CITY OF POULSBO, WASHINGTON

2010 Budget

Mayor Kathryn H. Quade

Council Members

Linda Berry-Maraist•Connie Lord•Becky Erickson•
Jeff McGinty•Ed Stern•Dale Rudolph•Kimberlee Crowder

CITY OF POULSBO MISSION STATEMENT:

Our City is committed to managing the public resources to promote community health, safety and welfare and plan for the future to accommodate growth, without burden, while preserving our natural resources and enhancing those qualities that make our community unique and desirable

Special thanks to all who contributed photo's to this document.

CITY OF POULSBO, WASHINGTON
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Poulsbo, Washington 98370
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FINAL 2010 BUDGET

For Fiscal Year January 1, 2010 to December 31, 2010

Adopted by
Poulsbo City Council
December 16, 2009

Ordinance No. 2009-16

Document prepared by:
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Dawn Hamrick, Administrative Assistant

CITY OF POULSBO
OFFICIALS

MAYOR
Kathryn H. Quade

CITY COUNCIL

Linda Berry-Maraist
Connie Lord
Becky Erickson
Jeff McGinty
Ed Stern
Dale Rudolph
Kimberlee Crowder

DEPARTMENT HEADS

City Clerk	Jill Boltz
Finance Director	Deborah Booher
Parks/Recreation Director	Mary McCluskey
Planning Director	Barry Berezowsky
Police Chief	Dennis Swiney
Public Works Director	Barry Loveless

CITY OF POULSBO APPOINTED BOARDS AND COMMISSIONS

Civil Service Commission Meets:1st Monday 7:00 PM	
Member	***Term Expires***
Ardis Morrow	2012
Kent Lord	2014
David Wells	2010

Community Police Advisory Board Meets: Quarterly	
Member	***Term Expires***
Ginger Shields.	2011
David Wells	2013
Wallace Jones	2013
Jennifer Wiegand	2012
George Farnsworth	2011
Natha Picinich	2012
Mark Kluth	2013
Crizel Romias	2010
Vacant	2010

Design Review Board Meets: 1st & 3rd Thursdays 7:00PM	
Member	***Term Expires***
Gary Nystul	2010
Sarah “Kee” Webb	2011
John Hassold	2012
Vacant	2010
Bob Nordnes	2011
Bill Austin	2012
Sheldon Hankin	2012

Parks & Recreation Commission Meets: 4th Monday 7:00 PM	
Member	***Term Expires***
Mike Regis	2010
David Wymore	2010
Harold Benny	2011
Carlotta Cellucci	2010
Stephen Calhoun	2011
Aaron Murphy	2011

Planning Commission Meets: 2nd & 4th Tuesdays 7:00PM	
Member	***Term Expires***
Stephanie Wells	2011
Jim Thayer	2012
Ray Stevens	2010
Gordon Hanson	2010
James Coleman, Sr.	2014
Bob Nordnes	2013

Poulsbo Public Library Board Meets: 2nd Monday (Qtrly) 5:00 PM	
Member	***Term Expires***
Helen Heins	2011
James Clarke	2011
Diane Clouser	2011
Muriel Williams	2011
Jennifer Nelson	2011

Tree Board Meets: 2n Monday 7:00 PM	
Member	***Term Expires***
Janet Brown	2012
Bess Bronstein	2012
Mary Carter	2012
Joan Hett	2010
Gene Bullock	2010
Bill Lockard	2011
Jim Leary	2011

CITY OF POULSBO APPOINTED BOARDS AND COMMISSIONS

Civil Service Commission: consists of three members appointed by the Mayor. The commission is responsible for implementing and enforcing rules in which examinations may be held, and how appointments, promotions, transfers, reinstatements, demotions, suspensions and discharges shall be made and for any other matters connected with the general subject of personnel administration. The Civil Service Secretary is a contracted position.

Community Police Advisory Board: consists of nine members. Five members shall be city residents; two members shall be owners or managers of businesses located within the City; one member shall be a representative from the North Kitsap School District; and one member shall be a student in the North Kitsap School District. The duties of the board include advising and making recommendations to the Mayor, City Council and Chief of Police concerning police protection and services; to enhance police-community relations; and to promote public awareness of the City's DARE and crime prevention programs. The Police Department provides support staff.

Design Review Board: is charged to review and make recommendations to the City Council on building design, color, signage and "design compatibility" of proposed commercial projects only. The Planning Department provides support staff.

Parks and Recreation Commission: advises and makes recommendations to the Mayor and City Council regarding the development and improvement of parks, trails and other recreational facilities for the use and benefit of the public. The Parks & Recreation Department provides support staff.

Planning Commission: is the advisory committee to the City Council on planning and development proposals in the City. The Commission reviews all applications that are subject to a public hearing before the Council, and will serve as the citizen advisory committee on future updates and amendments to the City's Comprehensive Plan and Development Regulations. The Planning Department provides support staff.

Poulsbo Public Library Board: oversees the Valborg Oyen Public Library building for which the City provides utilities as well as maintenance and repair of the facility. Members of the Board are also members of the eleven-member Poulsbo Library Capital Facility Area Board which was formed to oversee construction of the library expansion. The Clerk's Department provides support staff.

Tree Board: promotes the responsible planting of trees on public and private property; promotes public education about trees; promotes proper tree maintenance; advocates trees within the city; provides for aesthetics within the city through the formulation and implementation of tree programs; develops innovative and joint funding for tree projects from a variety of sources; and provides the mayor and city council with a yearly report regarding tree board activities. The Parks & Recreation Department provides support staff.

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THE CITY'S VISION

VISION	***HOW ARE WE DOING?***
****FOR THE ENVIRONMENT, OPEN SPACE****	
Restore water quality in Liberty Bay to acceptable standards	*Comprehensive Stormwater Management Plan update to be complete in 2010* *Development and approval of the Liberty Bay Watershed Plan* *Completed construction of two key sewer facilities (SR-305 force main and Bond Road pump station)* *Received and began implementing NPDES Phase II Storm water Permit* *Conducted daily monitoring of sewer pump station performance, and conducted daily visual inspections of sewer alignment along the shore of Liberty Bay prior to activation of Bond Road pump station* *Repaired weak joint in sewer line beneath Liberty Bay*
Encourage conservation of trees and open space during the development process	*Participation in "Tree City USA" program – 13th year* *Continued citizen participation in the Urban & Community Forestry Program* *Development of landscaping standards* *Development of a master public tree plan* *Contract with a city forester*
Create open spaces and parks	*Continue development of 13 acres along the estuary on Lindvig Way known as Poulsbo's Fish Park* *Continue developing Centennial Park* *Develop a trails master plan and investigate different trail connections* *Drafted updated Pak Impact Fee Structure to be adopted in 2010* *Updated Capital Improvement Plan*
Preserve open space on Liberty Bay	*Continue development of 13 acres along the estuary on Lindvig Way known as Poulsbo's Fish park* *Continue to watch for land acquisition possibilities and trail connections along the Liberty Bay shoreline*
Preserve and enhance public access to the waterfront	*Completed the Lindvig Bridge with a pedestrian walkway in 2003* *Completed the Oyster Plant Park and Pier 24* *Completed restoration of the rock wall at Liberty Bay Waterfront Park in 2007, including an updated ADA accessible walkway, handrail, and landscape improvements*

THE CITY'S VISION

FOR THE ENVIRONMENT, OPEN SPACE	***HOW ARE WE DOING?***
Encourage the creation of a continuous trail around Liberty Bay, and trails throughout the community	*Develop a trails master plan and investigate different trail connections* *Nelson Park Master Plan and Poulsbo's Fish Park provide for a substantial portion of trail around and near Liberty Bay* *Development of the waterfront trail south along Fjord & Hostmark Streets, extending out two miles to Lemolo Shore Drive* *Completed the Lindvig Bridge with a pedestrian walkway in 2003* *Refurbished the boardwalk along Liberty Bay from the Waterfront Park to American Legion Park* *Research ways to extend the waterfront trail around Liberty Bay using easements, boardwalk and trails*
FOR THE QUALITY OF LIFE	***HOW ARE WE DOING?***
Lower the crime rate	*Police Bike patrol* *Drug Detection K-9 Unit* *Police Marine Unit* *Crime Prevention Program* *School Resource Officer* *Member Bremerton/Kitsap County DUI Task Force* *Member of the Kitsap County Special Assault Investigation and Victim Services unit* *Participant in the Puget Sound LINX network, a federally funded crime fighting and anti terrorism unit* *Community Police Advisory Board* *Police Citizen Volunteer Patrol* *Neighborhood Block Watch Program* *Installation of mobile computer terminals in patrol cars* *County wide criminal justice computer data base* *Part of the Kitsap County SWAT team*

THE CITY'S VISION

FOR THE QUALITY OF LIFE	*HOW ARE WE DOING?*
Strive for continued improvement in educational facilities and achievement	*Satellite campus for Olympic Community College opened in 2004* *Seek legislative support for "University Center" to pursue additional 4-year baccalaureate programs at OC Poulsbo* *Library expansion completed in 2003* *Parks & Recreation classes for adults and children* *Worked with Public Facility Development for the upgrade of local school athletic fields.*
Maintain or optimize City Services	*Transition to automated equipment for residential garbage collection continued* *Offering passport processing services* *Home electronic monitoring program implemented* *Court mitigations by mail, so defendants need not miss work to appear in court* *City forms available on-line* *Provide council meeting minutes, ordinance and resolutions on City web site* *Provide council meeting agendas packets with attachments on the City website* *Broadcasting City Council meetings on local cable access channels* *Implemented utility billing automated payment option* *Plan to develop E-Gov software module for web self help to city services* *Redesigned City website in 2009*
Use electronic technology and other means as appropriate to increase citizen awareness of community issues, and their involvements in finding solutions	*Implementation of council committee system* *Development of City Web Pages* *Linking Poulsbo's web page to Federal passport web page so forms can be downloaded* *Offering various City Clerk related forms on City's web page* *Providing council meeting minutes on the City website* *Providing Council Committee meeting agendas with all attachments on the web page* *Televising council meetings*

THE CITY'S VISION

FOR RESIDENTIAL DEVELOPMENT	***HOW ARE WE DOING?***
Provide a variety of housing types and densities	*Adoption of new Zoning Code and Planned Residential Development Standards. Allow Accessory Dwelling Units in all residential zones. Encourage mixed use development in commercial zoning districts* *City Council adopted an extended update to the Comprehensive Plan in 2009*
In appropriate areas, encourage mixed use development	*Approval of the Olhava Master Plan, Poulsbo Place Master Plan, and mixed use development in the downtown core.* *City Council adopted an extended update to the Comprehensive Plan in 2009*
Maintain the character of existing neighborhoods	*Established the City's urban growth area. Developed Infill Development Standards* *City Council adopted an extended update to the Comprehensive plan in 2009*
FOR COMMERCIAL DEVELOPMENT	***HOW ARE WE DOING?***
Preserve and enhance the historic downtown	*Continued construction for new City Hall downtown* *Continued support and participation in the local business improvement area association, Historic Downtown Poulsbo Association* *Support of Poulsbo's Historical Society* *Implement Design Standards in all Commercial Zones*
Encourage commercial recreational activities for everyone	*Continued support of various city festivals and events: Street Dance,Viking Fest, Arts by the Bay, 3rd of July Celebration*
Encourage commercial and industrial development	*Approval of the Olhava Master Plan. Many business opened for business in 2006, with more development continuing* *Attempting to provide more industrial zone in UGA* *Member of EDC Telecommunication Group* *Two new large commercial stores opened in early 2006 at College Market Place Development, another opened in 2009* *Smaller strip mall businesses opened and developed throughout 2007 at College Market Place Development* *Established an Economic Development Committee*
Preserve the Scandinavian identity	*Downtown core design standards*

THE CITY'S VISION	
****FOR TRAFFIC CIRCULATION****	***HOW ARE WE DOING?***
Take a bold step toward solving the traffic and parking problem downtown	*Completed Downtown Parking Study* *Completed Traffic Demand Management (TDM) Study and implemented Phase I actions* *Citizen Volunteers assist with handicap parking enforcement* *Installed drive-up payment box* *Worked with Department of Transportation for widening of Highway 305* *Continued to build new City Hall with own parking* *Plan to redevelop existing City Hall Property to encourage additional parking solution.*
Create a pedestrian-friendly environment	*Completed Traffic Demand Management (TDM) Study and implemented Phase I actions* *Continued installation of sidewalks city-wide* *Constructed a pedestrian/bicycle trail along Fjord Drive* *Began improvements to Viking Way to include bike path and sidewalks*
Provide for and encourage alternative transportation	*Completed Traffic Demand Management (TDM) Study* *City participation in Community Trip Reduction Program and inclusion of it in zoning ordinance* *Bike paths added to street standards* *City active member of bike safety coalition "WHEELS"* *Relocation of bus stop at 8th Ave and additional park & ride parking at Christ Memorial Church* *Park and ride lot at Liberty Bay Presbyterian Church* *New bus transfer station* *Began Improvements on Viking Way to include bike path and sidewalks*

THE CITY'S VISION	
****FOR TRAFFIC CIRCULATION****	***HOW ARE WE DOING?***
Improve traffic flow throughout the City	*Completed Traffic Demand Management (TDM) Study and implemented Phase I actions* *Installation of traffic signal and improvements at Lindvig Way & Front Street* *Use of radar reader board* *Installation of drive up payment drop box at City Hall* *Completion of Front Street improvements* *Worked with Department of Transportation for widening of Highway 305* *Completed the Lindvig Bridge project and Finn Hill Improvements* *Installation of a signal at Caldart and Lincoln to help the traffic flow, especially during school commuting hours* *Began Improvements on Viking Way including expanding the roadway, adding bike paths and sidewalks* *Installed several new stop signs in the downtown core to encourage travel on the main thorough fares.*

HOW TO USE THIS BUDGET DOCUMENT

The City of Poulsbo's Budget Document provides comprehensive information about city policies, goals, objectives, financial structure and operations as well as an organizational framework that shows how City services are maintained and improved for fiscal year 2010. A main objective of the Budget Document is to communicate this information to our readers in a manner that is clear, concise and understandable. In this preface, pages x through xii contain the "Table of Contents" that will aid the reader in finding specific information quickly and provides a summary of the major topics. The "Budget Glossary" is the last section of the document and will be helpful to a reader not familiar with governmental terms. Following review of these two suggested sections, the reader can best receive an overview of the programs, services and resources available to the City by reviewing the major sections of the budget in the order they are presented. The budget is divided into ten major sections:

1 - Introduction
2 - Financial Plan
3 - General Fund
4 - Special Revenue Funds
5 - Debt Service Funds
6 - Capital Project Funds
7 - Proprietary Funds
8 - Level of Service (LOS) and New Program Improvements,
9 - City Improvement Plan
10 - Appendix
11 - Glossary

Section 1- *INTRODUCTION:*
The *Mayor's Transmittal Message* pages 1 to 10 should be read first. It provides an overview of accomplishments for fiscal year 2009 and policy decisions made during the budget preparation process that influenced the 2010 budget. The message summarizes the contents of the budget with the goals and objectives of the City clearly outlined. In addition, the Introduction Section contains a *City Profile*. The reader can learn about the physical location of the City, the history of Poulsbo, services offered by the City and significant demographic information.

The *Budget Process* outlines the various parts of the budget: purpose, process, components, implementation and monitoring, policies and development, legal structure, basis of accounting and budgeting, budget structure (fund types), performances measures, and the budget calendar.

Section 2 - *FINANCIAL PLAN:*
The Financial Plan focuses on an analysis of the budget's financial data to identify the manner in which the operations of the city will be financed and the resources allocated to different functions and services. This section of the budget presents overall summary budget data for the entire city. Staffing, revenue and expenditures and debt are summarized for all funds.

Section 3- *GENERAL FUND (001):*
This section begins with a discussion of General Fund revenue estimates and the basis of these estimates. It provides tables and graphic materials that address various issues identified by Council during the process, followed by line item detail of each revenue source.

Following the revenue, *Baseline Budgets* for each General Fund department's expenditures are presented including descriptive material outlining the services provided by the department, accomplishments from previous year, and the initiatives planned for the coming year. These initiatives are summarized in the goals of each department. If Baseline Adjustment Requests (BAR) or New Program Requests were approved by Council during the budget process, their expenditures are now incorporated in the department's budget.

Section 4 - *SPECIAL REVENUE FUNDS (100's):*
These funds account for proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. Similar to the General Fund section, this section provides a description and purpose for each special revenue fund as well as the detail for revenue and expenditures. Graphs are provided throughout the section.

Section 5 - *DEBT SERVICE FUNDS (200's):*
These funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. This section includes a summary as well as of detail of revenue and expenditures for each debt service fund. Debt information for the proprietary funds are not shown here, but are recorded within the proprietary funds.

Section 6 – *CAPITAL PROJECT FUNDS (300's):*
These funds account for financial resources to be used for the acquisition or construction of major capital projects, other than those financed by the proprietary or trust funds. This section includes a summary as well as detail of revenue and expenditures for each capital improvement fund. Graphs are provided throughout the section where appropriate. Fund 301 includes information on approved capital equipment replacement requests from General Fund departments.

Section 7 - *PROPRIETARY FUNDS:*
The proprietary funds section encompasses both the enterprise and internal service funds. These funds account for operations (a) 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 and services to the general public on a continuing basis, be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

This section includes a summary as well as detail of revenue and expenditures for each enterprise and internal service fund. Graphs are provided throughout the section.

Section 8 – *BASELINE ADJUSTMENT REQUESTS (BAR) and NEW PROGRAM REQUESTS:*
During the 2010 budget process, each Department was held to its 2009 program bottom line, meaning only salaries and benefits could increase in each department's budget. Council authorized the use of two forms for departments to request any additional funding over and above their 2009's program bottom line. They are:

- Baseline Adjustment Request (BAR)
- New Program Requests

What was previously referred to as Level of Service Requests (LOS) was changed to Baseline Adjustment Requests (BAR). This was to avoid the confusion of the same term in the Comprehensive Plan. The BAR also provides more detail to help the Council prioritize the increases. When submitted the costs should be detailed as:

- Non Discretionary – meaning the department has no control over the prices, i.e. utility cost, fuel costs, contractual costs.
- Mandatory – items legally mandated.
- Other – all other items not falling in the two other categories i.e. training, supplies and small tools.

This section contains a detailed description of the program improvements that have been requested under this process. The Finance/Administration Committee reviews the requests and makes a formal recommendation to Council regarding inclusion of the requests in the final budget. Any requests approved during the budget process, are now included in the appropriate department's budget. Note: General Fund departments submit their Capital Equipment Replacement Requests through a process set up in Fund 301.

Section 9 – *CITY IMPROVEMENT PLAN*:
This section includes summary and detail of the City's plan for capital construction and purchases for a six –year period as required by the State of Washington Growth Management Act of 2000. Capital projects and major purchases are identified by City departments based on council goals and priorities and level of service standards. The reader can find the City's Improvement Plan and Debt Policies here also.

Section 10 - *APPENDIX:*
This section includes various documents, which support information contained in this document. It includes: Final Budget Ordinance; Employee salary, wage, benefit information; Salary and Wage Resolution; Ordinance setting the 2010 Tax Rate; and Financial Policies.

Section 11 - *GLOSSARY:*
The glossary is provided for users that may not be familiar with governmental or budgetary terms used through this document.

QUESTIONS:
Should you have any questions regarding the information presented in this document, please feel free to contact the Finance Director, Budget Analyst, or any other staff members. Their names and phone numbers are listed on the back cover.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Poulsbo

Washington

For the Fiscal Year Beginning

January 1, 2009

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the City of Poulsbo with Special Capital Recognition for its annual budget for the fiscal year beginning January 1, 2009.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Section 1 - Introduction

City of Poulsbo

Office of Mayor Kathryn Quade

December 31, 2009

To the Honorable Poulsbo City Council and
Citizens of the City of Poulsbo:

To quote Snulla Hromundsdottir:

"Nothing is ever so bad something good doesn't come from it."

Although 2009 presented Kitsap County and her four cities with financial uncertainty due to the global economic downturn, Poulsbo is entering 2010 prepared with a conservative budget, strong reserves policies and a scaled back list of projects. We will weather this turbulence through diligent attention to revenues, careful consideration of new opportunities and the fortitude to make difficult choices.

And to quote Robert Frost:

"The best way out is always through."

I anticipate 2010 to be an exciting year as the city completes our new City Hall. This modern building will not only serve the purposes of local government, but also as a gathering spot for our community. It will also contain room for future growth, as well as County services, including District Court.

As local government is closest to the people, citizen participation in the process is in the best interest of City government. Educating and informing via this budget document demonstrates our commitment for a "partnership" with our citizens. Working together, the aggregate of our efforts is greater than the sum of its parts. The underlying mission of the City budget is to assist decision makers in making informed choices and promoting "stakeholder" participation in the process. This budget incorporates both political and managerial aspects, as well as a responsibility to report and account for the provision of services and use of resources. Our budget is a tool: informing our citizens, guiding our work programs, and providing a road map for our City's future.

I am pleased to present the City of Poulsbo's Final 2010 Budget, which, in essence is the financial plan for the ensuing year for the City and its many programs. The budget document is perhaps one of the most important documents of the City as it outlines the operational and capital goals with a related financial plan for the City. The 2010 budget is submitted in accordance with the Revised Code of Washington (RCW) and the Poulsbo Municipal Code (PMC).

BUDGET PRINCIPLES

The budget process consists of several broad principles that stem from the definition and mission of the City. These principles encompass many functions of the governmental organization and reflect that development of a budget is a political and managerial process which includes financial intentions. The four principles of the budget process include:

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- **Policy Definition –** Establish broad goals to guide government decision making and provide direction for the City and serve as a basis for decision making.

- **Operating Guide –** Develop specific policies, plans, programs, and management strategies to define how it will achieve its long-term goals. A guide which serves as an aid for management staff in the control of financial resources while complying with State requirements for code cities and generally accepted accounting principles for government

- **Financial Plan –** Develop a budget consistent with approaches to achieve the goals. The plan should detail resources to support appropriations which are in accordance with City policies.

- **Communication Document –** Provide a user friendly tool for the citizens to reference, which clearly defines the strategic plan for the City and the financial plan to achieve the adopted goals.

Poulsbo is a progressive community with a reputation for providing excellent local service, effective management, and credible performance in regional issues. Our goal is to continually improve upon this favorable attribute.

The budget format allows the City Council the opportunity to comprehensively review the financial plan of the City and the opportunity to reallocate financial resources to the areas of highest priority. The framework of the 2010 Budget was developed with the following basic goals in mind:

- To establish a plan of policy and operations;
- To facilitate the evaluation of City programs;
- To provide management information; and
- To establish financial control

In order to accomplish these goals, it is imperative the budget document be easily understood and materials are prepared in a format that is clear and comprehensible.

This budget provides the City with the necessary direction to accomplish the many goals and objectives approved by the City Council and to allocate sufficient financial resources to accomplish these initiatives. Within this document readers will find a plan for funding services and capital projects for an exciting and challenging new year. This budget responds, in a positive manner, to the many and varied objectives and projects planned for 2010 to provide quality municipal services to the citizens of Poulsbo.

The budget has been prepared based on policy, approved goals and direction given by the City Council. The Management Team and I utilized these directives when preparing their 2010 submissions.

2009 IN REVIEW

For the City, the year 2009 had many changes and challenges, with some areas slowing and closing due to the economic environment, but other areas continuing to grow and planning for growth.

The City's population continues to grow with a 1015 increase over the prior year. Some of the increase is due to a reporting error regarding number of units on permits, but this does result in an actual increase over the past five years of 1,655. In the past five years the City has approved 15 annexations of approximately 800 acres, or approximately 65% of our urban growth area. All of these annexations have been initiated by property owners who are looking for access to City utilities and greater development densities. There were no approved annexations in 2009, but after the City Council removed a moratorium for annexations a former request was re-submitted and was in the

primary of stages of approval at the end of 2009. It is anticipated to continue move forward in the approval process in 2010.

Although development in the College Market Place has slowed commercial activity is still continuing to grow. PETCO opened their doors for business in 2009. A fast food restaurant from a well known chain has been approved to begin construction in 2010.

To maintain fiscal responsibility, the City issued a Request for Proposal (RFP) for banking services. The RFP's were reviewed, interviews conducted and a new bank was selected. Effective in 2009 the City made the change and converted to the new bank. This is the first change the City has made in their banking services for more than 20 years. The change has helped with improved technology and a secure environment for customer's credit card and banking information to be PCI Compliant according to new federal regulations. The City is still exploring the ability for customers to pay their City Utility bills on-line and hopes to have the availability in early 2010.

In 2008 the City Council approved the purchase of 2 pieces of property on 3rd Avenue as the future site of the New City Hall, solidifying the popular advisory vote of the citizens to keep City government downtown. Design continued in 2008 with approximately 90% completion. Excavation and site preparation was separated from the total bid package in order to make the most of the dry weather and stay on construction schedule. The site work was completed at the end of 2008. Bonds for phase 2 of the building were issued in 2009 and construction bids were received in May 2009. The bids were much lower than cost projections, which allowed the City to retain a healthy contingency to allow for a possible reduction of two properties the City intends to sell as a funding source for the new building. Construction of the building began the middle of 2009 and is moving at a quick pace. Move in date is anticipated to be towards the 3rd quarter of 2010.

Getting ready for the future issue of General Obligation Bonds, the City went through a rating from Standard and Poor's. The City maintained the upgraded rating of 'AA" which equated to a two step upgrade. The reasoning behind Standard and Poor's upgrade included very strong operating and reserve balances, location in Kitsap County (within commuting distance to Seattle), the strong military presence, a large retail base with a very strong per capita retail sales and a moderate carrying charge. As a periodic update by the rating company for existing debt issues, the revenue bonds for the Proprietary Funds was also upgraded to a AA for many of the same reasons combined with the fact that all of these City Services had just updated their functional plans and are increasing rates consistent with the long term financial strategies included in the plan.

2009 was the year of the Comprehensive Plan. Following many public meetings, revisions, staff and citizen input, the City's updated 20 year Comprehensive Plan was adopted. The update has been a two year process involving many, staff, consultants, council members, mayor and citizen input. Functional Plans for transportation, parks, water, sewer and storm drain have been simultaneously updated.

As the challenge of providing more services with fewer resources continues, the City's Management Team has done an excellent job of using resources efficiently. One of the benefits of having a professional staff is their ability to obtain grants and other funding for City improvements. With our limited tax base, grants and community participation are some of the ways we can accomplish goals we may not have otherwise been able to. Major projects started or completed in 2009 included:

1. **Viking Avenue:** Preliminary design work started in 2008 for both the north and south end of Viking Avenue. Due to the City having the foresight to fund design, making the project shovel ready, the City was able to secure stimulus dollars from Federal Grants. The construction bid for North Viking was less than projected from the engineer's cost estimate, which is allowing both the North and South phases to be completed. It is anticipated North Viking will be completed at the end of 2009 and South to begin construction in 2010.The plan is to widen the road, provide sidewalks, bike lanes and improve the drainage. Federal grants were received to help fund the design of the project.

2. **Poulsbo Fish Park Restoration:** With the acquisition of 13 acres and the donation of 7.42 acres at the head of Liberty Bay, along the Dogfish Creek Estuary, development of the site into Poulsbo's Fish Park is well underway. Planned public access into wildlife areas is important to the survival of the vegetation and wildlife and has been taken into account during the development of the park. In conjunction with the City, volunteers have helped with construction of the public access trails, viewing platforms, interpretive signs, pedestrian bridges, about 1 mile of compacted gravel trails, stream re-direction, and restoration plantings. A local artist and other community businesses volunteered time and materials to create a welcoming piece of art featuring a carving of a fish from a rock at the entrance to the newly developed parking area. Local service groups continue to volunteer time and materials to construct a boardwalk to increase pedestrian trails and access to further points of the park.

3. **Centennial Park:** A park located in the central portion of Poulsbo with a natural stream meandering the property. Design was completed in 2007 and the first phase of development was completed in 2008. A sculpture created by local artists was installed and unveiled during a Centennial Celebration. Two new pergolas with picnic tables and a new deck platform were constructed in 2009. Donated volunteer labor from local service organizations including the Rotary and Lions club combined with park impact fees were the two primary funding sources for this project.

4. **City Hall:** A new City Hall, after several years of location and design changes, began construction within the Historic Downtown Poulsbo area, following an advisory vote of the citizens. The site work was completed in 2008 with construction of the 30,000 square foot building with 1 ½ levels of parking beginning in 2009. The new City Hall will be providing much needed updated work spaces, meeting rooms and a safe environment for the employees and the public. Completion and move in is anticipated towards the third quarter of 2010.

5. **Comprehensive Plans:** These are the guiding documents for the City and their functions. The City's 20 Year Comprehensive Plan update began in 2007. Workshops and Community meetings have been held to encourage public involvement. The plan development continued through 2009 with joint meetings of the City Council and Planning Commission. The Plan was adopted in December of 2009. This will guide and tie in the Comprehensive Plans for each the City's Utilities, including Water, Wastewater (Sewer) and Storm Drain. These plans will detail the City's long range vision and necessary infrastructure to support the vision and anticipated growth.

6. **Parks and Recreation Building**: The building which houses many of the City's Park and Recreation activities and administration was owned by the Kitsap County Housing Authority, with the County paying the debt payments as their contribution to the recreation program in the north end of the County. The City agreed to purchase the building from the Housing Authority for the remaining amount of debt as of 2009. The City will be searching for tenants to occupy the vacant portion of the building to help fund the purchase and additional maintenance costs of the building. Much needed repairs to the building, roof and parking lot will be phased over several years.

BUDGET DIRECTIVES

Property Tax Revenue Distribution

The City's property tax levy rate is less than the statutory limit. The maximum rate limit of $3.60 can be reduced by up to $.50 for the Kitsap Regional Library District Levy, and up to $1.50 for Kitsap Fire District #18 levy. If both these taxing jurisdictions were levying their maximum rate, the City's maximum rate would be reduced to a rate of $1.60 per $1,000 of assessed value. For 2010, the City levied $1.53 for its regular property tax levy which is estimated to generate approximately $1.99 million in revenue. The rate is less than the statutory limit due the increase in assessed values and the legal limit of a 1% increase of the highest allowable levy.

In 2010 the City Council reduced the transfer to the street reserves by postponing the construction of some street projects to help reduce the variance in the General Fund. The following distributions of the property tax revenue are as follows:

- 5% of the property tax revenue will be transferred to the Parks Reserve Fund. These funds are used to fund portions of capital park projects.

- 5% of the property tax revenue will be transferred to the Streets Reserve Fund. These funds are used to fund portions of capital transportation projects.

- 36% of property tax revenue will be transferred into the City Streets Fund for maintenance and operations of the City's streets

- The City Council reduced the property tax revenue associated with the reserved capacity from previous years to be transferred to the Street Reserve Fund (311) to be used for street projects. For 2010, the amount of tax levy associated with the banked capacity is estimated to be approximately $55,000.

Sales Tax Revenue Distribution

Sales tax is the City's largest revenue source and although it is a healthy source of income for the City, the City has historically been very conservative in its estimation - never estimating more sales tax revenue than it received in the previous year. Due to the decline in the economy in 2009 the actual sales tax collected is a little over $200,000 less than projection. The revenue projection for 2010 has been reduced from 2009 by $200,000 due to the decline, and to be consistent with the City's unwritten policy. For 2009, we are estimating sales tax revenue at $2,800,000. The City's sales tax revenue distribution changed from past directives by reducing the amount transferred for new and capital replacement to the Capital Acquisition Fund (301). The projected transfers in 2010 will be:

- $77,000 is allocated towards replacement items; and
- $33,000 is allocated for new capital requests
- 3% ($84,000) of sales tax transfer to Revenue Stabilization (Fund 122).

- The balance of sales tax revenue remains in the General Fund to provide funding for various departments and services.

Other Budget Directives

All departments were directed to submit budgets at the 2009 level with the exception of salaries & wages and benefits. After working with the Preliminary Budget it was apparent there would be a shortfall due to the reduction of anticipated revenues, so departments were directed to reduce their operating budgets by 5%. If additional funding was being requested, departments were instructed to submit requests, as shown below:

- Baseline Adjustment Request (BAR): submit if current funding will reduce the current level of service of department
- New Program Request (NPR): submit for any new programs

Admissions tax revenue collected in the General Fund will be transferred to the Debt Service Fund (204) for a portion of the debt service payment of the 2003 Transportation issue over $100,000. Any additional admissions tax above the requirements for debt payments will remain in the General Fund.

STATE INITIATIVES

In 2007 the Streamlined Sales Tax Bill with mitigation was passed with an effective date of July 2008. Streamlined Sales Tax changes the sales tax from source based to destination based taxes. This means the taxes would be collected for the locality where the items were delivered and not the warehouse that shipped the goods. Some cites, which housed many large warehouses, were anticipated to recognize significant losses. These large cities could not support the loss in the revenue, as much of the infrastructure was put in place to support these warehouses. This bill had many City's input as some would see an increase in Sales Tax Revenue and some a decline. A mitigation formula was built into the bill to address the losses and gains. The City of Poulsbo was identified as one of the losing Cities, and will receive the mitigation funds to supplement the loss. The Department of Revenue calculates the mitigation amounts on an annual basis and distributes the funds to the Cities. In 2009 Poulsbo did not receive any mitigation funds as the there was not any calculated loss in revenue for Poulsbo attributed to the bill.

Another challenge in preparation of the budget and long range forecasting was a measure submitted to the voters in November 2009. The intent was for any revenue increases, other than grants, would be limited to a formula including a 1% increase and cost of living inflator. For Poulsbo the impact would not be in the immediate year but a substantial impact a few years out. The initiative failed, but it is anticipated by the State to be prepared for more issues in the future and plan according with long range plans. The City of Poulsbo plans to monitor all legislative activity and monitor cash flow and fund balances to be, at a minimum, in accordance with their Financial Management Policy. The Council has taken a very conservative approach to funding any new requests and/or programs, also evaluating possible decreases in services if measures should be passed in the future.

2010 BUDGET SUMMARY

The 2010 Budget is presented as a balanced budget, meaning total resources equals total uses, keeping in mind the resources is inclusive of Beginning Balance and Uses is inclusive of Fund Balance. One of the most significant objectives of the City's budget is to begin each year with an appropriate fund balance. Exactly what is an appropriate fund balance varies between the funds. In 2007 the City Council approved a Cash Management Policy which addresses an adequate level of reserves. The policy set the goal of maintaining a three month operating cash balance and a minimum 8% Fund Balance. A quarterly report is presented to the City Council measuring both the cash and projected fund balance level to assure funds are in compliance with the policy. In 2009, the quarterly report showed all the reserve fund balances were within compliance. The City Council continues to be reassured that due to good planning and managing in a conservative but productive manner, reserve funds maintained appropriate levels. This provides insurance against unexpected needs, and allows for unanticipated opportunities such as grant matching.

General Fund reserves, or fund balance, are maintained in the Revenue Stabilization (Fund 122). This allows conservation on behalf of the City Council as any funds requested for use requires an approval from the majority of the City Council. All carryover funds in excess of the budgeted beginning balance are sometimes used for consideration of funding any BAR or NPR requests that remained unfunded during the budget process. Excess carryover is then transferred to the Revenue Stabilization Fund increasing reserves. It is a goal of the City to fund current expenses with current revenue and to use prior year dollars to increase reserves.

