries & Wages	\$ 881,277	\$ 1,092,124	\$ 1,422,327
20 Personnel Benefits	307,845	494,186	646,633
Total Salary & Benefits	\$ 1,189,121	\$ 1,586,310	\$ 2,068,960
31 Office & Operating Supplies	\$ 8,623	\$ 25,800	\$ 27,800
32 Fuel Consumed	4,039	3,300	3,000
41 Professional Services	75,475	230,500	215,600
42 Communication	6,783	12,240	11,200
43 Travel	6,185	11,225	14,600
44 Advertising	1,040	2,600	2,600
45 Operating Rentals & Leases	4,330	4,200	19,500
46 Insurance	-	150	-
48 Repairs & Maintenance	15,709	8,800	2,100
49 Miscellaneous	41,616	101,765	153,500
51 Intergovernmental Professional Services	-	-	100,000
64 Machinery & Equipment	-	4,885	-
98 Interfund Repairs & Maintenance	2,240	2,600	-
Total Other Expenditures	\$ 166,040	\$ 408,065	\$ 549,900
Total Community Development	\$ 1,355,162	\$ 1,994,375	\$ 2,618,860

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

2017-2018 DEPARTMENT BUDGET



ANNUAL BUDGET COMPARISON



2017-2018 DEPARTMENT OPERATING BUDGET
Department of Community Development

Building Inspections Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.4.517.91			
31 Office & Operating Supplies	\$ 566	\$ 200	\$ 200
43 Travel	766	600	600
49 Miscellaneous	325	1,200	1,200
Total Commute Trip Reduction	\$ 1,657	\$ 2,000	\$ 2,000
001.4.519.20			
49 Miscellaneous	\$ 10,000	\$ -	\$ -
Total Miscellaneous	10,000	-	-
001.4.524.20			
10 Salaries & Wages	\$ 228,601	\$ 292,698	\$ 395,404
20 Personnel Benefits	73,780	139,519	213,914
31 Office & Operating Supplies	4,525	11,650	9,100
32 Fuel Consumed	3,231	2,400	2,000
41 Professional Services	51,420	59,900	60,000
42 Communication	2,392	4,080	4,800
43 Travel	2,096	4,275	5,000
45 Operating Rentals & Leases	1,010	1,200	5,100
46 Insurance	-	100	-
48 Repairs & Maintenance	6,482	2,300	1,100
49 Miscellaneous	12,710	17,630	18,900
51 Intergovernmental Professional Services	-	-	100,000
98 Interfund Repairs & Maintenance	1,160	1,000	-
Total Building Inspections	\$ 387,406	\$ 536,752	\$ 815,318
Total Building Inspections	\$ 389,064	\$ 538,752	\$ 817,318

524.20 Notes

- 31 Car Parts & Supplies, Office Supplies, Materials for Notices
- 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

2017-2018 DEPARTMENT OPERATING BUDGET
Department of Community Development

Community Development Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.4.558.60			
10 Salaries & Wages	\$ 651,281	\$ 798,426	\$ 1,025,923
20 Personnel Benefits	233,666	354,267	432,239
31 Office & Operating Supplies	3,522	13,350	17,900
32 Fuel Consumed	808	900	1,000
41 Professional Services	24,055	170,000	155,000
42 Communications	4,391	8,160	6,400
43 Travel	3,323	6,350	9,000
44 Advertising	961	2,000	2,000
45 Operating Rentals & Leases	3,153	3,000	14,400
46 Insurance	-	50	-
48 Repairs & Maintenance	9,228	6,500	1,000
49 Miscellaneous	18,582	22,935	33,400
98 Interfund Repairs & Maintenance	1,080	1,600	-
Total Planning	\$ 954,050	\$ 1,387,538	\$ 1,698,262
001.4.558.62			
10 Salaries & Wages	\$ 831	\$ -	\$ -
20 Personnel Benefits	136	-	-
44 Advertising	79	-	-
Total TDR Grant	\$ 1,046	\$ -	\$ -
Total Community Development	\$ 955,096	\$ 1,387,538	\$ 1,698,262

558.60 Notes

- 31 Uniform Code Enforcement, Graphics Materials, Public Notice Signs, Office & Operating Supplies, Conference Room Furnishings, Updated Aerial Photography
- 41 Expedited Review, On Call Services, Hearing Examiner, Design Guidelines Creation, Shoreline Master Program Required Update
- 48 Postage Meter,
- 49 Subscriptions, Dues, Seminar Fees, Printing, Conferences, Software, Training
- 98 Interfund Repairs & Maintenance

2017-2018 DEPARTMENT OPERATING BUDGET
Department of Community Development

Property Development Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.4.559.30			
10 Salaries & Wages	\$ 564	\$ 1,000	\$ 1,000
20 Personnel Benefits	263	400	480
31 Office & Operating Supplies	9	600	600
41 Professional Services	-	600	600
44 Advertising	-	600	600
45 Operating Rentals & Leases	167	-	-
49 Miscellaneous	-	60,000	100,000
Total Property Development	\$ 1,002	\$ 63,200	\$ 103,280
001.4.594.58			
64 Machinery & Equipment	\$ -	\$ 4,885	\$ -
Total Machinery & Equipment	\$ -	\$ 4,885	\$ -
Total Property Development, Machinery & Equipment	\$ 1,002	\$ 68,085	\$ 103,280

559.30 Notes

49 Contracted Abatement

Public Works

MISSION STATEMENT

The Public Works Department for the City of Port Orchard strives to provide safe and reliable utilities by exceeding expectations, and excepting excellence as the standard. Through efficient and effective response, prudent management, and maintaining a dedicated staff focused on leadership, these goals help Public Works to provide reliable service to a growing and robust community.

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 54.2 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), Stormwater Management, and Administration.

ADMINISTRATION MISSION STATEMENT

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

ENGINEERING & STORMWATER MISSION STATEMENT

To provide engineering expertise, architectural design, stormwater 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 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 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 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.

2017 GOALS

- Well #13 Drilling and Construction
- Well #9 Filtration and Treatment Construction
- Complete Annual Water Main Replacement Program
- Complete Annual Fire Hydrant Inspection and Maintenance Program
- Improve Annual Cross Connection Program
- Installation of City Water PRV's
- Clean and Inspection all City Reservoirs
- Well #13 - Commence Drilling and Construction
- Well #9 - Commence Filtration and Treatment Retrofit Construction
- Complete Annual Water Main Replacement Program
- Complete Annual Fire Hydrant Inspection and Maintenance Program
- Improve Annual Cross Connection Program
- Installation of City Water PRV's
- Clean and Inspection all City Reservoirs
- Water Rights Management Plan Commencement
- Commence McCormick Park - Phase 2 Construction
- Bay Street Pedestrian Pathway – Segment #3 Construction completed
- Commence Bethel Road Corridor Redesign Plan
- Annual Sidewalk and ADA Upgrade Program Implementation
- Design upgrade for McCormick #1 & #2 Sewer Lift Stations
- Bay Street Sewer Lift Station Pump Upgrade
- Continue McCormick Step System Conversions
- Install stand-alone Emergency Generator at Eaglecrest Sewer Lift Station
- Annual Lund Bridge Repairs & Inspections
- Pavement Management System (PMS) Implementation
- Commence Construction Phase for the Tremont Street Widening Project
- Storm Utility LID Code Implementation
- Commence SR 160 Corridor Study
- Complete Bay Street Pedestrian Pathway Acquisitions

2018 GOALS

- Well #13 Construction Completion
- Complete Annual Water Main Replacement Program
- Complete Annual Fire Hydrant Inspection and Maintenance Program
- Improve Annual Cross Connection Program
- Installation of City Water PRV's
- Water Rights Management Plan Completion
- Complete City Wide Leak Detection
- McCormick #1 Sewer Lift Station Upgrade
- Continue McCormick Step System Conversions
- Utilize Pavement Management System (PMS)
- Bay Street Pedestrian Pathway Acquisitions (if needed)
- Bethel Road Corridor Redesign Completion
- Annual Sidewalk and ADA Upgrade Program
- Water/Sewer rate structure implementation
- Complete SR 160 Corridor Study

NON FINANCIAL LONG-TERM GOALS

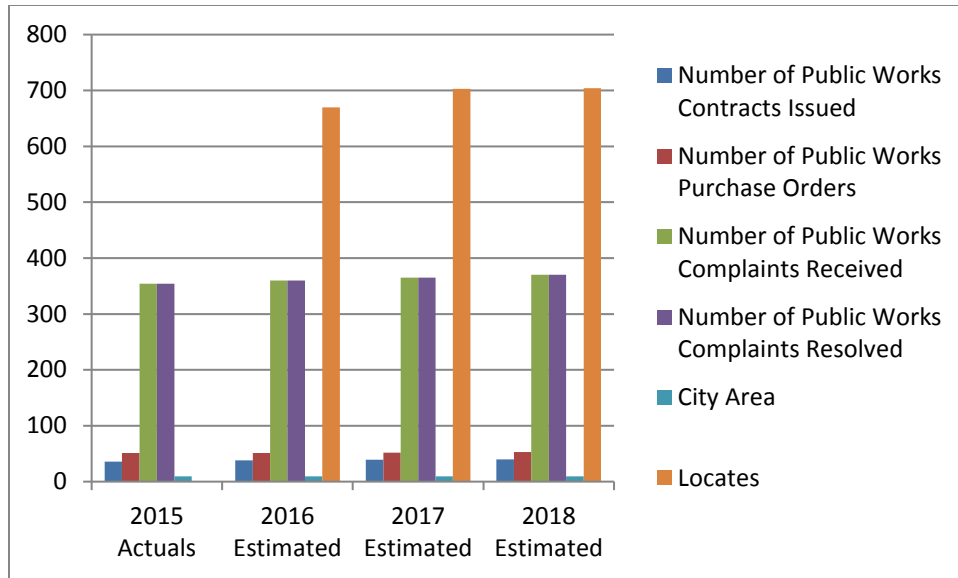
- Cross-train Public Works Crew across diverse disciplines
- Improve Public Works Crew ability to keep construction work in-house
- Increase Public Works talent pool
- Streamline Public Works workflow through improved staffing organization
- Provide positive and meaningful direction for Public Works staff
- Continue to improve response time to public service requests
- Coordinate with the public on challenges for local developers

DEPARTMENT OBJECTIVE

- Maintain & improve reliable services
- Maintain & improve reliable utilities
- Increase efficiency of Public Works responsiveness to its citizens

STATISTICS/WORKLOAD MEASURES

Department Measures	2015 Actual	2016 Estimated	2017 Estimated	2018 Estimated
Number of Public Works Contracts Issued	36	38	39	40
Number of Public Works Purchase Orders	51	51	52	53
Number of Public Works Complaints Received	354	360	365	370
Number of Public Works Complaints Resolved	354	360	365	370
City Area	9.35	9.35	9.35	9.35
Locates	0	670	703	704

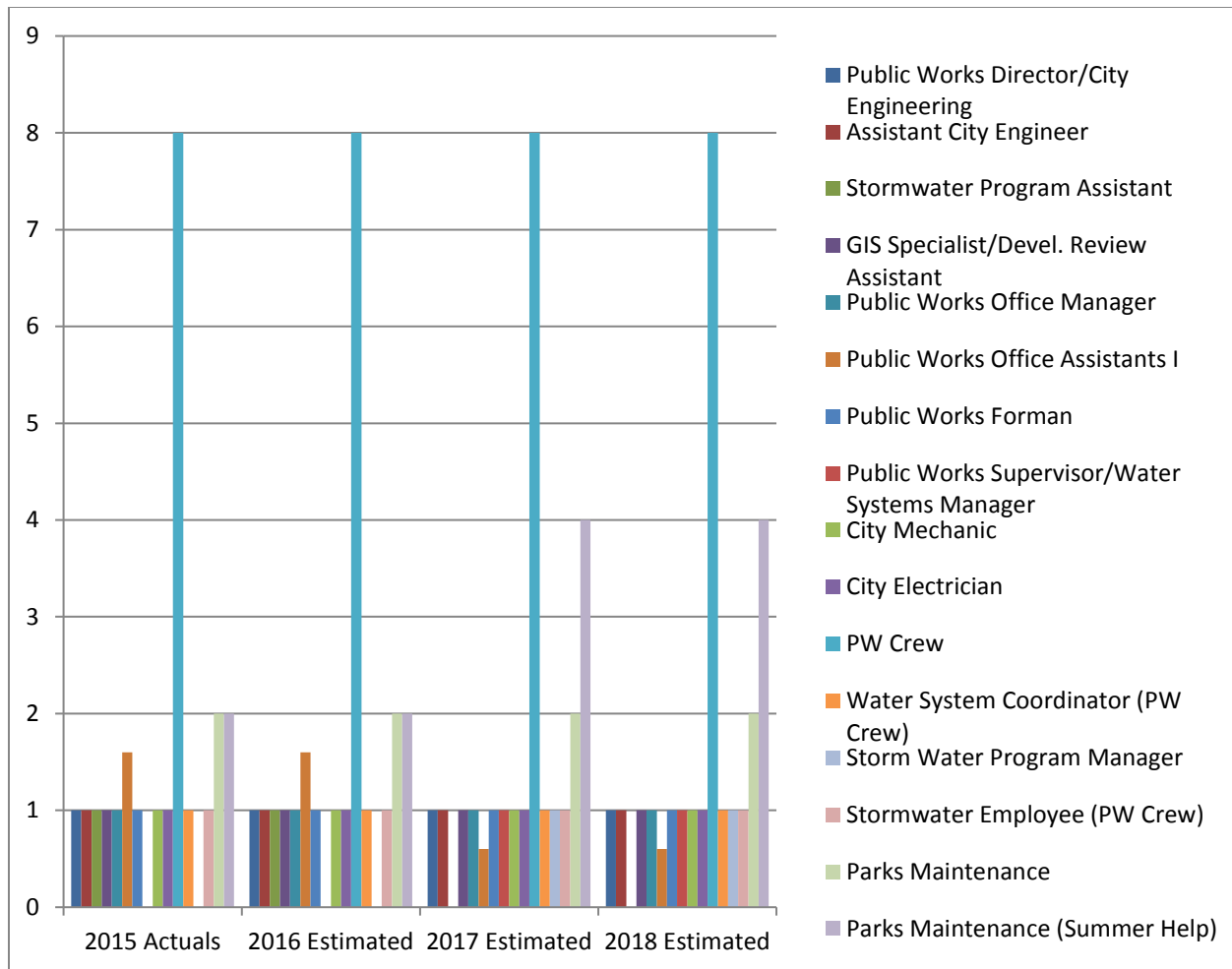


PERFORMANCE MEASURES

With a growing population, the Public Works Department has seen increased volume in customer requests/complaints resulting in additional front desk and call out activity. Due to development in Port Orchard, the demand for various public works services and information requests has risen significantly.

STAFFING LEVELS

Staffing Levels	2015 Actuals	2016 Estimated	2017 Estimated	2018 Estimated
Public Works Director/City Engineering	1	1	1	1
Assistant City Engineer	1	1	1	1
Stormwater Program Assistant	1	1	0	0
GIS Specialist/Devel. Review Assistant	1	1	1	1
Public Works Office Manager	1	1	1	1
Public Works Office Assistants I	1.6	1.6	0.6	0.6
Public Works Forman	1	1	1	1
Public Works Supervisor/Water Systems Manager	0	0	1	1
City Mechanic	1	1	1	1
City Electrician	1	1	1	1
PW Crew	8	8	8	8
Water System Coordinator (PW Crew)	1	1	1	1
Storm Water Program Manager	0	0	1	1
Stormwater Employee (PW Crew)	1	1	1	1
Parks Maintenance	2	2	2	2
Parks Maintenance (Summer Help)	2	2	4	4



ACCOMPLISHMENTS

Public Works has invested time and energy into designing significant improvements for both its water and sewer systems. These efforts will allow for construction to begin on projects that will certainly improve those utilities not just for the near future, but generations to come.

In the first nine months of 2016 Public Works was able to keep some construction and repair projects in house which resulted in approximately \$350,000 worth of savings. A list of 2016 accomplishments include:

- Bay Street at Arnold Creek Culvert Repair
- SR -166 Ditching
- Farragut Sewer Main Repair
- Sewer Later Repairs
- Water Main Replacements
- Tremont Boulevard Sewer Repair
- LID Code Update/Implementation
- Dekalb Pier Retrofit/Expansion

- Bethel Corridor Pavement Repairs
- Crosswalk Marking Policy
- Water, Sewer, Storm & Transportation Plan Updates
- Water, Sewer Gap Analysis & Rate Modifications
- Well #9 Retrofit Design
- Regional Decant Facility Completion
- McCormick Park Phase 2 Design
- Bay Street Pedestrian Pathway Segment #3 Design
- Tremont Street Widening Final Ad-Ready Design

SIGNIFICANT BUDGET CHANGES

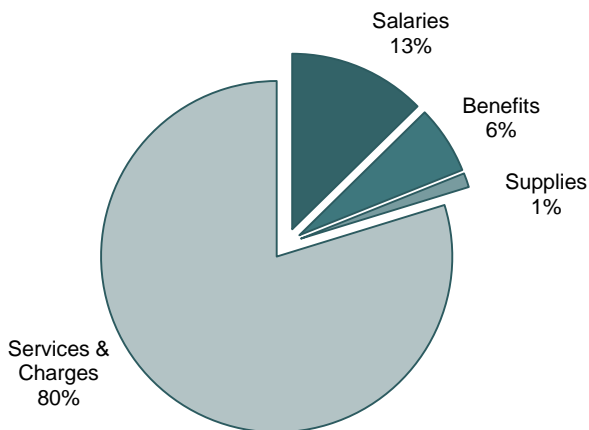
No significant budget changes.

2017-2018 DEPARTMENT OPERATING BUDGET
Public Works Department

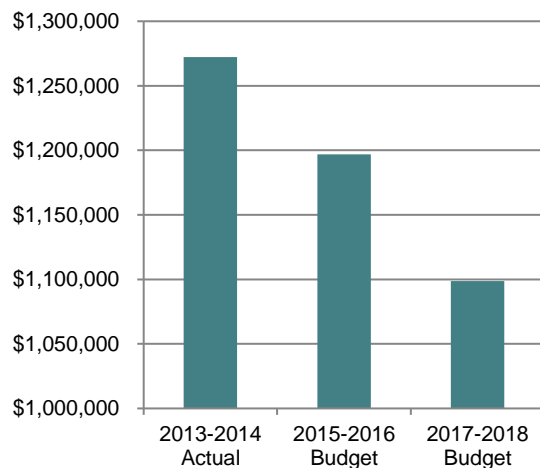
Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
10 Salaries & Wages	\$ 215,837	\$ 171,160	\$ 139,044
20 Personnel Benefits	81,627	75,017	69,064
Total Salary & Benefits	\$ 297,464	\$ 246,177	\$ 208,108
31 Office & Operating Supplies	\$ 49,154	\$ 17,500	\$ 12,400
32 Fuel Consumed	2,946	4,000	2,000
41 Professional Services	46,675	141,560	148,420
42 Communication	10,410	12,600	14,100
43 Travel	174	850	750
44 Advertising	218	500	400
45 Operating Rentals & Leases	46,747	50,000	40,400
46 Insurance	536,464	274,000	289,100
47 Public Utility Services	111,457	119,600	126,000
48 Repairs & Maintenance	94,937	203,450	220,750
49 Miscellaneous	16,307	27,650	36,300
98 Interfund Repairs & Maintenance	3,260	-	-
Total Other Expenditures	\$ 918,747	\$ 851,710	\$ 890,620
62 Buildings & Structures	\$ 8,737	\$ -	\$ -
64 Machinery & Equipment	47,190	98,900	-
Total Capital Expenditures	\$ 55,927	\$ 98,900	\$ -
Total Public Works	\$ 1,272,137	\$ 1,196,787	\$ 1,098,728

For additional detail, see worksheets for Engineering, Other Governmental Services, Library Services & Facilities

2017-2018 DEPARTMENT BUDGET



ANNUAL BUDGET COMPARISON



2017-2018 DEPARTMENT OPERATING BUDGET
Public Works Department

Other Governmental Services Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.5.518.20			
10 Salaries & Wages	\$ 160,389	\$ 152,431	\$ 105,665
20 Personnel Benefits	51,547	64,554	50,886
31 Office & Operating Supplies	2,406	3,500	3,000
32 Fuel Consumed	2,386	3,500	2,000
41 Professional Services	1,463	16,500	10,500
42 Communication	5,264	5,500	5,500
43 Travel	174	750	750
44 Advertising	218	400	400
45 Operating Rentals & Leases	2,492	3,500	1,500
48 Repairs & Maintenance	9,768	3,700	3,750
49 Miscellaneous	15,329	25,500	31,200
98 Interfund Repairs & Maintenance	2,840	-	-
Total Engineering/Property Managemnt Services	\$ 254,277	\$ 279,835	\$ 215,151

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, Public Records Requests(Staff Time)

2017-2018 DEPARTMENT OPERATING BUDGET
Public Works Department

Other Governmental Services Expenditures Continued	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.5.518.30			
10 Salaries & Wages	\$ 51,738	\$ 16,802	\$ 30,200
20 Personnel Benefits	28,493	8,986	16,172
31 Office & Operating Supplies	45,145	13,100	9,400
32 Fuel Consumed	559	500	-
41 Professional Services	45,211	125,060	137,920
42 Communication	5,146	7,100	8,600
43 Travel	-	100	-
44 Advertising	-	100	-
45 Operating Rentals & Leases	44,255	46,500	38,900
46 Insurance	536,464	274,000	289,100
47 Public Utility Services	83,572	88,600	94,000
48 Repairs & Maintenance	61,483	182,150	200,000
49 Miscellaneous	873	1,150	4,100
98 Interfund Repairs & Maintenance	420	-	-
Total Facilities/Other Governmental Services	\$ 903,358	\$ 764,148	\$ 828,392
Total Other Governmental Services	\$ 1,157,635	\$ 1,043,983	\$ 1,043,543

518.30 Notes

- 31 Cleaning Materials, Repair Parts, Equipment, Painting Supplies, Phones
- 41 Full-time Janitorial, Phone Data, City Hall Exterior Report
- 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