The 2010 budget for the City of Poulsbo totals $32,104,993. This does not include a projected ending fund balance of approximately $8.6 million. This represents a decrease of $10.8 million in total expenditure budget, or a 159% decrease over the 2009 expenditure budget. The majority of the decrease is due to fewer anticipated capital projects for 2010, reduction in revenues and expenditures to reflect the change in the economic environment, decreases in building activity and a reduction in operating transfers. 2009 produced a large General Fund beginning balance, which a large portion was transferred to the Revenue Stabilization Fund (122) creating a larger General Fund expenditure. The Revenue Stabilization Fund (122) is a reserve account for possible future stabilizations or unanticipated expenditures. To promote fiscal responsibility transfers from this fund require approval by a majority of the City Council. The General Fund budget, providing the basic complement of municipal services, totals $9,083,653. This is a decrease of $132,784 over 2009, or a 1.441% decrease. The majority of the decrease is due to a larger than anticipated Beginning Balance for 2009 which a large portion was transferred to the reserves, 5% department reductions and removing fte's which had become vacant. The City employs 90.97 full-time equivalents (FTE's). The detail of FTE's is in the Financial Plan on page 2-39.

Expenditures	*2009 Budget (Final)*	*2010 Budget (Final)*	*Increase/ (Decrease)*	*% of Variance Inc/(Dec)*
General Fund	*9,216,437*	*9,083,653*	*(132,784)*	*-1.44%*
Special Revenue Funds	*3,158,389*	*2,952,892*	*(205,497)*	*-6.51%*
Debt Service Funds	*1,161,643*	*1,133,015*	*(28,628)*	*-2.46%*
Capital Project Funds	*17,480,616*	*9,624,532*	*(7,856,084)*	*-44.94%*
Enterprise Funds	*10,495,925*	*8,010,556*	*(2,485,369)*	*-23.68%*
Internal Service Funds	*1,383,150*	*1,300,345*	*(82,805)*	*-5.99%*
Totals	*$42,896,160*	*$32,104,993*	*(10,791,167)*	*-25.16%*

SUMMARY ANALYSIS OF FUND TYPES

A comprehensive overview/summary of each of the major budgets and a brief narrative that compares the 2009 and 2010 budgets and budgeting formats, on a fund-type by fund-type basis, are provided below:

General Fund

The General Fund includes the basic governmental services such as executive, legislative, administration, financial, judicial, law enforcement, planning, engineering and maintenance of the parks. The General Fund accounts for all transactions of ordinary City operations not required to be accounted for in another fund.

The General Fund's baseline revenues (not including operating transfers or beginning fund balance) are estimated to decrease by $131,960 from $8,318,752 to $8,186,792. The decrease in revenue is due to a reduction in sales tax revenue. In 2009 the actual dollars received were less than projected. The City Council's unwritten policy is to estimate no higher than what was received the prior year causing a decreased projection for 2010. A couple other factors are the decline in development activities, and reduced investment earnings. These are all reflective of the current economic conditions.

The decrease in General Fund expenditures (exclusive of transfers) of $238,032 is due to many factors. Departments were directed to reduce their operating expenditures, exclusive of wage and benefits, by 5%. A new contract with the Fire Department for inspections was put into place in mid 2009, which is resulting in a substantial savings to the City. With laws lessening the restrictions for Lodging Tax dollars and allowing operational costs associated with special events driving the tourism promotion, expenditures related to these events will be allocated against these revenues in the Special Revenue Funds. 2010 being a non-election year for Mayor or Council members will require less allocated funds for election costs. June CPI amount, which is the driver for many contracts and wage increases, was negative. This allowed expenditure projections related to Salaries and Wages to reflect minimal increases, although a settlement of the Bargaining Unit

Agreement with the Police Association is still pending. A couple vacant positions, one in the Police Department and one in Information Services were not filled and removed from the 2010 projections.

Special Revenue Funds

These funds account for the proceeds of specific revenue sources with legally restricted expenditures.

Changes in the Special Revenue Funds are primarily due to anticipated transfers in 2009 and 2010 and a reduction in the related revenue. Real Estate Excise Tax which is received in the Capital Improvement (Fund 121) has been projected much less than the original 2009 projection. This results in less funds being available to transfer and support the transportation program. In 2009, transportation projects required larger transfers from mitigation funds. Most of the transportation projects in 2010 will be largely funded by grant and/or stimulus dollars.

Debt Service Funds

The Debt Service funds provide budget capacity for the principal and interest payments scheduled to be paid during 2010. The debt of the City consists of:

- Non-Voted GO - debt is for; transportation projects and Morris property; Marine Science Center building, and the 2005 and 2009 issues for the City Hall project.
- Miscellaneous Debt – debt a Public Works Trust Fund Loan used for improvements to Front Street

Capital Project Funds

Capital Project Funds account for major general government construction and acquisition projects. The funding of capital projects identified for the year 2010 is included in the appropriate capital project funds. The complete City Improvement Plan (CIP) can be found in Section 9 of this document. A summary of the major projects scheduled for 2010 can also be found in the Financial Plan Section 2.

1. **City Hall Building:** Construction began on the new City Hall Building in 2009 with completion and move in anticipated for September 2010. The building will be a 30,000 square foot structure replacing the dilapidated existing building, Additional parking, public meeting rooms and a building designed for growth and public accessibility and visibility is the planned development.

2. **Poulsbo Park and Recreation Building:** The city is purchasing the building from the Kitsap County Consolidated Housing Authority and making necessary repairs to the building where the current program is housed. Several years of improvements to the roof, heating system, parking lot and interior of the building is planned. Vacant space in the building will be leased to help fund the improvements, debt service costs and additional operating expenditures.

3. **Poulsbo Fish Park Restoration:** This project will continue in 2010 including infrastructures, plantings, and trail development.

4. **College Market Ball Fields:** This project will develop four to eight multi-use (baseball, softball, soccer) fields on eight acres located in the Olhava development. The land has now been turned over to the City and preliminary design is anticipated in 2010 with development phased over several years.

5. **American Legion Park Paths**: Roots have grown under the paths in the park creating an un-even surface which could be a safety hazard. It is anticipated to start the improvements in 2010.

6. **Centennial Park:** Artwork and new pergolas have been installed at the park. Development is anticipated to continue in 2010 to make more of the park accessible and usable for citizens.

7. **Nelson Park Phase 2:** Nelson Park is a waterfront park on the west side of the City with public restroom, a large picnic shelter and small playground. Funds are being allocated in 2010 for the design of trails throughout the 11 acre park.

8. **Viking Avenue:** The City is the recipient of stimulus funds to continue development of Viking Avenue. The north end of Viking was completed in 2009. The bids were much lower than the engineers cost projections. The remaining funds were then allocated to South Viking Phase 3a, which was the second project on the County's list for allocating federal stimulus dollars. The City has received a state grant for the southernmost part of Viking Avenue. The project is set to be completed in 2010.

9. **Noll Road:** Design work is funded in 2010 for Noll Road. The project is anticipated to be constructed in three phases over several years. The project will address safety concerns for local school traffic, and a growing traffic overflow from the State Highway 305. Improvements will include pedestrian, non-motorized and vehicle traffic improvements including a roundabout at the Lincoln intersection. The hope is the City will receive grant funds for the development of the road.

10. **3rd Avenue Construction:** Much needed improvements for both vehicle and pedestrian safety will be made to 3rd Avenue, piggy backing on the necessary frontage improvements to 3rd Avenue for the City Hall building.

<u>Enterprise Funds</u>
Enterprise Funds are used to account for operations: (a) 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 and services to the general public, on a continuing basis, be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

One of the most significant changes in the City's 2010 budget is due to a reduction in the costs of the Enterprise Capital Projects. Major Capital Projects scheduled in the enterprise Funds for 2010 include:

1. **Pump Station Upgrades:** Improvements to the 6th & 9th Avenue pump station is planned for 2010.

2. **Viking Avenue Phase 3:** This project for both water and sewer main improvements will be in conjunction with the traffic improvements at the South end of Viking Avenue.

3. **Capital Facilities Plant:** It is anticipated the County will need to make improvements to the Capital Facilities Plant for wastewater treatment. It is a contractual obligation of the City being a primary user to share in the costs of these improvements. The City is reserving dollars anticipating their contractual obligation for their share of the plant improvements.

4. **Solid Waste Transfer Station:** The City owns land which is planned to be the future home of the Public Works Department, taking the shop, equipment and work vehicles out of the downtown corridor. The plan is to develop a portion of the property to house a transfer station for a solid waste trailer. This will allow the City to contract with a company to haul the waste in a trailer as opposed to the City's garbage trucks making several trips, many miles to empty the trucks at the County landfill.

Internal Service Funds
Internal Service Funds account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit.

The City has three internal service funds:

1) The Public Works Administration Fund provides administrative support to all public works departments. Each department contributes to this internal service fund based on total costs of the function and service provided.

2) The Medical Reimbursement Fund was established for the city to self-fund the difference between $100 and $500 deductible. As of 2009 the City no longer self insures this portion, but does provide capacity for large unanticipated leave cash outs.

3) The General Facilities Fund is used for maintenance of city vehicles and equipment

SUMMARY
The overall financial condition of the City of Poulsbo, while currently sound, still demands attention and careful thought by the City's management and Council. It is imperative to continue to pursue other resourceful ways of funding projects, social and environmental programs, and improvements to the City's infrastructure. This coming year again promises to be a critical year of challenge and change. With the help of City Council and Departments, it will be imperative to carefully monitor revenues and expenditures to be sure we have taken appropriate measures to reflect the declining revenues due to the economic conditions. The budget document addresses the measures that need to be undertaken in order to lead the City to accomplish the many progressive programs and projects set to be achieved in 2010 and beyond. The goals and objectives we've planned are numerous and the schedule of achievements is aggressive. However, we are excited and ready to take on these challenges as a committed and professional management team.

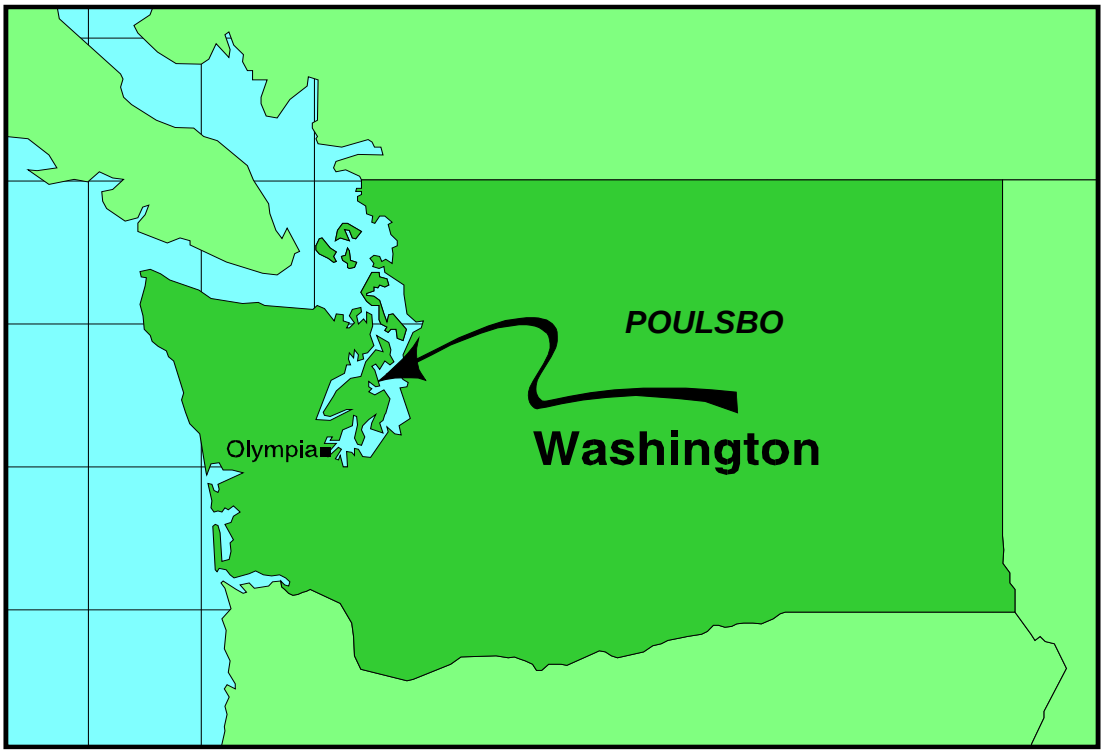
ACKNOWLEDGMENT
The Mayor's Office and the Finance Department sincerely appreciate the cooperation and assistance of the City Council and City staff in addressing the financial requirements of fiscal year 2010. Many people throughout the organization have put a great deal of effort and skill into the production of this document.

The City will continue to work with the community in 2010 expending our resources and energies to provide the type of local leadership needed to face the challenges and needs of our citizens. We hope you find this document useful and interesting. As always, the staff looks forward to any comments and suggestions. Feedback is always helpful as we can continue to refine the document to make it as readable and useful as possible for the City Council and the community we represent.

It is my pleasure to present to you this 2010 Budget document. After serving on the Poulsbo City Council for 6½ years and over the past four years as Mayor, I believe the City of Poulsbo is progressing in the right direction. In cooperation with the City Council and collaboration with our citizens, it was a great accomplishment to adopt the Comprehensive Plan update to further reflect the citizens' desire to retain Poulsbo's "small town" feel. I look forward to the completion of the New City Hall with a grand opening anticipated in 2010 and provide a meeting place the citizens, council and staff can be proud to call their home.

Sincerely,

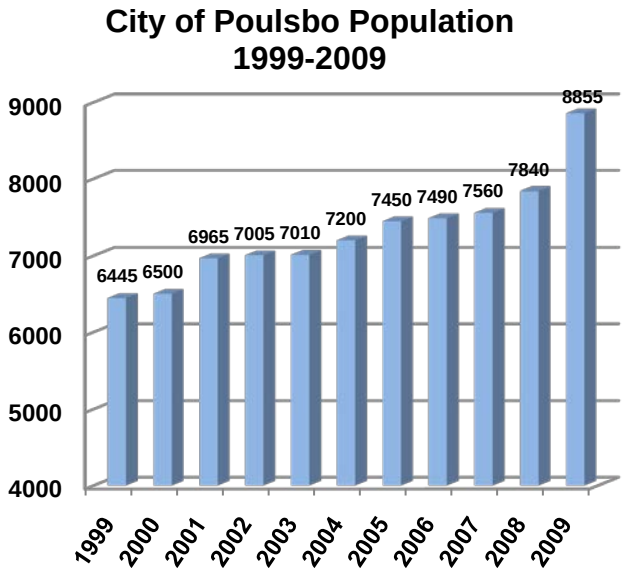
Kathryn H. Quade
Mayor


POULSBO
Washington
Olympia

CITY OF POULSBO PROFILE

The City of Poulsbo is located in Kitsap County, west of Seattle. Originally settled by Norwegian immigrants in the late 1800's on Liberty Bay, a fjord of Puget Sound, Poulsbo continues to maintain its Scandinavian atmosphere through its architecture, celebrations, and hospitality. Holding to its Scandinavian heritage has earned the city the nickname "Little Norway" and visits from two Norwegian Kings.

Three military bases are located in Kitsap County; Bremerton's Puget Sound Naval Shipyard, Naval Submarine Base Bangor and Keyport's Naval Undersea Warfare Center. With a population of 8,855, many of Poulsbo's residents are employed at one of the federal bases or commute to metropolitan Seattle by ferry. In addition, Poulsbo has a large and active senior citizen population.



More and more, people are deciding that Poulsbo and the surrounding area is a great place to live and work. The City has become a very popular place for development. The City acknowledges its responsibility to respond to growth and has adopted all development regulations, which are called for by state law to protect the environment and our quality of life. The City continues to review and revise these regulations periodically based on the City's experience to date.

Washington State's Growth Management Act has been in effect for over 16 years. Most future growth will occur in the designated urban growth areas for which cities are the primary service providers. Poulsbo's population is expected increase by more than 6,000 to have a population over 14,000 by 2020. A large population increase was recognized in 2009. This was due to a reporting error in the method the City used to account for number of building permits issued, as submitted to the Office of Financial Management (OFM) who calculates population estimates. The correction was made in 2009 resulting in a substantial increase.

Since 2003, the City has approved 15 annexations, totaling a little less than 800 acres. Through the annexation process the City has annexed approximately 65% of its Urban Growth Area. This represents a 38% expansion in the City's acreage over the last several years. A moratorium was put in place by the Council in 2008. This was a method for the City Council to take pause and evaluate in conjunction with a task force the best policy for the City to follow in order to provide services for the areas being annexed to the City. The moratorium has now been lifted and there has been continued interest from landowners for annexation of their properties.

- **CENTRAL** — **Downtown Poulsbo (Historic area and waterfront)**
- **WEST SIDE** — **Junction Area/Viking Ave Corridor**
- **EAST SIDE** — **State Highway 305 and Lincoln Hill**
- **NORTHWEST CORNER** — **College Market Place**

CENTRAL AREA--Downtown Poulsbo (Historic area and waterfront)

Centrally located in the heart of Poulsbo, this is the area most people associate with Poulsbo. The downtown area has maintained its history and many of the original buildings have been renovated. Graced with a photographic waterfront parkway and boardwalk, the area invites tourists to shop and spend an afternoon or weekend. The downtown business core has formed a successful business improvement area association now called the "Historic Downtown Poulsbo Association" (HDPA). Assessments to each of the businesses in the HDPA are included in the City's budget and administered by the City, but controlled by the Association. These funds are used to enhance and promote the downtown area. Large flower pots, hanging baskets, colorful blue metal benches with plaques representing donors, and festive banners are included in the Association's beautification program.

Poulsbo's waterfront is active year round. Where sailing schooners and steamships previously exchanged their wares, kayakers and yachts now fill the bay. Many commercial fishing boats still homeport in Poulsbo. Poulsbo continues to be a favorite destination port for day excursions and vacationing boaters. The downtown is home to several popular community celebrations including: Viking Fest in mid-May, 3rd of July Celebration, Poulsbo Street Dance in July, Arts by the Bay in August, and the Yule Fest in December. The Parks and Recreation Department sponsors "Summer Nights at the Bay", a music concert series, at the waterfront park in July and August.

Downtown Magnolia tree in bloom

There are several parks within walking distance of the downtown area for those visiting by boat; the Waterfront Park, which is adjacent to the Port of Poulsbo, the American Legion Park that is a short walk on the boardwalk, Net Shed Park, Lion's Park, and the Oyster Plant Park. The Waterfront Park contains sidewalks circling a Gazebo for hosting many private and community events linking to a boardwalk connecting the Waterfront Park and American Legion Park. The park also provides access to the beach, back dropped by a concrete shoreline wall, detailed with decorative waves and a "Welcome to Poulsbo" insignia welcoming vacationing boaters at the Port of Poulsbo's marina. The American Legion Park has a small updated playground in a lush wooded area overlooking Liberty Bay. Lions Park offers a playground, tennis court, ADA accessible sidewalks and a restroom building decorated with hand-painted tiles that residents created in a local ceramic shop through a fundraising project. Oyster Plant Park is a small waterfront park that has an outstanding view of the Olympic Mountains in the background. The park has water access, newly constructed water-viewing pier, trail to the beach, and a launching ramp for hand carried boats. Net Shed Park is a small strip of land sitting water side with a couple picnic tables for visitors to enjoy a water and mountain panoramic view. All of the parks with the exception of Oyster Plant Park and Net Shed Park have updated playgrounds and restrooms which have been updated with the help of donated time and materials from local organizations, businesses, community members and grants.

Downtown walkway between shops

Located at the east end of the historic downtown is the Marine Science Center. The City, as the owner of the building allows the Marine Science Society use of the building to provide educational programs to local school age children. The use of the building is the City's commitment and contribution to providing the opportunity for citizens to be provided with hands on education of local marine life and environmental impacts to our surrounding waters. The Center is free of charge and open to the public during regular operating hours Thursday through Sundays. The Foundation is continuing to add more exhibits and conduct outreach programs to the many school districts in Kitsap County. The City has a reserve established that will support the debt service for the next year.

The residential section of the downtown area includes many of the first homes in the City. These homes have been well maintained and provide residents with the convenience of being within walking distance of the downtown amenities.

Sons of Norway Lodge on Anderson Parkway

In 1998, the City approved a master plan for redevelopment of a 31-acre residential section of the downtown area known as "the Project". The project earned its name when homes were built during World War II to provide housing for government workers. These dilapidated houses were demolished in 1999, accounting for the drop in the City's population that year. The project has earned three awards from the State's Master Builder's Association including "Community of the Year" and "Best Community Land Use". The approved master plan calls for a residential village that complements and enhances the downtown district. The first phase, of 164 residential units, includes small cottages, cottage clusters, single-family residences, and luxury view-oriented town homes. Phase I was completed in 2004 and the second phase began in 2006. The project's second phase includes 140 single family homes, and a small number of live-work units. The goal is for this master-planned community to expand our walkable downtown core, provide community living and provide a combined residential commercial option. Many businesses have opened over the past couple years maintaining a steady stream of customers within the downtown core. Phase 2 of the project will continue into 2010.

A pedestrian/bicycle trail is located along Fjord Drive. Because of its scenic location along Liberty Bay, more than 200 persons per day travel this route in non-motorized modes. Some of the highlights of the trail are scenic vistas, including Net Shed Park and the in-filling of sidewalks. Large amounts of rain and undermining has temporarily closed Fjord Drive to one way traffic for safety. Design plans are to be completed in 2010 with improvements projected in the following years.

The Jewel Box Theatre is a local theater with an intimate setting providing live productions at a reasonable cost. This 4,000 square foot multi-purpose space theater has seating for up to 100. The Poulsbo Players, a local non-profit community group, puts on different plays throughout the year. The interest and turnout has encouraged plays geared towards younger children and local comedy improv presentations to also be shown on a regular basis. The theater has a catering kitchen, which makes it possible to rent out the space for meetings, fund raising events, wedding receptions and kids classes.

New City Hall under Construction

In 2008 the City Council approved the purchase of 2 pieces of property on 3rd Avenue as the future site of a new City Hall, solidifying the popular advisory vote of the citizens to keep City government downtown. Design, excavation and site preparation was completed in 2008. Construction began in 2009 and is anticipated to be complete with a move in date of September of 2010. The building is planned to be accessible to all citizens and visitors, in such a way that it serves as a landmark on the skyline and enhances the character of the City. The building should provide additional parking

for the downtown area, have meeting rooms available for the public and enhance City services with a welcoming environment and better technology for more efficient services.

After the success of a Centennial Street Dance, it is hoping to become an annual tradition. The street dance again occurred in 2009 and plans are in the works for a 2010 event.

WEST SIDE--Junction Area/Viking Ave Corridor

This area, previously located on a state highway, is now a City avenue dotted with commercial businesses, the largest of which are auto vehicle sales. The state highway now bypasses the junction area, but business activity is still contributes to the City's healthy sales tax revenue.

Martinson House Museum at Nelson Park

Viking Avenue is the main route through the west side of the city. Several years ago the road was expanded to four lanes with a center turn lane through the business district. The avenue is pedestrian friendly with sidewalks and landscaping. In 2009 the City was the recipient of a large amount of Federal Stimulus money. The foresight of City Council and staff to have a completed design allows the project to be shovel ready and a perfect project to meet the requirements of the stimulus dollars. In 2009 improvements were completed at the north end of Viking continuing with sidewalks, a center turn lane and traffic calming devices. Construction bids were much lower than Engineering estimates due to the competitive bid climate, resulting in enough remaining funds to continue with the improvements at the south end of Viking. Additional funds were secured through a state grant to complete the south end improvements. The utility funds will also participate in the project for infrastructure upgrades.

A destination for many city residents is the 10-plex-movie theater. Stadium seating, digital sound, new releases on multiple screens, and catered parties draw patrons from all over Kitsap County.

View of Liberty Bay from Nelson Park

In the late 1990's, the City purchased three parcels of west Poulsbo waterfront, totaling 11.3 acres. These acquisitions provided the first of much needed parks on the City's west side. Grants from two State of Washington agencies helped fund a portion of these purchases. A request from the Audubon Society was approved, and a portion of the park has been designated as a wildlife viewing area.

In 1998, the City approved a master plan for what has now become "Nelson Park". The project began in 2003 with volunteer groups such as the Liberty Bay Foundation pledging labor towards the clean up of the park, while another non-profit organization, the Bight of Poulsbo, organized the restoration of the old farmhouse into a caretaker's residence. The park contains a fairly new picnic shelter,

Local volunteers planting trees on annual Arbor Day

playground and public restrooms. In 2005 Nelson Park became home to the Martinson Cabin, a log cabin that was lovingly taken apart and rebuilt at its present location primarily due to the vision of Poulsbo resident Bill Austin. Using volunteer labor, and donations from the community, the cabin opened in 2006. It now houses memorabilia from over 100 years and the Poulsbo Historical Society hosts docent tours.

State and federal grants have funded construction of a 60-foot replacement bridge over Dogfish Creek. This project replaced an existing 72-inch culvert. The bridge provides pedestrian walkways and is a true fish enhancement by allowing passage from the Dogfish Creek to Liberty Bay. With the help of two grants the city was able to purchase the property adjacent to the bridge. The second grant is helping to develop the property to include a fish park with public access trails, interpretive areas, small amphitheater, wildlife-viewing, and educational opportunities. In 2008 an adjacent parcel of land was donated to the City. Volunteer work forces from local service groups constructed a boardwalk making the additional land available to enhance the wildlife viewing. The park has several viewing platforms, multiple interpretive signs, three pedestrian bridges, one footbridge, approximately 1 mile of compacted gravel trails, stream re-direction and restoration plantings. Most of the improvements have been donated by local individuals and organizations including: Eagle Scouts, Rotary, Poulsbo Lions Club, numerous students, church groups, and volunteers. In early 2008 parking lot improvements were made and included a beautiful carved sculpture into a boulder with the work being donated by a local artist. The park continue to draw families and wildlife experts to travel the trails and enjoy the serenity of the natural park setting

EAST SIDE-State Highway 305 and Lincoln Hill

State Highway 305 runs through the east side of Poulsbo providing access to the Bainbridge Island/Seattle ferry, twelve miles to the south. In years past, this was the agricultural area of Poulsbo. Today, "Poulsbo Village," a shopping mall with retail stores, offices, athletic club and medical facilities, occupies land, which was previously a dairy farm.

Widening of a 1.2-mile stretch located within the City limits was completed in 2008. The Highway 305 Technical Advisory Committee was formed to allow City staff and local residents to communicate their suggestions and concerns to the State. The improvements included the addition of peak hour high occupancy vehicle (HOV) lanes, sidewalks, bicycle lanes and landscaping. The project included re-alignment and restructuring a portion of Dogfish Creek, enlarged culverts and stream enhancements designed to improve fish passage and habitat. Although originally scheduled to begin in 2000, State funding cutbacks delayed the project and reduced the scope until City staff secured another $1,200,000 in grant funding. The project began in 2006 and finished in 2008. In 2008 the City Council approved the extension of 7th Avenue extension final phase to be constructed by connecting it to the SR 305 Improvements. This allows another access around SR 305, improves the level of service at the Liberty Road intersection and provides better access to some of the businesses located along the SR 305 corridor.

The commercial area on both sides of State Highway 305 continues to enjoy a healthy customer base. Boxlight, manufacturer of projectors, and a Fortune 500 company, was the original tenant in a six-building business park campus located on Lincoln Hill, east of State Highway 305. This project changed an old gravel pit into a contemporary business park with a spectacular view of the Olympic Mountains. The campus continues to attract companies such as Paladin Data Systems, Interlocking Software Corporation, Olympic Peninsula Kidney Center, General Construction, Drury Construction, First American Title Insurance and Masterworks. These companies are able to provide family wage earning jobs for professionals who prefer not to commute to the Seattle area.

City of Poulsbo Timeline Located in Centennial Park

Poulsbo is served by the North Kitsap School District. The Lincoln Hill area includes the North Kitsap Senior High, Poulsbo Junior High, Poulsbo Elementary and the North Kitsap School District Administrative offices. Several housing developments have recently been built near the school campuses, including a housing authority project with 50 self-help homes. This has contributed to the continuing population growth of the City.

Improvements to Caldart Avenue included sidewalks, curbs, gutters, drainage, paving, and intersection safety improvements. A long awaited traffic signal was installed in the summer of 2007 at the corner of Caldart and Lincoln. This has greatly improved the safety and traffic flow especially during the busy school starting and dismissal times. Both the high school and junior high are located near the Caldart intersection, which causes a high level of pedestrian traffic. The North Kitsap School District participated in the funding to help provide for the safety of both the students and pedestrians. New sidewalks of pervious concrete and bio-swales to aid in stormwater treatment, speed tables and improved landscaping were installed at the North end of Caldart which contains several housing developments and the City owned Cemetery.

Raab Park Playground

In 2010 it is anticipated to make improvements to Mesford Avenue which is adjacent to Caldart Avenue and fronts the School District's athletic fields and residential developments. The improvements will include widening, pavement overlay, drainage and sidewalks. This will be a great contributor to pedestrian safety for those travelling to school or simply walking the neighborhood. The project is anticipated to be funded through a federal grant, school district contributions and City funds.

Design work for Noll Road improvements are scheduled to begin in 2010. The project will address safety concerns for local school traffic, and a growing traffic overflow from the State Highway 305. Improvements will include pedestrian,

non-motorized and vehicle traffic improvements including a roundabout at the Lincoln intersection. The hope is the City will receive grant funds for the development of the road.

The Poulsbo Farmer's Market, which is located at 7th Avenue and Iverson near Poulsbo Village operates on Saturdays during the months of April through October. The market emphasizes environmentally friendly products and allows local farmers a place to sell their goods.

One of the City's busiest parks is Raab Park. The park boasts a reconstructed picnic shelter, restrooms and updated playground. The park has a walking path around the perimeter, small playground, performing stage, and skate park. The picnic shelter is available for rent to the public and continues to be a popular venue for family and organization events and picnics. A community Pea-Patch, consisting of small blocks for community members to rent and set up a garden area, continues to be ever popular with local gardeners. Educational workshops are also offered in this area for different gardening techniques and ideas. Located in the corner of Raab Park, a fenced "Bark Park" allows pets to be exercised off-leash. This continues to grow in popularity among pet owners.

In 2008 the City signed an agreement for an intended sale of a large parcel of land on 10th Avenue, which was originally intended to house the future City Hall. In 2009 Harrison Hospital purchased this parcel with the intention to build an annex for a large hospital located in Kitsap County. The hospital is not intended to be a stay in facility, but support an additional emergency facility and largely focus on cancer patient care in the North End. There will be an outstanding benefit to north end county residents providing a local facility reducing the need to travel by ferry to Seattle. Development has been delayed, possibly suspended, due to the lack of financing funds available.

Olympic College Campus - Poulsbo

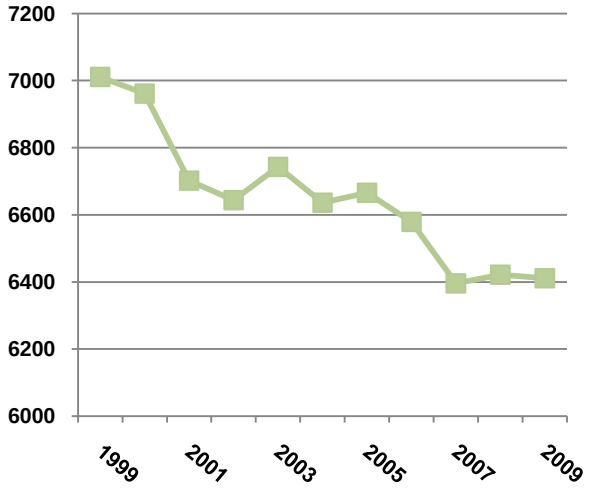
NORTHWEST CORNER – College Market Place

In 1994, 215 acres of undeveloped property known as the "Olhava Property" was annexed in the City and City Council approved the adequacy of the environmental impact statement (EIS) and the master plan in 1998. The Olhava Master Plan will be completed in phased development over a ten-year period. The master plan includes 840,000 square feet of commercial buildings, a 325,000 square foot business park, 70 single-family units and 420 multi-family residents and ball fields. Developers also donated 20 acres to the local community college, and, in 2004, the satellite campus of the Olympic Community College opened its doors to students. The college offers the latest in technology such as satellite classes and video conferencing to enhance the educational opportunities. The development now carries the name, "College Market Place." Two anchor stores, Wal-Mart and Home Depot opened their doors in January 2006. The Wal-Mart store was the biggest in Washington at that time and the first "super-store" that has been built from the ground-up. Several other businesses soon followed opening in adjacent strip malls. The area is continuing to develop with First Security Bank and Office Maxx opening in 2008, a new Petco opening their doors in early 2009, and a major fast food chain is planning to open a location in 2010. This project is a huge investment of private dollars into the community.

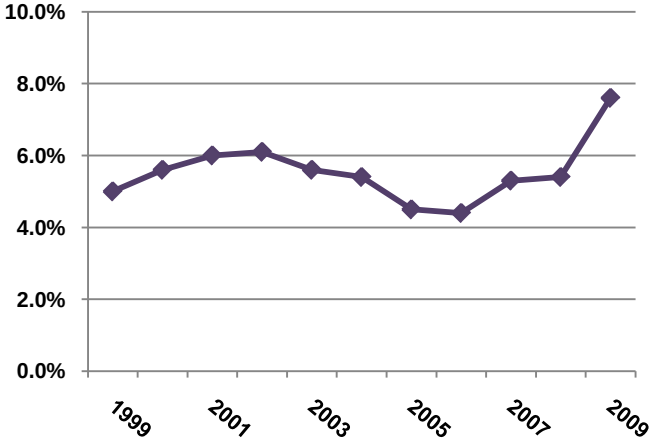
The City of Poulsbo continues to promote smart growth with new businesses coming into the area and providing local employment as well as maintaining our "small town" atmosphere. We feel government, citizens, and developers working together can successfully accomplish the goal of making Poulsbo the premier place to live and work on the Kitsap Peninsula.