2017-2018 DEPARTMENT OPERATING BUDGET
Public Works Department

Other Governmental Services Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.5.559.30			
10 Salaries & Wages	\$ 44	\$ -	\$ -
20 Personnel Benefits	44	-	-
Total Community Development	\$ 89	\$ -	\$ -
001.5.594.18			
10 Salaries & Wages	\$ 360	\$ -	\$ -
20 Personnel Benefits	75	-	-
62 Buildings & Structures	8,737	-	-
64 Machinery & Equipment	47,190	98,900	-
Total Capital Expenditures	\$ 56,362	\$ 98,900	\$ -
Total Other Governmental Services	\$ 56,451	\$ 98,900	\$ -

Library Services and Facilities Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.5.572.50			
10 Salaries & Wages	\$ 3,305	\$ 1,927	\$ 3,179
20 Personnel Benefits	1,468	1,477	2,006
31 Office & Operating Supplies	1,603	900	-
47 Public Utility Services	27,885	31,000	32,000
48 Repairs & Maintenance	23,686	17,600	17,000
49 Miscellaneous	105	1,000	1,000
Total Library Facilities	\$ 58,052	\$ 53,904	\$ 55,185
Total Library Services & Facilities	\$ 58,052	\$ 53,904	\$ 55,185

572.50 Notes

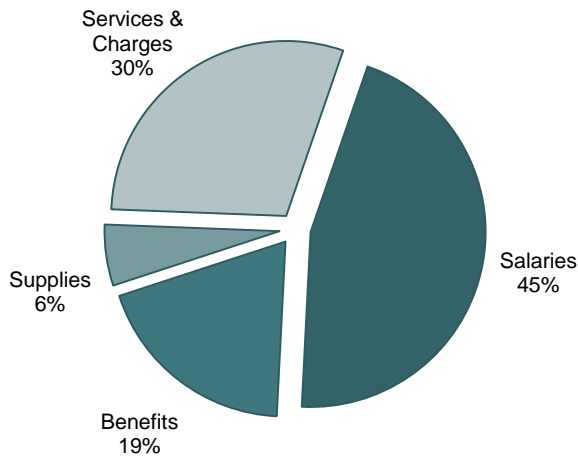
- 48 HVAC Maintenance Contract, Other Repairs, Replace A/C Unit

2017-2018 DEPARTMENT OPERATING BUDGET
Parks and Recreation

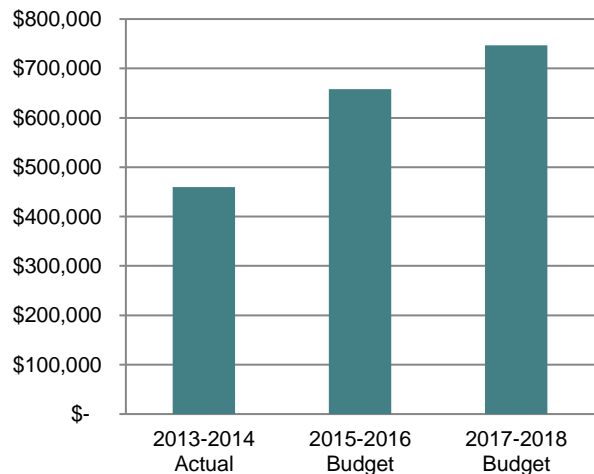
Expenditures		2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
10	Salaries & Wages	\$ 192,645	\$ 286,078	\$ 339,889
20	Personnel Benefits	57,886	126,956	143,086
	Total Salary & Benefits	\$ 250,531	\$ 413,034	\$ 482,975
31	Office & Operating Supplies	\$ 24,451	\$ 33,400	\$ 36,100
32	Fuel Consumed	6,845	6,800	6,000
41	Professional Services	19,289	52,000	76,000
42	Communication	1,291	1,810	1,560
43	Travel	-	100	-
45	Operating Rentals & Leases	2,076	2,000	2,960
47	Public Utility Services	41,406	58,900	60,000
48	Repairs & Maintenance	38,221	56,600	79,000
49	Miscellaneous	1,636	2,050	2,000
	Total Other Expenditures	\$ 135,216	\$ 213,660	\$ 263,620
62	Buildings & Structures	\$ -	\$ 16,200	\$ -
63	Other Improvements	73,837	-	-
64	Machinery & Equipment	-	15,000	-
	Total Capital Expenditures	\$ 73,837	\$ 31,200	\$ -
Total Parks and Recreation		\$ 459,583	\$ 657,894	\$ 746,595

For additional detail, see worksheet for Parks and Recreation.

2017-2018 DEPARTMENT BUDGET



ANNUAL BUDGET COMPARISON



2017-2018 DEPARTMENT OPERATING BUDGET
Parks and Recreation

Parks Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
001.5.576.80			
10 Salaries & Wages	\$ 192,158	\$ 284,678	\$ 339,889
20 Personnel Benefits	57,682	126,556	143,086
31 Office & Operating Supplies	24,451	33,400	36,100
32 Fuel Consumed	6,845	6,800	6,000
41 Professional Services	19,289	52,000	76,000
42 Communication	1,291	1,810	1,560
43 Travel	-	100	-
45 Operating Rentals & Leases	2,076	2,000	2,960
47 Public Utility Services	41,406	58,900	60,000
48 Repairs & Maintenance	38,221	56,600	79,000
49 Miscellaneous	1,636	2,050	2,000
Total Parks	\$ 385,056	\$ 624,894	\$ 746,595
001.5.594.76			
10 Salaries & Wages	\$ 486	\$ 1,400	\$ -
20 Personnel Benefits	204	400	-
62 Buildings & Structures	-	16,200	-
63 Other Improvements	73,837	-	-
64 Machinery & Equipment	-	15,000	-
Total Capital Expenditures	\$ 74,527	\$ 33,000	\$ -
Total Parks	\$ 459,583	\$ 657,894	\$ 746,595

576.80 Notes

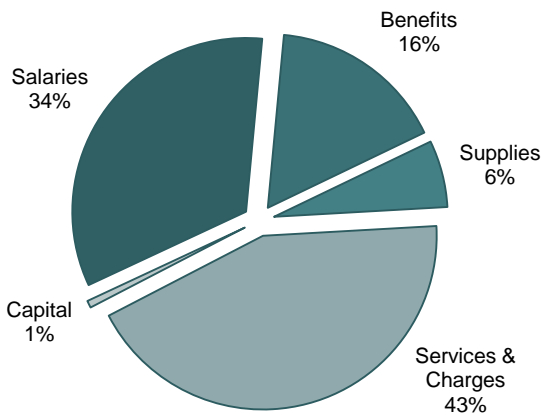
- 31 Equipment Replacement, Fertilizer, Cleaning Materials, Mutt Mitts, Repair Supplies, Vandalism Repair Parts, Spray Tank, Equipment Replacement, Topsoil/Seed
- 41 Janitorial, On-Call Arborist, Waterfront Park Conceptual Plan
- 47 Electricity, Natural Gas, Water/Sewer, Storm
- 48 Vehicle & Equipment Repair, Maintenance Tools, Building Repair, Tree Cutting/Spraying, Park Services Maintenance, Van Zee/Givens Tennis Court Resurface/Repair
- 49 Noxious Weed Control, CDL Licenses, Miscellaneous

2017-2018 DEPARTMENT OPERATING BUDGET
City Street

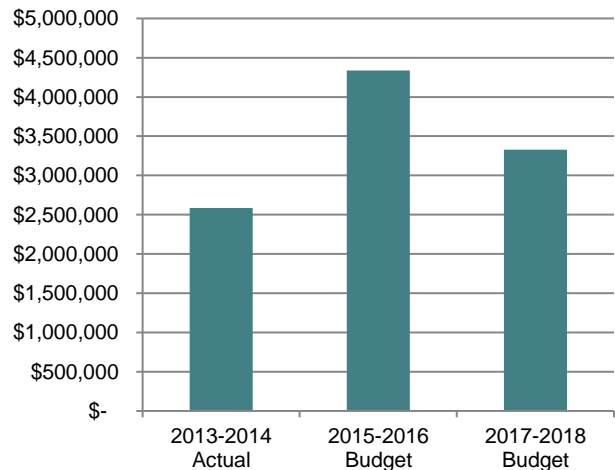
Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
10 Salaries & Wages	\$ 837,316	\$ 905,337	\$ 1,089,960
20 Personnel Benefits	346,134	458,873	534,175
Total Salary & Benefits	\$ 1,183,449	\$ 1,364,210	\$ 1,624,135
30 Supplies	\$ 114,288	\$ 148,600	\$ 203,200
40 Other Services & Charges	1,033,414	2,668,475	1,411,420
Total Other Expenditures	\$ 1,147,703	\$ 2,817,075	\$ 1,614,620
63 Other Improvements	\$ 151,154	\$ 18,870	\$ 21,600
Total Capital Expenditures	\$ 151,154	\$ 18,870	\$ 21,600
Operating Transfers - Out	\$ 103,593	\$ 138,500	\$ 69,587
Total City Street	\$ 2,585,899	\$ 4,338,655	\$ 3,329,942

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

2017-2018 DEPARTMENT BUDGET



ANNUAL BUDGET COMPARISON



2017-2018 DEPARTMENT OPERATING BUDGET
City Street

Road and Street Maintenance Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
002.5.542.30			
10 Salaries & Wages	\$ 174,734	\$ 185,051	\$ 160,190
20 Personnel Benefits	76,253	88,355	86,050
30 Supplies	21,684	21,000	24,000
40 Other Services & Charges	333,679	1,488,100	437,700
Total Roadway	\$ 606,351	\$ 1,782,506	\$ 707,940
002.5.542.50			
10 Salaries & Wages	\$ 2,674	\$ 3,560	\$ 3,463
20 Personnel Benefits	1,538	2,089	2,199
30 Supplies	1,406	1,000	600
40 Other Services & Charges	49,727	91,000	121,280
Total Structures (Bridges)	\$ 55,345	\$ 97,649	\$ 127,542
002.5.542.61			
10 Salaries & Wages	\$ 3,231	\$ 10,638	\$ 13,740
20 Personnel Benefits	1,755	5,075	7,715
30 Supplies	1,525	15,000	56,000
40 Other Services & Charges	23,755	30,000	30,000
Total Sidewalks	\$ 30,266	\$ 60,713	\$ 107,455
002.5.542.62			
10 Salaries & Wages	\$ -	\$ 1,000	\$ 1,429
20 Personnel Benefits	-	600	653
30 Supplies	-	1,700	-
Total Paths & Trails	\$ -	\$ 3,300	\$ 2,082

542.30 Notes

- 30 Asphalt, Crushed Rock, Supplies
- 40 Saw Cutting, Dump Fees, HMA Crack Sealing, Excavator, Tree Removal, Pavement Repair, Vehicle License Fee Projects, Printing

542.50 Notes

- 30 Graffiti Removal
- 40 Bridge Program Management, Clean Expansion Joints, Scour Monitoring & Survey, Inventory &

542.61 Notes

- 30 Concrete, ADA Access Upgrades, Trash Cans
- 40 Grind Sidewalks, General Maintenance