KITSAP COUNTY'S TOP TEN EMPLOYERS	
Naval Base Kitsap	26,400
Harrison Memorial Hospital	2,716
Central Kitsap School District	1,284
Kitsap County	1,179
South Kitsap School District	1,011
North Kitsap School District	1,000
Wal-Mart	850
Port Madison Enterprises	756
Bremerton School District	690
Olympic College	650

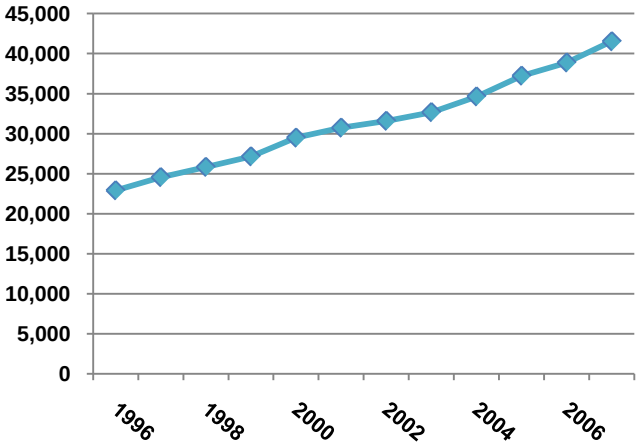
North Kitsap School District Enrollment (1999 - 2009)



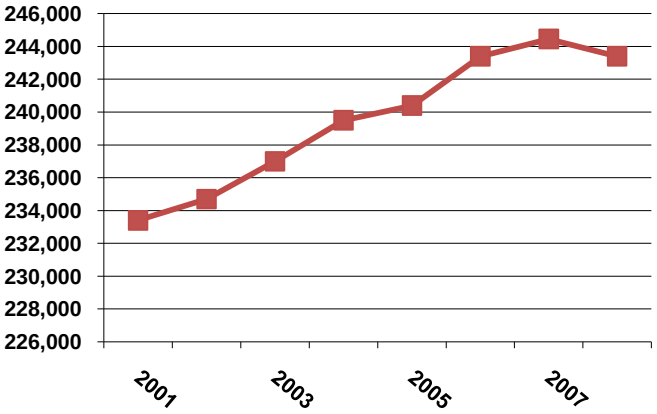
Kitsap County Unemployment Rate (1999-2009)



Kitsap County Per Capita Personal Income (1996-2007)



Kitsap County Population



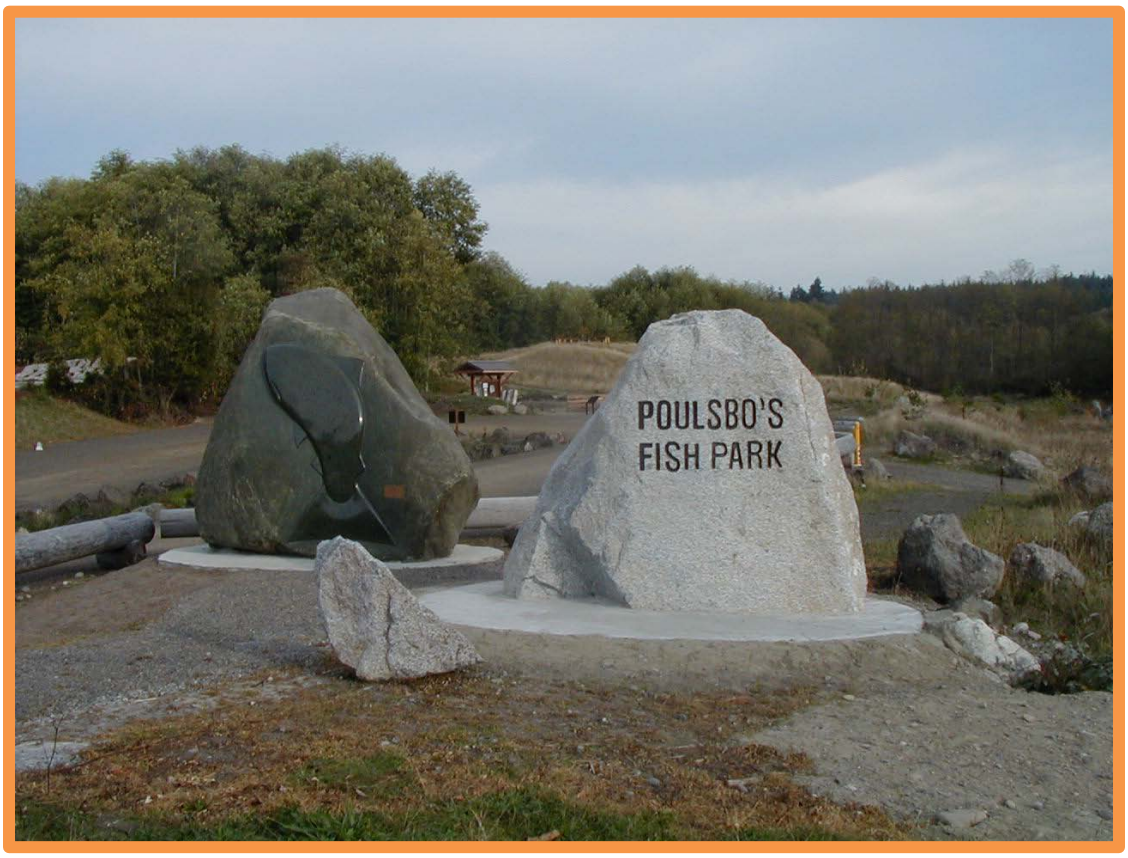
SOURCES:

Unemployment and Kitsap Population: Washington State Department of Employment Security

Per Capita Personal Income: US Department of Commerce, Bureau of Economic Analysis,

School Enrollment: North Kitsap School District

Kitsap County Top Ten Employers: Economic Development Council of Kitsap County


POULSBO'S
FISH PARK

BUDGET PROCESS

A. PURPOSE

The City of Poulsbo's Budget seeks to achieve four basic purposes:

1. ***A policy tool:*** The City's budget process is conducted in a manner that allows the City's policy officials to comprehensively review the direction of the City and to redirect its activities by means of the allocation of financial resources. On this basis, the budget sets policy for the following year. The budget process also facilitates the evaluation of City programs by providing a means to measure the financial activities of the departments.

2. An operations guide: The budget provides financial control by setting forth both legislative and administrative guidance to City employees regarding the character and scope of their activities in both summary and detail form in the various products of the budget process.

3. A financial plan: The budget outlines the manner in which the financial resources of the City will be managed during the budget period. This allocation of resources is based on an understanding of both the current year's needs and the long-term view of the development of city programs. The budget takes into account unforeseen contingencies and provides a process for periodic adjustments.

4. As a communications medium: The budget provides management information as a comprehensive tabulation of information regarding both the character and scope of City activity. No budget can be effective unless it communicates and, since this budget has a diverse audience, it seeks to communicate at several levels and for several purposes. It seeks to communicate clear policy at a usable level of detail to city employees, to communicate significant policy issues and options in a form that can be acted upon by policy officials, and to communicate the plans of the city to its constituents in a manner which affords them an opportunity to provide meaningful comments to the elected officials.

B. PROCESS

The City of Poulsbo's Budget process meets these purposes by integrating the planning and implementation of city programs with the allocation of financial resources necessary to support these services.

The budget process starts in May of each year with the Capital Improvement Team meeting to begin updating the City Improvement Plan. In early summer, each department develops its budget and work plans for the following fiscal year (which is the calendar year). Historic and current budget data is included in the accounting software system in an integrated budgeting module. The departments enter their 2010 projections directly into the software and run system reports. Departments consult during this period with Council Committees while they are formulating their next year's work programs and proposed budgets. These consultations may be either formal or informal and are intended to anticipate the Council's desires as the work programs and the supporting budget proposals are developed. At the same time the budget proposals are being prepared by the departments, the Finance Department develops a tentative revenue projection for the following year. A complete proposed budget is presented to the Mayor in September. The Mayor with each Department Head reviews the budget, in detail. On the basis of this process, the Mayor formulates both her proposal in response to Council goals, and her recommended budget for the following year.

The Mayor's recommendations for the next fiscal year are formally transmitted to the Council in the form of the preliminary budget. The City Council holds a public hearing on the revenue sources for the preliminary budget and conducts a series of workshops to examine the budget in detail. Council conducts another budget public hearing before acting formally on the budget as modified during its workshop hearings. The Finance/Administration Committee makes any final recommendations to the budget. Final action on the budget usually occurs in December.

The entire process is coordinated as needed in regular weekly meetings of the City Department Heads. The Finance Department provides the staff coordination for the process. The Finance/Administration Committee is consulted continually throughout the year as potential issues surface and new program ideas incubate.

The budget process results in various budget products at appropriate stages of the process.

1. Computerized Budget & Accounting System

The actual "official" budget is maintained, both before and after adoption, on a computerized software program, at a detailed "line item" level. Computerized reports can be generated at any time at any level of detail. This computerized budget becomes an accounting system to control expenditures after adoption of the budget.

2. Preliminary Budget

The preliminary budget is prepared, pursuant to State law, as the Mayor's budget recommendations to the City Council. This public document contains detailed information at the fund level and, for the general fund, at the department level, and focuses on key policy issues while still providing a comprehensive overview of the complete budget.

3. Budget Ordinance

The actual appropriations implementing the budget are contained in the budget ordinance adopted by the City Council.

4. Final Budget

The final budget is issued as a formal published document, in the same format as the preliminary budget but as modified by the City Council. It is this document, which is formally filed as a final budget.

5. Budget in Brief

The Budget in Brief each year is published in conjunction with the final document. The Budget in Brief is a smaller document highlighting the information from the final document, but in a much-abbreviated form. This encourages the citizens to become more familiar with the city's policies and upcoming goals without being overwhelmed by a large document.

C. COMPONENTS OF THE BUDGET

There are two parts to the budget:

Baseline Budget: The baseline budget consists of budget proposals sufficient to maintain the operation of programs previously authorized in earlier budgets.

Program Improvements: (Baseline Adjustment Requests, New Program, and Capital Equipment Replacement Requests): Program improvements consist of new initiatives or substantial changes to existing programs.

Segregation of the budget into these two components separates key policy issues in order to facilitate their consideration. Policy officials can examine more readily at what level existing programs should be funded and what budget initiatives should be made, including the level of funding.

This budget document contains the baseline budget in a line item format by department or fund. The program improvements are identified separately as new policy initiatives. The operations budget will consolidate the program improvements into the appropriate line items.

D. IMPLEMENTATION, MONITORING AND AMENDMENT

The budget and its policies are implemented through the work programs of the individual departments and the accounting controls of the finance department.

The financial aspects of the budget are monitored in regular monthly reports issued by the Finance Department. Each department is provided with monthly reports that compare actual to projected expenditures/expenses and revenues. In these reports, financial data is presented at the same level of detail as the final budget. These reports include an analysis of the city's financial condition.

The budget can be amended at any time with the approval of the Mayor and/or Council action. The Mayor can approve department requests for reallocation of funding, within a department's operating budget, for requests under $5,000. All other requests for reallocation or new money require the Mayor's approval, and are then forwarded to the Finance Department for recommendation and processing to be presented to Council for approval or denial. Normally, the status of the budget is comprehensively reviewed quarterly to identify any needed adjustments. Amendments to take care of any such needs are usually made during the review.

E. BUDGET POLICIES

This section sets forth not only the objectives of the budget as a policy document, but also describes the basis of that policy.

1. POLICY CONTEXT OF THE BUDGET

In the City of Poulsbo, the city budget process is part of an overall policy framework, which guides and coordinates the various services and functions of the city. The budget serves a central role by allocating the available financial resources to the programs, which have been established to implement the city's overall policies and goals. The budget also establishes financial policies, which will influence the availability of future resources to carry out the city's policies.

The basic policy document of the City is its Comprehensive Plan. The Comprehensive Plan program, and its implementation, are building blocks for the future. It sets the basic vision for the development of the city, and establishes policies and programs intended to achieve that vision. The plan is further articulated by a series of planning elements, which include public improvement elements (such as public utility plans), policy elements (such as economic development programs), and regulatory measures.

2. BUDGET POLICY DEVELOPMENT

The budget process is linked to this policy framework by the annual development of:

a. ***Council Goals*** are broad in nature and are the framework set to accomplish the City's Vision;

b. ***Departmental Program Goals*** are more specific and short-term and respond to Council's broader goals. They are carried out through annual objectives to be funded by the budget and may also identify the need for additional development of overall policy; and

c. ***Capital Needs*** are derived from the Comprehensive Plan and are funded annually in the budget process through the Capital Improvement Plan (CIP).

Budget policy contains several distinct steps. Policy in this budget starts with an understanding of needs and issues, describes explicit policies governing the development and management of financial resources, identifies general goals, sets priorities with which to apply the available funding tools, and concludes with specific funding proposals. In assessing the issues and needs of the community, this policy builds on actions taken in previous budgets, thereby providing continuity with previous programming. This allows the city to address community needs on a multi-year basis, rather than attempting to satisfy all needs in one budget cycle. These budget policies are a result of an ongoing process of economic and financial analysis conducted by the Finance Department.

The City of Poulsbo budget management approach is based on flexibility and coordination, reflecting the City administration's team management philosophy under which responsibility is shared among departments. While program managers are provided considerable flexibility in managing their program's area on a day-to-day basis, the budget of one department is expected to interact and to take into account the need to support the functions of other departments. This management philosophy demands that budgetary control be exercised in a flexible way rather than the rigid approach often found in line item budgeting systems. Poulsbo does not control its budget at the line item level, but at the fund level Citywide and at the department level within the General Fund. The measure of success in the budget is whether the objectives of first, the City, and second, the department, are achieved within its total appropriation rather than whether particular line items are met.

Budgetary control and responsibility are vested jointly in the Finance Department and the individual departments under the ultimate authority of the Mayor, who is responsible for the entire budget. Department Heads are held administratively responsible for staying within the "bottom line" of their department's total budget. The Finance Department is responsible for the efficient management of the entire budget to meet the ongoing needs of the City in a changing environment. Expenditures at the line item level are monitored by the Finance Department in order to identify potential problems and to adequately account for all financial transactions.

F. LEGAL STRUCTURE

The City of Poulsbo has a strong mayor form of government, organized under the Optional Municipal Code as provided in State law. The Optional Municipal Code confers a limited form of "home rule" to those municipalities organized under these provisions. The independently elected Mayor is responsible for all administrative functions of the City and the Department Heads report to the Mayor. The City Council exercises legislative and quasi-judicial functions. The seven members of the City Council and the Mayor are elected at large for four-year terms. The Mayor develops and proposes the budget while the Council reviews and modifies the proposed budget as it deems appropriate.

G. BASIS OF ACCOUNTING AND BUDGETING

The City prepares a comprehensive annual financial report in conformance with generally accepted accounting principles (GAAP). The budget is prepared using the same basis of accounting, and therefore, can be compared to information depicted in the annual report.

BUDGET: The Governmental Funds are budgeted on a modified accrual basis and can be directly compared to the operating statement in the City's annual report. This means revenues and expenditures are recognized when they are measurable and available.

The Proprietary Funds are budgeted on an accrual basis and are depicted in the annual report using the same basis. There is an exception of expenditures not reflected on the annual report, but reflected in the budget such as capital outlay, leave accrual and debt principal. This allows budget capacity for the funds.

ACCOUNTING: Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is used for all funds except the governmental funds, which use a modified accrual basis of accounting.

The modified accrual basis differs from the accrual basis in the following ways:

- purchases of capital assets are considered expenditures
- redemption of long-term debt are considered expenditures when due
- revenues are recognized only when they become both measurable and available to finance expenditures of the current period
- inventories and prepaid items are reported as expenditures when purchased
- interest on long-term debt is not accrued but is recorded as an expenditure when due
- accumulated unpaid vacation, sick leave, and other employee benefits are considered expenditures when paid

H. BUDGET STRUCTURE

This document is organized so that it represents the financial structure of the city. All of the city's accounts are developed and maintained as described below.

The City's financial structure is divided into funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Each fund is balanced, meaning total resources equal total uses. The funds are separated into four categories of fund types.

This is the structure of funds for budget purposes. This structure will be presented in detail throughout the rest of this budget.

GOVERNMENTAL FUND TYPES:

This group of funds accounts for the activities of the city, which are of a governmental character.

General Fund (Fund 001): Accounts for tax-supported activities of the city and other types of activities not accounted for elsewhere. In the city's budget this fund is divided into departments.

Special Revenue (100 Fund Series): Accounts for the proceeds of specific revenue sources with legally restricted expenditures.

Debt Service Funds (200 Fund Series): Accounts for the payment of outstanding long-term general obligations of the city except that of the proprietary funds.

Capital Project Funds (300 Fund Series): Accounts for major general government construction and acquisition projects financed by long-term general obligations.

Permanent Fund (700 Fund Series):
Accounts for resources that are legally restricted so only earnings, not principal, may be used to support the reporting government programs for the benefit of the government or its citizens. The City of Poulsbo does not budget funds in the 700 series.

PROPRIETARY FUNDS:

This group of funds accounts for the activities of the city, which are of a proprietary or "business" in nature.

Enterprise Funds (400 Fund Series): Contains activities, which are operated in a manner similar to private businesses. In Poulsbo the enterprise funds account for the city's utilities.

Internal Service Funds (500 Fund Series): Accounts for goods and services, which are provided as internal services to other city departments.

FIDUCIARY FUNDS:

Trust and Agency Funds (600 Fund Series): Accounts for funds held by the city as a trustee. As outlined in the BARS, trust and agency funds should not be included in the comprehensive budget as they do not represent resources or outlays that benefit the local government itself. The City of Poulsbo does not budget funds in the 600 series.

I. ORGANIZATION CHART

The organization chart is represented in two different formats and areas of the budget. An overall organizational chart representing the functions and departments of the city can be found in the Financial Section. Within each department a detailed chart is presented detailing positions and full-time employees (FTE's).

J. FINANCIAL SUMMARY

Within each department a table of financial data for each account within the department is included. The information details the projected 2010 budget, 2009 budget and actual expenditures for 2008 and 2007.

K. CAPITAL EXPENDITURES

Capital Expenditures anticipated within the next 6 years with a cost of more than $15,000 are detailed in the Capital Improvement Plan. Other equipment purchased over the $5,000 threshold will be capitalized. All capital expenditures, regardless if in the Capital Improvement Plan are described in the fund that has budgeted the purchase.

L. GOALS/OBJECTIVES/ PERFORMANCE MEASURES:

The City Council holds a retreat in the beginning of the year to review prior goals, long term goals and set new goals for the upcoming year. This allows departments to develop their budgets taking into account the Council Goals and establishing departmental goals. In 2009 the format presentation was changed to display all goals in the Financial Plan instead of each departmental section. For 2010 the departments continue to set goals in the following format:

- **Goal**
  - **Objective**
  - **Measurement**
  - **Council goal to which the objective responds**

M. AWARD

The City's 2009 budget received the Distinguished Budget Award from the Government Finance Officers Association (GFOA).

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. The award is valid for a period of one year. This is the tenth year the city has received the award. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

N. CHANGES FOR 2010 BUDGET

The 2010 budget is organized essentially in the same format as previous years with a few exceptions.

All departments started their departmental budgets maintaining the same bottom line as 2009 with the exception of salaries, wages and benefits. During the process it became evident there are declining revenues, which would not support the current level of expenditures. All departments were directed to reduce their operating budgets by 5%.

In 2010 departments continue to submit their departmental goals in the same format as established by policy, but the presentation is included in the Financial Plan instead of separately in each departmental section. This allows the reader to view the goals by department, but see them as a complete package which ties to the City Council goals and value statements.

Due to tough economic conditions, the City is also experiencing declining revenues. The sales tax projection is approximately $200,000 less than the prior year's projection, but closer to the anticipated actual dollars of 2009. Real Estate Excise Tax is being projected approximately 50% less than the prior year, but again closer to the anticipated actual 2009 revenue. This puts these two revenue lines less than actual dollars received at the 2006 levels.

The reduction in revenue must also result in a reduction to expenditures. Departments have reduced their operating budgets by 5%. All costs associated with outside agencies were evaluated for the level of service provided. The City Council reduced the allocation of lodging tax dollars to two outside agencies and using the funds to support security provided to support two large festivals in the City largely attended by tourists. The level of financial support to a local nonprofit employment agency and the maintenance of flower baskets for the historic downtown were maintained at the reduced 2009 level.

One item which could result in significant impact to the City's funds is the agreement of the bargaining unit for the Poulsbo Police Association. The contract has an expiration date of December 31, 2009 and is currently under negotiation.

For the past few years the City Street (Fund 101) has transferred to the Debt Service Funds $100,000 for 2003 Transportation GO Bonds. The Fund Balance in the City Street Fund had grown because revenues had been increasing over the past several years, which allowed funding for the debt transfer. In 2010 the revenue is being projected to decrease which reduces the projected Fund Balance to an amount not allowing a transfer for the debt payment. This results in General Fund again making the transfer for the entire 2003 Transportation GO Bonds 2010 payment.

The City had a Bond issue in 2009 for a new City Hall. The construction will continue in 2010 anticipating a move in date of September 2010. The debt payments are being funded with transfers from Capital Improvement (Fund 121), General (Fund 001) and Capital Acquisition (Fund 301). The Internal Service Fund for Public Works Administration (Fund 502) has built into their budget the share of debt payment allocated to this function.

The Mayor and City Council recommended maintaining the following transfers of property taxes based on a 1% increase over the highest allowable levy, The previous banked capacity reserve, which was generated when the Fire Department was annexed to the County, will continue to be transferred to street reserves in a reduced amount for 2010 the calculated amount will continue to be transferred in 2010.

Property Tax

- 5% transfer to Street Reserve Fund (311)
- 5% transfer to Park Reserve Fund (302)
- 36% transfer to Street Fund (101)
- (Remainder of tax to stay in General Fund (001)
- Transfer $55,014 of Property Tax Reserve to Street Reserve Fund (311) to support 2010 anticipated transportation projects.

Sales Tax

In the past it has been a policy not to project more sales tax revenue than what was received the prior year. The revenue projected for 2010 will be very close to the actual amount received in 2009. This amount is less than the 2009 projection and brings the revenue projection to a level established prior to 2006.

The following transfers of Sales Tax have been reduced and/or changed for 2010. This allows more tax dollars to remain in the General Fund (001) to help reduce the amount necessary from reserves to balance the fund.

- 5% transfer to Equipment Acquisition Fund (301) for equipment replacement has been reduced to $77,000
- 2% transfer to Equipment Acquisition Fund (301) for new equipment has been reduced to $33,000
- 3% transfer to Revenue Stabilization Fund (122)
- 90% to remain in General Fund

2010 BUDGET CALENDAR

DATE	STAFF	ACTION
May-09 05/29/09 06/15/09 06/19/09	Dept Heads 	City Improvement Team meets to review CIP process All new City Improvement Projects to be submitted to the Planning Department CIP forms due to Project Accountant CIP Meeting
07/15/09 07/31/09	Finance 	Budget kickoff. First budget presentation to City Council (goals, priorities, proposed revenue, Finance Committee Recommendations) Make available electronically, the Budget Instruction Manual to Department Heads. All forms and worksheets are provided electronically.
08/01/09 to 08/28/09	Finance 	Complete revenue forecast for all funds. Complete 2010 personnel summaries. Complete debt service worksheets for all funds. Complete interfund allocations, insurance and all non-departmental budgets.
08/01/09 to 08/28/09	Dept Heads 	Meet with Council Committee members for detailed review of all department expenditures, revenues , Baseline Adjustment Requests (BAR) New Programs, Capital Replacement items, Capital Improvement Plan projects
08/14/09	Finance 	Submit all Capital Replacement and New Capital Forms to finance Department to be considered in 2010
08/28/09	Dept Heads 	Departments submit Budget Checklist to Finance along with budget information (electronic copy) including: Budget Narrative, Expenditure and Revenue projections and all forms for supplemental decisions including New Program and Baseline Adjustment Request, Personnel, and Capital Outlay.
08/31/09 to 09/25/09	Finance 	Review submitted 2010 Budget figures. Verify 2010 estimates, and recap supplemental requests. Prepare Proposed Preliminary Budget
09/09/09 09/24/09	Finance 	Set public hearing for 2010 revenue sources Present revenue and expenditures to the Mayor for modification and review
09/25/09 09/16/09	Finance/Mayor 	Distribute Proposed Preliminary budget to council in packets Review 2009 revenues and expenditures with City Council
10/07/09 10/07/09 10/14/09	Finance 	Review 2010 revenue sources with City Council Public Hearing for 2010 revenue sources Present City Improvement Plan

2010 BUDGET CALENDAR

DATE	STAFF	ACTION
10/01/09 to 10/30/09 10/07/09 10/30/09	Finance 	Prepare 2010 Preliminary Budget document Set public hearing for final 2010 Budget Present Preliminary Budget to Council in packets
11/01/09	City Clerk 	Publish notice of filing of Preliminary budget and notice of public hearing on Final Budget
10/30/09	Finance 	Make copies of Preliminary Budget document available to the public
11/04/09	Finance 	Set 2010 Property Tax Levy Open public hearing. Continue public hearing to November 18, 2009
11/10/09	All Departments 	Special Budget Work Session Police, Court, Capital Equipment, Human Resources, Information Services, Non Departmental, HDPA, Executive, Legislative, Clerk, Finance, Planning, Recreation, Engineering, Public Works
11/18/09	Finance 	Continue Public hearing from November 4, 2009 Close public hearing Review Baseline Adjustment and New Program Requests
12/09/09	Finance 	Final review and approval of 2010 Budget
12/16/09	Finance 	Ordinance adoption of the Final 2010 Budget

Section 2 - Financial Plan

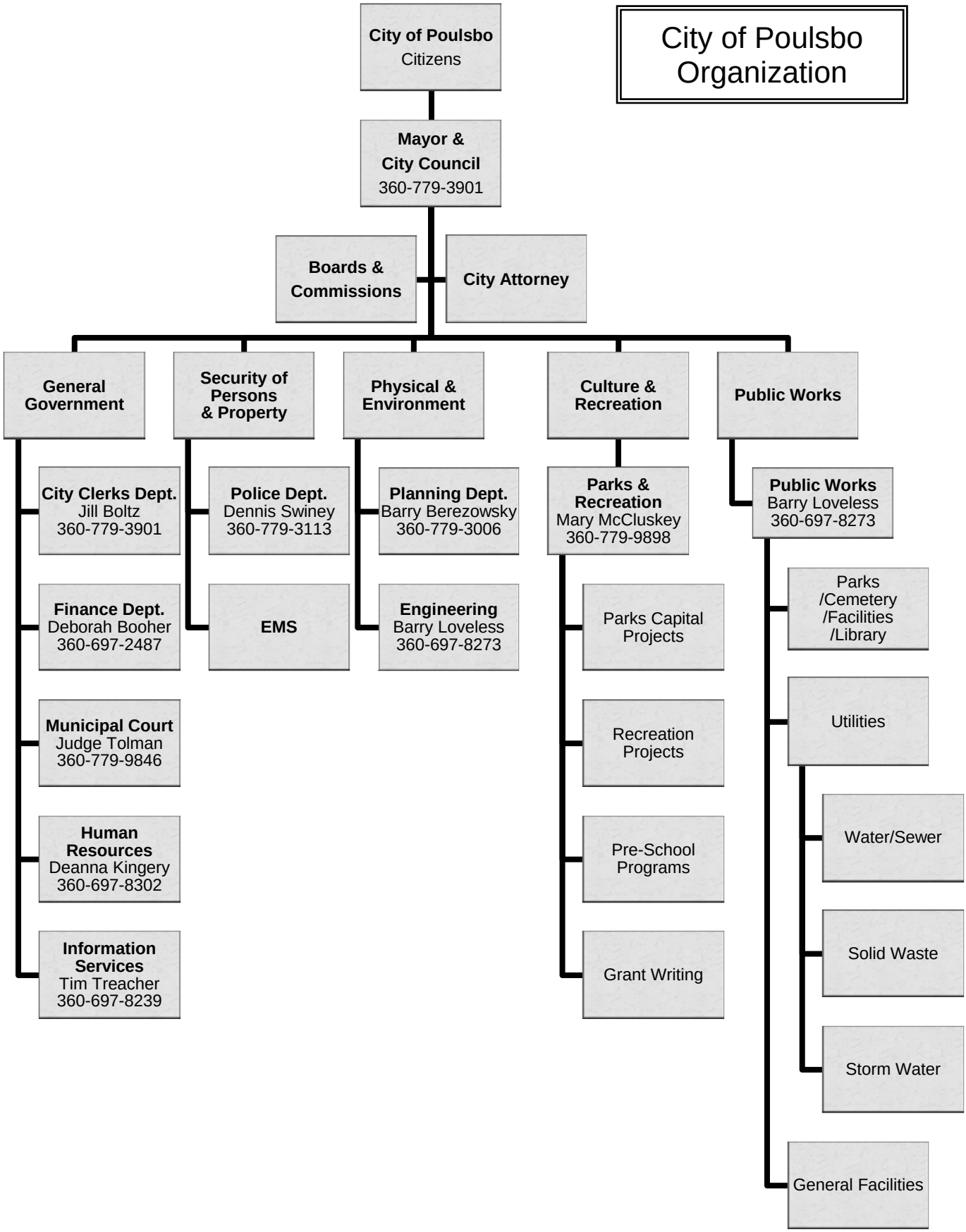
CITY OF POULSBO
THE BUDGET AS A FINANCIAL PLAN

A budget is a plan that allocates the available financial resources to meet community needs. This allocation is made on the basis of policies, goals and objectives addressing how those needs are intended to be met. By doing so, the budget sets forth the scope of activity the City will undertake during the year. This section of the budget presents the plan and assesses the implications of its allocation of resources on the City's financial position, both in 2010 and in the future.

This section describes the overall budget, including all funds. Factors affecting the City's debt capacity are also discussed, followed by a discussion of the working capital of the proprietary funds.

The next section, Baseline General Fund, focuses on the General Fund of the budget, which provides funding for the entire general tax-supported activities of the City (excluding debt service). An analysis of General Fund revenue and expenditure detail is presented. The section generally identifies the source of funds available to the City and how those resources are allocated to various funds.

City of Poulsbo Organization



General Government Services: This is a major class of services provided by the legislative, judicial and administrative branches of the governmental entity for the benefit of the public or governmental body as a whole. This class includes administrative services provided by a specific department in support of services properly includable in another major class.

Security of Persons and Property: Class of services relating to protection of persons and property and prevention of injury or damage to same; including police, fire inspection, and the support of these services.

Physical & Economic Environment: A major class of services provided to achieve a satisfactory living environment for the community and the individual.

Culture and Recreation: Class of services to provide community education, leisure and sports activities, and to recognize historic and festive occasions.

Public Works: This combines several classes of services, which provide for maintenance of city-owned facilities and vehicles; services for the safe and adequate flow of vehicles and pedestrians; and operations and maintenance of city water, sewer, solid waste, and storm drain utilities.

ORGANIZATION OF BUDGETED FUNDS

GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	PROPRIETARY FUNDS
Fund 001	Fund 101 Street Maint & Operations	Fund 201 Miscellaneous Governmental Debt	Fund 301 Equipment Acquisition	Fund 402 Water/Sewer
	Fund 103 Recreation Activity	Fund 204 Non-Voted Debt	Fund 302 Park Reserve	Fund 404 Solid Waste
	Fund 121 Capital Improvements	Fund 230 Voted GO Debt	Fund 303 Library Improvement	Fund 410 Storm Drain
	Fund 122 Revenue Stabilization	Fund 299 LID's	Fund 304 Recreation Reserve	Fund 501 General Facilities
	Fund 123 Cumulative Reserve		Fund 311 Street Reserve	Fund 502 PW Administration
	Fund 131 Historic Downtown Poulsbo Association		Fund 312 Park Acquisition	Fund 503 Medical Reimbursement Plan
	Fund 141 Marine Science Center		Fund 313 Museum Reserve	
	Fund 161 Paths & Trails		Fund 314 Cemetery Reserve	
	Fund 171 Drug Enforcement fund		Fund 321 Street Reserve	
	Fund 181 Transient Occupancy Tax		Fund 331 Facilities	
	Fund 191 Police Restricted Fund			

COUNCIL GOALS

#1 - Growth

Manage growth and change consistent with the Poulsbo Comprehensive Plan and adopted Smart Growth goals, the Kitsap Regional Coordinating Council, and the State Growth Management Act

#2 - Economic Development

Encourage a variety of job and housing opportunities through economic development including telecommunications

#3 - Public Safety

Ensure the protection of persons and property

#4 - Revenues and Financial Stability

Make efficient use of city resources and maintain the city's long-term financial stability in accordance with the city's financial policies

#5 - Parks & Recreation

Address an enriched quality of life through support of parks, recreation, open space, cultural and natural resources

#6 - Public Works

Provide and maintain basic services of water, wastewater, solid waste, surface water and streets

#7 - Customer Service

Continuously provide courteous, professional and responsive customer service

#8 - Enhanced Communication and Participation

Promote understanding of city government through education and public participation

#9-Environment

Enhance the community’s quality of life through responsible development of land and stewardship of the natural environment

Approved by City Council
August 7, 2002

Departmental program goals are represented within the department who maintains the responsibility of setting, measuring, and accomplishing the goal. The department goals and objectives are more specific and short-term. They help to guide the budget process and respond to the Council's broader goals. Below is a matrix showing the general goals set by the City Council and the department who has set a current program goal.

	Growth	Economic Development	Public Safety	Revenues and Financial Stability	Parks & Recreation	Public Works	Customer Service	Enhanced Communication and Participation	Environment
Executive				✓	✓	✓	✓	✓	✓
City Council									
City Clerk							✓	✓	
Finance Department	✓		✓	✓			✓	✓	
Information Services		✓		✓		✓	✓	✓	
Municipal Court			✓				✓		
Personnel				✓				✓	
Police Department			✓						
Planning	✓	✓							✓
Engineering									
Parks & Recreation	✓		✓	✓	✓		✓		✓
Public Works			✓	✓		✓	✓	✓	✓

COUNCIL PRIORITIES

The City of Poulsbo is asked to provide a wide variety of services to people with an even wider variety of needs. Priorities must recognize problems of safety, convenience, economic well-being, and equity, while at the same time differentiating between short-term problems and long-term solutions. Given that priorities are not always clear-cut, the following shall serve as general guidance in the allocation of City resources:

1. Services which directly affect immediate health and safety:
   Police, Fire Prevention, Municipal Court;

2. Services which address basic needs:
   Water, Sewer, Solid Waste, and Storm Drain;

3. Services which are necessary to the efficient functioning of the community:
   Streets, Public Works, Engineering;

4. Economic development of the Poulsbo area in order to provide citizens with opportunities to earn adequate incomes, now and into the future:
   Contributions to Kitsap County Economic Development Council;

5. Services which address an enriched quality of life and recreational and educational needs:
   Parks, Community Recreation, Library;

6. Services which protect and enhance the community quality of life, define long-term growth, and protect neighborhood living environments:
   Planning (zoning);

7. Services which address human service needs:
   Contributions to Kitsap County Health Department and Substance Abuse Programs;

8. Facilities and services which directly support the community's sports, arts, and entertainment needs:
   Community Recreation;

9. Other Services of the City which support the above:
   Finance, City Clerk, Facilities, Council, Mayor, Legal, Personnel, and all other Non-departmental expenditures

2010 Goals and Performance Measures

Executive Department Goals		
Goal – Continue design and building process for new City Hall. *Responds to Council Goals: #4 – Revenues and Financial Stability, #6 – Public Works*		
Objective ➢ Construct building(s)	*Measurement* ➢ Completed design ➢ Funding secured	*Progress* ➢ Property has been purchased ➢ Design is complete ➢ Funding is secured ➢ Ground breaking has been held ➢ Construction is underway
Goal – Establish permanent funding sources for the Marine Science Center. *Responds to Council Goals: #5- Parks and Recreation, #9 – Environment*		
Objective ➢ Identify possible revenue streams ➢ Meet with legislators to discuss funding possibilities	*Measurement* ➢ Marine Science Center fully operational ➢ Funding secured	*Progress* ➢ Marine Science Center is open to the public ➢ Partial funding has been secured
Goal – Beautify Lindvig Bridge for a welcoming entrance to the City. *Responds to Council Goal: #9 – Environment*		
Objective ➢ Design a beautification plan for bridge for approval	*Measurement* ➢ Completed approved design ➢ Bridge complete with design embellishments	*Progress* ➢ Design is in process
Goal – Continue updating citizens with current information. *Responds to Council Goals: #7 – Customer Service, #8 – Enhanced Communication and Participation*		
Objective ➢ Allow citizens to access current City information via the internet ➢ Allow citizens to download forms and applications via the internet ➢ Increase the number of web page hits ➢ Distribute information via quarterly city-wide e-newsletter	*Measurement* ➢ Redesign city website to enhance efficiency ➢ Number of city departments with current information on the web page ➢ Web page hits tracking ➢ Develop electronic newsletter, disseminate quarterly ➢ Host town hall meetings	*Progress* ➢ Website redesigned ➢ Departments responsible for current updates ➢ E-newsletter created and distributed

Executive Department Goals (continued)		
Goal – Create "Government 101" Academy for education of citizens *Responds to Council Goals: #7 – Customer Service, #8 – Enhanced Communication and Participation*		
Objective ➢ Set training agenda and dates ➢ Encourage public participation in government ➢ Engage the youth involvement	*Measurement* ➢ Completed agenda for "Academy Poulsbo" ➢ Workshop held with public attendance ➢ Public Graduates ➢ Complete an FAQ sheet answering commonly asked questions about City Government.	*Progress* ➢ Government 101 educational materials available on city website ➢ Youth program development in progress ➢ Partnership with North Kitsap School District initiated
Goal – Develop a Vision for the downtown core and West Poulsbo business districts *Responds to Council Goals: #9 – Environment, #4 – Revenues and Financial Stability*		
Objective ➢ To ensure & maintain a vibrant economy attracting residents, visitors, and new businesses ➢ Engage citizens in the discussion of options for redevelopment	*Measurement* ➢ Establish funding for vision study ➢ Host Town Hall meeting to facilitate discussions of redevelopment ➢ Secure purchaser for the current city hall property ➢ Establish working group with representatives from the city and West Poulsbo Association to work together on a vision for West Poulsbo	*Progress* ➢
Goal – Secure Parks and Recreation Facility *Responds to Council Goals: #5- Parks and Recreation*		
Objective ➢ Providing a sustainable Parks and Recreation program to the citizens of Poulsbo, and community of North Kitsap	*Measurement* ➢ Secure funding for the facility ➢ Securing tenants for available office space in the facility ➢ Explore funding strategies for sustainable programs ➢ Research possibilities for a Parks District	*Progress* ➢ Preparing a purchase and sale agreement with the KCCHA

Executive Department Goals (continued)		
Goal – Implement planning and design for new Public Works Yard *Responds to Council Goals: #5- Parks and Recreation*		
Objective ➢ Create a design for a new Public Works yard with accessible shop, equipment storage, and administrative offices	*Measurement* ➢ Purchase property ➢ Design facilities	*Progress* ➢ Property is purchased
Legislative Goals		
Goal – Complete City Hall		
Objective ➢ Construct, outfit, and prepare to move into City Hall	*Measurement* ➢ Move in Fall 2010	*Progress* ➢ Ground breaking ceremony held ➢ Demolition complete ➢ Site work in progress
Goal – Vacate Old City Hall		
Objective ➢ Analyze and reuse old city hall property ➢ Enhance economic development through re-use of old city hall ➢ Enhance parking through re-use of old city hall ➢ Appraise, surplus and sell old city hall	*Measurement* ➢ Old City Hall appraised ➢ Old City Hall surplused ➢ Old City Hall sold	*Progress* ➢ Real Estate Agent selected
Goal – Complete Comprehensive Plan and develop zoning codes and policies		
Objective ➢ Refine planning goals to encourage residential and business expansion in character and scale with the community vision	*Measurement* ➢ Comprehensive Plan completed ➢ Zoning codes and policies developed	*Progress* ➢ Public Hearings held September 2009 ➢ Comprehensive Plan adopted December 2009

Legislative Goals (continued)		
Goal – Implementation of the Functional Plans		
Objective ➢ Adopt Functional Plan for Stormwater, Sewer and Water ➢ Execute Capital Projects Design and Construction ➢ Establish a Maintenance Program for utilities and facilities	*Measurement* ➢ Adoption of Functional Plans with the Comprehensive Plan Update ➢ Approved Capital Improvement Projects ➢ Fully functional maintenance management plan developed and implemented for major facilities and utilities	*Progress* ➢ Adopted Comprehensive Plan December 2009
Goal – Review and develop building and zoning code policies to ensure the city is developed according to vision		
Objective ➢ Address mixed use/wetlands, tree ordinance, Low Impact Development (LID), Accessory Dwelling Units, and Infill (ADU)	*Measurement* ➢ Building and zoning code policies reviewed and developed	*Progress* ➢ Adopted LID Manual ➢ Adopted Tree Ordinance
Goal – Establish a community vision for historic downtown		
Objective ➢ Embrace a walkable town center ➢ Improve transportation ➢ Increase parking ➢ Enhance future economic development	*Measurement* ➢ Establish an overall Community Vision for a Town Center including Downtown, Poulsbo Place and Poulsbo Village ➢ Establish policies and objectives to define and guide redevelopment of the Town Center, including urban design standards	*Progress* ➢ Installation of stop sign ➢ Restriping of a portion of Front Street for increased parking spaces.
Goal – Add to facilities for recreation that includes a city/regional trail plan and other opportunities for partnerships and incentives for parks, open space, and facilities		
Objective ➢ Fully Functional Marine Science Center ➢ Implement city/regional trails	*Measurement* ➢ Secure long-term funding ➢ Secure partnership opportunities	*Progress* ➢ MSC Sub-lease signed with Sea Alaska

Legislative Goals (continued)		
Goal – Pursue a site and build a Public Works Building including a solid waste transfer station		
Objective ➢ Construct a Public Works Facility, including a solid waste transfer station	*Measurement* ➢ Purchase property ➢ Develop Solid Waste Transfer Station ➢ Surplus current Public Works site	*Progress* ➢ Public Works Property Purchased ➢ Began Transfer Station site work
Goal – Create a teen program for involvement in government that would include Junior Council and Junior Mayor programs		
Objective ➢ Community involvement in local government	*Measurement* ➢ Create Junior Council Program ➢ Create Junior Mayor Program	*Progress* ➢ Initiated conversation with North Kitsap High School representative
Goal – Create an electric trolley transit program that loops around the city.		
Objective ➢ Create improved downtown parking and other transportation enhancements	*Measurement* ➢ Implement a trolley transit system	*Progress* ➢
Clerks Department Goals		
Goal – Provide efficient and effective public and internal access to the records maintained by the City Clerk. *Responds to Council Goal: #7 – Customer Service*		
Objective ➢ Continue to increase the information shared on the City's network and website.	*Measurement* ➢ All current contracts, ordinances, resolutions, Council minutes and agenda packets in electronic format and available to City staff on the Library drive in a searchable electronic format and to the public via the City's web-site.	*Progress* ➢ Organized Library Drive for consistent management of public documents

Clerks Department Goals (continued)		
Goal – Improve document management handling and processes. *Responds to Council Goal: #7 – Customer Service*		
Objective ➢ Update and improve current systems for archiving and retrieval.	*Measurement* ➢ Decrease in paper document storage and space requirements for paper document storage.	*Progress* ➢ Purchased e-records management system
Goal – Create information brochure for Council Committee meetings. *Responds to Council Goal: #8 – Enhanced Communication and Participation*		
Objective ➢ Create a brochure for the public that provides information on the responsibilities and activities of the various Council committees.	*Measurement* ➢ Completed Council Committee brochure.	*Progress* ➢
Goal – Coordinate with the Washington Master License Service for streamlined business licensing. *Responds to Council Goal: #7 – Customer Service*		
Objective ➢ Provide a more efficient process for new businesses choosing to do business in the City of Poulsbo.	*Measurement* ➢ Contract and Implementation of the Washington Master License Program	*Progress* ➢ Met with Master License representatives
Goal – Review policies and procedures both internal and as provided for by the Poulsbo Municipal Code for updating and modification. *Responds to Council Goal: #7 – Customer Service*		
Objective ➢ Review, update and/or modify current policies and processes for providing efficient and effective customer service.	*Measurement* ➢ Review of PMC ➢ Implementation of new policies and procedures	*Progress* ➢ Began identifying PMC chapters in need of updating
Municipal Court Goals		
Goal – Implement E-ticketing in conjunction with the Police and Administrative Office of the Courts *Responds to Council Goals:#3 Public Safety*		
Objective ➢ E-Ticketing	*Measurement* ➢ Implementation of E-Ticketing	*Progress* ➢

Municipal Court Goals (continued)		
Goal – Move into court office with District Court in the new Poulsbo City Hall *Responds to Council Goals:#7 – Customer Service, #3 Public Safety*		
Objective ➢ Coordination of work space and court calendars with Kitsap County District Court.	*Measurement* ➢ Move into new city hall ➢ Coordination of court functions	*Progress* ➢
Finance Department Goals - Accounting		
Goal – Produce award winning CAFR *Responds to Council Goal: #3 – Revenues and Financial Stability*		
Objective ➢ Completed CAFR within 8 months of new fiscal year	*Measurement* ➢ Submit CAFR within time limit requirement of GFOA ➢ Receive letter from State Auditor to include with CAFR ➢ Completed Audit ➢ Prepared statements	*Progress* ➢ Award Received: o 2006 – Yes o 2007 – Yes o 2008 – Yes
Goal – Eliminate Advanced Travel Account and update travel policy. *Responds to Council Goals: #7 – Customer Service, #4 – Revenues and Financial Stability*		
Objective ➢ Update a new travel policy ➢ Train City personnel on new policy and submittal of requests	*Measurement* ➢ Advance Travel account closed ➢ Approved Policy	*Progress* ➢ Reviewing other entities policies ➢ Establish policy in 2010
Goal – Produce a Debt Policy for Certification *Responds to Council Goals: #8 – Enhanced Communication and Participation, #4 – Revenues and Financial Stability*		
Objective ➢ Research and prepare a Debt Policy for approval ➢ Submit Debt Policy for certification from Washington Municipal Treasurer's Association (WMTA) and Association of Public Treasurers (APT)	*Measurement* ➢ Completed and approved Debt Policy ➢ Certification received	*Progress* ➢ Other entity examples collected

Finance Department Goals – Accounting (continued)		
Goal –Implementation Web applications of computer software. *Responds to Council Goals: #4 – Revenues and Financial Stability, #7 – Customer Service*		
Objective ➢ Determine best technology resource ➢ Attend Training ➢ Conversion of program to existing database	*Measurement* ➢ New software live ➢ City staff and customers using new software	*Progress* ➢ Waiting for technology resource to be determined in 2010-2011 upon moving to new City Hall ➢ Researching Application Server Provider (ASP)
Goal – Recalculate charges billed to HDPA for providing services. *Responds to Council Goals: #4 – Revenues and Financial Stability, #7 – Customer Service*		
Objective ➢ To recalculate the charges that the City bills HDPA for services provided by the Finance Department.	*Measurement* ➢ Spreadsheet with hours allocations completed	*Progress* ➢ Spreadsheet completed ➢ To be presented to HDPA in 2010
Finance Department Goals – Budgeting		
Goal – Produce award winning budget. *Responds to Council Goals: #4 – Revenues and Financial Stability, #8 – Enhanced Communication and Participation*		
Objective ➢ Complete budget document and submit to Government Finance Officers' Association (GFOA) within 90 days of adoption for consideration of GFOA Distinguished Budget Award.	*Measurement* ➢ Receipt of GFOA Budget Award and/or increase in number of proficient and/or outstanding ratings over previous year	*Progress* ➢ Award Received/Increased Proficient and or Outstanding Ratings o 2005 – Yes o 2006 – Yes o 2007 – Yes/Yes o 2008 – Yes/Yes o 2009 – Yes/Yes
Goal – Improve City's financial forecasting ability *Responds to Council Goals: #1 – Growth, #4 – Revenues and Financial Stability*		
Objective ➢ Develop revenue-forecasting spreadsheet for five-year period	*Measurement* ➢ Completed spreadsheet with forecasts	*Progress* ➢ Collected samples ➢ Draft in progress

Finance Department Goals – Budgeting (continued)		
Goal – Improve City's Goal and Objectives presentation and reporting. *Responds to Council Goals: #1 – Growth, #4 – Revenues and Financial Stability, #8 – Enhanced Communication and Participation*		
Objective ➢ Collect samples from other entities ➢ Attend training opportunities ➢ Prepare user friendly document with reporting capabilities ➢ Departments will review with prospective committees at regular intervals either quarterly or semi-annually	*Measurement* ➢ Completed spreadsheet with forecasts ➢ Presentations to committees	*Progress* ➢ Established new format for 2009 budget ➢ Incorporated into one location within City Budget document ➢ Goal completed in 2009.
Personnel Department Goals		
Goal – Provide Sexual Harassment Training for the majority of City employees. *Responds to Council Goal: #4 – Revenues and Financial Stability*		
Objective ➢ Schedule an outside training consultant	*Measurement* ➢ Training completed with as close to 100% participation as possible.	*Progress* ➢ Training completed with 100% of regular employees receiving training in 2009.
Goal – Union contract negotiations *Responds to Council Goal: #4 – Revenues and Financial Stability*		
Objective ➢ Complete 2010 Teamsters and Poulsbo Police Officers Association contracts	*Measurement* ➢ Union contract negotiations completed	*Progress* ➢ New Teamsters contract in place January 1, 2010 ➢ Poulsbo Police Officers Association contract negotiations ongoing
Goal – Exempt Positions Classification and Salary Placement *Responds to Council Goal: #4 – Revenues and Financial Stability*		
➢ Review existing legislative policy; compile salary information; provide comprehensive review to Committee and Council	*Measurement* ➢ Review completed	*Progress* ➢

Personnel Department Goals (continued)		
Goal – Complete update of Personnel Handbook *Responds to Council Goal: #8 – Enhanced Communication and Participation*		
Objective ➢ Review and revise personnel handbook	*Measurement* ➢ Updated Personnel manual reviewed and approved by Mayor, management, unions and Committee	*Progress* ➢
Information Services Department Goals		
Goal – Implement a web server. *Responds to Council Goals: #4 – Revenues and Financial Stability, #7 – Customer Service, and #8 – Enhanced Communication and Participation*		
Objective ➢ Implement an in-house web server that will provide local management of the City's website. ➢ Purchase server/program server.	*Measurement* ➢ Web server implemented and available.	*Progress* ➢ This goal is to be removed. The City's current setup is adequate and the implementation of this would not be cost effective or the best use of limited staff time.
Goal – Redesign the City's website. *Responds to Council Goals: #4 – Revenues and Financial Stability, #7 – Customer Service, and #8 – Enhanced Communication and Participation.*		
Objective ➢ Hire a consultant to design the City's website. ➢ Redesign the City's website to improve the overall look and functionality providing a more functional way to navigate and retrieve information.	*Measurement* ➢ Website redesigned within budget and meets the needs of the City and its citizens.	*Progress* ➢ Completed 2009
Goal – Integrate our new financial software into our website for citizen online use. *Responds to Council Goals: #4 – Revenues and Financial Stability, #7 – Customer Service, and #8 – Enhanced Communication and Participation*		
Objective ➢ Update our website to integrate with the new financial software for citizen online use.	*Measurement* ➢ Online utility account/payment options to be available for citizens to use.	*Progress* ➢ Finance is looking into contracting with SunGard as an ASP for the Financial Software.

Information Services Department Goals (continued)		
Goal –Develop and implement new Policies and Procedures for the City and Information Services Department. *Responds to Council Goals: #2 – Economic Developments, #6 – Public Works, #7 – Customer Service, #8 – Enhanced Communication and Participation*		
Objective ➢ Set standards and expectations with regards to the City's technology. ➢ Prepare written policies and procedures. ➢ Ensure the City's needs are being met and we are following regulations regarding data storage and access. ➢ Provide security of the data we store on our networks. ➢ Set a standard of professionalism with regards to how we use the technology and data that is on the City's network.	*Measurement* ➢ Development and Implementation of new Policies and Procedures	*Progress* ➢ The Employee manual has been updated with all new and updated policies regarding the use of Cell Phones, Computers, Internet and E-mail usage and network security. ➢ This goal will continue into 2010.
Goal – New City Hall		
Objective ➢ Design and implement a network infrastructure that meets the City's current needs, be able to grow into the vision of future needs and meets or exceeds the industry's "best practices". ➢ Have a phone system installed that meets current needs and allows for growth and reduces the total operating cost of the current phone system using the industry's "best practices".	*Measurement* ➢ To have a fully functional network, phone system that operates with a minimum amount of issues. ➢ To have this completed in time for the scheduled move in date.	*Progress* ➢

Planning Department Goals		
Goal – Continue the daily administration of planning and environmental laws and standards in conformance with all applicable state and local laws, rules and procedures. *Responds to Council Goals: #1 – Growth, #9 – Environment*		
Objective ➢ Evaluate land use permits in terms of appeal outcomes	*Measurement* ➢ Evaluation of all permits appealed and the final decision made.	*Progress* ➢ On-going: Received one project appeal in 2009. Hearing pending before City Council.
Goal – Continue to implement the City of Poulsbo Comprehensive Plan *Responds to Council Goals: #1 – Growth*		
Objective ➢ Implement the City's Comprehensive Land Use Plan to help the City attain the vision articulated in the plan	*Measurement* ➢ Ensure that development within the urban growth area and the city proper is consistent with the City Comprehensive Plan and development regulations	*Progress* ➢ On-going: All projects continue to meet City's minimum density and bulk and dimensional standards within the City proper.
Goal – Update the City of Poulsbo's Comprehensive Plan to comply with legislative changes to Growth Management Act (GMA). *Responds to Council Goals: #1 – Growth*		
Objective ➢ Incorporated Best Available Science into Environmental Element of the Comprehensive Plan; update Transportation Element to reflect new Citywide Traffic Study; incorporate finding of Old Town Study into Plan; and, reformat plan to make it more readable	*Measurement* ➢ Adoption of updated comprehensive plan.	*Progress* ➢ On-going: Planning Commission completed review of staff's recommended plan and forwarded the Planning Commission's Comprehensive Plan to City Council for review and adoption. ➢ Expect adoption in late 2009 or early 2010.

Planning Department Goals (continued)		
Goal – Study Downtown Parking as follow-on to completed parking study *Responds to Council Goals: #1 – Growth*		
Objective ➢ Analyze downtown parking to identify whether an issue exists, what the nature of the issue is and what are possible remedies to the issue	*Measurement* ➢ Completed parking study and recommendations	*Progress* ➢ Study completed in 2009. Recommendations implemented include adding parking to Front Street. PWKs Committee is reviewing parking standards in downtown for possible amendment to zoning code. ➢ Adding to 2010 work program
Goal – Continue to assist Mayor and Council in their effort to build a new City Hall in downtown *Responds to Council Goals: #1 – Growth*		
Objective ➢ Provide assistance, information and advise when requested to assist the Mayor and Council make decisions regarding the development of a new City Hall in downtown	*Measurement* ➢ Continued progress towards the construction of the new City Hall	*Progress* ➢ On-going: Construction commenced in 2009. Foundation footings, walls, elevator shaft and slab.
Goal – Adopt a new Building Code Enforcement Ordinance *Responds to Council Goals: #1 – Growth*		
Objective ➢ Make code enforcement more predictable, consistent and equitable	*Measurement* ➢ Develop process for review and adoption of ordinance by City Council	*Progress* ➢ Adding to 2010 work program.
Goal – Revise the City's Zoning Code to implement newly adopted Comprehensive Plan *Responds to Council Goals: #1 – Growth*		
Objective ➢ Revise the City's Zoning Code (and other development codes) to make it more predictable and understandable while taking care of minor issues identified during the past two years of implementation	*Measurement* ➢ Adoption of new zoning ordinance; subdivision ordinance; clearing and grading ordinance and procedural/process ordinance.	*Progress* ➢ Awaiting adoption of revised Comprehensive Land Use Plan in late 2009 or early 2010. ➢ Adding to 2010 work program.

Planning Department Goals (continued)		
Goal – Provide an efficient land use permitting system in conformance with local and state time line requirements *Responds to Council Goals: #1 – Growth, #2 – Economic Development*		
Objective ➢ Fully implement the new LIS and maintain development review performance timelines ➢ Implement "over the counter" building permit process for simple building permit applications	*Measurement* ➢ Statistical evaluation of time lines for all permits from date of application to decision ➢ Maintain development review performance timelines	*Progress* ➢ On-going: All projects approved within the required 120 day time-limit. Still working with HTE system to provide "statistical" analysis
Goal – Conduct Downtown Visioning *Responds to Council Goals: #1 – Growth, #2 – Economic Development*		
Objective ➢ Through an outreach program identify the future vision of Poulsbo's downtown business district and waterfront	*Measurement* ➢ Complete visioning effort and use to develop development and design standards to guide the future development of the downtown core.	*Progress* ➢ Adding to 2010 work program.
Goal – Continue working with Design Review Board to consider revisions to design standards/process *Responds to Council Goals: #1 – Growth, #2 – Economic Development*		
Objective ➢ Consider amendments to the City's design standards/process	*Measurement* ➢ Develop a written recommendation from DRB to City Council regarding possible amendments to the City's design guidelines and design review process	*Progress* ➢ Adding to 2010 work program.
Goal – Update the City's Shoreline Master Program *Responds to Council Goals: #1 – Growth*		
Objective ➢ Amend the City's Shoreline Master Program to comply with changes to the State's Shoreline Management Act	*Measurement* ➢ Prepare a draft Shoreline Master Program	*Progress* ➢ Adding to 2010 work program.

Public Works Department Goals		
Goal – Ensure a consistent level of service on city-owned streets *Responds to Council Goals: #6 – Public Works*		
Objective ➢ Develop a concurrency and traffic impact fee ordinance to ensure consistent level of service on City-owned streets. ➢ Develop a traffic impact fee ordinance establishing the collection of street impact fees for new development.	*Measurement* ➢ Concurrency and traffic impact fee ordinance adopted ➢ Impact fee ordinance for collection of street impact fees for new development adopted ➢ Updated street construction standards adopted	*Progress* ➢
Goal – Improve pedestrian safety in the city. *Responds to Council Goals: #3 – Public Safety*		
Objective ➢ Initiate a city wide traffic calming program.	*Measurement* ➢ Program presented to Public Works Committee and to City Council for consideration.	*Progress* ➢ Program has been presented to P.W. Committee
Goal – Improve the condition of the city street system. *Responds to Council Goals: #4 – Revenues & Financial Stability, and #6 – Public Works*		
Objective ➢ Develop a strategy for recurring and dedicated funding to maintain the City's streets to an acceptable level.	*Measurement* ➢ Funding strategy adopted for us in 2010 budget cycle.	*Progress* ➢ Program presented to P.W. and Finance Committees, but 2010 budget may prevent adoption
Goal – Meet the requirements of the National Pollutant Discharge Elimination System Phase II Municipal Stormwater Permit. *Responds to Council Goals: #6 – Public Works, #9 – Environment*		
Objective ➢ Complete an update to the stormwater facility inventory and update the inspection record database. ➢ Develop and implement an electronic database to track maintenance activities and requirements ➢ Develop ongoing training program for all field staff on identifying and reporting of illicit discharges.	*Measurement* ➢ Stormwater facility inventory and database adopted. ➢ Database to track maintenance activities and requirements database developed. ➢ Ongoing training program developed.	*Progress* ➢ In progress – new completion deadline Feb. 2010

Public Works Department Goals (continued)		
Goal – Provide sufficient water supply sources to meet the requirements of the Comprehensive Plan. *Responds to Council Goal: #6 – Public Works*		
Objective ➢ Finalize agreement with the Kitsap Public Utilities District that ensures long-term water supply needs. ➢ Implement water conservation measures recommended in 2007 Water System Plan.	*Measurement* ➢ Agreement finalized between City and KPUD. ➢ Water conservation program implemented.	*Progress* ➢ Agreement has been drafted and is under review by both organizations
Goal – Manage and operate the City of Poulsbo's municipal wastewater system pursuant to the requirements of the Federal Clean Water Act, Department of Ecology rules and regulations as defined in WAC 173 of the Washington Administrative Code and the requirements of the Poulsbo Municipal Code. *Responds to Council Goals: #6 – Public Works*		
Objective ➢ Compliance with regulatory requirements	*Measurement* ➢ Number of non-compliant orders.	*Progress* ➢ In Compliance
Goal – Continuation of the maintenance and repair activities of the wastewater system infrastructure to insure the timely and uninterrupted delivery of service. *Responds to Council Goals:#6 – Public Works*		
Objective ➢ Continues delivery of service.	*Measurement* ➢ System Failures.	*Progress* ➢
Goal – Maintain a cost-effective and responsive solid waste collection system. *Responds to Council Goals:#4 – Revenues & Financial Stability, and #6 – Public Works*		
Objective ➢ Implement a cost-effective local transfer station in Poulsbo to eliminate the long haul distance for local collection trucks. ➢ Partner with other local municipalities to complete the Comprehensive Solid Waste Management.	*Measurement* ➢ Transfer station constructed. ➢ Comprehensive Solid Waste Management Plan completed.	*Progress* ➢ Site plan approval in progress

Public Works Department Goals (continued)		
Goal – Improve Current Planning *Responds to Council Goal:#7 – Customer Service*		
Objective ➢ Continue to provide courteous and professional service to customers and quick turnaround of applications and permits ➢ Evaluate time line for construction permits from date of application to decision. Maintain construction plan review timelines.	*Measurement* ➢ Completed time lines.	*Progress* ➢ In progress
Goal – Improve Contract Administration. *Responds to Council Goals:#7 – Customer Service, #8 – Enhanced Communication and Participation, #6 – Public Works, #9 – Environment*		
Objective ➢ Work with IT to update and redesign website to provide user-friendly access to Public Works projects, awarded projects, and projects coming up. ➢ Work with IT to implement electronic contract routing review	Measurement ➢ Redesigned contract section of web site and implemented electronic contract routing review.	*Progress* ➢ Initial launch completed
Goal – Develop a financially sustainable mechanism for replacement of capital equipment and fixed assets associated with the City's buildings and infrastructure. *Responds to Council Goals: #4 – Revenues & Financial Stability, and #6 – Public Works*		
Objective ➢ Utilizing SunGard HTE software, collaborate with Finance Staff to create a master list of pertinent equipment and assets, along with corresponding "life cycle" costs for major repair and replacement.	*Measurement* ➢ Complete the master list and cost estimates.	*Progress* ➢ Not started

Public Works Department Goals (continued)		
Goal – Complete Planned Public Facilities Projects *Responds to Council Goals:#6 – Public Works, #9 – Environment*		
Objective	*Measurement*	*Progress*
➢ Noll Road Improvements – Design ➢ Moe Street Improvements – Design & Construction Phase ➢ 3rd Reconstruction – Design & Construction Phase ➢ Viking Avenue – McDonalds to SR305 Design ➢ Viking Avenue – Bavela Lane to South City limits – Design ➢ Mesford Improvements – Construction ➢ Dogfish Creek Restoration Project – Master Plan ➢ Lincoln Well #2 Transmission Main	➢ Completed project phases on time and within budget	➢ Not started ➢ Awarded as part of City Hall Project ➢ Not started ➢ In progress; complete Nov. 2009 ➢ In design ➢ Plan to award – Nov. 2009 ➢ In progress ➢ Completed Sept. 2009

Police Department Goals		
Goal – Accreditation, Implement Accreditation Standard *Responds to Council Goal: #3 – Public Safety*		
Objective	*Measurement*	*Progress*
➢ Improve Overall Police Services	Complete Significant Milestones of Accreditation Standard During 2010	➢ Progress is dependent upon adoption of a new Department Policy Manual. Significant progress has been made toward that end (item 3 below).
Goal – Training, Increase Police Officer Training Standards *Responds to Council Goal: #3 – Public Safety*		
Objective	*Measurement*	*Progress*
➢ Improve Service to Community through Modernization of Training	➢ Compare Standards with Association of Washington Cities Standards and through the Washington Association of Sheriffs and Police Chiefs	➢ Washington Criminal Justice Training Standards have been researched and applied. Officers' annual training hours have been increased keeping with Accreditation mandates.

Police Department Goals (continued)		
Goal – Policy Manual, Develop a modernized Policy Manual *Responds to Council Goal: #3 – Public Safety*		
Objective ➢ Maintain compliance with Federal and State Laws	*Measurement* ➢ Considerable Progress Toward Completion	*Progress* ➢ A highly reputable Law Enforcement Policy provider has been engaged to provide the framework for the new policy. A first draft was completed and a second revision will be completed soon. Involved in this vetting are all managers, supervisors and Association representatives.
Goal – Community Oriented Policing and Problem Solving Program (COPPS), Implementation of a COPPS Program in Poulsbo *Responds to Council Goal: #3 – Public Safety*		
Objective ➢ Developing closer ties with the Community ➢ Suppression of Crime	*Measurement* ➢ Continue implementation of a COPPS program in 2010	*Progress* ➢ Officers have been assigned areas of responsibility (Sectors) in the City. Officers have received training in the COPPS philosophy and their COPPS activity is continuing to grow. The Department kicked-off the COPPS Program on August 4th with "National Night Out" at Anderson Parkway. The event was certainly a success.
Goal – In Car Video System, in Car Video System Program Completion *Responds to Council Goal: #3 – Public Safety*		
Objective ➢ A method of maintaining confidence in Police performance through review of video recordings of Actual Police events ➢ Improving officer training	*Measurement* ➢ *If funding source can be identified.* ➢ Complete purchase, training, and installation of In Car Video systems in all police patrol cars in 2010	*Progress* ➢ Three In Car Camera Video Systems have been purchased. Four more systems will be purchased this fall. With an additional four units the Police Fleet will be completely outfitted.

Parks and Recreation Department Goals		
Goal – Provide all citizens and visitors a variety of enjoyable leisure opportunities that are accessible, safe, well organized, physically attractive and well maintained *Responds to Council Goals: #5 – Parks & Recreation, #7 Customer Service*		
Objective ➢ Listen to residents suggestions for programs ➢ Plan and implement a variety of programs for all age groups ➢ Work with other local agencies to plan and fulfill these programs	*Measurement* ➢ Produce a program brochure filled with a variety of programs at least two times a year, and take registrations from participants.	*Progress* ➢ Two brochures per year mailed to North Kitsap residents (24,000). About 6600 registrations taken in 2009; 62% success rate for programs.
Goal – Prompt processing of park and sign permits. *Responds to Council Goals: #5 – Parks & Recreation; #7 Customer Service*		
Objective ➢ Process park permits within two weeks ➢ Process sign permits within one week	*Measurement* ➢ 120 park permits per year. ➢ 104 sign permits per year.	*Progress* ➢ Successfully process all permits within the time-goal.
Goal – To provide after school programs in some of the schools *Responds to Council Goals:#4 – Revenues & Financial Stability, #5 – Parks & Recreation*		
Objective ➢ To work with the middle school and elementary school principals ➢ To work with the PTSA's on providing after school programs	*Measurement* ➢ Have 3-6 programs for middle school children per year ➢ Have 3-6 programs for elementary school children per year.	*Progress* ➢ 6 middle school classes offered; 33% successful. ➢ Continuing to work with elementary and middle school principals
Goal – Provide a permanent home for the Parks and Recreation department that will serve the recreational needs of the community. This would include a recreation center complete with a gym, exercise area, meeting rooms, classrooms and offices *Responds to Council Goals: #1 – Growth, #5 – Parks & Recreation, #7 – Customer Service*		
Objective ➢ Work with Kitsap County, the Kitsap Public Facilities District, NK School District, KRCC, and KCCHA to plan for a "Recreation Center" for north end residents	*Measurement* ➢ Produce and distribute a written plan for the future building of a Recreation Center	*Progress* ➢ The city purchased the existing recreation center in 2009. Planning for future needs is ongoing.

Parks and Recreation Department Goals (continued)		
Goal – To discuss the possible formation of a metropolitan park district or similar structure for North Kitsap. *Responds to Council Goals: #1-Growth, #4-Revenues and Financial Stability, #5-Parks & Recreation*		
Objective ➢ By working with Kitsap County, the North Kitsap School District, and area citizens, conduct community discussions on the issue ➢ Determine if the community would support such a district ➢ Help support a "Friends" organization that would underwrite the organization of such a campaign.	*Measurement* ➢ To decide whether to go ahead with a ballot question on a park district.	*Progress* ➢ No progress – likely due to tough economic times.
Parks Projects and Goals		
Goal – Create a City-Wide Trail Plan *Responds to Council Goals:#1 – Growth, #4 – Revenues and Financial Stability, #5 – Parks & Recreation*		
Objective ➢ Put together a trail committee who would assess the needs of the City and community ➢ Write a grant to the National Park Service for assistance in creating the plan	*Measurement* ➢ Complete the plan by December 2009	*Progress* ➢ Excellent citizen's trails committee was formed in December 2008. Received the grant from NPS. Good progress on the plan, but the timeline has been moved to December 2010.
Goal – Improve the paths in American Legion Park *Responds to Council Goals: #5-Parks & Recreation; #7 Customer Service*		
Objective ➢ To improve approximately 1 mile of pedestrian trails for safety and enjoyment ➢ Order materials and create a timeline for the project	*Measurement* ➢ Complete phase 2 of the project that began in 2008	*Progress* ➢ Some initial planning has begun.