542.63 Notes

- 30 Marquee Sidewalk Lights, Miscellaneous Supplies
- 40 Electricity

2017-2018 DEPARTMENT OPERATING BUDGET
City Street

Road and Street Maintenance (Continued) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
002.5.542.63			
10 Salaries & Wages	\$ 1,733	\$ 1,703	\$ 766
20 Personnel Benefits	843	929	367
30 Supplies	75	400	400
40 Other Services & Charges	260,536	277,400	278,000
Total Street Lighting	\$ 263,187	\$ 280,432	\$ 279,533
002.5.542.64			
10 Salaries & Wages	\$ 98,005	\$ 116,777	\$ 121,208
20 Personnel Benefits	39,633	54,526	52,456
30 Supplies	32,250	34,000	37,000
40 Other Services & Charges	231,339	312,000	281,000
Total Traffic Control Devices	\$ 401,227	\$ 517,303	\$ 491,664
002.5.542.65			
10 Salaries & Wages	\$ 7,364	\$ 10,236	\$ 10,114
20 Personnel Benefits	2,832	5,090	4,736
30 Supplies	1,481	4,200	1,000
40 Other Services & Charges	574	21,700	21,200
Total Parking Facilities	\$ 12,252	\$ 41,226	\$ 37,050
002.5.542.66			
10 Salaries & Wages	\$ 19,656	\$ 23,335	\$ 15,584
20 Personnel Benefits	8,279	33,821	5,502
30 Supplies	12,148	33,000	33,000
40 Other Services & Charges	41	-	-
Total Snow & Ice Control	\$ 40,124	\$ 90,156	\$ 54,086

542.64 Notes

- 30 Barricades, No Parking Posters, Paint & Supplies, Reflective Street Signage, Cedar/Metal Sign Posts, Two Speed Radar Signs
- 40 Sign Replacement, Specific Street Signs, Electricity, Buttons, Thermoplastic, Guardrail Repair, WSDOT Contract, Street Striping

542.65 Notes

- 40 Printing, Grader Rental, Pavement Repair

542.66 Notes

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

2017-2018 DEPARTMENT OPERATING BUDGET
City Street

Road and Street Maintenance (Continued) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
002.5.542.70			
10 Salaries & Wages	\$ 70,164	\$ 92,906	\$ 87,335
20 Personnel Benefits	34,904	58,740	50,577
30 Supplies	13,601	7,700	12,500
40 Other Services & Charges	27,064	10,000	2,000
Total Roadside	\$ 145,732	\$ 169,346	\$ 152,412
002.5.542.80			
10 Salaries & Wages	\$ 17,588	\$ 22,348	\$ 21,834
20 Personnel Benefits	6,346	12,742	12,136
30 Supplies	898	1,000	200
40 Other Services & Charges	1,336	2,000	2,000
Total City Clean-Up	\$ 26,167	\$ 38,090	\$ 36,170
002.5.542.90			
10 Salaries & Wages	\$ 60,151	\$ 52,974	\$ 34,875
20 Personnel Benefits	25,872	23,356	16,853
30 Supplies	21,854	20,900	31,500
40 Other Services & Charges	5,094	7,420	12,000
Total Admin & Overhead	\$ 112,971	\$ 104,650	\$ 95,228
Total Road and Street Maintenance	\$ 1,693,623	\$ 3,185,371	\$ 2,091,162

542.70 Notes

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

542.80 Notes

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

542.90 Notes

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

2017-2018 DEPARTMENT OPERATING BUDGET
City Street

Road and Street Administration Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
002.5.543.10			
10 Salaries & Wages	\$ 135,028	\$ 121,135	\$ 144,468
20 Personnel Benefits	57,710	58,923	65,433
30 Supplies	3	-	-
40 Other Services & Charges	5,290	20,500	2,000
Total Road & Street Management	\$ 198,031	\$ 200,558	\$ 211,901
002.5.543.30			
10 Salaries & Wages	\$ 188,904	\$ 222,979	\$ 461,487
20 Personnel Benefits	69,383	95,034	222,589
30 Supplies	1,005	2,700	1,000
40 Other Services & Charges	76,509	378,255	183,840
Total General Services	\$ 335,801	\$ 698,968	\$ 868,916
002.5.543.31			
10 Salaries & Wages	\$ 2,426	\$ 600	\$ -
20 Personnel Benefits	938	500	-
40 Other Services & Charges	3,298	7,000	12,000
Total Training	\$ 6,662	\$ 8,100	\$ 12,000
002.5.543.50			
10 Salaries & Wages	\$ 55,004	\$ 40,095	\$ 13,467
20 Personnel Benefits	19,714	19,093	6,909
30 Supplies	6,359	6,000	6,000
40 Other Services & Charges	15,173	23,100	28,400
Total Road & Street Facilities	\$ 96,250	\$ 88,288	\$ 54,776
Total Road and Street Administration	\$ 636,744	\$ 995,914	\$ 1,147,593

543.10 Notes

40 Public Records Request (Staff Time)

543.30 Notes

40 Shop Copier, CDL Licenses/Physicals, Municipal Code Codification Fees, Telephone, Annual State Audit, GIS/ESRI Software & Maintenance, Claims for Damages, Legal Expenses, SR 160 Bethel

543.31 Notes

40 Street Training, Travel, Safety Training

543.50 Notes

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

2017-2018 DEPARTMENT OPERATING BUDGET
City Street

Capital Expenditures Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
002.5.594.42			
10 Salaries & Wages	\$ 501	\$ -	\$ -
20 Personnel Benefits	99	-	-
64 Machinery & Equipment	102,135	18,870	21,600
Total Street Equipment	\$ 102,735	\$ 18,870	\$ 21,600
002.5.595.30			
10 Salaries & Wages	\$ 152	\$ -	\$ -
20 Personnel Benefits	32	-	-
63 Other Improvements	32,101	-	-
Total Roadway Construction	\$ 32,286	\$ -	\$ -
002.5.595.64			
63 Other Improvements	\$ 16,918	\$ -	\$ -
002.5.597.00			
00 Operating Transfers Out	\$ 103,593	\$ 138,500	\$ 69,587
	\$ 103,593	\$ 138,500	\$ 69,587
Total Other Governmental Expenditures	\$ 255,532	\$ 157,370	\$ 91,187

594.42 Notes

64 Mini35 - Sheeps Foot Comapctor, GPS Unit, VUWorks GIS Software

2017-2018 DEPARTMENT OPERATING BUDGET
Capital Expenditure Funds

Capital Construction Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
302.5.594.18			
10 Salaries & Wages	\$ -	\$ 300	-
20 Personnel Benefits	-	200	-
61 Land & Land Improvements	5,200	144,500	-
62 Buildings & Structures	-	312,700	-
Total Buildings & Structures	\$ 5,200	\$ 457,700	-
302.6.518.30			
41 Professional Services	\$ 100	\$ -	\$ -
302.6.519.20			
49 Judgments & Settlements	\$ 10,091	\$ -	\$ -
302.6.594.76			
10 Salaries & Wages	\$ 5,649	\$ -	\$ -
20 Personnel Benefits	2,492	-	-
63 Other Improvements	570,720	1,123,500	6,000
Total Other Improvements	\$ 578,860	\$ 1,123,500	\$ 6,000
302.6.594.77			
10 Salaries & Wages	\$ 6,590	\$ -	\$ -
20 Personnel Benefits	2,922	-	-
62 Buildings & Structures	82,776	-	-
63 McCormick Woods Village Park	311,942	200,000	955,450
Total	\$ 404,230	\$ 200,000	\$ 955,450
Total Capital Construction			

* Previously tracked in Fund 302, Cumulative Reserve for Municipal Facilities. To provide clarity in 2015 REET was moved to Fund 109, Real Estate Excise Tax, and Fund 302 was renamed Capital Construction

2017-2018 DEPARTMENT OPERATING BUDGET
Capital Expenditure Funds

Capital Construction Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
302.6.594.78			
10 Salaries & Wages	\$ 89	\$ -	\$ -
20 Personnel Benefits	18	-	-
63 Paul Powers Park	39,011	4,000	-
Total Other Infrastructure	\$ 39,118	\$ 4,000	\$ -
302.6.595.62			
63 POB Bay Street Pedestrian Pathway	\$ 85,657	\$ -	\$ -
302.6.595.72			
10 Salaries & Wages	\$ 8,052	\$ -	\$ -
20 Personnel Benefits	4,031	-	-
63 DOC Bay Street Pedestrian Pathway	504,569	-	-
Total	\$ 516,652	\$ -	\$ -
302.6.597.00*			
00 Operating Transfers-Out (REET)	\$ 604,236	\$ 1,650,000	\$ -
Total Other Financing Uses	\$ 604,236	\$ 1,650,000	\$ -
302.9.508.00			
30.00* Restricted Fund Balance-REET Ending	\$ 1,361,938	\$ -	\$ -
50.00 Assigned Fund Balance	-	275,000	276,000
	\$ 1,361,938	\$ 275,000	\$ 276,000
Total Capital Construction	\$ 3,606,083	\$ 3,710,200	\$ 1,237,450

2017-2018 DEPARTMENT OPERATING BUDGET
Capital Expenditure Funds

Cumulative Reserve for Equipment Replacement Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
303.6.594.00			
18.64 Machinery & Equipment	\$ 29,783	\$ -	\$ -
21.64 Machinery & Equipment-Police	165,626	166,300	-
42.64 Machinery & Equipment-Police	-	35,000	-
58.64 Machinery & Equipment	-	31,300	-
76.64 Machinery & Equipment	-	-	25,000
Total Capital Expenditures	\$ 195,409	\$ 232,600	\$ 25,000
303.9.508.50			
52.00 Assigned Fund Balance-Police	\$ 89,889.77	\$ 86,158	\$ 79,690
53.00 Assigned Fund Balance-Street	\$ 96,242.31	\$ 107,836	\$ 108,738
54.00 Assigned Fund Balance-Miscellaneous	\$ 106,167.64	\$ 191,720	\$ 263,259
55.00 Assigned Fund Balance-Computers	\$ 12,561	\$ 12,636	\$ -
Total Cumulative Reserve for Equip Replacement	\$ 500,269	\$ 630,950	\$ 476,687

594.76 Notes

64 Public Works Vehicle

2017-2018 DEPARTMENT OPERATING BUDGET
Capital Expenditure Funds

Street Capital Projects Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
304.5.595.10			
10 Salaries & Wages	\$ 1,149	\$ -	\$ -
20 Personnel Benefits	680	-	-
63 Other Improvements	163,029	7,500	-
Total Tremont St Widening Engineering	\$ 164,859	\$ 7,500	\$ -
304.5.595.11			
10 Salaries & Wages	\$ 2,046	\$ -	\$ -
20 Personnel Benefits	780	-	-
63 Other Improvements	12,546	-	-
Total Cedar Heights Engineering	\$ 15,373	\$ -	\$ -
304.5.595.12			
63 Other Improvements	\$ -	\$ 60,000	\$ 530,000
Total Bay Street Pedestrian Path Engineering	-	60,000	530,000
304.5.595.14			
63 Other Improvements	\$ -	\$ 150,000	\$ 50,000
Total Port Orchard Old Clifton	-	150,000	50,000
304.5.595.20			
10 Salaries & Wages	\$ 191	\$ -	\$ -
20 Personnel Benefits	62	-	-
61 ROW-Land	67,239	100	-
63 ROW-Other Improvements	-	796,402	9,596
Total Tremont St Widening ROW	\$ 67,491	\$ 796,502	\$ 9,596

2017-2018 DEPARTMENT OPERATING BUDGET
Capital Expenditure Funds

Street Capital Projects Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
304.5.595.21			
10 Salaries & Wages	\$ 1,257	\$ -	\$ -
20 Personnel Benefits	575	-	-
61 ROW-Land	20,808	4,587,104	1,038,379
Total Bay Street Pedestrian Path ROW	\$ 22,640	\$ 4,587,104	\$ 1,038,379
304.5.595.62			
10 Salaries & Wages	\$ -	\$ 5,400	\$ -
20 Personnel Benefits	-	2,600	-
63 Other Improvements	-	403,950	-
Total Bay St Ped Path Segment 4	\$ -	\$ 411,950	\$ -
304.5.595.71			
10 Salaries & Wages	\$ 7,569	\$ -	\$ -
20 Personnel Benefits	2,185	-	-
63 Other Improvements	161,418	-	-
Total Cedar Heights Sidewalk Construction	\$ 171,171	\$ -	\$ -
304.9.597.00.00			
00 Operating Transfers Out	\$ -	\$ 300,000	\$ -
304.9.508.30			
00 Est Restricted Fund Balance-Ending	\$ 735,056	\$ 362,183	\$ 1,387,823
Total Street Capital Projects	\$ 1,176,590	\$ 6,675,239	\$ 3,015,798

595.21 Notes

61 Bay Street Pedestrian Pathway RW Segment #3 Construction & CACM

WATER SEWER UTILITY

The City of Port Orchard provides water and sewer services for its residents. Customers are billed bi-monthly as prescribed by Ordinance. Water fees are calculated based on how many units, meter size, and consumption. Sewer is billed at a flat rate based on the type of service, number of units and fixture fees. Water usage typically increases during the warm summer months returning to lower levels for the other months of the year. Port Orchard is very proactive with water conservation, offering programs, literature, and education to help our citizens conserve water. The water sewer utility's operation and maintenance is funded, by and large, from payments for water and sewer services. Water and sewer mains, wells, pump stations, and other infrastructure require constant maintenance and repair. The City strives to provide the best services and rates to its customers.

Water charges are calculated based on water used per Equivalent Residential Unit (ERU). An ERU for residential connections is one single-family dwelling unit. For non residential connections an ERU is 180 gallons per day. Commercial ERU's have remained steady over a ten year period, however residential ERU's are steadily increasing due to the demand from new homes constructed within our City limits. Because of aging infrastructure and the continuing increase in demand to the utility, in spring of 2014 the City hired a consultant to prepare an analysis of the water sewer infrastructure, project future needs and how to fund them. After many meetings, fact gathering and public hearings, the City enacted ordinance #020-15 effective January 1, 2016, which provides a rate increase to offset the rising costs of operating the utility. The ordinance increases water and sewer rates over a five year period. The multiyear approach was adopted to lessen the impact of the increase on the Utility's customers. New rates offer incentives to conserve water. The less water used the lower the rate. Sewer is charged at a flat rate for single family residences. Commercial properties are charged dependent upon the type of business and number of fixtures.

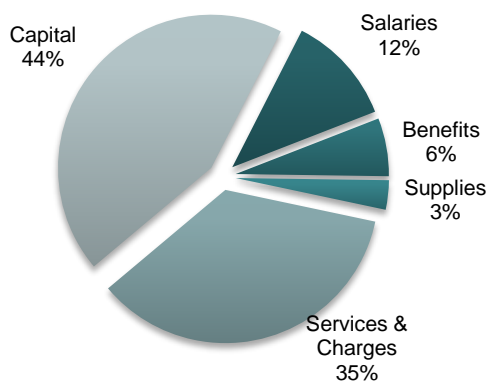
The City must maintain fund balance with sufficient revenue levels for operations and maintenance throughout the year. Unexpected emergencies which might arise and future infrastructure upgrades are also factored into the fund balance equation. The City's goal is to provide safe, reliable, and efficient water and sewer service for its residents. As our infrastructure ages and demand for service continues to grow, we must 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 infrastructure improvements. The reserve fund receives its revenue primarily from developer fees. Funds from the rate increase, which begins in 2016, will also be used for infrastructure replacement.

2017-2018 DEPARTMENT OPERATING BUDGET
Water Sewer

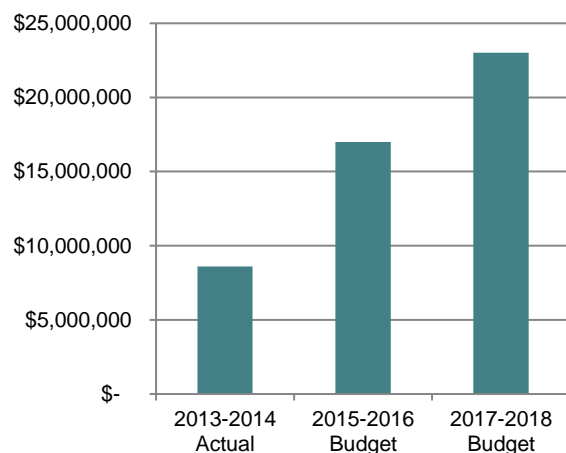
Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
10 Salaries & Wages	\$ 1,720,002	\$ 1,844,592	\$ 2,089,183
20 Personnel Benefits	682,717	898,251	1,105,212
Total Salary & Benefits	\$ 2,402,720	\$ 2,742,843	\$ 3,194,395
30 Supplies	\$ 270,628	\$ 450,650	\$ 558,300
32 Fuel Consumed	39,242	41,000	-
33 Water Purchased for Resale	53,496	287,000	264,000
40 Other Services & Charges	1,725,511	2,386,081	2,242,630
41 Professional Services - Legal	14,225	10,000	30,000
46 Insurance	313,146	517,500	575,600
50 Intergovernmental Services	2,746,980	2,960,129	3,180,960
53 Utility Tax State	240,934	265,000	335,800
54 Utility Tax City	463,346	501,900	648,600
71 Long Term Debt	-	103,950	112,050
77 Other Notes	-	15,000	-
80 Prior Year Adjustment	5,410	-	-
83 Interest On Long Term Debt	24,889	23,924	10,600
84 Amortization of Debt Premium/Refund	59,285	-	-
Total Other Expenditures	\$ 5,957,090	\$ 7,562,134	\$ 7,958,540
63 Other Improvements	\$ -	\$ 3,504,300	\$ 7,655,000
64 Machinery & Equipment	-	113,209	205,200
Total Capital Expenditures	-	\$ 3,617,509	\$ 7,860,200
00 Operating Transfers	\$ 236,221	\$ 3,080,000	\$ 4,000,000
Total Water Sewer	\$ 8,596,030	\$ 17,002,486	\$ 23,013,135

For additional detail, see worksheet for Water Sewer.

2017-2018 DEPARTMENT BUDGET



ANNUAL BUDGET COMPARISON



2017-2018 DEPARTMENT OPERATING BUDGET
Water Sewer

Water Utilities Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
401.5.534.10			
10 Salaries & Wages	\$ 61,099	\$ 90,637	\$ 126,410
20 Personnel Benefits	24,419	51,083	82,930
30 Supplies	144	4,200	400
40 Other Services & Charges	8,053	33,966	18,940
41 Professional Services - Legal	4,622	-	20,000
46 Property Insurance - WA	83,375	114,960	188,900
53 Utility Tax State	165,918	190,000	247,000
54 Utility Tax City	153,387	175,800	224,500
Total General Administration	\$ 501,016	\$ 660,646	\$ 909,080
401.5.534.11			
10 Salaries & Wages	\$ 167,971	\$ 143,232	\$ 208,236
20 Personnel Benefits	68,104	65,420	96,255
46 Liability Insurance - WA	82,035	155,540	117,400
Total General Administration Executive	\$ 318,109	\$ 364,192	\$ 421,891
401.5.534.12			
10 Salaries & Wages	\$ 222,953	\$ 231,339	\$ 258,130
20 Personnel Benefits	80,890	100,105	128,208
40 Other Services & Charges	539	600	-
Total General Administration Clerical	\$ 304,382	\$ 332,044	\$ 386,338
401.5.534.20			
40 Other Services & Charges	\$ 34,186	\$ 117,575	\$ 89,925
Total Other Administration	\$ 34,186	\$ 117,575	\$ 89,925
401.5.534.40			
40 Other Services & Charges - Training WA	\$ -	\$ 12,000	\$ 24,000
Total Training	\$ -	\$ 12,000	\$ 24,000

534.10 Notes

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

534.20 Notes

- 40 Emergency Generator Rental, Water System Updates, Well#3&4 Action Plan, Dues, GiS/ESR, Maintenance, Well 9 Support

2017-2018 DEPARTMENT OPERATING BUDGET
Water Sewer

Water Utilities (Continued) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
401.5.534.50			
10 Salaries & Wages	\$ 6,680	\$ 9,334	\$ 4,337
20 Personnel Benefits	2,738	5,184	2,638
30 Supplies	5,562	7,500	6,000
40 Other Services & Charges	4,860	16,050	23,650
Total Structures Maintenance	\$ 19,840	\$ 38,068	\$ 36,625
401.5.534.51			
10 Salaries & Wages	\$ 7,114	\$ 14,929	\$ 15,725
20 Personnel Benefits	2,745	6,153	6,764
30 Supplies	12,961	12,800	19,000
40 Other Services & Charges	2,839	5,800	3,400
Total Transportation Equipment	\$ 25,658	\$ 39,682	\$ 44,889
401.5.534.52			
10 Salaries & Wages	\$ 93,255	\$ 110,855	\$ 104,222
20 Personnel Benefits	44,219	54,717	53,518
30 Supplies	38,678	42,000	46,000
40 Other Services & Charges	37,051	67,000	46,000
Total Water Treatment	\$ 213,203	\$ 274,572	\$ 249,740
401.5.534.53			
10 Salaries & Wages	\$ 2,653	\$ 3,778	\$ 2,799
20 Personnel Benefits	1,569	2,415	1,706
30 Supplies	506	10,200	1,000
40 Other Services & Charges	617	8,000	13,000
Total Wells Maintenance	\$ 5,345	\$ 24,393	\$ 18,505

534.50 Notes

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

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, Travel, Water Testing, Miscellaneous Repairs

534.53 Notes

- 40 Well Testing (VOC, IOC, Chlorine Residual), Miscellaneous Repairs, Pump House Repairs/Upgrades

2017-2018 DEPARTMENT OPERATING BUDGET
Water Sewer

Water Utilities (Continued) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
401.5.534.54			
10 Salaries & Wages	\$ 70,228	\$ 98,638	\$ 84,661
20 Personnel Benefits	27,722	51,611	46,470
30 Supplies	6,464	12,700	40,000
40 Other Services & Charges	25,530	33,000	20,000
Total Supply Main Maintenance	\$ 129,944	\$ 195,949	\$ 191,131
401.5.534.55			
10 Salaries & Wages	\$ 30,874	\$ 31,870	\$ 40,437
20 Personnel Benefits	13,168	18,070	18,956
30 Supplies	6,527	11,700	42,000
40 Other Services & Charges	25,452	17,500	17,500
Total Services Maintenance	\$ 76,021	\$ 79,140	\$ 118,893
401.5.534.56			
10 Salaries & Wages	\$ 107,488	\$ 157,034	\$ 135,651
20 Personnel Benefits	45,951	82,975	72,848
30 Supplies	20,054	38,300	36,000
40 Other Services & Charges	194,751	222,900	170,000
Total Pumping Expenses	\$ 368,244	\$ 501,209	\$ 414,499