Parks Projects and Goals (continued)		
Goal – Continue restoration of Poulsbo's Fish Park Phase 1 & 2 *Responds to Council Goals: #1-Growth, #5-Parks & Recreation, #9 Environment*		
Objective ➢ Apply for additional grant money through various sources ➢ Continue forming partnerships with organizations for restoration work.	*Measurement* ➢ Schedule volunteer work parties to work on the site, and begin restoring the property to its natural setting ➢ Pending funding, schedule ongoing development of phase two of the park including planting, trail building and north road improvements	*Progress* ➢ Phase 2 work began in August 2009.
Goal – Complete park improvements in time for Centennial Park *Responds to Council Goals: #1 – Growth, #3 – Public Safety, #4 – Revenues and Financial Stability, #5 – Parks & Recreation*		
Objective ➢ Develop construction documents for phase 2 of the project ➢ Make a final determination on the fate of the house on the site ➢ Research and secure additional funding for park development ➢ Make improvements that will allow public access and enjoyment of the park	*Measurement* ➢ Complete phase 2 improvements by December 2009	*Progress* ➢ Small building on site put up for bid and after no bids received was demolished ➢ Centennial Celebration with park opening in October 2008. ➢ Improvements are ongoing with the help of service clubs and volunteers.
Fund 103 Grant Management Goals		
Goal – To write grants covering a variety of subjects. *Responds to Council Goals:#4 – Revenues & Financial Stability, #5 – Parks & Recreation*		
Objective ➢ To work with city departments in researching different grant opportunities for different projects.	*Measurement* ➢ Completion of at least five grants during 2010, including two in park development, one in urban forestry, one in recreation and one in art	*Progress* ➢

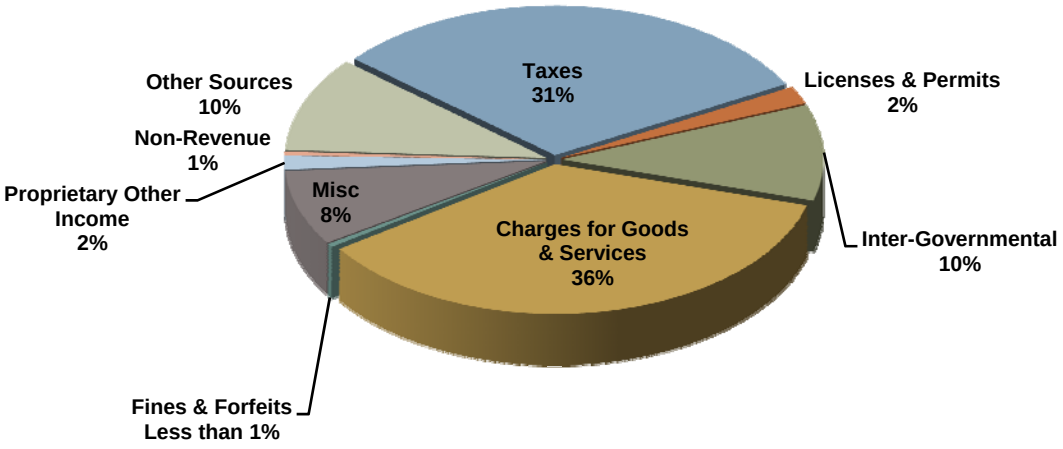
View of Poulsbo Waterfront

ANALYSIS OF 2010 REVENUES BY SOURCE FOR ALL FUNDS

The opposite page presents an analysis of total revenues **(excluding Beginning Balances and Operating Transfers)** that are anticipated to be available for support of City programs during 2010. The table identifies revenue to be received by each fund. The revenues received by the City are derived from a diverse range of sources and the types of revenue received by each fund vary significantly.

In 2010 the largest source of revenue is "C*harges for goods and services*" provided City wide (36%), of which most of this revenue (82%) is associated with the services in the City's utilities. The next largest category is "*Taxes*" (31%), with the majority being received in the General Fund. Tax revenue projections have been reduced in 2010 due to a declining economy. More specifically Sales Tax was reduced 6.7% and Real Estate Excise Tax projection was reduced 50%. Utility taxes have been increased, which helps offset the other tax reductions. "Other Sources" is the next largest category. The largest contributor to this amount is for property sales to fund the construction of a new City Hall. *"Intergovernmental revenues"* make up 10% of total revenue and consists primarily of grants reimbursed by government agencies. The City was a recipient of federal stimulus dollars for road projects on Viking Avenue, a main thoroughfare through West Poulsbo, accounting for more than $1 million in this category. Investment income composes the largest source in the *"Miscellaneous Revenue"* category. *"Non-revenue"* is for budgeting purposes to offset expenditures charged against consultants' deposits and City projects.

Revenue Comparison by Type
Total Revenue All Funds
$21,712,052



Revenue

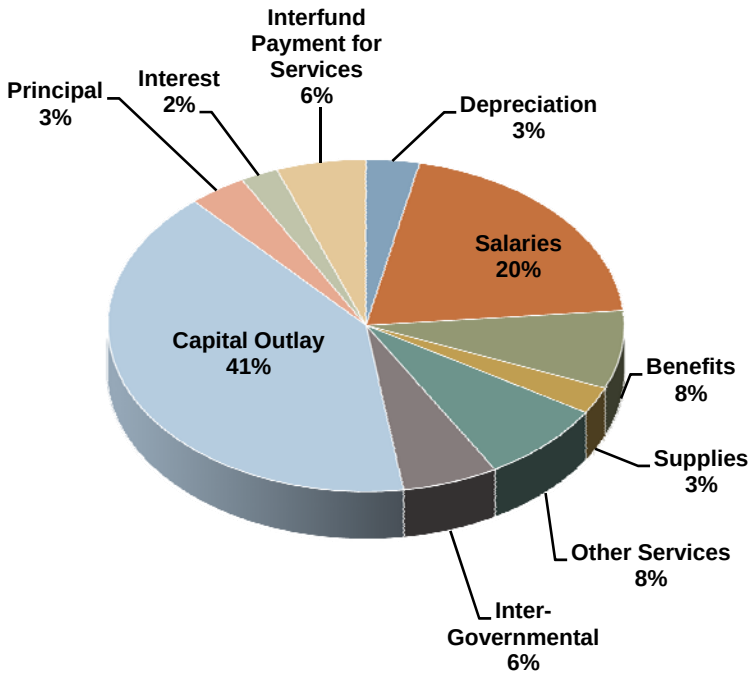
Fund	Taxes	Licenses/ Permits	Inter-Gov	Charges for Services	Fines Forfeitures	Misc.	Proprietary Other Income	Non-Revenue	Other Sources	Total
General Fund										
001 General	6,278,063	413,780	178,014	913,509	84,600	226,501		92,325		8,186,792
Special Revenue Funds										
101 Street Fund		3,000	200,389							203,389
103 Recreation Activity				473,000		32,500				505,500
121 Capital Improvement	276,000					1,200				277,200
122 Revenue Stabilization						15,000				15,000
123 Cumulative Reserve						550				550
131 Historic DT Poulsbo						40,000				40,000
141 Marine Science Ctr						250				250
161 Paths & Trail Reserve										-
171 Drug Enforcement			10,000			150				10,150
181 Transient Occupancy	110,000									110,000
191 Police Restricted	75,000		14,168			1,400				90,568
Debt Service Funds										
Misc Government										
201 Debt										-
204 Non-Voted Debt						10,635				10,635
230 Voted Debt										-
299 LID Fund										-
Captial Project Funds										
Equipment										
301 Acquisition										-
302 Park Reserve										-
303 Library Improvement										-
304 Recreation Reserve										-
311 Street Reserve			1,850,000							1,850,000
312 Park Acquisition										-
313 Museum Reserve										-
314 Cemetery Reserve				1,000		500				1,500
321 Street Equip Reserve						500				500
331 Facilities Funds						1,245,024			2,225,450	3,470,474
Proprietary Funds										
401 Water				1,253,500		101,500	150,000			1,505,000
403 Sewer				1,952,500		50,500	175,000			2,178,000
404 Solid Waste				1,210,000		37,000				1,247,000
410 Storm Drain				700,000						700,000
501 General Facilities				185,000		-				185,000
502 Public Works Admin				1,123,344		1,000				1,124,344
503 Medical Reimb Plan						200				200
TOTAL	6,739,063	416,780	2,252,571	7,811,853	84,600	1,764,410	325,000	92,325	2,225,450	21,712,052

ANALYSIS OF 2010 BUDGETED EXPENDITURES BY FUND AND TYPE

The opposite page presents an analysis of the budgeted expenditures of the City by fund and type **(excluding fund balances and operating transfers).**

The largest category of expenditures in 2010 is "capital outlay". This is in a large part due to the anticipated new City Hall and a major road project funded by federal stimulus dollars. The next largest category is *"salaries*" and when combined with *"benefits"* accounts for 28% of the operating budgets. "O*ther services"* (or professional services) make up 8% of the expenditure budget. *"Inter-Governmental"* is about 6% of the expenditure budget with the largest expenditures in this category being the contractual costs for sewage and solid waste disposal as per contracts with the County. "Interfund Payment for Services" (6%) accounts for allocations to other funds to pay for services provided.

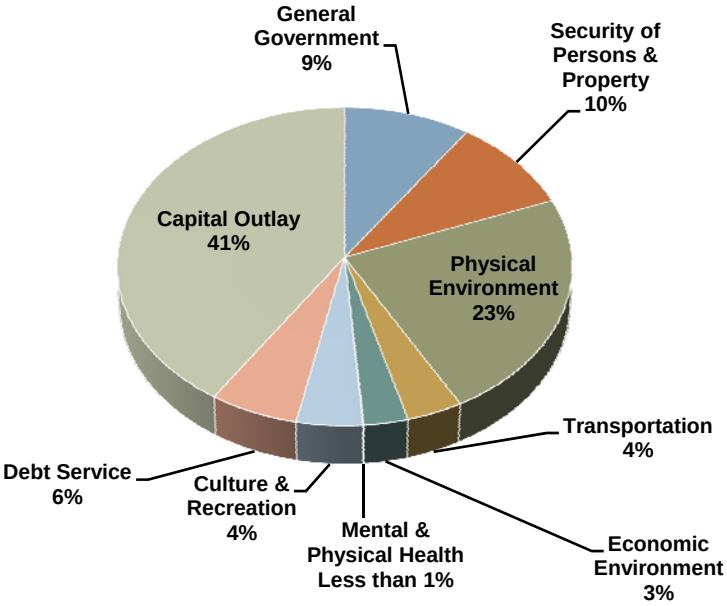
Expenditure Comparison by Type
Total Expenditures All Funds
$28,500,085



Expenditures by Object *(Excludes Operating Transfers)*

Fund	Depre-ciation	Salaries	Benefits	Supplies	Other Services	Inter-Govern	Capital Outlay	Principal	Interest	Interfund Payment Services	Total
General Fund											
001 General		3,896,869	1,455,268	272,521	1,149,138	340,361				138,536	7,252,693
Special Revenue Funds											
101 Street Fund		285,398	115,834	65,485	217,346	15,000				193,849	892,912
103 Recreation Activity		381,212	100,462	42,761	145,229	3,000					672,664
121 Capital Improvement											-
122 Revenue Stabilization											-
123 Cumulative Reserve											-
131 Historic DT Poulsbo				10,604	31,750					2,500	44,854
141 Center					5,600						5,600
161 Paths & Trail Reserve											-
171 Drug Enforcement		10,000	2,075	5,600	5						17,680
181 Transient Occupancy		16,414	2,791		90,795						110,000
191 Police Restricted			10,000	11,193	3,850		42,000				67,043
Debt Service Funds											
Misc Government											
201 Debt								74,369	24,542		98,911
204 Non-Voted Debt								530,000	504,104		1,034,104
230 Voted Debt											-
299 LID Fund											-
Captial Project Funds											
301 Acquisition				63,500			105,819				169,319
302 Park Reserve		1,700	610	2,100	14,800		173,750				192,960
303 Library Improvement											-
304 Recreation Reserve											-
311 Street Reserve							2,100,000				2,100,000
312 Park Acquisition											-
313 Museum Reserve											-
314 Cemetery Reserve											-
321 Street Equip Reserve											-
331 Facilities Funds							7,036,024				7,036,024
Proprietary Funds											
401 Water	315,000	164,483	69,595	93,600	145,934	140,410	422,000	89,561	31,090	211,663	1,683,336
403 Sewer	320,000	194,008	78,177	19,500	86,170	757,449	1,430,000	326,287	111,667	197,731	3,520,989
404 Solid Waste	15,200	156,705	70,729	68,250	185,327	390,470	125,000			136,515	1,148,196
410 Storm Drain	294,000	217,156	93,513	18,600	96,737	52,586	130,000			196,838	1,099,430
501 General Facilities	-	59,749	24,481	36,800	7,016					48,213	176,259
502 Public Works Admin	1,700	354,895	130,315	33,100	54,400					462,004	1,036,414
503 Medical Reimb Plan			1,500								1,500
TOTAL	945,900	5,738,589	2,155,350	743,614	2,234,097	1,699,276	11,564,593	1,020,217	671,403	1,587,849	28,360,888

How Does the City Use It's Resources?
Expenditures by Type of Government
(excludes Transfers & Fund Balances)
$28,360,888



General Government Services: A major class of services provided by the legislative, judicial and administrative branches of the governmental entity for the benefit of the public or governmental body as a whole. This class includes administrative services provided by a specific department in support of services properly includable in another major class.

Security of Persons and Property: Class of services relating to protection of persons and property and prevention of injury or damage to same; including police, fire inspection, and the support of these services.

Physical Environment: Class of services provided to achieve a satisfactory living environment for the community and the individual such as water, sewer, storm drain, solid waste, engineering, and cemetery.

Transportation: This is a major class of services for the safe and adequate flow of vehicles and pedestrians.

Economic Environment: A major class of services for the development and improvement in the welfare of the community and individual.

Physical & Mental Health: A major class of services provided for the care, treatment, and control of mental and physical illnesses.

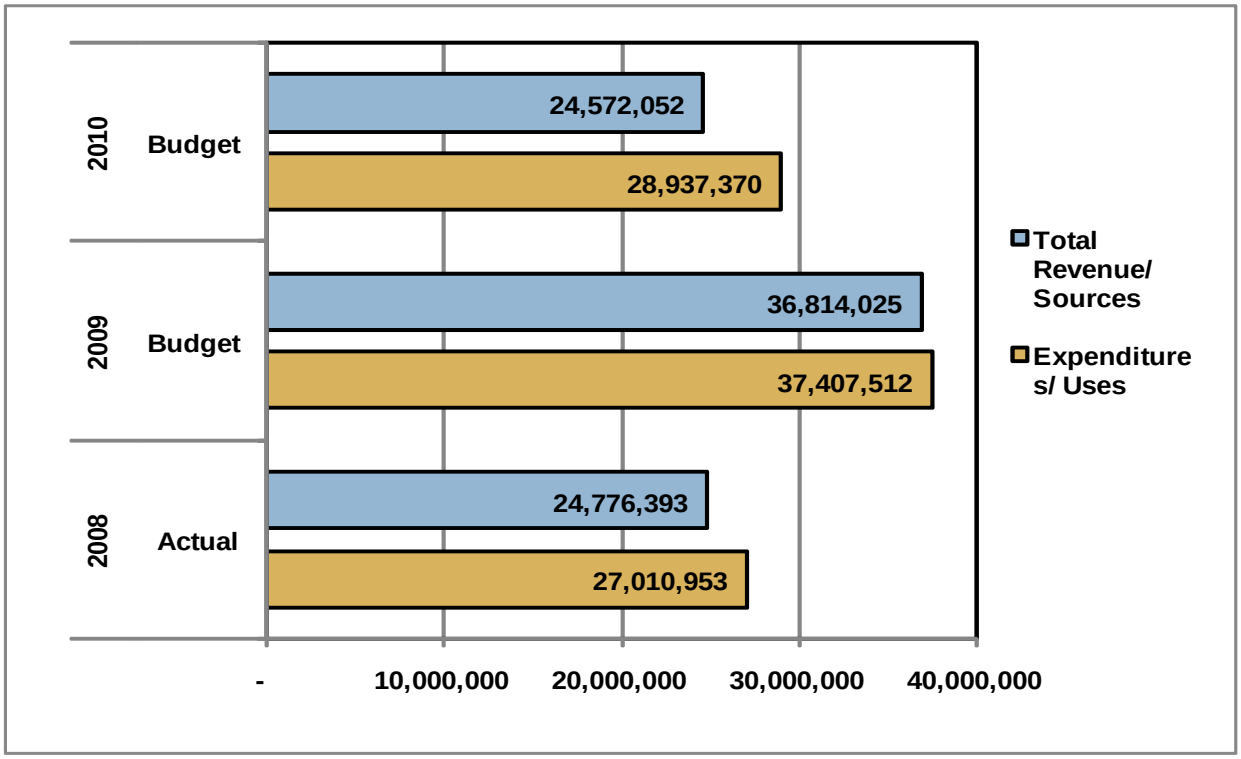
Culture and Recreation: Class of services to provide community education, leisure and sports activities, and to recognize historic and festive occasions.

Debt Service: Expenditures/expenses associated with servicing current principal and interest obligations.

Capital Outlay: Expenditures/expenses associated with the acquisition of assets over $5,000 in value.

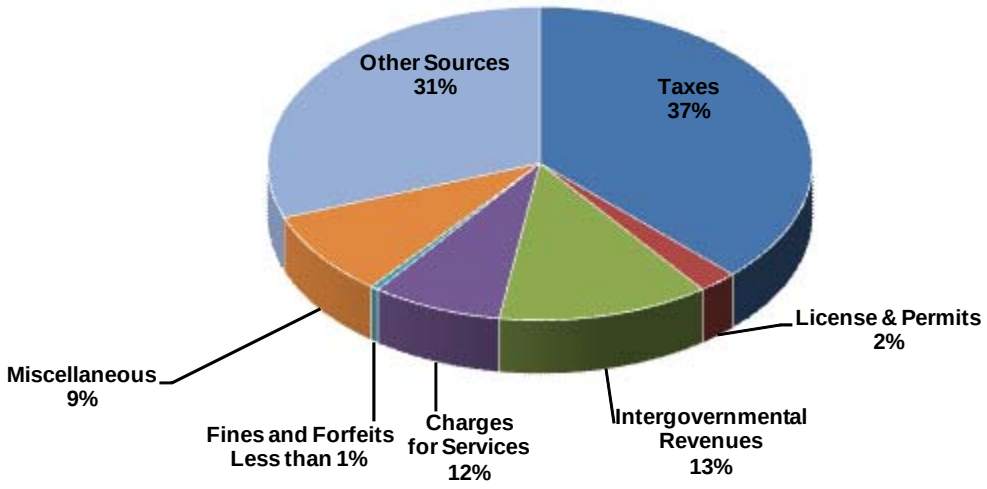
TOTAL ALL FUNDS

	2008 Actual	2009 Budget	2010 Budget
Governmental Revenues	$ 16,930,817	$ 29,635,110	$ 17,958,008
Proprietary Revenues	7,845,576	7,178,915	6,614,044
Total Revenue/ Sources	24,776,393	36,814,025	24,572,052
Governmental Expenditures	20,671,709	31,017,085	22,794,093
Proprietary Expenses	6,339,244	6,390,427	6,143,277
Expenditures/ Uses	27,010,953	37,407,512	28,937,370
Net Increase (Decrease)	(2,234,560)	(593,487)	(4,365,318)
Fund Balance/Equity - Beginning	47,368,243	52,825,785	55,259,403
Increase in Contributed Capital	7,612,412	406,000	375,000
Prior Period Adjustments	66,123	-	-
Fund Balance/Equity - Ending	$ 37,680,625	$ 37,099,833	$ 34,912,322

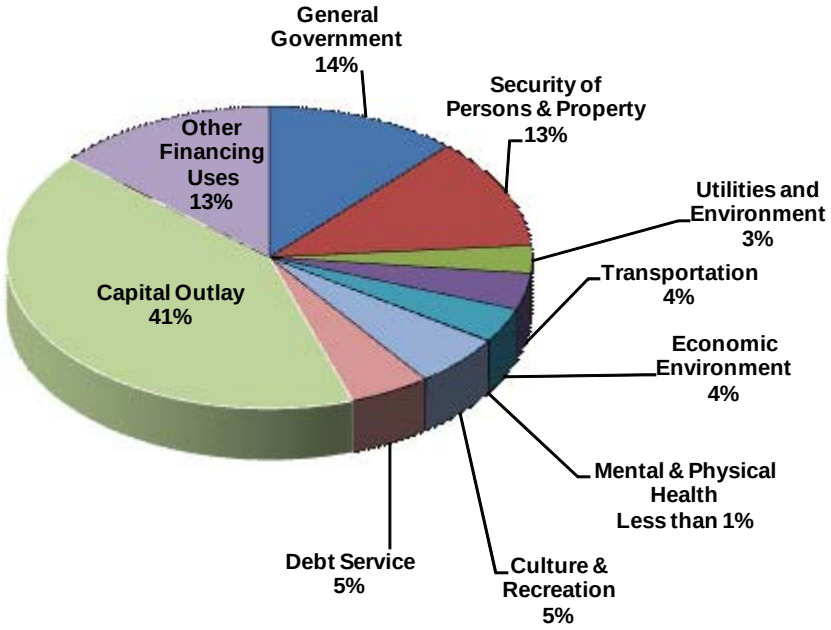


Downtown off of Poulsbo Front Street

2010 Estimated Financial Sources - Governmental Funds



2010 Estimated Uses - Governmental Funds



Governmental Funds

2008-2010 Summary of Estimated Financial Sources and Uses

(For Budgetary Purposes Only)

	General Fund			Special Revenue Funds		
	2008 Actual	2009 Budget	2010 Budget	2008 Actual	2009 Budget	2010 Budget
Financial Sources:						
Taxes	$6,499,933	$6,357,544	$6,278,063	$ 768,481	$ 750,000	$ 461,000
License & Permits	379,154	389,741	413,780	7,096	3,000	3,000
Intergovernmental Revenu	162,249	148,953	178,014	196,206	208,439	224,557
Charges for Services	1,038,668	892,466	913,509	531,300	435,000	473,000
Fines and Forfeits	102,630	79,700	84,600	580	-	-
Miscellaneous	352,639	303,001	226,501	177,083	135,450	91,050
Other Sources	300,520	79,653	539,186	1,961,047	1,103,944	1,024,192
Total Financial Sources	8,835,793	8,251,058	8,633,653	3,641,793	2,635,833	2,276,799
Expenditures:						
General Government	2,461,228	2,715,336	2,640,542			
Security of Persons & Pro	2,273,373	2,710,895	2,662,895	16,282	37,723	42,723
Utilities and Environment	566,653	521,840	658,126	-		
Transportation				980,507	918,715	892,912
Economic Environment	884,848	895,257	841,489			
Mental & Physical Health	13,694	14,379	14,083			
Culture & Recreation	528,628	445,078	429,805	842,158	845,736	833,117
Debt Service					-	-
Capital Outlay				61,943	139,084	42,000
Other Financing Uses	2,980,006	1,913,652	1,836,714	1,744,706	1,217,131	1,142,140
Total Use of Resources	9,708,430	9,216,437	9,083,654	3,645,596	3,158,389	2,952,892
Net Increase (Decrease) in Fund Balance	(872,637)	(965,379)	(450,001)	(3,803)	(522,556)	(676,093)
Fund Balance - Beginning	1,880,660	965,379	450,000	3,237,757	3,220,466	2,600,303
Prior Year Adjustment	(20,000)			-		
Fund Balance -Ending	$ 988,023	$ -	$ (1)	$3,233,954	$2,697,910	$1,924,210

Debt Service Funds			Capital funds			Total Governmental Funds		
2008 Actual	2009 Budget	2010 Budget	2008 Actual	2009 Budget	2010 Budget	2008 Actual	2009 Budget	2010 Budget
1,301	$ -	$ -	$ -	$ -	$ -	$ 7,269,715	$ 7,107,544	$ 6,739,063
						386,250	392,741	416,780
			1,759,211	4,050,542	1,850,000	2,117,666	4,407,934	2,252,571
10634			31,060	1,000	1,000	1,611,662	1,328,466	1,387,509
						103,210	79,700	84,600
23,716	10,636	10,635	84,525	1,329,846	1,246,024	637,963	1,778,933	1,574,210
727,377	1,152,747	1,103,605	1,815,407	12,203,448	2,836,292	4,804,351	14,539,792	5,503,275
763,028	1,163,383	1,114,240	3,690,203	17,584,836	5,933,316	16,930,817	29,635,110	17,958,008
-			48,883	18,500	54,500	2,510,111	2,733,836	2,695,042
			-	3,000	7,500	2,289,655	2,751,618	2,713,118
			18,938	15,680	19,210	585,591	537,520	677,336
			1,677,117			2,657,624	918,715	892,912
			6,761		-	891,609	895,257	841,489
						13,694	14,379	14,083
			408,222	16,340	1,500	1,779,008	1,307,154	1,264,422
1,502,513	1,161,643	1,133,015				1,502,513	1,161,643	1,133,015
			3,562,789	17,120,596	9,415,593	3,624,732	17,259,680	9,457,593
21,720	-	-	70,740	306,500	126,229	4,817,172	3,437,283	3,105,083
1,524,233	1,161,643	1,133,015	5,793,450	17,480,616	9,624,532	20,671,709	31,017,085	22,794,093
(761,205)	1,740	(18,775)	(2,103,247)	104,220	(3,691,216)	(3,740,892)	(1,381,975)	(4,836,085)
830,070	68,095	97,177	4,826,542	2,859,887	5,185,477	10,775,029	7,113,827	8,332,957
			86,123			66,123		
$ 68,865	$ 69,835	$ 78,402	$ 2,809,418	$ 2,964,107	$ 1,494,261	$ 7,100,260	$ 5,731,852	$ 3,496,872

WORKING CAPITAL

Proprietary funds are managed on a different basis than the general governmental services. The amount of expenses required for ongoing operations depends on the amount of business that will be done next year. Since such business provides new income directly to the fund in the form of charges for services, there is additional revenue to support those additional expenses. Therefore, the management of these funds is not focused on line items of revenue and expenses, but rather the "bottom line" of whether expenses are supported by revenue, which is measured by the working capital in each fund. In simple terms, "working capital" is similar to fund balance and is the result of all transactions during the year. An increase in working capital indicates that expenses are less than revenues.

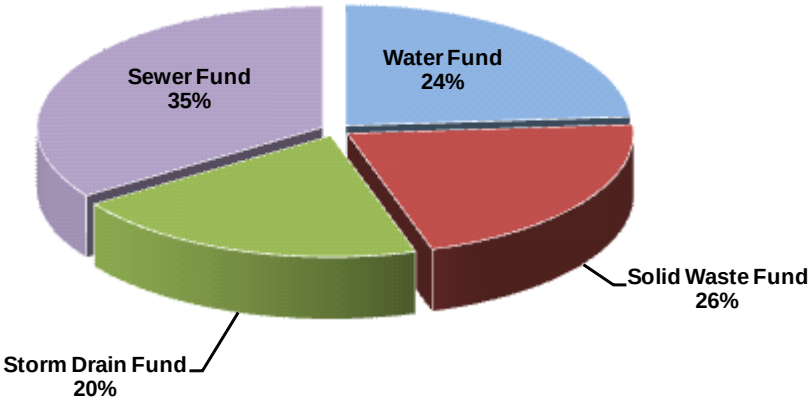
Unlike private sector enterprises, a city cannot make a profit. Therefore working capital should not grow or decline and expenses and revenues should balance, however, working capital should accumulate to a level sufficient for at least three purposes:

1. Provide a cushion or a contingency for unforeseen needs and emergencies

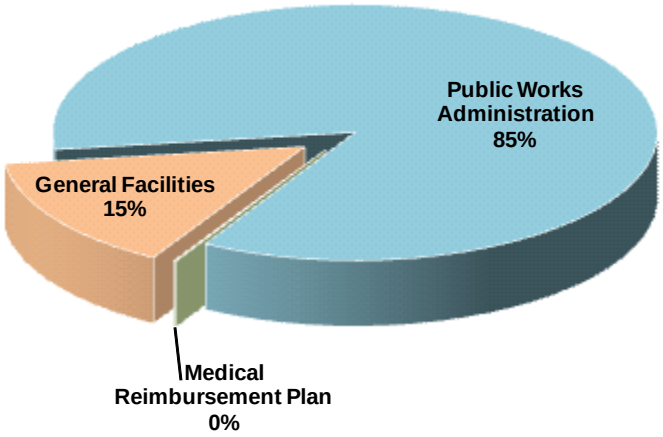
2. Provide adequate security for long-term debt, and

3. Allow for a capital development program to reduce the need for borrowing and maintain or improve current infrastructure

2010 Estimated Operating Expenses - Enterprise Funds



2010 Estimated Operating Expenses - Internal Service Funds



Enterprise Funds

2008-2010 Summary of Estimated Revenues, Expenses and Changes in Retained Earnings

(For Budgetary Purposes Only)

	Water Fund			Sewer Fund		
	2008 Actual	**2009 Budget**	**2010 Budget**	**2008 Actual**	**2009 Budget**	**2010 Budget**
Operating Revenues						
Charges for Services	$ 1,226,169	$ 1,341,000	$ 1,253,500	$ 1,962,393	$ 2,343,000	$ 1,952,500
Other Operating Revenue	88,711	83,000	85,500	26,093	15,000	18,000
Total Operating Revenues	1,314,880	1,424,000	1,339,000	1,988,486	2,358,000	1,970,500
Operating Expenses						
Administrative and General	540,141	413,383	406,693	546,531	463,104	438,550
Depreciation	304,972	302,000	315,000	309,509	320,000	320,000
Maintenance	38,431	50,500	50,500	11,072	12,950	12,950
Contracted Processing and Operations				536,457	555,000	555,000
Customer Service		1,450	1,450		800	800
Operating	308,895	414,690	367,042	253,992	327,160	325,735
Total Operating Expenses	1,192,439	1,182,023	1,140,685	1,657,561	1,679,014	1,653,035
Operating Income (Loss)	122,441	241,977	198,315	330,925	678,986	317,465
Non- Operating Sources and (Uses)						
Interest Earnings	68,608	16,000	16,000	110,653	42,000	37,000
Interest Expenses	(39,872)	(34,601)	(31,090)	(145,410)	(124,507)	(111,667)
Other Nonoperating Revenues (Expenses)						
Total Non-Operating Sources and (Uses)	28,736	(18,601)	(15,090)	(34,757)	(82,507)	(74,667)
Net Increase (Decrease)	151,177	223,376	183,225	296,168	596,479	242,798
Fund Equity - Beginning	11,694,528	14,310,020	14,733,396	14,840,013	17,093,986	17,896,465
Increase in Contributed Capital	2,464,315	200,000	200,000	1,957,805	206,000	175,000
Prior Year Adjustment						
Retained Earnings - Ending	$14,310,020	$ 14,733,396	$15,116,621	$17,093,986	$17,896,465	$18,314,263

Solid Waste Fund			Storm Drain Fund			Total Enterprise Funds		
2008 Actual	2009 Budget	2010 Budget	2008 Actual	2009 Budget	2010 Budget	2008 Actual	2009 Budget	2010 Budget
$1,256,597	$1,250,000	$1,210,000	$ 682,313	$ 700,000	$ 700,000	$ 5,127,472	$ 5,634,000	$ 5,116,000
31,173	14,000	16,000	19,558			165,535	112,000	119,500
1,287,770	1,264,000	1,226,000	701,871	700,000	700,000	5,293,007	5,746,000	5,235,500
366,251	268,066	248,487	433,104	349,828	340,461	1,886,027	1,494,381	1,434,191
14,877	51,000	15,200	285,561	293,000	294,000	914,919	966,000	944,200
82,611	67,475	61,475	8,937	18,294	13,794	141,051	149,219	138,719
427,328	413,500	402,600				963,785	968,500	957,600
			91	500	500	91	2,750	2,750
279,115	309,964	295,435	228,423	321,596	320,674	1,070,425	1,373,410	1,308,886
1,170,182	1,110,005	1,023,197	956,116	983,218	969,429	4,976,298	4,954,260	4,786,346
117,588	153,995	202,803	(254,245)	(283,218)	(269,429)	316,709	791,740	449,154
25,457	14,000	16,000	66,752	10,000		271,470	82,000	69,000
						(185,282)	(159,108)	(142,757)
			56,428			56,428	0	0
25,457	29,000	21,000	123,180	10,000	0	142,616	(77,108)	(73,757)
143,045	182,995	223,803	(131,065)	(273,218)	(269,429)	459,325	714,632	375,397
1,454,483	1,597,528	1,780,523	8,278,066	11,337,293	11,064,075	36,267,090	44,338,827	45,474,459
			3,190,292			7,612,412	406,000	375,000
$1,597,528	$1,780,523	$2,004,326	$11,337,293	$11,064,075	$10,794,646	$29,207,234	$29,920,994	$29,868,093

Internal Service Funds

2008-2010 Summary of Estimated Revenues, Expenses and Changes in Retained Earnings

(For Budgetary Purposes Only)

	General Facilities			Public Works Administration		
	2008 Actual	2009 Budget	2010 Budget	2008 Actual	2009 Budget	2010 Budget
Operating Revenues						
Charges for Services	$ 177,437	$ 179,600	$ 185,000	$2,031,934	$ 1,159,175	$ 1,123,344
Other Operating Revenue	39					
Total Operating Revenues	177,476	179,600	185,000	2,031,934	1,159,175	1,123,344
Operating Expenses						
Administrative and General	51,770	57,977	55,229	957,254	1,065,998	1,034,714
Depreciation				2,447	20,000	1,700
Operations	122,321	122,944	121,031			
Total Operating Expenses	174,091	180,921	176,260	959,701	1,085,998	1,036,414
Operating Income (Loss)	3,385	(1,321)	8,740	1,072,233	73,177	86,930
Non- Operating Sources and (Uses)						
Interest Earnings	1,090			2,794	1,000	1,000
Gain (loss) on sale of fixed assets						
Other Non-Operating Expenses						
Other Revenue						
Total Non-Operating Sources and (Uses)	1,090	-	-	2,794	1,000	1,000
Net Increase (Decrease)	4,475	(1,321)	8,740	1,075,027	74,177	87,930
Fund Equity - Beginning	44,976	49,451	48,130	148,858	1,223,885	1,298,062
Prior Year Adjustment						
Retained Earnings - Ending	$ 49,451	$ 48,130	$ 56,870	$1,223,885	$ 1,298,062	$ 1,385,992

Medical Reimbursement Plan			Total Internal Service Funds		
2008 Actual	2009 Budget	2010 Budget	2008 Actual	2009 Budget	2010 Budget
$ -			2,209,371	$ 1,338,775	$ 1,308,344
8,648	8,640		8,687	8,640	-
8,648	8,640	-	2,218,058	1,347,415	1,308,344
43,872	10,140	1,500	1,052,896	1,134,115	1,091,443
			2,447	20,000	1,700
			122,321	122,944	121,031
43,872	10,140	1,500	1,177,664	1,277,059	1,214,174
(35,224)	3,500	2,500	1,040,394	70,356	94,170
2,729	2,500	200	6,613	3,500	1,200
			-		
			-	-	-
			-	-	-
2,729	2,500	200	6,613	3,500	1,200
(32,495)	6,000	2,700	1,047,007	73,856	95,370
132,290	99,795	105,795	326,124	1,373,131	1,451,987
			-		
$ 99,795	$ 105,795	$ 108,495	$ 1,373,131	$ 1,446,987	$ 1,547,357

CITY OF POULSBO
2010 BUDGET
SUMMARY OF FUND ACTIVITY AND
CHANGES IN FUND BALANCE

FUND	TOTAL RESOURCES			TOTAL APPROPRIATIONS			CHANGE	
	2010 Estimated Beginning Fund Balance	2010 Estimated Revenue/ Other Financing Sources	2010 Estimated Total Resources	2010 Projected Expenditures/ Expenses/ Other Financing Uses	2010 Projected Ending Fund Balance	2010 Total Projected Appropri-ations	Change in Fund Balance Inc (Dec)	% of change
001 General Fund	450,000	8,633,653	9,083,653	9,083,653	0	9,083,653	(450,000)	-100%
Total Current Expense Fund	***450,000***	***8,633,653***	***9,083,653***	***9,083,653***	***0***	***9,083,653***	***(450,000)***	***-100%***
101 City Streets	387,037	955,191	1,342,228	1,137,682	204,546	1,342,228	(182,491)	-47%
103 Rec Activity Fund	8,000	692,888	700,888	672,663	28,225	700,888	20,225	253%
121 Capital Improvement	112,928	277,200	390,128	388,000	2,128	390,128	(110,800)	-98%
122 Cum Res Rev Stab	1,690,000	99,000	1,789,000	414,342	1,374,658	1,789,000	(315,342)	-19%
123 Cum Reserve	93,875	550	94,425	40,000	54,425	94,425	(39,450)	-42%
131 Historic Dwntn Poulsbo	20,382	40,000	60,382	44,854	15,528	60,382	(4,854)	-24%
141 Marine Science Center	35,345	250	35,595	32,628	2,967	35,595	(32,378)	-92%
161 Path and Trail Reserve	8,660	1,002	9,662	0	9,662	9,662	1,002	12%
171 Drug Enforcement	14,214	10,150	24,364	17,680	6,684	24,364	(7,530)	-53%
181 Transient Occup Tax	24,162	110,000	134,162	110,000	24,162	134,162	0	0%
191 Police Restricted Funds	205,700	90,568	296,268	95,043	201,225	296,268	(4,475)	-2%
Total Special Revenue Funds	***2,600,303***	***2,276,799***	***4,877,102***	***2,952,892***	***1,924,210***	***4,877,102***	***(676,093)***	***-26%***
201 Misc Govt Debt	1,265	98,650	99,915	98,911	1,004	99,915	(261)	-21%
204 Non-Voted Gen Oblig	95,522	1,015,590	1,111,112	1,034,104	77,008	1,111,112	(18,514)	-19%
230 Voted Gen Obligation	368	0	368	0	368	368	0	0%
299 LID Fund	22	0	22	0	22	22	0	0%
Total Debt Service Funds	***97,177***	***1,114,240***	***1,211,417***	***1,133,015***	***78,402***	***1,211,417***	***(18,775)***	***-19%***
301 Equipment Acquisition	261,984	110,000	371,984	200,819	171,165	371,984	(90,819)	-35%
302 Park Reserve	47,697	175,460	223,157	192,960	30,197	223,157	(17,500)	-37%
303 Library Improvement	109	0	109	0	109	109	0	0%
304 Recreation Reserve	594	0	594	0	594	594	0	0%
311 Street Reserve	697,401	2,127,823	2,825,224	2,100,000	725,224	2,825,224	27,823	4%
312 Park Acquisition	102,768	0	102,768	72,500	30,268	102,768	(72,500)	-71%
313 Museum Reserve	6,556	0	6,556	0	6,556	6,556	0	0%
314 Cemetery Reserve	77,230	1,500	78,730	22,229	56,501	78,730	(20,729)	-27%
321 City Streets Equip Res.	194,686	48,059	242,745	0	242,745	242,745	48,059	25%
331 Facilities Fund	3,796,452	3,470,474	7,266,926	7,036,024	230,902	7,266,926	(3,565,550)	-94%
Total Capital Project Funds	***5,185,477***	***5,933,316***	***11,118,793***	***9,624,532***	***1,494,261***	***11,118,793***	***(3,691,216)***	***-71%***
401 Water System	2,196,473	1,625,651	3,822,124	1,803,987	2,018,137	3,822,124	(178,336)	-8%
403 Sewer System	2,324,808	2,615,954	4,940,762	3,958,943	981,819	4,940,762	(1,342,989)	-58%
404 Solid Waste System	820,377	1,247,000	2,067,377	1,148,197	919,180	2,067,377	98,803	12%
410 Storm Drain System	1,356,001	700,000	2,056,001	1,099,429	956,572	2,056,001	(399,429)	-29%
Total Enterprise Funds	***6,697,659***	***6,188,605***	***12,886,264***	***8,010,556***	***4,875,708***	***12,886,264***	***(1,821,951)***	***-27%***
501 General Facilities	54,637	185,000	239,637	176,260	63,377	239,637	8,740	16%
502 Public Works Admin	87,100	1,124,344	1,211,444	1,122,585	88,859	1,211,444	1,759	2%
503 Medical Reimbursement	98,596	200	98,796	1,500	97,296	98,796	(1,300)	-1%
Total Internal Service Funds	***240,333***	***1,309,544***	***1,549,877***	***1,300,345***	***249,532***	***1,549,877***	***9,199***	***4%***
TOTALS	***15,270,949***	***25,456,157***	***40,727,106***	***32,104,993***	***8,622,113***	***40,727,106***	***(6,648,836)***	***-44%***

Changes in Fund Balance are detailed below.

General Fund – When excess carryover or beginning balance dollars are received they are maintained in Revenue Stabilization Fund (122) meaning an ending fund balance is rarely projected for General Fund. This allows the dollars to be allocated to a reserve fund and requires the majority of City Council to approve the use of these funds. There is an estimated Beginning Balance of $450,000 anticipated to use for 2010 expenditures.

Special Revenue Funds – Changes are primarily in the following funds

- ***City Streets (101) –*** This is the street maintenance and operations fund which had been consistently carrying a large fund balance, causing the General Fund to absorb some of the costs for street operations such as street light utility and the entire debt payment for street projects. The decision was to use some of the fund balance and not reduce general services but still maintain levels consistent with the Financial Management Policy.
- ***Recreation Activity (103) –*** The Recreation Fund does not carry a large fund balance as the purpose is to provide affordable recreation programs available to all citizens. With a fund balance falling below the Financial Management policy, the budget had been projected to increase this balance.
- ***Capital Improvement (121) –*** The funding source of Real Estate Excise Tax has been greatly reduced due to the local economy. One of the primary uses is for a portion of the debt issued for capital improvement. The debt obligation will need to use a portion of the reserves decreasing the balance.
- ***Cum Reserve/Revenue Stabilization (122) –*** The fund balance is reduced due to a projected transfer to balance the General Fund variance. The actual dollars will only be transferred if necessary. Council direction in the past is to reduce this transfer with any unanticipated carryover balance, increased revenue and/or decreased expenditures.
- ***Cumulative Reserve (123) –*** These are funds generated from traffic impact fees. It is anticipated in 2010 to use these funds for Street Projects
- ***Marine Science Center (141) –*** The fund is created by dollars reserved to transfer for debt payment for the Marine Science Center building and minimal maintenance. There is not a funding source, so the funds will be used until depleted.
- ***Drug Enforcement (171) –*** Funds have been allocated from the reserves toward the training of a new Police Dog used in drug related investigations.

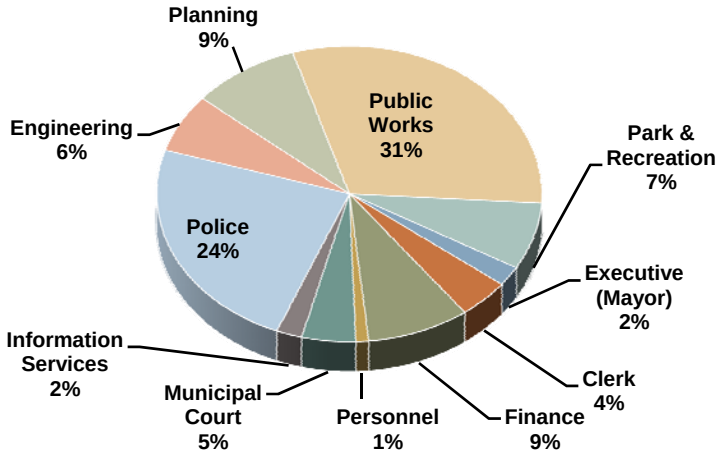
Debt Service Funds – These funds are to make debt payments and fees associated with the debt. Fund Balances are to remain minimal as the transfers for debt are from operational dollars.

Capital Project Funds – These funds are used for capital projects so will consistently vary depending on projected capital projects.

Enterprise Funds – These funds are to account for the City utility services supported by user fees. The fluctuations in the balances are due to the projected capital projects. The operational portion of the fund stays fairly consistent. The large decreases in Sewer Program (403) and Storm Drain (410) are due to large capital projects anticipated in 2010.

A significant part, 28% of the City's operating budget (net of transfers), is funding for employees who in turn provide services to our citizens. The following graph identifies full-time equivalent (FTE) positions by department.

2010 Staffing by Department



*Public Works department is made up of Public Works (General Fund), Street Department, and Utilities.

DEPARTMENT STAFFING SUMMARY
IN FULL TIME EQUIVALENTS

DEPARTMENTS	*2006 Actual*	*2007 Actual*	*2008 Actual*	*2009 Budgeted*	*2010 Budgeted*
Executive (Mayor)	1.25	1.63	1.88	2	2
Clerk	4	4	4	4	4
Finance	7.25	7.75	8	8	8
Personnel	1	1	1	1.15	1.15
Municipal Court	3.43	3.89	4.26	4.2	4.2
Information Services	1	1.33	2	2	1
Police	20	19.33	20.66	21	21
Engineering	6.02	6.27	6.45	5.95	5.95
Planning	9	8.92	9.45	8.45	8.45
Public Works	28.5	27.6	28.43	28.6	28.6
Park & Rec	6.67	6.84	6.82	6.67	6.62
Total FTE's	***88.12***	***88.56***	***92.95***	***92.02***	***90.97***

Prior year actual numbers, reflect the actual filled full time equivalents (fte) staff. Although budget capacity may have provided for vacant positions, actual positions filled are what is presented in the actual fte numbers.

During 2009 many of the vacant positions which remained unfilled were eliminated. This included a Police Officer position which had been vacant for several years and a Community Services Officer which had never been filled. The positions were eliminated in 2009.

When an Information Services support position became vacant in 2009, it was decided to not fill the position but contract with Kitsap County's IT department for services to support the City's IT needs. The contract fills the need for back up and support to the 1 person department.

A pre-school teacher who was job sharing in the Park and Recreation department left the position in 2009. The hours were reallocated among the remaining teacher and Preschool Assistants to reduce the position by .2 fte.

It was determined mid-2009 to provide continuity and back-up for the Human Resources Manager. A current part-time Accounting Technician has increased their hours to provide the back-up and support. This increased the Personnel Department's fte by .15.

Capital Improvement Summary for Projects planned in 2010

Although the Capital Improvement Plan (CIP) section of this document lists projects anticipated for the next six years, the following is a summary of the projects planned in 2010. Complete project details are included in Section 9 – Capital Improvement Plan. These projects have been incorporated into the budget and are listed with their appropriated funding sources.

General Purpose Projects

Poulsbo City Hall
Funds are being appropriated in 2010 for completing the design and construction of City Hall.

Facilities Fund (331)

Design	$	42,632
Furniture, Fixtures		600,000
Construction Mgmt.		60,592
Financing/Legal		61,013
Construction		4,968,035
Contingency		1,238,752
Total 2010 Costs	$	6,971,024

Funding Source:
County grants, Reserves & Sale of Land.

Impact on Operating Budget:
Future operating budgets will be affected by debt related payments as well as increased utilities and maintenance costs. These expenditures will be offset by lease revenue, avoided facility repair and maintenance costs related to the current City Hall and operating efficiencies resulting from consolidating city operations. A transfer from the Capital Improvement (Fund 121) and General (Fund 001) will fund the debt payment.

Park & Recreation Building
Funds are being appropriated in 2010 to perform planned maintenance and repairs to the Parks & Recreation Building, the roof and parking lot to improve safety and functionality.

Facilities Fund (331)

Construction	$	65,000
Total 2010 Costs	$	65,000

Funding Source:
Reserves.

Impact on Operating Budget:
There will be additional impact on future operating budget for the debt payment and increased utility and maintenance expenses. These will be offset in part by rental revenues and increased user fees from park programs.

Park Projects

Centennial Park

Funds are being appropriated in 2010 to continue improvements to Centennial Park.

Facilities Fund (302)

Planning & Design	$	5,000
Construction Mgmt		2,500
Construction		30,000
Total 2010 Costs	$	37,500

Funding Source:
City Impact Fees.

Impact on Operating Budget:
There will be a limited impact on future operating budgets resulting from ongoing landscape maintenance costs.

American Legion Park Paths

Funds are being appropriated in 2010 to replace the trail with new asphalt or extend the boardwalk into the park.

Facilities Fund (302)

Construction	$	20,000
Total 2010 Costs	$	20,000

Funding Source:
Park Reserves.

Impact on Operating Budget:
There will be limited impact on future operating budgets resulting from ongoing maintenance costs as the City has a strong cadre of citizens and organizations which offer volunteer upkeep of local parks.

Poulsbo's Fish Park Restoration
Funds are being appropriated in 2010 for the continued restoration efforts of 13 acres along Dogfish Creek. The purchases of the land and master plan design have been expended in prior years.

Park Reserves (Fund 302)

Construction Mgmt	$	2,000
Construction		23,000
Total 2010 Costs	$	25.000

Funding Source:
City Reserves.

Impact on Operating Budget:
This park is all natural so there will be limited maintenance impact on future operating budgets. A local service organization works in partnership with the City to maintain this park.

College Marketplace Athletic Fields
Funds are being appropriated in 2010 to begin design of two multi-use fields as well as parking on the 7-acre site.

Facilities Fund (302)

Design	$	10,000
Total 2010 Costs	$	10,000

Funding Source:
City Impact Fees.

Impact on Operating Budget:
While still in the design stages, it is expected that additional field user fees will offset increased field maintenance expenses.

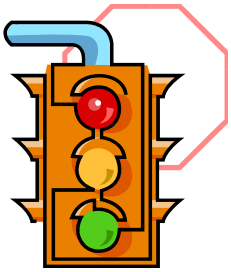
Nelson Park Phase II
Funds are being appropriated in 2010 for the continued improvements to the 11 acres in West Poulsbo.

Park Reserves (Fund 302)

Design		10,000
Total 2010 Costs	$	10.000

Funding Source:
City Impact Fees.

Impact on Operating Budget:
There will be limited impact on future operating budgets resulting from ongoing maintenance costs as the City has a strong cadre of citizens and organizations which offer volunteer upkeep of local parks.



Transportation Projects

Viking Ave Phase 3A

Funds are being appropriated in 2010 for Phase 3A of the Viking Avenue transportation improvements including widening, sidewalks, drainage, and bike lanes.

Street Reserves (Fund 311)

Construction Management	$	70,000
Construction		1,000,000
Total 2010 Costs	$	1,070,000

Funding Source:
Federal Grants

Impact on Operating Budget:
The impact of future operating budgets will be limited as the City would incur landscaping costs as well as road overlay expenses necessary to maintain road standards with or without this capital investment.

Viking Ave Phase 3B

Funds are being appropriated in 2010 for Phase 3B of the Viking Avenue transportation improvements including widening, sidewalks, drainage, and bike lanes.

Street Reserves (Fund 311)

Construction Management	$	70,000
Construction	$	830,000
Total 2010 Costs	$	900,000

Funding Source:
State grants, City Impact Fees, and Street Reserves.

Impact on Operating Budget:
The impact of future operating budgets will be limited as the City would incur landscaping costs as well as road overlay expenses necessary to maintain road standards with or without this capital investment.

Noll Road Improvements

Funds are being appropriated in 2010 for the design of pedestrian and bicycle improvements between Hostmark and Deer Run.

Street Reserves (Fund 311)

Design	$	60,000
Total 2010 Costs	$	60,000

Funding Source:
City Street Reserves.

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.

3rd Ave Reconstruction – Moe to Iverson

Funds are being appropriated in 2010 for the design related to sidewalk, curb, pavement repairs, overlay and striping.

Street Reserves (Fund 311)

Management	$	10,000
Design		50,000
Total 2010 Costs	$	60,000

Funding Source:
City Street Reserves

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.

6th Ave Traffic Safety Improvements

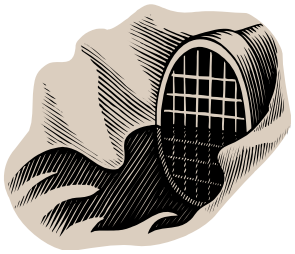
Funds are being appropriated in 2010 for the design of traffic calming devices.

Street Reserves (Fund 311)

Design	$	10,000
Total 2010 Costs	$	10,000

Funding Source:
City Reserves

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.



Sewer Projects

Annual Inflow Reduction Program

Funds are being appropriated in 2010 to implement an inflow reduction program consisting of identifying and repairing inflow sources.

Sewer Fund (403)

Construction	$	20,000
Total 2010 Costs	$	20,000

Funding Source:
Sewer Reserves will fund the 2010 expenditures.

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.

6th & 9th Avenue Pump Station Upgrade

The project will rehabilitate and upgrade the 6th & 9th Avenue wastewater pump stations and replace the transmission mains.

Sewer Fund (403)

Construction	$	570,000
Construction Management		30,000
Total 2010 Costs	$	600,000

Funding Source:
Sewer Reserves will fund the 2010 expenditures.

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.

Viking Avenue Phase 3 Sewer Extension

Funds are being appropriated in 2010 to construct 2,000 of 8" sewer line associated with Phase 3 of the Viking Avenue transportation improvements.

Sewer Fund (403)

Construction		235,000
Total 2010 Costs	$	235,000

Funding Source:
Sewer Reserves will fund the 2010 expenditures.

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.

Tollefson Forcemain Upgrade

Funds are being appropriated in 2010 to increase capacity of the Tollefson manhole where SR 305 Forecemain discharges sewer into the gravity system.

Sewer Fund (403)

Design	$	10,000
Construction		40,000
Total 2010 Costs	$	50,000

Funding Source:
Sewer Reserves will fund the 2010 expenditures.

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.

Capital Facilities Charge for CK Plant

Funds are being appropriated in 2010 to finance the City's capital contribution to the CK Treatment plant.

Sewer Fund (403)

Construction	$	500,000
Total 2010 Costs	$	500,000

Funding Source:
Sewer Reserves will fund the 2010 expenditures.

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.

Water Projects

West Side Well Treatment for Manganese
Funds are being appropriated in 2010 to install a treatment facility a7 the existing Westside Well site.

Water Fund (401)

Construction	$	100,000
Total 2010 Costs	$	100,000

Funding Source:
Water Reserves will fund the 2010 expenditures.

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.

Intrusion Alarms
Funds are being appropriated in 2010 to install intrusion alarms at several facility sites.

Water Fund (401)

Construction	$	22,000
Total 2010 Costs	$	22,000

Funding Source:
Water Reserves will fund the 2010 expenditures.

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.

Viking Avenue Phase 3 Improvements
Funds are being appropriated in 2010 to install approximately 2,000 LF of 12-inch water main along South Viking Avenue.

Water Fund (401)

Construction	$	285,000
Total 2010 Costs	$	285,000

Funding Source:
Water Reserves will fund the 2010 expenditures.

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.

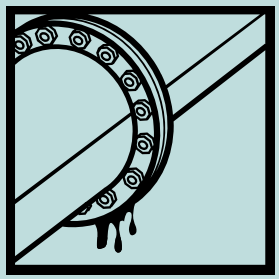
Big Valley Well Piping Improvements
Funds are being appropriated in 2010 to improve the water supply piping at the well site to allow both wells to produce as designed without reduction in capacity.

Water Fund (401)

Design	$	15,000
Total 2010 Costs	$	15,000

Funding Source:
Water Reserves will fund the 2010 expenditures.

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.



Storm Drain Projects

Dogfish Creek Restoration
Funds are being appropriated in 2010 to begin projects identified in the Master plan designed to restore Dogfish Creek.

Water Fund (410)

Planning & Design	$	50,000
Total 2010 Costs	$	50,000

Funding Source:
Storm Drain Reserves will fund the 2010 expenditures.

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.

Anderson Parkway LID Retrofit
Funds are being appropriated in 2010 to construct rain gardens at several locations, pedestrian walkways, pervious pavement infiltration strips, as well as repair and seal the deteriorated 1.5 acres asphalt parking surface.

Water Fund (410)

Design	$	40,000
Total 2010 Costs	$	40,000

Funding Source:
Storm Drain Reserves will fund the 2010 expenditures.

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.

Noll Road Culvert Replacement
Funds are being appropriated in 2010 to replace the existing 36-inch culvert with an 8/10 foot wide culvert.

Water Fund (410)

Planning & Design	$	40,000
Total 2010 Costs	$	40,000

Funding Source:
Storm Drain Reserves will fund the 2010 expenditures.

Impact on Operating Budget:
There will be no additional impact on the 2010 operating budget.

Solid Waste Projects

Solid Waste Transfer Station
Funds are being appropriated in 2010 to install ramp and associated improvements to the Solid Waste Transfer station.

Water Fund (404)

Construction	$	125,000
Total 2010 Costs	$	125,000

Funding Source:
Solid Waste Reserves will fund the 2010 expenditures.

Impact on Operating Budget:

There will be no additional impact on the 2010 operating budget.

LONG-TERM DEBT OBLIGATIONS AND DEBT CAPACITY

The 2010 Budget has been developed in concert with an analysis of the City's long-term capital needs. The opposite page summarizes the City's current bond debt obligations by type of debt. While the City has various forms of debt, $14,120,000 of this debt is of a General Obligation Bond (GO) type.

The City debt obligations are well within the statutory limits for debt capacity. There are three types of statutory limits on general obligation debt capacity.

1. The first limit is on the amount of general obligation debt that can be incurred without a vote of the people. For this type of debt, a city is limited to 1.5% of its assessed value. For 2010, the City of Poulsbo's limit is $19,650,506 of which the City has incurred $11,295,000.

2. The second statutory limit is the amount of general obligation debt a City may incur for general governmental purposes with the vote of the people. This limit is 2.5% of the assessed value. In 2010, the City's limit is $32,750,843, less any amount issued of non-voted debt.

3. The third limit allows a City to incur general obligation debt of up to an additional 2.5% of its assessed value for bond issues approved by the voters for the purpose of utility improvements and an additional 2.5% for parks or open space development.

Project	Type	Duration	Interest Rate	Amount Issued	Outstanding
Trans/Muni Campus Bonds	Non Voted	2003 - 2017	2.5% - 4.8%	$ 2,505,000	$ 955,000
Marine Science Center	Non Voted	2005 - 2011	3.0% - 4.8%	415,000	105,000
City Hall 2005	Non Voted	2005 - 2025	3.0% - 4.8%	5,185,000	4,420,000
City Hall 2009	Non Voted	2009 - 2033	1.4% - 3.75%	6,015,000	5,775,000
				$ 14,120,000	$ 11,255,000

This Debt is controlled by assessed Valuation Debt Limits

2010 Assessed Valuation $ 1,310,033,708

X 0.025	=	$ 32,750,843	Limited for Combined Debt	Balance Available	$ 21,495,843
X 0.015	=	$ 19,650,506	Limited for Non-Voted Debt	Balance Available	$ 8,395,506
			Balance Available for Voted Debt	$ 13,100,337	

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BOND DEBT TO MATURITY						
	General Obligation (GO)			Revenue Bonds		
Year	Principal	Interest	Total	Principal	Interest	Total
	-	-	-	-	-	-
2010	555,000	476,743	1,031,743	370,000	122,672	492,672
2011	575,000	459,498	1,034,498	383,000	107,969	490,969
2012	540,000	442,323	982,323	396,000	92,546	488,546
2013	490,000	425,165	915,165	414,000	76,521	490,521
2014	505,000	408,965	913,965	429,000	62,238	491,238
2015	520,000	391,035	911,035	443,000	47,438	490,438
2016	535,000	371,880	906,880	457,000	32,154	489,154
2017	555,000	351,768	906,768	475,000	16,388	491,388
2018	470,000	330,111	800,111	-	-	-
2019	485,000	311,385	796,385	-	-	-
2020	510,000	291,115	801,115	-	-	-
2021	530,000	269,650	799,650	-	-	-
2022	550,000	247,190	797,190	-	-	-
2023	575,000	223,878	798,878	-	-	-
2024	600,000	199,505	799,505	-	-	-
2025	630,000	171,500	801,500	-	-	-
2026	275,000	142,070	417,070	-	-	-
2027	285,000	127,770	412,770	-	-	-
2028	300,000	112,950	412,950	-	-	-
2029	315,000	97,350	412,350	-	-	-
2030	335,000	80,025	415,025	-	-	-
2031	355,000	61,600	416,600	-	-	-
2032	370,000	42,075	412,075	-	-	-
2033	395,000	21,725	416,725			
TOTAL	11,255,000	6,057,275	17,312,275	3,367,000	557,924	3,924,924

Note: The City's Debt Management Policy is included in the appendix in Section 10. Information regarding the proprietary funds' debt is included with the individual fund information in the Proprietary Fund Section.

Section 3 -

General Fund (001)

GENERAL FUND REVENUE (001)

The largest operating fund in the City is the General Fund. It provides the majority of City services, including police, planning, engineering, and financial services. Most of the tax revenue collected by the City goes into the General Fund making it the primary focus for the City Council during the budget process. For 2010 the General Fund Revenue budget, including beginning balance, is projected to be $9,083,653; this is a decrease from the 2009 budget by approximately $132,785. The variance is primarily due to:

- 2009 has an actual Beginning Balance which is approximately $500,000 higher than the 2010 projection.
- Sales tax has been projected about $200,000 lower than estimated for 2009
- Investment earnings projections for 2010 are lower due to lower interest rates and less cash available to invest

An increase in other revenues helps to minimize the decrease. The increase is primarily attributed to the following.

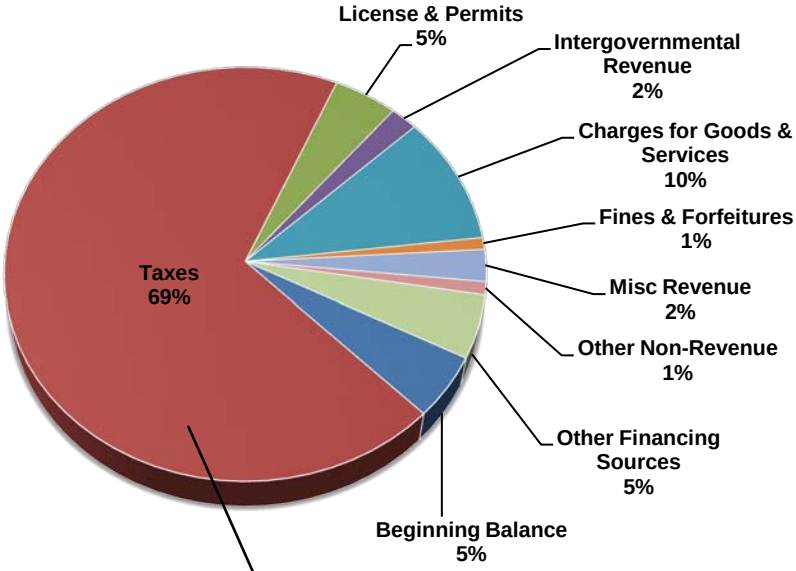
- Increase in various Utility Taxes based on the increasing utility rates.
- Anticipated grant revenue for a Shoreline Master Plan
- Transfer from Revenue Stabilization (Fund 122) to balance the General Fund

The first section provides an overview of the revenues included in the General Fund as well as a line item detail of the General Fund Revenue.

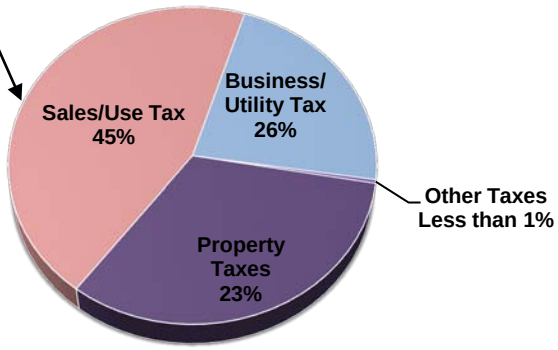
GENERAL FUND REVENUE ANALYSIS

The City of Poulsbo's General Fund receives a wide variety of revenue. This page provides a summary of those revenue resources. Taxes are the largest source of income for the General Fund and are detailed by an additional chart. The following pages of this section will discuss key factors for each type of revenue affecting the General Fund in the year 2010.

2010 General Fund Resources
$9,083,653

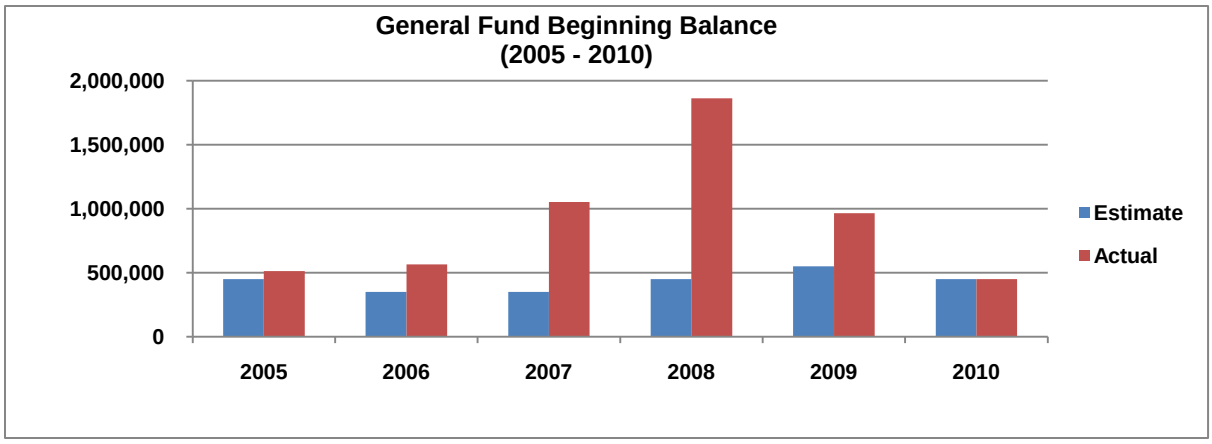


2010 General Fund Tax Revenue
$6,278,063



BEGINNING BALANCE:

The beginning balance represents carryover funds, i.e. excess revenue collected, over what was estimated, plus any unspent budgeted expenditure dollars, from the previous year. It is a policy of the City to support current year expenditures with current year revenue, but in past years these carryover funds have been used to fund current year program expenditures. Due to increase in expenditures, reserving dollars for future capital projects, building a revenue stabilization fund and a shortfall of revenue, this has not always been possible. The actual carryover dollars for 2010 were almost exactly what had been projected. The carryover dollars were primarily generated from expenditures being less than projected. Transfers to other funds, which are based on revenue were less since the corresponding revenue was less than projected. Vacant positions in the Police Department, Information Services and Parks maintenance were not filled and have been removed from the 2010 budget. A new contractual agreement with the Fire Department, which tied fees to inspections, and professional services for planning activities were less than projected.



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TAX REVENUE:

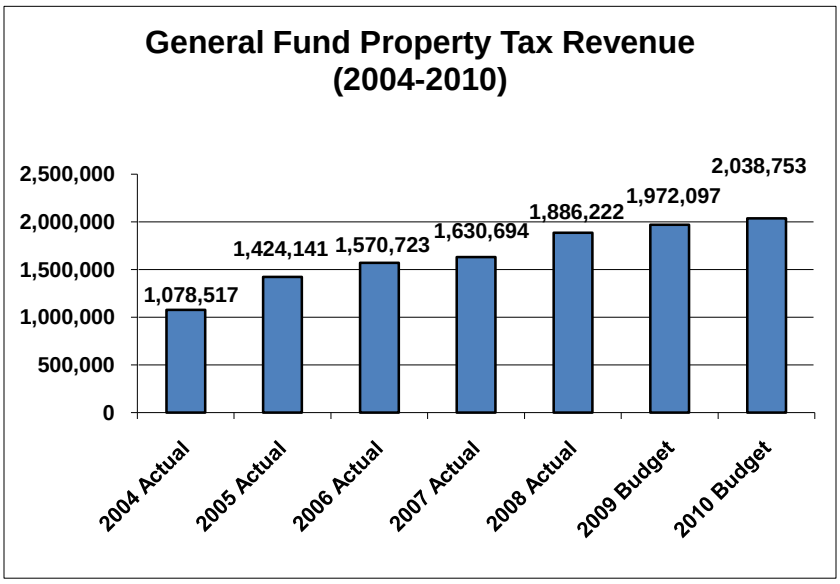
Taxes account for the largest revenue category in the general fund, generating 69% of General Fund's total revenue. Because of this, the category receives the majority of attention during the budget process.

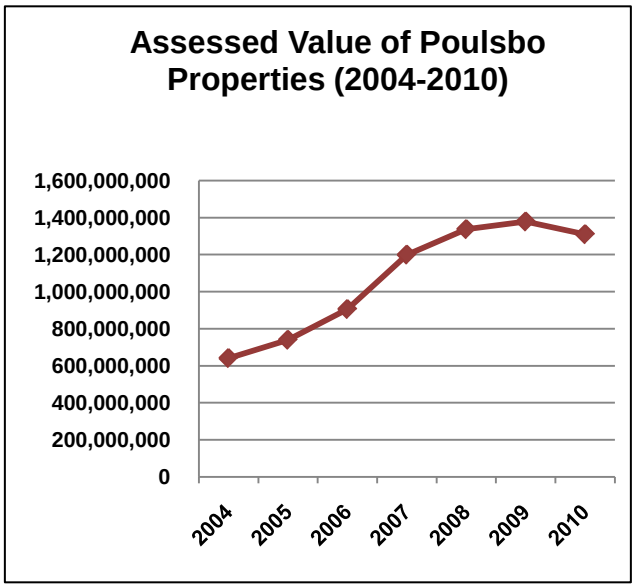
PROPERTY TAXES:

For 2010, the City has levied $2,038,753. This is a 1% increase over the highest allowable levy. In 2005 due to the assessed value increasing, the City was able to access most of their property tax reserve and levy the full 1% increase over their highest allowable levy. The City Council set the levy with the understanding the previous property tax reserve would be transferred to the street reserves and used for capital projects, which the City was not able to complete or maintain due to the loss of revenue when the levy was reduced due to the Fire Annexation in 2000. In 2010 the City will continue to transfer to the street reserves the calculated property tax reserve.

The assessed value for 2010 reflects a decrease in value, which is the first time the City has ever seen a decrease in value. This is reflective of the US Economy and the declining home values nationwide. As home sales decline and a large number of homes are available in the market, the values have decreased. Many believe home values had grown at an accelerated rate and it is now allowing the market to correct itself. Although moving at a slower pace development is still continuing in the City. Home sales have started to rebound at the end of 2009 because of federal tax incentives. There are a large number of plats approved for new home development, which means the City will be in a strong position once the lending market and housing market continue to rebound.