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, Travel, Miscellaneous Repairs, Cross-Connection Testing

534.56 Notes

- 30 Telemetry Parts, Miscellaneous Supplies
- 40 Electricity, Pump Repairs, Telemetry SCADA

2017-2018 DEPARTMENT OPERATING BUDGET
Water Sewer

Water Utilities (Continued) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
401.5.534.57			
10 Salaries & Wages	\$ 4,244	\$ 10,775	\$ 4,095
20 Personnel Benefits	2,521	5,129	2,534
30 Supplies	334	5,600	4,100
40 Other Services & Charges	16,267	57,000	37,000
Total Distribution Reservoirs & Maintenance	\$ 23,366	\$ 78,504	\$ 47,729
401.5.534.58			
10 Salaries & Wages	\$ 10,939	\$ 13,605	\$ 16,541
20 Personnel Benefits	5,423	7,436	11,576
30 Supplies	60,174	100,000	45,000
40 Other Services & Charges	(5,446)	2,000	3,000
Total Meters Maintenance	\$ 71,090	\$ 123,041	\$ 76,117
401.5.534.59			
10 Salaries & Wages	\$ 2,987	\$ 5,208	\$ 2,001
20 Personnel Benefits	1,136	2,951	1,282
30 Supplies	4,642	1,000	10,000
40 Other Services & Charges	-	31,450	70,650
Total Hydrants Maintenance	\$ 8,764	\$ 40,609	\$ 83,933

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, Miscellaneous Repairs & Replacement

2017-2018 DEPARTMENT OPERATING BUDGET
Water Sewer

Water Utilities (Continued) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
401.5.534.72			
10 Salaries & Wages	\$ 20,975	\$ 29,545	\$ 26,674
20 Personnel Benefits	14,169	19,407	18,783
30 Supplies	130	150	300
40 Other Services & Charges	6,246	7,000	8,000
Total Customer Service Meter Read	\$ 41,520	\$ 56,102	\$ 53,757
401.5.534.73			
10 Salaries & Wages	\$ 129,401	\$ 119,365	\$ 111,450
20 Personnel Benefits	48,229	59,815	61,543
30 Supplies	2,541	3,000	3,000
40 Other Services & Charges	29,890	32,900	32,000
Total Customer Service Record & Collection	\$ 210,061	\$ 215,080	\$ 207,993
401.5.534.77			
30 Supplies-Cust Serv & Info Exp	\$ -	\$ 100	\$ -
40 Other Services & Charges	500	1,100	600
Total Customer Service & Information	\$ 500	\$ 1,200	\$ 600
401.5.534.80			
30 Supplies	\$ 3,949	\$ 7,300	\$ 8,000
32 Fuel Consumed	19,621	21,000	-
33 Water Purchased for Resale	53,496	287,000	264,000
40 Other Services & Charges	29,524	34,100	52,650
Total General Operations	\$ 106,589	\$ 349,400	\$ 324,650
401.5.534.90			
40 Other Services & Charges	\$ 15,866	\$ -	\$ -
Total Other Operating Expense	\$ 15,866	\$ -	\$ -
Total Water Utilities	\$ 2,473,705	\$ 3,503,406	\$ 3,700,295

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

2017-2018 DEPARTMENT OPERATING BUDGET
Water Sewer

Sewer Utilities Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
401.5.535.10			
10 Salaries & Wages	\$ 64,650	\$ 71,358	\$ 124,580
20 Personnel Benefits	24,735	40,712	79,927
30 Supplies	144	600	400
40 Other Services & Charges	19,401	24,445	18,800
41 Professional Services - Legal	9,602	10,000	10,000
46 Property Insurance - SW	65,701	105,200	166,000
53 Utility Tax State	75,016	75,000	88,800
54 Utility Tax City	309,960	326,100	424,100
Total General Administration	\$ 569,210	\$ 653,415	\$ 912,607
401.5.535.11			
10 Salaries & Wages	\$ 170,820	\$ 143,144	\$ 207,746
20 Personnel Benefits	67,759	65,420	96,078
46 Liability Insurance - SW	82,035	141,800	103,300
Total General Administration Executive	\$ 320,614	\$ 350,364	\$ 407,124
401.5.535.12			
10 Salaries & Wages	\$ 227,529	\$ 231,339	\$ 258,128
20 Personnel Benefits	80,347	100,105	128,207
40 Other Services & Charges	539	600	-
Total General Administration Clerical	\$ 308,415	\$ 332,044	\$ 386,335
401.5.535.20			
40 Other Services & Charges	\$ 22,957	\$ 147,625	\$ 125
Total Training	\$ 22,957	\$ 147,625	\$ 125
401.5.535.40			
30 Supplies - Training SW	\$ -	\$ 3,000	\$ -
40 Other Services & Charges - Training SW	-	3,000	6,000
Total Other Administration	\$ -	\$ 6,000	\$ 6,000
401.5.535.50			
10 Salaries & Wages	\$ 6,128	\$ 8,769	\$ 5,813
20 Personnel Benefits	2,336	4,802	3,481
30 Supplies	5,244	7,900	6,400
40 Other Services & Charges	4,902	21,050	33,650
Total Structures Maintenance	\$ 18,610	\$ 42,521	\$ 49,344

535.10 Notes

40 State Audit, CDL Licenses & Physicals, 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

2017-2018 DEPARTMENT OPERATING BUDGET
Water Sewer

Sewer Utilities (Continued) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
401.5.535.51			
10 Salaries & Wages	\$ 6,995	\$ 13,385	\$ 15,725
20 Personnel Benefits	2,690	5,686	6,764
30 Supplies	13,029	13,300	14,000
40 Other Services & Charges	2,839	5,600	3,000
Total Transportation Equipment	\$ 25,552	\$ 37,971	\$ 39,489
401.5.535.52			
10 Salaries & Wages	\$ 1,606	\$ 1,110	\$ -
20 Personnel Benefits	327	560	-
30 Supplies	18	100	200
40 Other Services & Charges	742	1,500	1,000
50 Intergovernmental Services	2,746,980	2,960,129	3,180,960
Total Sewer Treatment	\$ 2,749,673	\$ 2,963,399	\$ 3,182,160
401.5.535.54			
10 Salaries & Wages	\$ 38,519	\$ 55,209	\$ 68,894
20 Personnel Benefits	17,890	27,007	38,748
30 Supplies	9,931	7,000	62,000
40 Other Services & Charges	264,117	355,100	405,000
Total Supply Main Maintenance	\$ 330,457	\$ 444,316	\$ 574,642

535.51 Notes

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

535.52 Notes

- 40 Travel, 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

2017-2018 DEPARTMENT OPERATING BUDGET
Water Sewer

Sewer Utilities (Continued) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
401.5.535.55			
10 Salaries & Wages	\$ 43,542	\$ 34,061	\$ 32,009
20 Personnel Benefits	20,286	19,718	18,317
30 Supplies	6,797	7,400	9,500
40 Other Services & Charges	49,920	57,000	86,000
Total Services Maintenance	\$ 120,546	\$ 118,179	\$ 145,826
401.5.535.56			
10 Salaries & Wages	\$ 138,718	\$ 143,405	\$ 176,566
20 Personnel Benefits	59,534	74,834	102,998
30 Supplies	66,402	144,900	194,000
40 Other Services & Charges	871,926	1,003,100	968,000
Total Pumping Expenses	\$ 1,136,581	\$ 1,366,239	\$ 1,441,564
401.5.535.73			
10 Salaries & Wages	\$ 82,635	\$ 64,668	\$ 58,353
20 Personnel Benefits	23,809	24,236	24,681
30 Supplies	2,541	3,000	3,000
40 Other Services & Charges	31,383	34,900	34,000
Total Cust Serv-Record & Collection	\$ 140,368	\$ 126,804	\$ 120,034

535.55 Notes

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

535.56 Notes

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

535.73 Notes

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

2017-2018 DEPARTMENT OPERATING BUDGET
Water Sewer

Sewer Utilities (Continued) Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
401.5.535.80			
30 Supplies	\$ 3,857	\$ 6,900	\$ 8,000
32 Fuel Consumed	19,621	20,000	-
40 Other Services & Charges	27,591	32,220	56,740
Total General Operations	\$ 51,069	\$ 59,120	\$ 64,740
401.5.535.90			
40 Other Services & Charges	\$ 2,470	\$ -	\$ -
Total Miscellaneous Expense	\$ 2,470	\$ -	\$ -
Total Sewer Utilities	\$ 5,796,521	\$ 6,647,997	\$ 7,329,990

535.80 Notes

40 Beeper, Laundry, Operator Certification, Phones, Utilities

2015 DEPARTMENT OPERATING BUDGET
Water Sewer

Correction Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
401.5.588.80			
00 Prior Year Correction	\$ 5,410	\$ -	\$ -
Total	5,410	-	-
TOTAL	\$ 5,410	\$ -	\$ -

2017-2018 DEPARTMENT OPERATING BUDGET
Water Sewer

Water Sewer Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
401.5.591.00			
34.71 Long Term Debt-Water	\$ -	\$ 51,975	\$ 56,025
34.77 Other Notes	-	15,000	-
35.71 Long Term Debt-Sewer	-	51,975	56,025
Total Redemption of Long Term Debt	\$ -	\$ 118,950	\$ 112,050
401.5.592.00			
34.83 Interest on LT Debt-Water	\$ 12,755	\$ 14,912	\$ 5,300
34.84 Amortization of Debt Premium/Refund	59,642	-	-
35.83 Interest on LT Debt-Sewer	12,135	9,012	5,300
35.84 Amortization of Debt Premium/Refund	(358)	-	-
Total Interest on Long Term Debt	\$ 84,174	\$ 23,924	\$ 10,600
401.5.594.34			
10 Salaries - Water Capital Projects	\$ -	\$ 8,000	\$ -
20 Benefits - Water Capital Projects	-	2,700	-
63 Other Improvements	-	3,504,300	7,655,000
64 Machinery & Equipment	-	31,605	46,600
Total Capital Expenditures Water	\$ -	\$ 3,546,605	\$ 7,701,600
401.5.594.35			
64 Machinery & Equipment	-	81,604	158,600
Total Capital Expenditures Sewer	\$ -	\$ 81,604	\$ 158,600
401.5.597.00			
00 Operating Transfers Out	\$ 236,221	\$ 3,080,000	\$ 4,000,000
Total Interfund Transfers	\$ 236,221	\$ 3,080,000	\$ 4,000,000
Total Water Sewer	\$ 320,395	\$ 6,851,083	\$ 11,982,850

594.34 Notes

63 Well #10 Final Design & Permitting

2017-2018 EXPENDITURE BUDGET
Proprietary Fund

Water Sewer Equipment Replacement Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
402.9.508.80			
00 Ending Unreserved Fund Balance	\$ 311,821	\$ 314,740	\$ 318,700
Total Water Sewer Equipment Replacement	\$ 311,821	\$ 314,740	\$ 318,700

2017-2018 EXPENDITURE BUDGET
Proprietary Fund

Cumulative Reserve for Water Sewer Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
403.5.597.00			
00 Operating Transfers-Out	\$ 682,368	\$ 3,490,000	\$ 5,450,000
Total Other Financing Uses	\$ 682,368	\$ 3,490,000	\$ 5,450,000
403.9.508.80			
00 Ending Unreserved Fund Balance	\$ 4,129,154	\$ 4,092,400	\$ 3,740,000
Total Cumulative Reserve for Water Sewer	\$ 4,811,522	\$ 7,582,400	\$ 9,190,000

597.00 Notes

00 Final Design & permitting of Well No. 10

STORM DRAINAGE UTILITY

The City established the Storm Drainage Utility in 2009 (Ordinance #036-08). Federal Clean Water Act regulations required the City of Port Orchard to have a Storm Management Program to protect the public health, safety, and welfare by minimizing uncontrolled surface erosion, and water pollution while enhancing water quality and environmental habitat. The Storm Drainage Utility receives the majority of its funding from user fees. Fees collected from customers fund operations and maintenance of storm drains, ponds, culverts, and street sweeping. The City of Port Orchard bills its residents 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. Commercial and other developed properties are calculated based on the amount of impervious ground cover on each property. The number of accounts continues to grow as new areas are developed or annexed into the City. Rates charged for storm drainage services need to be adequate to provide for system operations and maintenance, administration, engineering and legal expenses, and to fund infrastructure replacement, reserve accounts and system improvement projects. The City conducted a Storm Water GAP Analysis study which reviewed the Utilities infrastructure and operations. From the GAP Analysis results, the City developed a plan for operations and maintenance which includes necessary infrastructure and equipment repair or replacement. To provide adequate funding for the proper operation and maintenance of the utility, a rate increase was approved in 2015. This allowed the utility to hire additional staff to meet the NDPES requirements and also to begin building a capital improvement program to repair or replace the aging infrastructure.

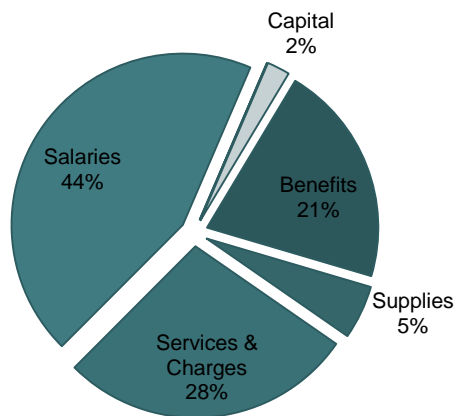
The Storm Drainage Utility's fund balance allows the utility to continue to maintain a positive cash flow for operations. Revenue inflows fluctuate throughout the year and it is important to have sufficient cash on hand to allow operations and maintenance to continue unhindered. Fund balance also provides for emergency repairs that may be required during the year. 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. In 2015 the Storm Drainage Capital Facilities Fund was created to which dollars will be added to finance or subsidize a grant match for large projects. Reserves allow this type of expenditure without impacting the operations of the utility.

2017-2018 DEPARTMENT OPERATING BUDGET
Storm Drainage

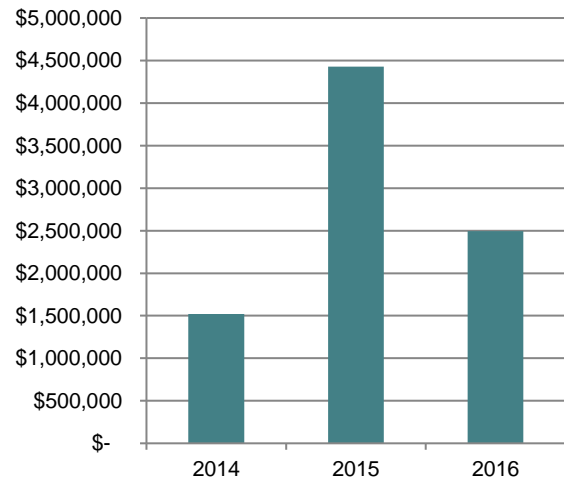
Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
10 Salaries & Wages	\$ 570,356	\$ 953,957	\$ 846,451
20 Personnel Benefits	203,753	495,212	403,427
Total Salary & Benefits	\$ 774,109	\$ 1,449,169	\$ 1,249,878
30 Supplies	\$ 47,398	\$ 148,425	\$ 97,800
40 Other Services & Charges	646,194	597,650	535,893
46 Liability Insurance	-	2,650	5,300
53 Utility Tax - State	-	41,300	59,000
54 Utility Tax - City	-	79,200	164,500
Total Other Expenditures	\$ 693,592	\$ 869,225	\$ 862,493
63 Other Improvements	\$ -	\$ 1,015,000	\$ -
64 Machinery & Equipment	-	299,900	41,600
Total Capital Expenditures	\$ -	\$ 1,314,900	\$ 41,600
00 Loan Repayment Expenditures	\$ -	\$ -	\$ 24,876
00 Operating Transfers	\$ 51,062	\$ 793,850	\$ 315,000
Total Storm Drainage	\$ 1,518,763	\$ 4,427,144	\$ 2,493,847

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

2016 DEPARTMENT BUDGET



ANNUAL BUDGET COMPARISON



2017-2018 DEPARTMENT OPERATING BUDGET
Storm Drainage

Storm Drainage Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
421.5.531.00			
10 Salaries & Wages	\$ 345,886	\$ 250,660	\$ 53,981
20 Personnel Benefits	110,213	119,063	34,012
30 Supplies	10,478	50,925	28,800
40 Other Services & Charges	235,951	307,932	216,300
53 Utility Tax - State - Storm Drainage	-	41,300	59,000
54 Utility Tax - City - Storm Drainage	-	79,200	164,500
Total Storm Drainage Utility	\$ 702,527	\$ 849,080	\$ 556,593
421.5.531.10			
10 Salaries & Wages	\$ -	\$ 295,658	\$ 446,440
20 Personnel Benefits	-	159,857	200,138
30 Supplies	-	17,300	22,000
40 Other Services & Charges	-	21,180	43,613
46 Liability Insurance	-	1,050	3,500
Total Storm Drain General Administration	\$ -	\$ 495,045	\$ 715,691
421.5.531.11			
46 Liability Insurance	-	1,600	1,800
Total Storm Drain General Administration	\$ -	\$ 1,600	\$ 1,800
421.5.531.51			
10 Salaries & Wages	\$ -	\$ 5,932	\$ 12,307
20 Personnel Benefits	-	2,589	5,293
30 Supplies	-	21,500	35,000
40 Other Services & Charges	-	5,501	6,000
Total Storm Drain Vehicles	\$ -	\$ 35,522	\$ 58,600
421.5.531.70			
10 Salaries & Wages	\$ -	\$ 55,630	\$ 110,529
20 Personnel Benefits	-	18,921	41,874
40 Other Services & Charges	-	6,600	9,200
Total Storm Drainage Customer Service	\$ -	\$ 81,151	\$ 161,603

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

2017-2018 DEPARTMENT OPERATING BUDGET
Storm Drainage

Storm Drainage Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
421.5.542.40			
10 Salaries & Wages	\$ 169,197	\$ 289,319	\$ 140,818
20 Personnel Benefits	69,500	170,018	82,803
30 Supplies	15,640	33,200	12,000
40 Other Services & Charges	331,423	187,837	249,680
Total Storm Drainage Maintenance	\$ 585,760	\$ 680,374	\$ 485,301
421.5.542.41			
10 Salaries & Wages IDDE Grant	\$ 58	\$ -	\$ -
20 Personnel Benefits IDDE Grant	59	-	-
40 Other Services & Charges	44,972	-	-
Total IDDE Grant	\$ 45,089	\$ -	\$ -
421.5.542.42			
10 Salaries & Wages	\$ 1,065	\$ -	\$ -
20 Personnel Benefits	232	-	-
40 Other Services & Charges	28,025	-	-
Total DOE Grant	\$ 29,323	\$ -	\$ -
421.5.542.67			
10 Salaries & Wages	\$ 54,150	\$ 56,758	\$ 82,376
20 Personnel Benefits	23,750	24,764	39,307
30 Supplies	21,279	25,500	-
40 Other Services & Charges	5,824	68,600	11,100
Total Street Sweeping	\$ 105,003	\$ 175,622	\$ 132,783
Total Storm Drainage	\$ 1,422,613	\$ 2,318,394	\$ 2,112,371

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

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

2017-2018 DEPARTMENT OPERATING BUDGET
Storm Drainage

Loan Repayment Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
421.5.581.20			
00 Loan Repayment Issued	\$ -	\$ -	\$ 24,876
Total Drainage Construction	\$ -	\$ -	\$ 24,876
421.5.594.00			
40.64 Machinery & Equipment	-	280,000	-
42.64 Machinery & Equipment	-	19,900	41,600
Total Capital Expenditures	\$ -	\$ 299,900	\$ 41,600
Total Loan Repayment Expenditures	\$ -	\$ 299,900	\$ 41,600

Capital Expenditures Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
421.5.594.00			
40.63 Other Improvements	\$ -	\$ 1,015,000	\$ -
Total Capital Expenditures	\$ -	\$ 1,015,000	\$ -
421.5.597.00			
00 Operating Transfers-Out	\$ 51,062	\$ 793,850	\$ 315,000
Total Other Financing Uses	\$ 51,062	\$ 793,850	\$ 315,000
Total Capital Expenditures	\$ 51,062	\$ 1,808,850	\$ 315,000

594.42 Notes

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

2017-2018 DEPARTMENT OPERATING BUDGET
Proprietary Fund

Storm Drainage Equipment Replacement Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
422.5.597.00			
00 Operating Transfers-Out	\$ -	\$ 250,000	\$ -
Total Other Financing Uses	\$ -	\$ 250,000	\$ -
422.9.508.80			
00 Ending Unreserved Fund Balance	\$ 300,757	\$ 150,610	\$ 215,720
Total Storm Drain. Equip. Replacement	\$ 300,757	\$ 400,610	\$ 215,720

Proprietary Fund

Storm Drainage Capital Facilities Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
423.9.508.80			
00 Est. End Unreserved Fund Balance	\$ -	\$ 694,095	\$ 547,440
Total Other Financing Uses	\$ -	\$ 694,095	\$ 547,440
Total Storm Drain. Equip. Expenditures	\$ -	\$ 694,095	\$ 547,440

*Fund was established in 2015



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2017-2018 EXPENDITURE BUDGET
Criminal Justice