In 2010, the city will continue to transfer 5% of property tax revenue into the Park Reserve Fund (302), and 36% to City Street Fund (101) for street maintenance. In an effort to reduce the General Fund variance in 2009, the 5% transfer to Street Reserves Fund (311) was eliminated, but it will again continue in 2010. The banked property tax reserve of will be reduced to $55,014, leaving the remaining dollars of approximately $235,000 remaining in the General Fund to support the government operations,

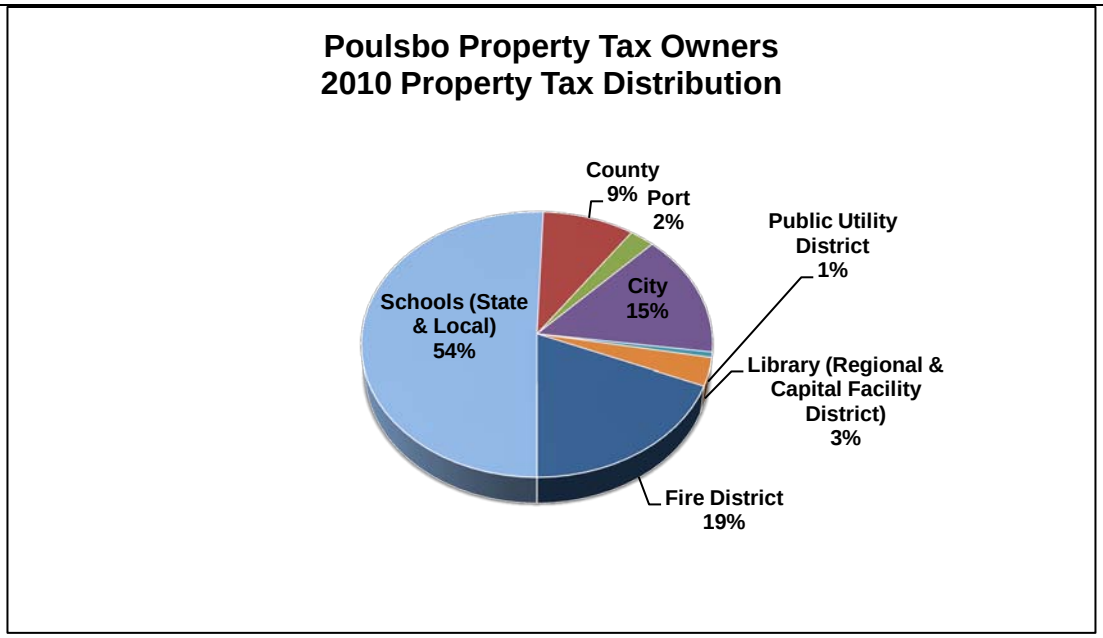




Year	Property Taxes*	Assessed Value	Rate
2004	1,094,140	640,301,848	1.7088
2005	1,426,749	739,142,516	1.9303
2006	1,541,219	905,352,282	1.7122
2007	1,698,656	1,199,593,462	1.4160
2008	1,925,683	1,337,337,310	1.4400
2009	1,976,950	1,378,218,255	1.4343
**2010	2,047,161	1,310,033,708	1.5627

*Taxes represent calculation of assessed value per $1000 x rate, actual revenue may slightly differ as amounts have been updated with the most current information from the County Assessor

**Actual amount levied is higher than revenue projection. Variance is for taxes not collected.



Properties located within the City limits are also taxed by other taxing jurisdictions. Information in this chart represents taxing jurisdictions' 2010 tax rates as provided by Kitsap County Assessor's Office. The majority of property taxes go to the State and local schools. The City's property tax accounts for 15% of the total tax levied on properties located within the City limits.

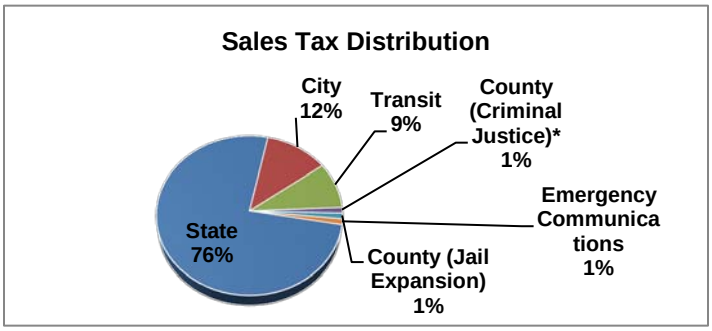
TAX PAID ON HOME WITH AN ASSESSED VALUE OF $300,000		
TAXING JURISDICTION	**TAX RATE**	**TAX PAID**
SCHOOLS (State & Local)	**5.281484**	**1,584.45**
COUNTY	**.095**	**28.50**
PORT	**.260213**	**78.06**
CITY *	**1.562678**	**468.80**
PUD	**.068474**	**20.54**
LIBRARY (Regional)	**.320397**	**96.12**
FIRE DISTRICT #18 & EMS Levy	**1.957369**	**587.21**
LIBRARY (Capital Facility District)	**.033385**	**10.02**
TOTAL	**9.579**	**$2,873.70**

SALES TAXES:

The sales and use tax revenue, in contrast to property tax, is a highly unstable revenue source and is, therefore, very difficult to predict. Prior to 2009 the City has experienced a continual increase in sales tax Although the dollars showed a slight decline in 2009 and are projected less in 2010 it is still producing the largest single source of revenue. The current sales tax rate charged on retail sales taking place within the City limits of Poulsbo is 8.6%, but only 1% of the 8.6% is City tax. The total sales tax collected on sales taking place within the City is distributed as follows:

State 6.5%
City 1.0% (.15 goes to County)
Transit .8%
County .1% (Criminal Justice)*
County .1% (County Jail Expansion)
County .1% (Emergency Communications)

Total 8.6%



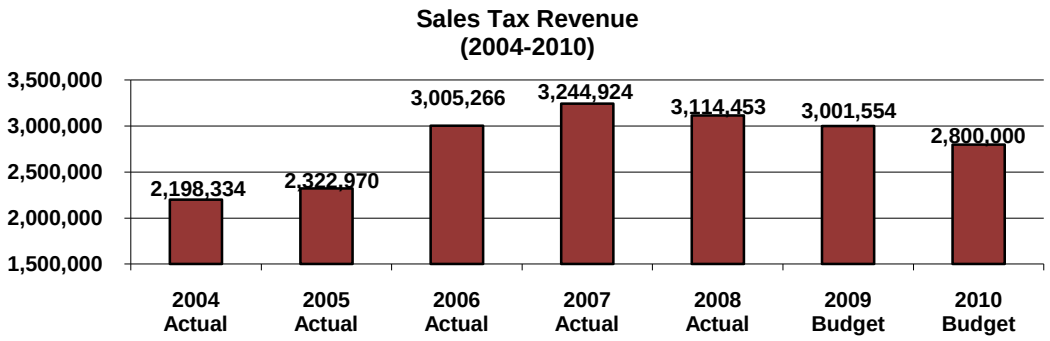
**The County keeps 10% of this revenue; the remaining 90% is distributed back to the cities located within the county, based on population. The City of Poulsbo records the Criminal Justice portion of the sales tax in the Police Restricted Fund (Fund 191).*

In past years sales tax revenue is collected and used in the City's General Fund with the exception of three transfers.

1) 5% of the revenue is transferred to the Capital Equipment Acquisition Fund (Fund 301) for replacement of capital equipment
2) 2% of the sales tax revenue is transferred into this same fund to be used for capital equipment purchases related to new programs
3) 3% of the sales tax revenue is transferred into the Revenue Stabilization Fund (122)

As we have seen a change in the economy that was not foreseen or experienced for more than a decade, in 2010 the transfers were reduced in order to lessen the General Fund Variance. The transfer to the Capital Acquisition Fund (301) was reduced to cover only the current year's projections.

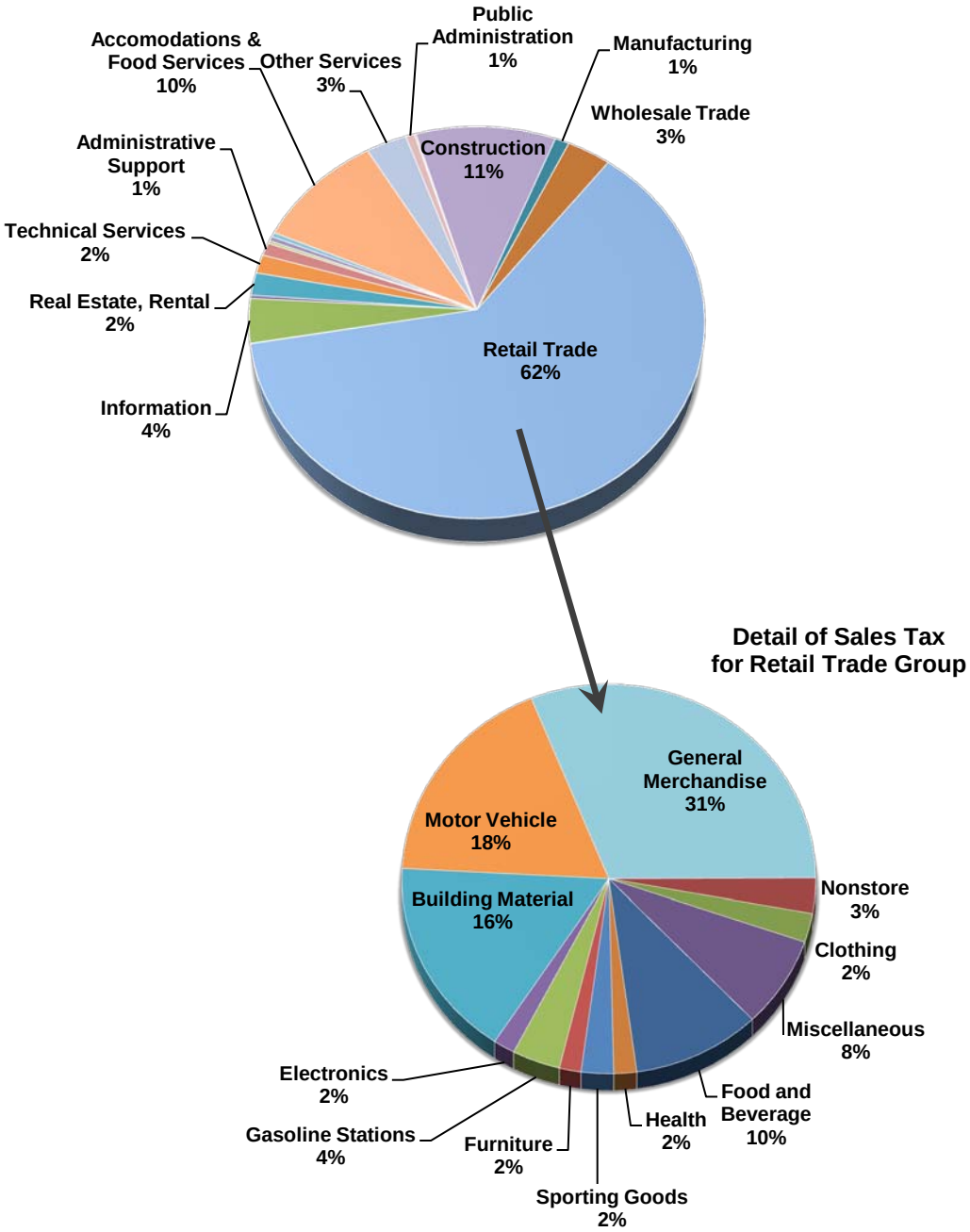
It has been a goal of the City to estimate sales tax revenue no greater than what was actually received the previous year. In 2006 two new large retail stores opened, which accounts for the substantial increase. The 2010 projection is approximately $200,000 less than the 2009 estimate, but closer to the actual 2009 sales tax dollars With the current national economic environment affecting fuel prices, vehicle sales and overall consumer conservation in spending, the City will continue to estimate conservatively and only forecast no more than the revenue received the prior year. A longtime City business, Poulsbo RV, closed their Poulsbo branch in 2009 and a local car retailer also closed their operation in 2009. Large construction projects in 2008 also accounted for the some of the decreases in 2009. While some businesses have closed in 2009 other large ones have opened. In early 2009 a new large Pet Store opened its doors at College Market Place. Constructing a new City Hall will fill some of the gap for a decrease in Construction sales tax dollars. A large County hospital is anticipated to begin construction in the near future. These will provide one time construction sales tax dollars. Council's direction is to not anticipate the one time boom in funds, but conservatively estimate to eliminate the danger of funding ongoing operations with one time dollars. In the 2010 budget process, the projection for sales tax revenue is $2,800,000. This is a decrease over the original 2009 budget figure, but is consistent with the actual dollars received.



SALES TAX GROUP COMPARISONS BY SIC CODE					
TAX GROUP	**2005**	**2006**	**2007**	**2008**	**2009**
Agriculture, Forestry	240	324	590	797	587
Mining	283	312	245	100	220
Utilities	1,172	1,461	2,065	2,507	2,804
Construction	387,895	497,820	475,735	456,590	290,129
Manufacturing	22,395	25,869	40,332	39,213	29,272
Wholesale Trade	130,081	132,646	146,558	150,671	91,784
Retail Trade	1,180,677	1,687,872	1,869,839	1,790,533	1,698,095
Trans & Warehousing	2,267	2,096	1,737	1,051	1,077
Information	98,781	101,422	112,868	104,434	100,879
Finance & Insurance	11,551	18,680	19,986	17,366	7,065
Real Estate, Rental	61,511	69,774	68,432	60,642	51,598
Technical Services	31,152	35,868	40,021	41,917	42,193
Company Management	6	37	94	68	41
Administrative Support	33,182	37,200	44,803	40,178	29,065
Educational Services	5,065	4,156	6,463	6,444	6,501
Health Care Assistance	6,253	6,051	12,828	11,683	10,566
Arts, Entertain, Rec	6,992	11,064	12,884	13,924	10,145
Accommodations & Food Services	237,219	255,481	246,819	248,051	271,295
Other Services	89,220	92,030	113,603	101,212	84,851
Public Administration	17,027	25,113	29,018	27,043	18,105
TOTALS	2,322,969	3,005,276	3,244,920	3,114,424	2,746,272

The majority of sales tax revenue (62%) is from Retail Trade. The next largest sales tax category is Construction, accounting for 11% of the tax. A large portion of the retail sales tax receipts is derived from automobile sales. In the past this has been the largest contributor to this category, but as the City strives for diversification and the development of new retail businesses, the percentages have been shifting making General Merchandise the largest contributor in the category. Retail sales and new construction are particularly sensitive to changes in economic conditions. Slight changes in the economy, or even expectations, can produce dramatic changes in receipts. For this reason, sales tax is usually estimated conservatively.

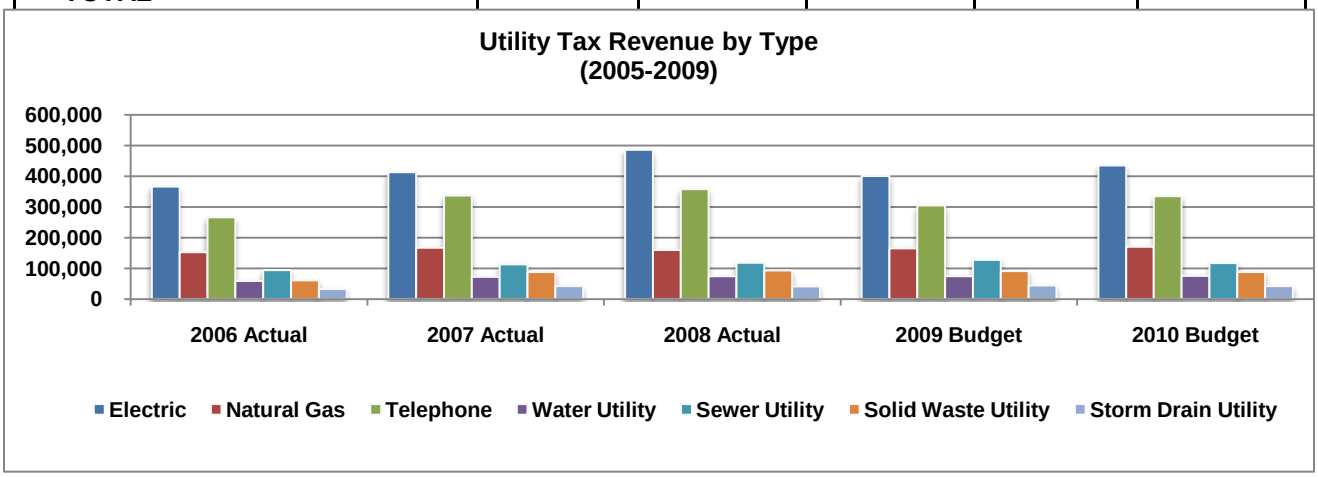
2009 Sales/Use Tax Revenue
By Standard Industrial Code (SIC)

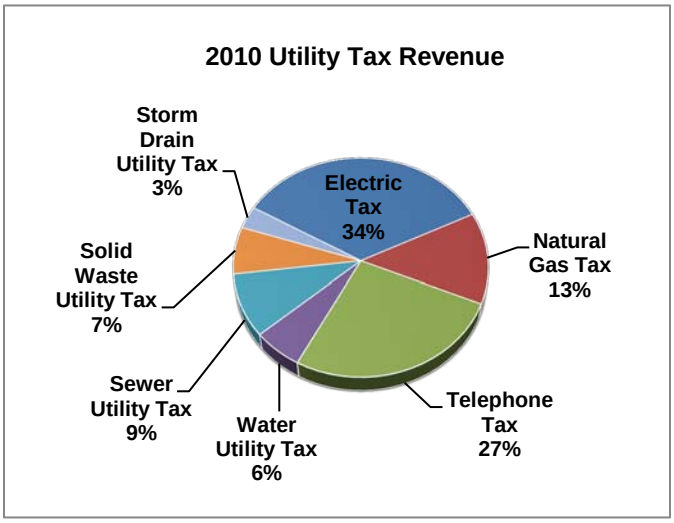


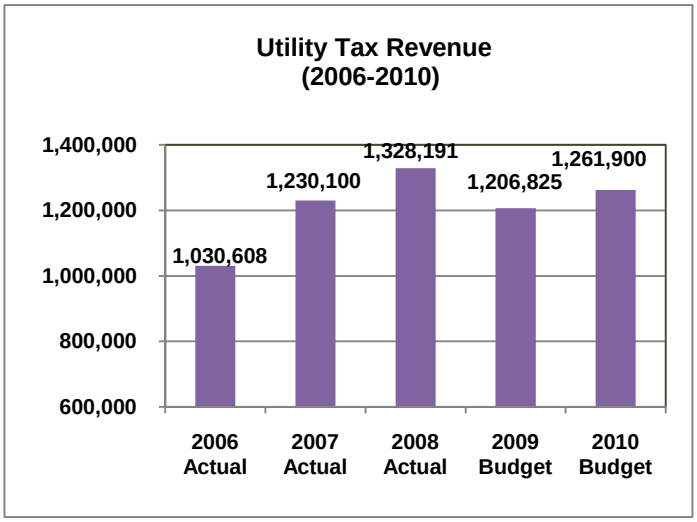
UTILITY TAXES:

Utility taxes are taxes applied to utilities providing services in the City including City-owned and privately owned utilities. On the whole, these taxes tend to be stable from year to year reflecting normal utility rate increases.

Type of Utility Tax	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget
Electric Tax (6% rate)	365,957	412,450	485,558	400,000	435,000
Natural Gas Tax (6% rate)	152,541	166,811	159,586	165,000	170,000
Telephone Tax (6% rate)	266,109	337,120	357,688	305,000	335,000
Water Utility Tax (6% rate)	58,484	71,647	73,661	74,010	75,300
Sewer Utility Tax (6% rate)	94,441	112,423	117,545	127,800	117,000
Solid Waste Utility Tax (6% rate)	60,257	87,677	93,214	90,915	87,600
Storm Drain Utility Tax (6% rate)	32,819	41,972	40,939	44,100	42,000
TOTAL	1,030,608	1,230,100	1,328,191	1,206,825	1,261,900







OTHER TAXES:

The remaining taxes are composed of various miscellaneous taxes that include admissions, excise, leasehold, and gambling taxes.

The largest of these, admission tax, is a 5% tax on qualifying admission charges. A 10-plex theatre in the City provides the majority of this tax revenue. The admissions tax is the funding source for a portion of the debt service of the 2003 debt issue. It is transferred to the Debt Service Fund (204). Any remaining admissions tax will remain in the General Fund.

Leasehold taxes are taxes paid to Washington State on government owned land that is being leased or rented. A portion of the tax on these types of properties is disbursed to the City.

Excise tax revenue is a tax on the City's solid waste activities. The tax is charged by Washington State's Department of Revenue and is remitted to them through General Fund expenditure.

Gambling taxes are irregular in a community the size of Poulsbo. They tend to be minimal and an unstable source. Their receipts are, therefore, forecast conservatively.

LICENSE & PERMIT REVENUE:

This category makes up 5% of revenue in the General Fund. License and Permit Revenues are user fees derived from various regulatory activities of the City. The bulk of the revenue is derived from building permit activities. Since this activity is dependent on new construction, it can be an unstable source of income. Prior to the end of 2008, there was a building boom in the City and permit fees had been recognizing a continual increase. The City of Poulsbo has been impacted which is consistent with the rest of the nation by a downturn in home sales and reduction in development due to lack of available funding. The revenue projections have been submitted with anticipation of this continual impact.

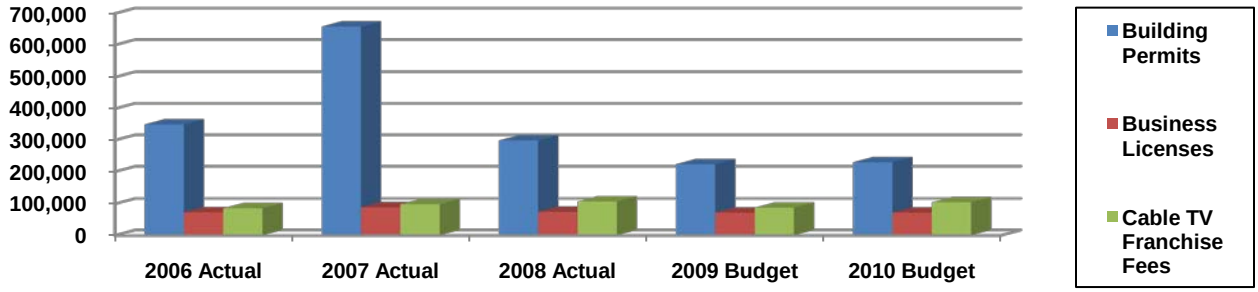
Although construction has slowed there are many planned developments ready to go. When the economy improves, these developments should again continue forward. Construction is still continuing, but only for homes with pre-sale conditions. A large project anticipated to continue is Phase 2 of Poulsbo Place Project, A development with a master plan calling for a combination of 164 new single and/or multi-family homes and mixed use structures.

Several other new housing developments such as Stendahl Ridge, Caldart Cottages, Chateau Ridge and Talon Glen are just a few which began in 2007 and will also continue. Due to the very recent housing market decline, the revenue projections are consistent with 2009 projections, but less than actual dollars received in prior years.

Cable TV Franchise Fee is 5% of gross revenue to the cable company providing service within the City of Poulsbo limits. For the past few years actual franchise fees received have been higher than projections. The 2010 projection has been increased to reflect this history.

Also recorded in this category are the City's business license fees. The City's business license fee is $75 per year for a new license and renewals are $50 per year.

Type of License/Permit	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget
Building Permits	349,813	658,389	299,114	223,751	230,000
Business Licenses	73,190	88,920	74,415	72,000	72,000
Cable TV Franchise Fee	86,104	99,137	107,578	88,000	105,000



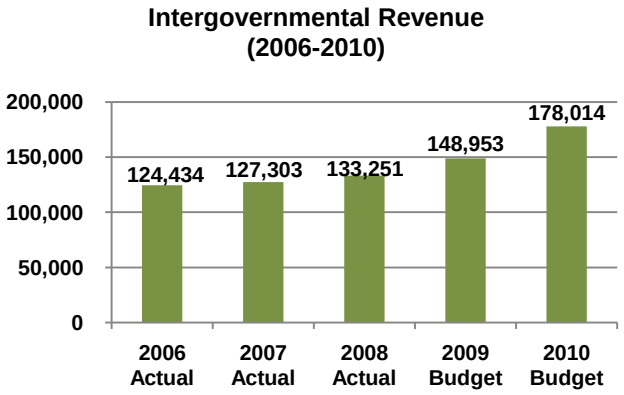
INTERGOVERNMENTAL REVENUE:

For 2010, this category makes up 2% of total General Fund resources.

The state-shared revenues are provided on the basis of a state-prescribed formula according to the city population. These include Liquor Excise Tax and Liquor Board Profits. As such, these revenues tend to be rather predictable. Anticipated per capita amounts are published by Municipal Research and Services Center (MRSC) and have been used to calculate the revenue projections. These two State Shared Revenues are the largest in this category.

Another revenue included in this category is funding from the school district for the Safety Resource Officer (SRO). The School District has confirmed funding for January through June 2010, but cannot guarantee any funds for the following school year. The revenue projection has been reduced to reflect the anticipated lack of funding for September through December 2010.

Grants are also included in this category and can vary significantly from year to year. The City has secured a grant to prepare a Shoreline Master Plan. This is a 3 year grant and the anticipated work and reimbursements for 2010 have been included.



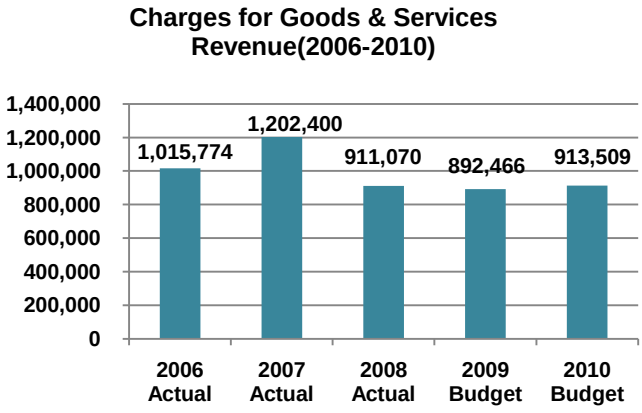
CHARGES FOR GOODS AND SERVICES REVENUE:

The Charges for Goods and Services revenue category makes up 10% of General Fund revenue and is the second largest revenue category. It consists of a wide variety of user fees derived from various activities and services.

Interfund charges for accounting, engineering, legal, personnel, executive and legislative services are the largest sources in this category. These are fees charged to other funds for services provided. Departments prepare a function breakdown, which shows the number of hours attributed to different city functions. The formula is a combination based on function hours, Full Time Equivalents (FTE) and the actual expenditure dollars of the prior year.

Engineering services, plan checking and zoning fees are the second largest contributor in this category making up about 31% of the projected revenue. These revenues can fluctuate based on current development activity. Due to the very recent decline in the housing market, the City is conservatively projecting a decrease in the building activities and related revenues.

The category also includes adult probation service charges, passport fees and other charges for miscellaneous services the City provides.



FINES and FORFEITURES REVENUE:

Fines and Forfeitures consist of fines from law enforcement related activities. The category accounts for only 1% of total General Fund revenue. The largest source is penalties for traffic infractions. Although this has been a fairly consistent source of revenue, various programs do affect this revenue. Parking infractions have been a consist source of revenue due to a very active Citizen Patrol. Revenue in this category can fluctuate for many different reasons such as defendants electing to perform Community Work Program or defendants choosing to participate in alternative sentencing methods in lieu of paying their fines or staffing levels of the police department promoting safety and causing less infractions.

MISCELLANEOUS REVENUE:

This revenue category generates 2% of all General Fund revenue. Investment income is the largest source. This source has been irregular in recent years due to varying interest rates and the amount of revenue available for investments. Rates have been significantly reduced from prior years. 2010 projections are much less than actual dollars received in prior years because of the low interest rates. Other sources include rental for City space and facilities, and donations.

NON-REVENUES:

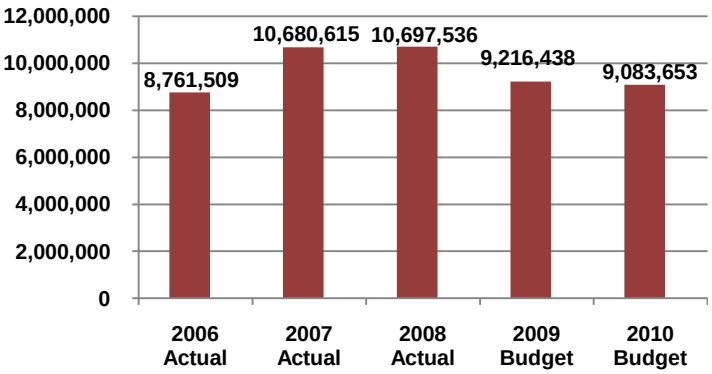
This account is used for budgeting purposes only and reflects the amount of expenses charged directly against developer's deposits and project job costs, but provides budget capacity for wages and benefits in the expenditure forecasts. The account is reconciled and monitored on an annual basis.

OTHER FINANCING SOURCES REVENUE:

Other Financing Sources consists primarily of operating transfers; funds transferred to the General Fund from other funds for expenditures that will be expensed out of the General Fund. They account for 5% of the total General Fund resources. For 2010, the primary transfers are:

- Police Restricted Fund (191) transfers $25,000 into the General Fund to support the Municipal Court program and $3,000 to support the wages of an officer hired when the City participated WESTNET program.
- Transfer from Cemetery Reserves (Fund 314) to support the maintenance and operations of the City Cemetery. All proceeds from plot sales have been receipted into the reserve fund. ($22,229)
- Transfer from Revenue Stabilization (Fund 122) to balance the General Fund and provide funding of approved Baseline Adjustment Requests ($396,632).

Total General Fund Resources (2006-2010)



GENERAL FUND REVENUE					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	***2008 ACTUAL***	***2009 BUDGET***	***2010 BUDGET***	**% CHANGE**
BEGINNING BALANCE					
BEGINNING BALANCE	1,236,295	1,861,473	***965,380***	***450,000***	-53%
TOTAL BEG FUND BALANCE	1,236,295	1,861,473	***965,380***		-100%
TAXES					
GENERAL PROPERTY TAXES	1,630,694	1,886,222	***1,972,097***	***2,038,753***	3%
SALE OF TAX TITLE PROPRT	-	581	*-*	*-*	0%
LOCAL RETAIL SALES & USE TAX	3,244,924	3,114,453	***3,001,554***	***2,800,000***	-7%
WATER UTILITY TAX	71,274	73,350	***73,710***	***75,000***	2%
SEWER UTILITY TAX	112,423	117,545	***127,800***	***117,000***	-8%
SOLID WASTE UTILITY TAX	72,192	75,396	***75,915***	***72,600***	-4%
STORM DRAIN UTILITY TAX	41,972	40,939	***44,100***	***42,000***	-5%
ADMISSIONS TAX	110,809	107,413	***115,000***	***111,000***	-3%
ELECTRIC TAX	412,450	485,558	***400,000***	***435,000***	9%
WATER TAX ON PRIVATE BUSINESS	373	311	***300***	***300***	0%
GAS TAX	166,811	159,586	***165,000***	***170,000***	3%
GARBAGE TAX ON PRIVATE BUSINESS	15,485	17,818	***15,000***	***15,000***	0%
TELEPHONE & TELEGRAPH TAX	337,120	357,688	***305,000***	***335,000***	10%
REFUSE COLLECTION EXCISE TAX	38,763	39,513	***39,168***	***43,560***	11%
LEASEHOLD EXCISE TAX	18,025	20,802	***20,000***	***20,000***	0%
PUNCH BRD & PULL TABS TAXES	1,064	1,749	***1,500***	***1,600***	7%
BINGO & RAFFLES GAMBLING TAX	1,143	772	***1,000***	***1,000***	0%
AMUSEMENT GAMES GAMBLING TAXE	361	238	***400***	***250***	-38%
INT DELQ PROPERTY TXS	0	-	*-*	*-*	0%
TOTAL TAXES	6,275,883	6,499,933	***6,357,544***	***6,278,063***	-1%
LICENSE & PERMITS					
ALARM REGISTRATION PERMIT	2,410	2,360	***2,340***	***2,330***	0%
FIREWORKS PERMITS	60	-	***450***	***250***	-44%
OCCUPATIONAL LICENSES	215	245	***1,500***	***1,500***	0%
PENALTY ON BUSINESS LICENSES	1,380	2,600	*-*	*-*	0%
BUSINESS LICENSES	88,920	74,415	***72,000***	***72,000***	0%
HOME OCCUPANCY PERMITS	-	-	*-*	*-*	0%
CABLE TV FRANCHISE FEES	99,137	107,578	***88,000***	***105,000***	19%
BLDING,STRUCTURE/EQUIP PERMITS	658,389	299,114	***223,751***	***230,000***	3%
ANIMAL LICENSES	2,002	3,025	***1,700***	***2,700***	59%
TOTAL LICENSE & PERMITS	852,513	489,337	***389,741***	***413,780***	6%

GENERAL FUND REVENUE

ACCOUNT DESCRIPTION	2007 ACTUAL	*2008 BUDGET*	*2009 BUDGET*	*2010 BUDGET*	% CHANGE
INTERGOVERNMENTAL REVENUE					
FED-NAT'L HWY TRAFSAFETY	-	-	-	-	0%
FED-HELMET/SAFETY BELT	-	-	-	-	0%
ST-RECORDS GRANTS	-	1,558	6,971	400	-94%
ST-RECORDS GRANTS	-	-	-	-	0%
ST-DEPT OF ECOLOGY GRNT		-	15,000	41,500	177%
ST-TRAFFIC SAFECOM GRT		1,524	-	-	0%
CTED GRANT		15,000			
ST DOT GRANT	-		-	-	0%
DNR TIMBER TRUST 2	56	45	-	-	0%
DUI OTHER CRIM JUSTC ASSI	1,754	1,374	1,803	2,125	18%
LIQUOR/BEER EXCISE TAX	34,597	36,605	39,514	42,327	7%
LIQR CONTRL BOARD PRFTS	55,545	51,400	57,627	72,877	26%
INTRLOC GRNT NTITL IMPCT	-	-	-	-	0%
KITSAP CO - WESTNET	-	-	-	-	0%
LAW ENFORCEMENT SERVICES	35,351	25,746	28,038	18,785	-33%
TOTAL INTERGOV'T REVENUE	127,303	133,251	148,953	178,014	20%
CHARGES FOR GOODS AND SERVICES					
MUNI CT ADMIN FEES	9,705	10,375	6,500	7,500	15%
FINANCIAL SERVICES	12,671	12,638	8,700	10,000	15%
FINANCIAL SERVICES	-	-	-	-	0%
FINANCIAL SERVICES	-	-	-	-	0%
SALES OF MAPS AND PUBS	392	436	800	500	-38%
MUNI CT WORD PROC COPY SV	1,016	94	-	5	0%
DUPLICATION SERVICES	1,324	713	1,000	-	-100%
LEGAL SERVICES	3,933	1,319	-	-	0%
PASSPORT FEES	30,750	25,845	29,000	28,000	-3%
LAW ENFORCEMENT SVC	11,271	16,291	9,000	11,000	22%
ADULT PROB SVC CHRG	112,486	117,713	90,000	105,000	17%
HOUSING & MONT OF PRISONR	19,085	4,812	2,500	5,000	100%
EMERGENCY SVC FEE	4,589	1,139	600	1,000	67%
AMBULANCE AND EMER FEES	-	-	-	-	0%
PUBLIC SAFETY OTHER	2,123	879	1,000	1,000	0%
ENGINEERING SERVICES	144,658	53,118	45,822	80,000	75%
PLANNING & DEVLPMNT SERV	-	-	-	-	0%
ZONING & SUBDIVISION	212,027	87,087	92,000	80,000	-13%
PLAN CHECKING	241,277	122,604	116,310	120,000	3%
INTRFD LEGISLATIVE SVC	33,492	30,436	34,824	33,254	-5%
INTRFD FINANCIAL SRVCS	219,765	255,765	255,822	229,390	-10%
INTRFD FINANCIAL SRVCS	2,000	-	-	-	0%
INTRFD PERSONNEL SRVCS	31,033	28,201	32,139	37,933	18%
INTRFD EMPL BENEFIT SVC	1,209	1,098	1,104	1,106	0%
INTRFD CENTRAL SERVICES	61,115	97,230	97,980	91,957	-6%
INTRFD OTHR GEN GOV SRVC	42,999	40,115	63,653	67,146	5%
INTRFD EMERGENCY SERV	3,481	3,163	3,712	3,718	0%
TOTAL CHARGES FOR SERVICE	1,202,400	911,070	892,466	913,509	2%