Criminal Justice Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
103.3.521.10			
31 Supplies	\$ 13,406	\$ 42,294	\$ 38,000
48 Repairs & Maintenance	-	3,000	5,000
51 Intergovernmental Services	39,892	119,025	-
Total Administration	\$ 53,298	\$ 164,319	\$ 43,000
103.3.521.22			
10 Salaries & Wages	\$ 166,767	\$ 175,370	\$ 194,325
20 Personnel Benefits	40,249	66,885	87,097
Total Operations	\$ 207,016	\$ 242,255	\$ 281,422
103.3.562.00			
41 Professional Services	\$ -	\$ 1,000	\$ 1,000
Total Public Health	\$ -	\$ 1,000	\$ 1,000
103.3.566.00			
51 Intergovernmental Professional Services	\$ -	\$ 2,000	\$ -
Total Substance Abuse	\$ -	\$ 2,000	\$ -
103.3.594.21			
64 Machinery & Equipment	\$ 68,738	\$ 135,150	\$ 288,405
Total Capital Expenditures	\$ 68,738	\$ 135,150	\$ 288,405
103.9.508.30			
00 Estimated Restricted Fund Balance-Ending	\$ 354,091	\$ 351,109	\$ 441,573
Total Criminal Justice	\$ 683,143	\$ 895,833	\$ 1,055,400

521.10 Notes

 31 Replacement Tasers

562.00 Notes

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

594.21 Notes

 64 Two Police Dept Patrol SUV's

2017-2018 EXPENDITURE BUDGET
Special Investigative Unit

Special Investigative Unit Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
104.3.521.21			
21 Uniforms	\$ -	\$ 750	\$ -
31 SIU Supplies	1,613	2,650	1,500
32 Fuel Consumed	833	400	-
41 Professional Services	1,249	1,750	1,500
42 Communication	348	300	200
43 Travel	1,426	750	-
48 Repairs & Maintenance	1,000	1,300	1,300
49 Miscellaneous	2,231	2,750	2,000
98 Interfund Repairs & Maintenance	80	-	-
Total Special Investigative Unit	\$ 8,780	\$ 10,650	\$ 6,500
104.9.508.30			
00 Est Restricted Fund Balance-Ending	\$ 50,575	\$ 60,420	\$ 62,000
Total Special Investigative Unit	\$ 59,355	\$ 71,070	\$ 68,500

2017-2018 EXPENDITURE BUDGET
Community Events

Community Events Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
107.6.557.30			
10 Salaries & Wages - Finance	\$ -	\$ -	\$ 3,224
20 Personnel Benefits - Finance	-	-	1,576
41 Professional Services	135,110	192,000	190,000
10 Salaries & Wages - Administration	-	-	13,210
20 Personnel Benefits - Administration	-	-	5,990
Total Administration	\$ 135,110	\$ 192,000	\$ 214,000
107.9.508.30			
00 Est Restricted Fund Balance-Ending	\$ 50,990	\$ 37,080	\$ 56,500
Total Community Events	\$ 186,100	\$ 229,080	\$ 270,500

2017-2018 EXPENDITURE BUDGET
Paths & Trails

Paths & Trails Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
108.9.508.30			
Est Restricted Fund Balance-Ending	\$ 3,246	\$ 5,500	\$ 7,780
Total Paths & Trails	\$ 3,246	\$ 5,500	\$ 7,780

2017-2018 EXPENDITURE BUDGET
Real Estate Excise Tax

Real Estate Excise Tax Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
109.6.597.00			
01 Operating Transfers Out REET 1	\$ -	\$ 681,027	\$ 331,610
02 Operating Transfers Out REET 2	-	952,650	286,750
Total Interfund Transfers	\$ -	\$ 1,633,677	\$ 618,360
109.9.509.30			
01 Est End Restricted Fund Balance REET 1	\$ -	\$ 287,005	\$ 473,114
02 Est End Restricted Fund Balance REET 2	-	513,799	1,215,726
Total Restricted Fund Balance End	\$ -	\$ 800,804	\$ 1,688,840
Total Real Estate Excise Tax	\$ -	\$ 2,434,481	\$ 2,307,200

* 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

2017-2018 EXPENDITURE BUDGET
Impact Fee

Impact Fee Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
111.5.544.70			
49 Miscellaneous-Transportation	\$ 30,616	\$ 100,000	\$ 100,000
Total Impact Fee to Developers	\$ 30,616	\$ 100,000	\$ 100,000
111.5.597.00.00			
Operating Transfers-Out Transportation	\$ -	\$ 150,000	\$ 50,000
Operating Transfers-Out Parks	-	80,000	288,700
Operating Transfers-Out McCormick Wds	444,772	62,500	57,000
Total Interfund Transfers	\$ 444,772	\$ 292,500	\$ 395,700
111.9.508.30			
30.00 Est Rest Fund Balance-Trans Ending	\$ 501,836	\$ 375,510	\$ 530,120
31.00 Est Rest Fund Balance-Parks Ending	165,812	246,620	56,700
32.00 Est Rest Fund Balance-MW Parks Ending	174,793	113,880	-
33.00 Est Restricted Fund Balance-Bayside Ending	-	102,420	146,720
34.00 Est Rest Fund Balance-Trans. Ending	-	-	381,760
Total Restricted Fund Balance End	\$ 842,441	\$ 838,430	\$ 1,115,300
Total Impact Fee	\$ 1,317,829	\$ 1,230,930	\$ 1,611,000



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2017-2018 EXPENDITURE BUDGET
Debt Service Fund

2003 Limited Tax GO Refunding Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
206.6.591.89			
71 General Obligation Bonds	\$ 266,450	\$ 281,050	\$ 302,950
Total Redemption of Long Term Debt	\$ 266,450	\$ 281,050	\$ 302,950
206.6.592.89			
83 Interest on Long-Term External Debt	\$ 66,329	\$ 48,727	\$ 28,660
Total Interest & Other Debt Service Costs	\$ 66,329	\$ 48,727	\$ 28,660
Total 2003 Limited Tax GO Refunding	\$ 332,779	\$ 329,777	\$ 331,610

2017-2018 EXPENDITURE BUDGET
Debt Service Fund

1984 Refunding Expenditures	2013-2014 Actual	2015-2016 Budget	2017-2018 Budget
621.6.591.34			
71 Principal	\$ 14,000	\$ 14,000	\$ 5,000
Total Refunding Debt-Principal	\$ 14,000	\$ 14,000	\$ 5,000
621.6.592.34			
83 Interest on Long-Term External Debt	\$ 2,931	\$ 1,550	\$ 250
Total Interest & Other Debt Service Costs	\$ 2,931	\$ 1,550	\$ 250
Total 1984 Refunding	\$ 16,931	\$ 15,550	\$ 5,250



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2017-2018 Capital Budget

Current Expense Fund 001	2017	2018
001.1.594.18.64 Springbrook (Accella) Cloud Conversion Move financial software suite from server to Cloud	63,000	
001.1.594.18.64 Color Printer - DCD requires a new Color Printer for 720 Prospect St	4,500	
Funded by Operating Revenues	67,500	
Total Current Expense Fund 001	67,500	67,500 -
City Street Fund 002	2017	2018
VUWorks GIS management & Implementation Software	14,000	
Mini35 - Sheeps Foot Compactor for trench/structure backfill compaction.	1,000	
GPS Unit to continue GPS platform development	6,600	
Funded by Operating Revenues	21,600	
Total City Street Fund 002	21,600	21,600 -
Criminal Justice Fund 103	2017	2018
Ford Police Utility/SUV (3) -to replace depleted assets	142,005	146,400
Funded by Criminal Justice Fund Revenues	288,405	
Total Criminal Justice Fund 103	288,405	142,005 146,400
Capital Construction Fund 302	2017	2018
594.76.63 Clayton Park Irrigation system	6,000	
594.77.63 McCormick Park Phase II-Construction		955,450
Funded By:		
334.02.70 RCO Grant	323,000	
397.00.00 Transfer In- Current Expense Fund-Central Park Irrigation	6,000	
397.00.00 Transfer In-REET Fund 109 Real Estate Excise Tax Revenues	286,750	
397.00.00 Transfer In-Impact Fee Fund 111-MW Park Impact Fees	57,000	
397.00.00 Transfer In-Impact Fee Fund 111-Parks Impact Fees	288,700	
Total Capital Construction Fund 302	961,450	6,000 955,450
Cumulative Reserve Equipment Replacement Fund 303	2017	2018
594.76.64 PW Crew Truck	25,000	
Funded By:		
Transfer In from Current Expense Fund 001 Operating revenues	25,000	
Total Cumulative Reserve Equip. Replace. Fund 303	25,000	25,000 -

2017-2018 Capital Budget

Street Capital Projects Fund 304		2017	2018
595.12.63	Bay St Pedestrian Path-Segment #3 Construction	530,000	
595.14.63	Old Clifton/Anderson Hill Rd Intersection-PS&E	50,000	
595.20.61	Tremont Widening-Right of Way Management	4,798	4,798
595.21.61	Bay St Pedestrian Path - Right of Way and Easements	1,038,379	
Funded By:			
333.20.20	86.5% with FHWA/WSDOT Grant-Tremont Widening	8,300	
	13.5% Street Capital Projects fund revenues- Tremont Widening	1,296	
333.20.20	86.5% with FHWA/WSDOT Grant-Bay St Enhancement Right of Way & Easements	898,198	
	13.5% Street Capital Projects fund revenues- Bay St Enhancement Right of Way & Easements	140,181	
334.03.60	State Direct Grant- Bay Street Pedestrian Path Segment #3 construction	480,000	
	Street Capital Projects Fund revenues-Bay Street Pedestrian Path Segment #3 construction	50,000	
397.00.00	Transfer In-Impact Fee Fund 111-MW Trans Impact Fees-Old Clifton/ Anderson Hill Rd Intersection	50,000	
Total Street Capital Projects Fund 304		1,627,975	1,623,177
		1,623,177	4,798

Water Sewer Utility Fund 401		2017	2018
594.34.63	Well #9 Construction	1,000,000	600,000
594.34.63	Well #10/13 Design & Construction	2,500,000	2,500,000
594.34.63	Water Rights	105,000	
594.34.63	Water Main (Pipe) Replacement	250,000	250,000
594.34.63	Pressure Reducing Valve Station(s) design & Installation	50,000	
594.34.63	McCormick SS Pump Station 1&2 retrofit design	400,000	
594.34.64	Meter Reading Vehicle	25,000	
594.35.64	Golden Pond Sanitary Sewer Lift Station Emergency Generator	35,000	
594.35.64	Bay St SS Pump Station -Von Chopper Pump Installation	60,000	
594.34 & .35.64	VUWorks GIS management & Implementation Software	70,000	
594.34 & .35.64	Mini35 - Sheeps Foot Compactor for trench/structure backfill compaction.	2,000	
594.34 & .35.64	GPS Unit to continue GPS platform development	13,200	
Funded by:			
391.80.00	DWSRF Intergovernmental Loan-Well 10/13	5,000,000	
397.00.00	Transfer in from WS Cumulative Reserve	1,450,000	
	Water Sewer Utility Operating Revenues	1,410,200	
Total Water Sewer Utility Fund 401		7,860,200	4,510,200
		4,510,200	3,350,000

2017-2018 Capital Budget

Storm Drainage Utility Fund	2017	2018
VUWorks GIS management & Implementation Software	14,000	
Mini35 - Sheeps Foot Compactor for trench/structure backfill compaction.	1,000	
GPS Unit to continue GPS platform development	6,600	
Aquarius Database-Water data management software for tracking water quality	20,000	
Funded by Operating Revenues	41,600	
Total Storm Drainage Utility Fund 421	41,600	41,600
		-



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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.

BIENNIAL BUDGET:

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

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.