GENERAL FUND REVENUE					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	***2008 BUDGET***	***2009 BUDGET***	***2010 BUDGET***	**% CHANGE**
FINES AND FORFEITS					
PROOF OF MV INSURANCE	699	742	***600***	***600***	0%
TRAFFIC INFRACTION PNLTYS	72,320	62,461	***60,000***	***62,000***	3%
NON-TRAF INFR PENALTIES	47	408	***100***	***100***	0%
CIVIL PARKING INFR PENALT	13,917	6,581	***5,500***	***6,000***	9%
DUI FINES	1,872	617	***1,000***	***1,000***	0%
OTHER CRM TRF MSMNR FINES	10,582	8,802	***5,000***	***7,000***	40%
BOATING SAFETY FINES	-	-	***-***	***-***	0%
INVSTGTVE FD ASSESSMNTS	1,730	4,655	***800***	***1,500***	88%
OTHER CRIM NON-TRFC FINES	582	495	***700***	***400***	-43%
PUB DFNSE COST RECOUP	4,773	8,814	***6,000***	***6,000***	0%
TOTAL FINES & FORFEITURES	106,522	93,575	***79,700***	***84,600***	6%
MISCELLANEOUS REVENUE					
INVESTMENT INTEREST	108,612	93,164	***90,000***	***60,000***	-33%
INVESTMENT SERVICES FEES	292,548	197,597	***185,000***	***140,000***	-24%
UNRLZ GN (LOSS) INVSTMNT	17,729	47,721	***-***	***-***	0%
INTEREST ON RECEIVABLES	13,560	11,778	***13,000***	***10,000***	-23%
INTEREST ACCT REC MUNI CT	2,409	2,380	***-***	***1,500***	0%
SPACE & FACILITY RENTA;L	14,075	16,275	***15,000***	***15,000***	0%
OTR RNTL LEASE CHARGES	1	1	***1***	***1***	0%
INS PREMIUMS & RECOV	20,155	-	***-***	***-***	0%
GFTS PLDGS GRNTS BQST PVT	27,955	28,997	***-***	***-***	0%
SALES SCRAP/JUNK NON-CAP	-	3,679	***-***	***-***	0%
JDGMENTS & STTLMENTS	-	-	***-***	***-***	0%
CASHIER OVRGE/SHRTAGE	(32)	39	***-***	***-***	0%
OTHR MISC REVENUE	1,693	6,476	***-***	***-***	0%
OTHR MISC REVENUE	-	-	***-***	***-***	0%
TOTAL MISC. REVENUE	498,704	408,106	***303,001***	***226,501***	-25%
NON-REVENUES					
OTHER NON-REVENUES/PROJECTS	-	-	***-***	***92,325***	0%
TOTAL NON-REVENUES	-	-	***-***	***92,325***	0%
OTHER FINANCING SOURCES					
PROC SALES OF CAPITAL AST	-	2,180	***-***	***-***	0%
COMP FOR LSS INS RECOVER		-	***15,171***	***-***	-100%
TRANSFERS IN	380,996	298,340	***64,482***	***446,861***	593%
TOTAL OTHER FINANCING SOURCES	380,996	300,520	***79,653***	***446,861***	461%
GRAND TOTAL GENERAL FUND	10,680,615	10,697,266	***9,216,438***	***9,083,653***	-1%

BASELINE BUDGET

INTRODUCTION

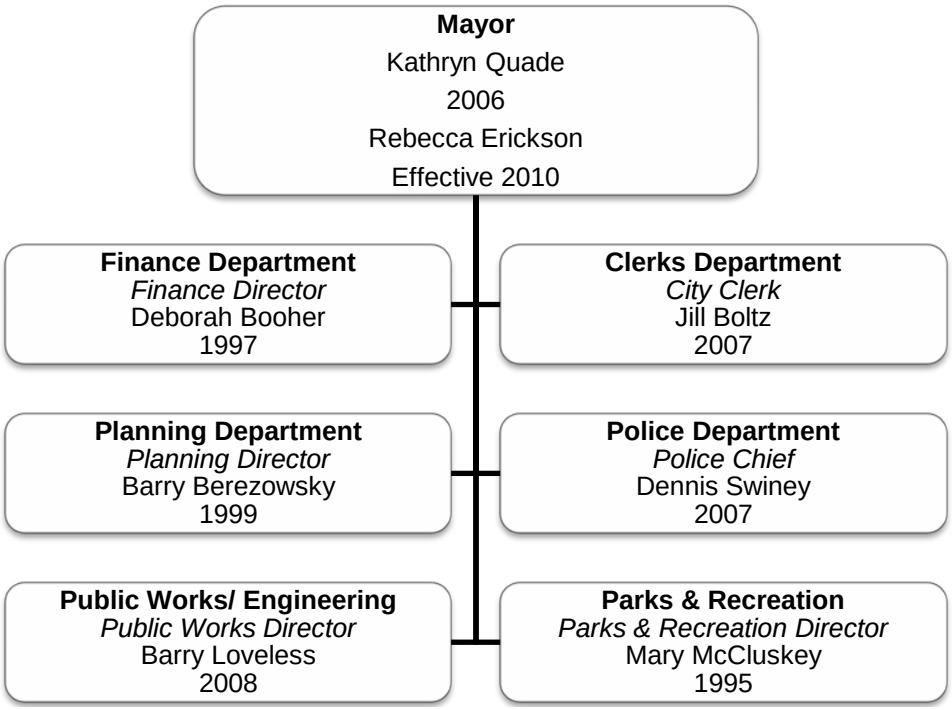
This section of the budget presents the details of the City's baseline budget or, in other words, what is necessary to maintain existing services and programs at the current level. Data is presented by fund, with the General Fund presented in more detail by department. The financial data includes a narrative describing the program funded. The narrative explains, in general terms, the character of the program and the activity highlights of the upcoming budget year. The proposed work program for 2010 is summarized, providing an overview of how the funds will actually be spent.

The proprietary funds are displayed differently. The financial data for these funds is outlined in a working capital format, which not only describes the use of the funds but also examines the fiscal status of the fund itself. This format also summarizes the income associated with the fund.

The data is presented in a line item format, categorized at the expenditure object level. This is based on the Washington State BARS (Budgeting, Accounting and Reporting System), which governs the City's accounting procedures. Object level summarizes the expenditure into the following categories:

- **Salaries & Wages**
- **Personnel Benefits**
- **Supplies**
- **Other Services & Charges**
- **Intergovernmental/Interfund Services and Taxes**
- **Capital Outlay**
- **Debt Service: Principal**
- **Debt Service: Interest and Related Costs**
- **Interfund Payments for Services**

CITY OF POULSBO
DEPARTMENT HEAD ORGANIZATION CHART



PROGRAM DESCRIPTION:

The General Fund is the City's largest component of the baseline budget, accounting for 26% of the total City budget. It provides funding for most of the operating services, programs, and employees of the City. Projected budget for the General Fund including transfers totals $9,083,653. The General Fund Budget is divided into eight categories or functions. The major functions of this fund are: General Government, Security of Person and Property, Physical and Economic Environment, Culture and Recreation, Capital Outlay, and Debt Service. Security of Person & Property categories is the largest categories at 30%. Security of Persons and Property includes services such as Police, Fire Inspection, and Detention. The General Government category at 27% includes services provided by the Mayor, Council, Municipal Court, as well as the Finance and Clerk Departments. These services are generally administrative in nature and also include expenditures associated with personnel, information services, and legal services.

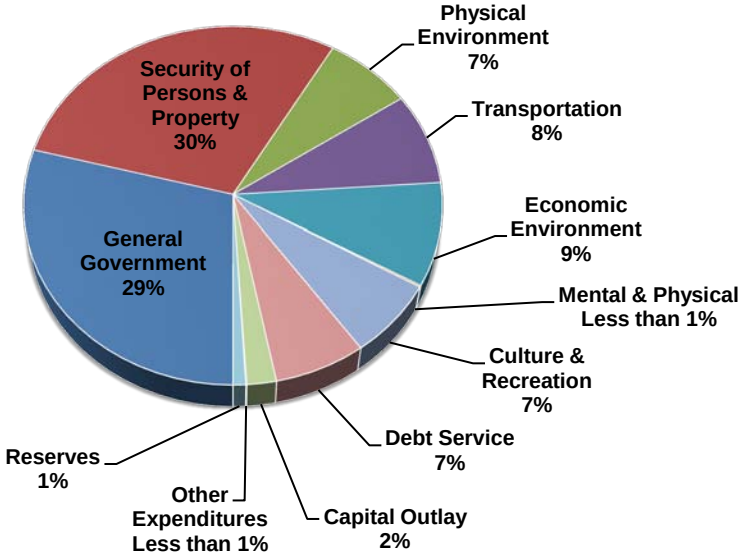
2010 PROGRAM HIGHLIGHTS:

In years past, the City's General Fund baseline budget has not significantly changed from one year to the next in terms of mix and levels of service provided. In 2010, departments were directed to reduce their operating budgets by 5% with the exception of wages, benefits and any contractual obligations. The City Council has approved minimal Baseline Adjustment Requests (BARS) for items which they felt were necessary or legally mandated. These are outlined in Section 8.

Labor and Industry rates are projected to increase 15% and medical insurance rates are increasing 7.5%. These increases have been built into the 2010 Budget. Consumer Price Index (CPI) was -.4%. Due to the negative CPI, salary schedules have been projected with a 0% increase. The City is continuing to negotiate a contract with the Poulsbo Police Association for an effective date of January of 2010.

The City has an internal practice to transfer percentages of tax dollars to fund capital projects, capital equipment and increase reserve balances. Some of the transfers in 2010 have been reduced to minimize the variance between revenues and expenditures including the transfer for street projects and capital equipment. In order to eliminate the variance it is necessary to transfer from the City's reserves, but still maintain levels to be in accordance with the City's Financial Management Policy.

General Fund Expenditures
(by type of government being supported)
$9,083,653



FUNCTION	AMOUNT	PERCENT
General Government	$2,640,542	29%
Security of Person & Property	$2,662,895	30%
Physical Environment	$658,126	7%
Transportation	$754,066	8%
Economic Environment	$841,489	9%
Mental & Physical Health	$14,083	Less than1%
Culture and Recreation	$617,192	7%
Debt Service	$610,257	7%
Capital Outlay	$195,250	2%
Other Expenditures	$5,754	Less than1%
Reserves	$84,000	1%
TOTAL GENERAL FUND	**$9,083,654**	**100.00%**

General Government
Legislative
Executive
Judicial
Finance
Clerk
Legal
Personnel
Purchasing
General Government
Central Facilities

Security of Persons & Prop
Police
Fire Inspection
Emerg Mgmt
Communication
Detention

Physical Environment
Building
Engineering
Cemetery
Animal Control
Excise Taxes
Natural Resources

Economic Environment
Planning

Other Expenditures
Payment to County for Revenue Sharing

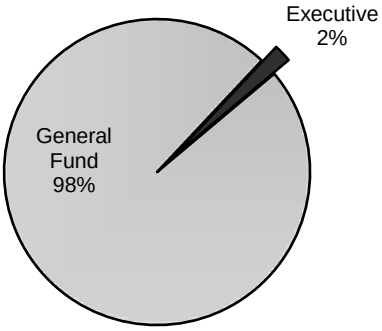
Culture & Recreation
Library
Park Maint
Transfers to Park & Rec & Park Reserve

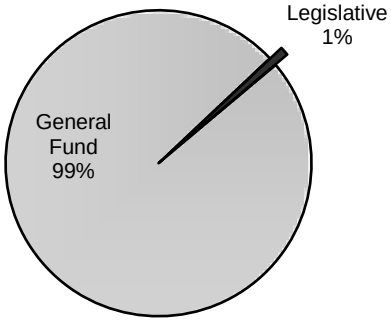
Reserves
Transfers to Rev Stab

Capital Outlay
Transfers to Capital Rep Fund & Facilities Fund

Debt Service
Transfers to Debt Funds

Transportation
Transfers to Street Funds





LEGISLATIVE and EXECUTIVE DEPARTMENTS

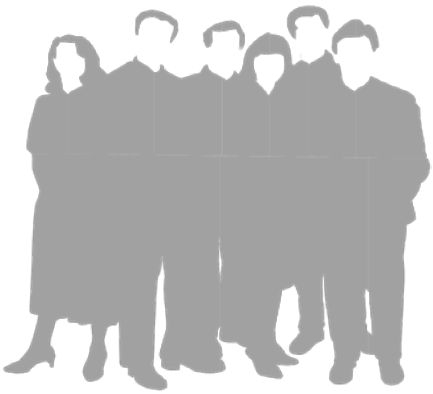
Legislative Appropriations $84,519
Executive Appropriations $175,166
FTE's - 2

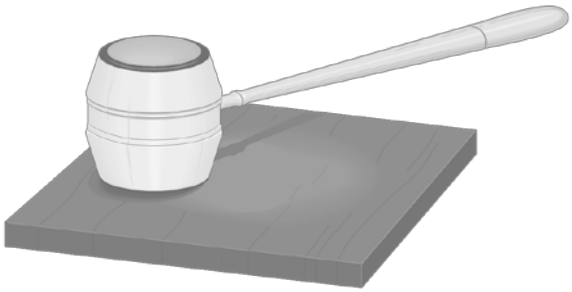
The Executive Mission:

To protect the citizens' best interests by fairly and faithfully administering the city's day-to-day business, carrying out the policies set by Council and ensuring all laws and ordinances are equally enforced.

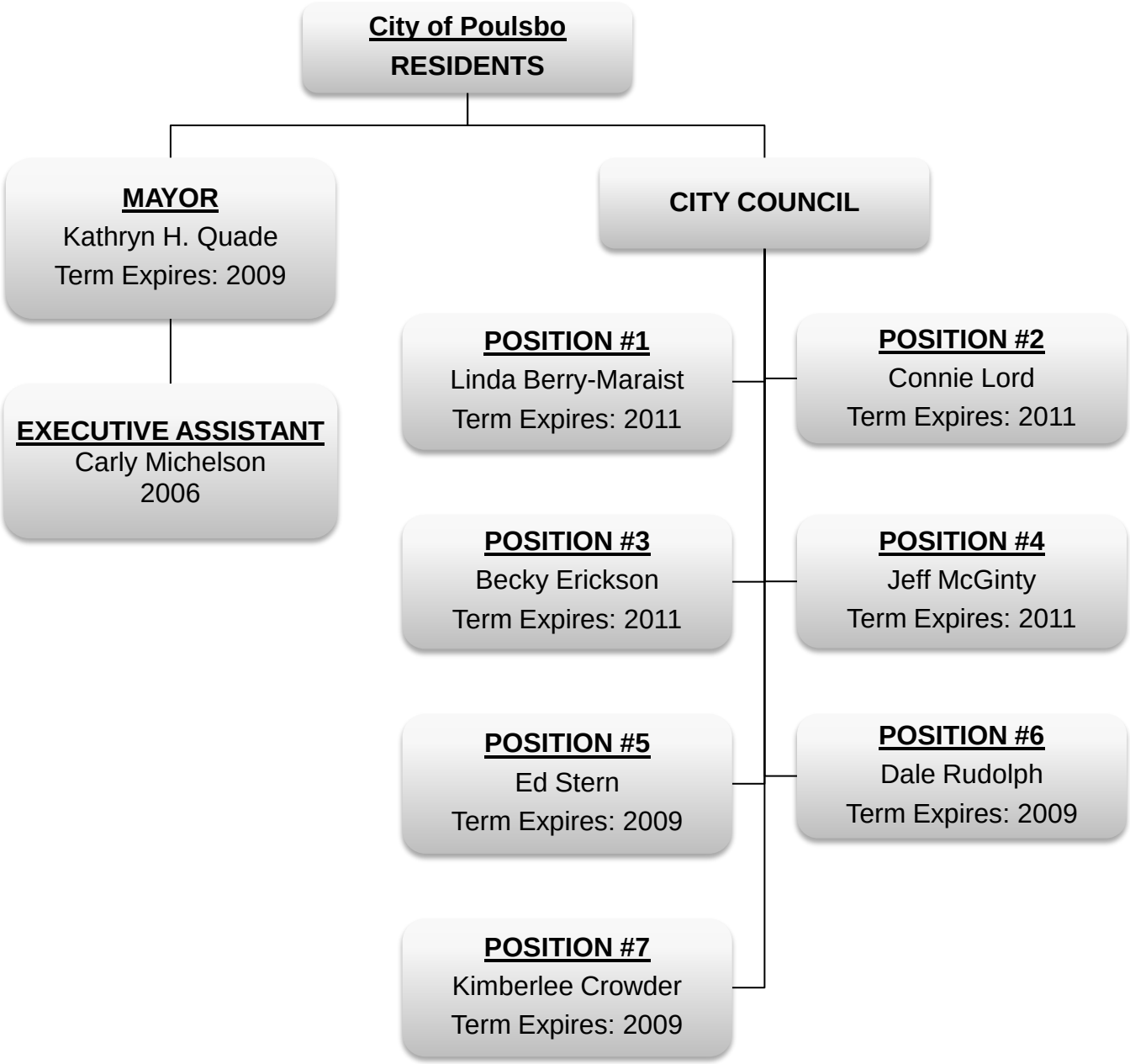
The Legislative Mission:

Our City's Council endeavors to balance residents' concerns and opinions with the law. The Council establishes the priorities of the City along with setting policies and a budget to allow the Mayor and Department Heads to run day-to-day business effectively and efficiently.





CITY OF POULSBO
THE ORGANIZATION OF THE
LEGISLATIVE AND EXECUTIVE DEPARTMENTS



CITY OF POULSBO COUNCIL COMMITTEES

In order to provide for the more efficient conduct of the City Council's business, the Council Advisory Committees described below were created. The Mayor recommends members of the Council for appointment and the Council appoints the Committee members. Committee members serve a two-year term and elect a chair every six months (with the exception of the Long-Range Planning Committee).

Finance/Administration Committee **Meets:** **1st & 3rd Wednesdays, 5:00 PM** Jeff Bauman* Connie Lord Ed Stern
Public Works Committee **Meets:** **2nd & 4th Wednesdays, 5:00 PM** Linda Berry-Maraist Jeff McGinty Dale Rudolph
Public Safety/Legal Committee **Meets: 3rd Wednesday, 4:00 PM** Jim Henry* Jeff McGinty Ed Stern*
Economic Development Committee **Meets: 4th Wednesday, 4:00 PM** Dale Rudolph* Connie Lord* Ed Stern
Capital Improvement Planning Committee **Meets: 1st Wednesday, 4:00 PM** Mayor Erickson* Linda Berry-Marraist* Connie Lord* Ed Stern
Community Services Committee **Meets: 2nd Wednesday, 4:00 PM** Linda Berry-Maraist Jeff Bauman* Jim Henry*

*Denotes new committee member for 2010

Finance/Administration Committee: considers matters related to the City Clerk's Department, Finance Department, Human Resources, Information Services, city audits, personnel issues, and salaries and wages.

Public Works Committee: considers matters related to Engineering, Planning/Building and Public Works facilities and utilities development, maintenance and repair and operations.

Public Safety/Legal Committee: considers matters related to the Police Department, the Municipal Court, claims against the city, reports from the City Attorney, review of draft ordinances and other legal matters.

Community Services Committee: considers matters related to the Parks and Recreation Department, library, the Marine Science Center, and other community services and makes recommendations regarding use of the city's lodging tax revenue. Committee members serve as liaisons with the: North Kitsap School District, Poulsbo Tree Board, Historic Downtown Poulsbo Association, Library Board and Greater Poulsbo Chamber of Commerce.

Capital Improvement Plan Committee: considers and makes recommendations related to the City's capital improvement needs. The Committee's functions include strategic planning and finance/ budget.

Economic Development Committee: considers matters relating to business development, economic vitality and promotion of Poulsbo as a healthy city with a diverse business foundation.

Council Liaison Assignments:
Suquamish Tribe: Councilmembers Erickson and Stern; *Kitsap Regional Coordinating Council Alternate*: Councilmember Stern; *Poulsbo Historical Society*: Councilmember Rudolph; *Volunteer Firemen's Relief and Compensation Fund:* Councilmember Crowder; *City/Suquamish Tribe Intergovernmental Committee:* Council members Erickson and Stern.

LEGISLATIVE/EXECUTIVE PROGRAM DESCRIPTIONS:

The Legislative and Executive Department budgets consist of those expenses incurred by the city's elected officials in the operation of the day-to-day business of the city.

The City Council has all the powers delegated by the State Constitution which are not specifically denied by state law. Poulsbo operates as a "Non–Charter" code city. The primary responsibility of the Council is to act as elected representatives of the citizens of the city and to legislate and set policies for the effective and efficient functioning of city government. Powers are delegated by the State Constitution. To that end, Council's goal is to be open and available to the citizens so that fair and equitable legislation will be adopted and realistic policies approved. The City Council meetings are held at 7:00 PM on the first, second and third Wednesdays of each month. Each of the seven Councilmembers also serves on committees providing liaisons to all city departments, boards, and various organizations throughout the city.

The Mayor is the chief executive and administrative officer of the city who is in charge of all departments and employees and ensures that applicable ordinances and regulations are enforced and that law and order are maintained in the City. The Mayor presides over all meetings of the City Council, reports to the Council concerning financial and other needs of the City, and makes recommendations for Council consideration and action. The Mayor is the official and ceremonial head of the City.

During the budget process, the Mayor reviews the total financial program developed by the department heads and Finance Department and submits a tentative budget for City Council action.

2009 PROGRAM ACCOMPLISHMENTS

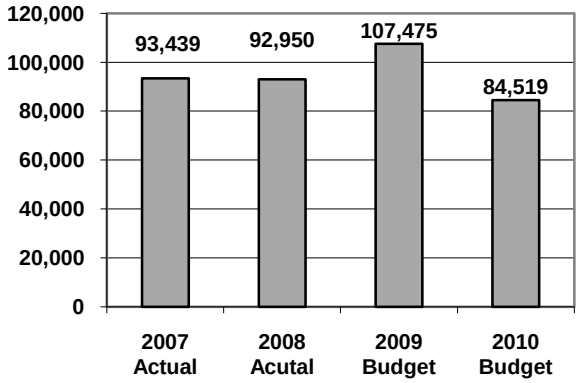
Executive:

- Completed the comprehensive plan process.
- Began construction on the New City Hall.
- Held council/mayor retreat discussing city goals and priorities.
- Hired new owners' representative, police officer, engineering project assistant, two maintenance technicians and an accounting technician.
- Redesigned the City's website and continued updating citizens with current information through online materials.
- Developed and distributed the first city-wide quarterly e-newsletter
- Began working with North Kitsap School District to start a junior Mayor/Council program encouraging civic involvement through our youth
- First jurisdiction to adopt the Low Impact Development manual
- Continued working with legislators to develop and secure Marine Science Center funding
- Opened new businesses at College Market Place and other business districts throughout the city
- Purchased the Parks and Recreation facility
- Accepted ownership of the College Marketplace ball fields
- Hosted the annual employee appreciation luncheon honoring all City employees. Special recognition was given to employees reaching 5, 10, 15, and 20 year longevity milestones, as well as to those who had recently retired.
- Participated in & graduated from Leadership Kitsap, an extensive leadership training course.

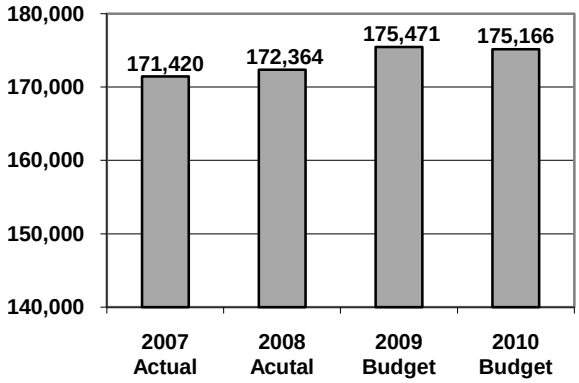
Legislative:

- Commenced construction on the new City Hall.
- Continued updating citizens with current information through the city's newly redesigned web site.
- Held Public Hearings and adopted 2009 Comprehensive Plan.
- Conducted Traffic Demand Management Study
- Conducted Downtown Parking Study
- Adopted Noll Road Corridor Plan
- Conducted two Council retreats.

Legislative Budget (2007 - 2010)



Executive Budget (2007 - 2010)



	LEGISLATIVE				
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	***2009 BUDGET***	***2010 BUDGET***	**% CHANGE**
SALARIES & WAGES	42,000	42,000	***42,000***	***42,000***	0%
PERSONNEL BENEFITS	3,282	3,227	***3,302***	***3,324***	1%
SUPPLIES	716	827	***850***	***807***	-5%
OTHER SERVICES & CHARGES	31,258	35,808	***27,323***	***21,888***	-20%
INTERGOVERNMENTAL SERVICES	16,183	11,088	***34,000***	***16,500***	-51%
TOTAL LEGISLATIVE	93,439	92,950	***107,475***	***84,519***	***-21%***

	EXECUTIVE				
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	***2009 BUDGET***	***2010 BUDGET***	**% CHANGE**
SALARIES & WAGES	87,536	100,534	***110,982***	***112,355***	1%
PERSONNEL BENEFITS	23,265	35,568	***45,577***	***44,845***	-2%
SUPPLIES	984	915	***1,050***	***700***	-33%
OTHER SERVICES & CHARGES	59,634	35,347	***17,862***	***17,266***	-3%
TOTAL EXECUTIVE	171,420	172,364	***175,471***	***175,166***	0%

City of
POULSBO

ADMINISTRATIVE SERVICES

Personnel
Information Technology
Municipal Court

CHIEF EXECUTIVE OFFICER
(Mayor)
2 FTE

- Official and Ceremonial Head of City
- Over all departments and all employees
- Enforcement of all Ordinances and regulations
- Presides over all City Council Meetings

Information Services
(Information Technology Manager and Information Technology Support Specialist)
2 FTE

- Information services
- Hardware and Software management
- Wide Area Network

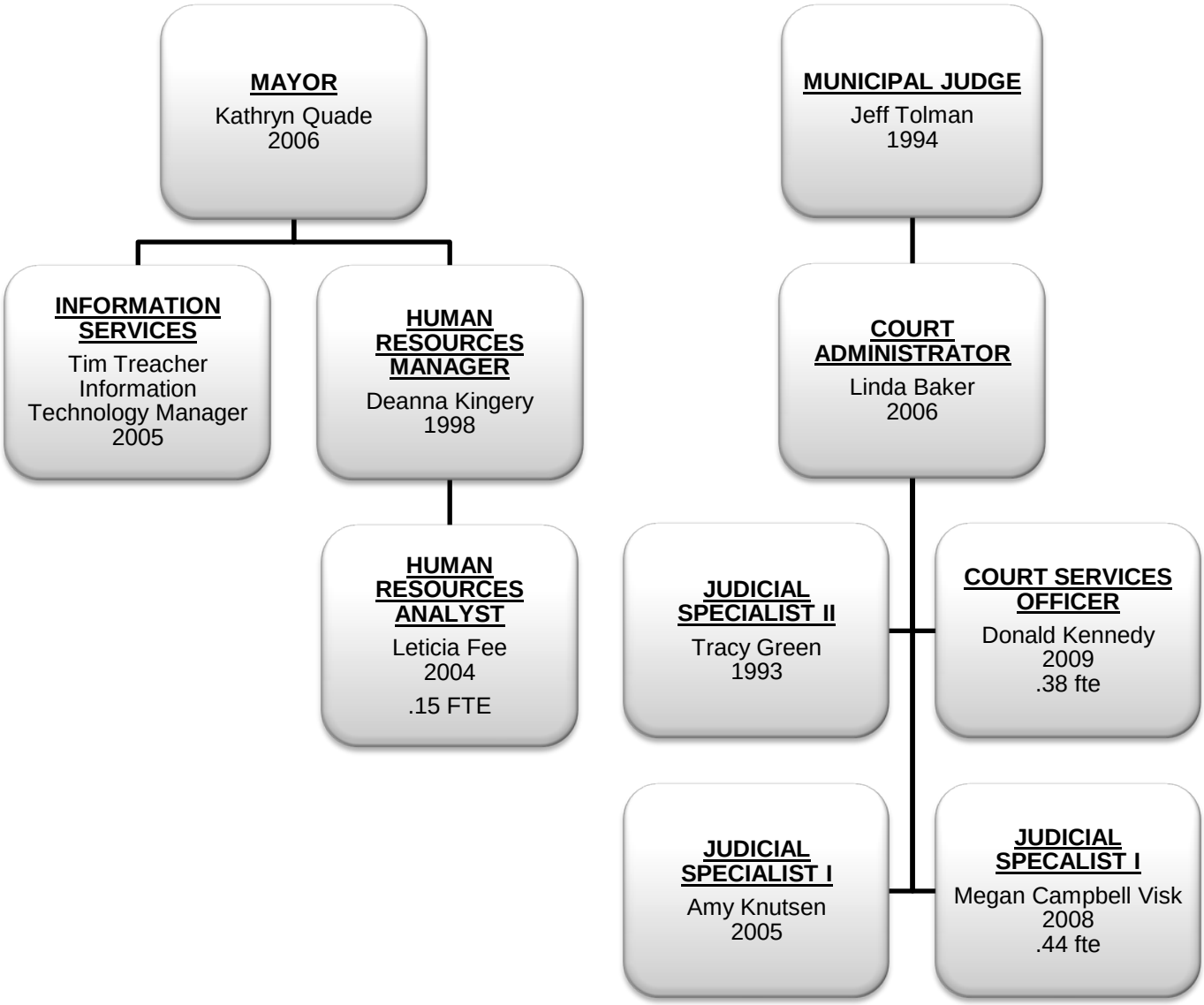
Municipal Court
(Court Administrator)
4.2 FTE

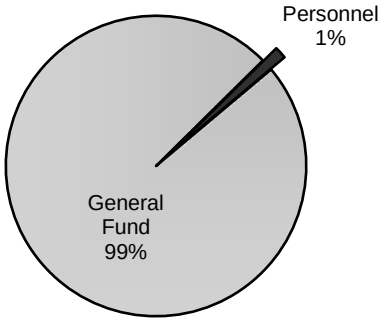
- Infractions
- Orders of protection
- Probation
- Community ServiceProgram
- Electronic Home Detention

Personnel
(Human Resources Manager and HR Analyst)
1.15 FTE

- Employee Recruitment
- Benefits, Compensation and Training Coordination
- Labor relations
- Employee Development

THE ORGANIZATION OF ADMINISTRATIVE SERVICES





PERSONNEL DEPARTMENT

Appropriations $122,435
1.15 FTE

Mission Statement

The Personnel Section serves the interests of the City by supporting, developing, and protecting its most valuable resource-people. Personnel will provide guidance in the development, implementation, and equitable administration of policies and procedures, thus fostering a positive work environment.

Finance/Administration Committee Members:

Becky Erickson
Connie Lord
Ed Stern

PERSONNEL SECTION STAFFING					
POSITION	*2006*	*2007*	*2008*	*2009*	*2010*
Human Resources Manager	1	1	1	1.15	1.15
Human Resources Analyst	0	0	0	.15	.15
Total PERSONNEL	*1*	*1*	*1*	*1.15*	*1.15*

PERSONNEL:

The Human Resources section coordinates services and programs which assist City departments in developing and maintaining a qualified, effective and diverse workforce and provides employment-related services to the City's employees and to job applicants. Functions include:

- Employee Recruitment, Testing and Selection
- Benefits Coordination, including administration of the employee health insurance and retirement benefit programs
- Employee Relations, including labor negotiations and dispute resolution
- Classification and Compensation, including development and maintenance of job descriptions and compensation plans
- Employee Development, including coordination of the City-wide employee training requirements
- Equal Employment Opportunity, including the investigation of harassment and discrimination complaints

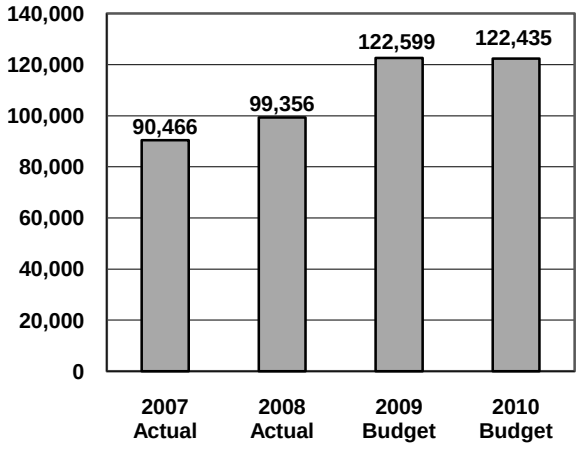
The budget includes a majority of the costs associated with the hiring of personnel, including police civil service costs. Mandated training for city employees is also partially paid out of this budget. To stay current with the legal mandates for hiring, maintaining, disciplining and terminating employees, the Human Resources Manager attends the AWC Labor Relations Institute and other pertinent personnel-related seminars.

In 2009, the Human Resources section increased by an additional .15 FTE adding four hours of additional staff support per week.

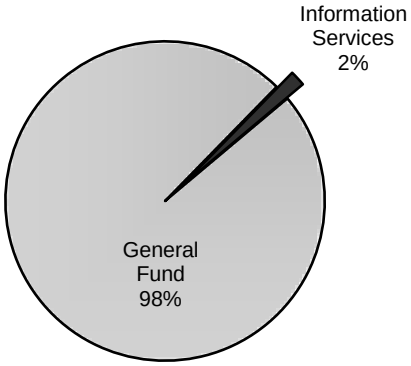
2009 ACCOMPLISHMENTS:

- Assisted departments in advertising and filling the following positions:
  February: Owner's Representative for City Hall project
  April: Police Officer
  ***June*:** Engineering Project/Administrative Assistant
  August: Accounting Technician, Two Public Works' Maintenance Technicians

Personnel Budget (2007-2010)



	PERSONNEL				
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	***2010 BUDGET***	**% CHANGE**
SALARIES & WAGES	58,145	63,823	***74,226***	***76,047***	2%
PERSONNEL BENEFITS	19,270	20,811	***26,278***	***25,399***	-3%
SUPPLIES	298	61	***1,150***	***1,150***	0%
OTHER SERVICES & CHARGES	12,754	14,661	***20,945***	***19,840***	-5%
TOTAL PERSONNEL	90,466	99,356	***122,599***	***122,435***	0%



INFORMATION SERVICES SECTION

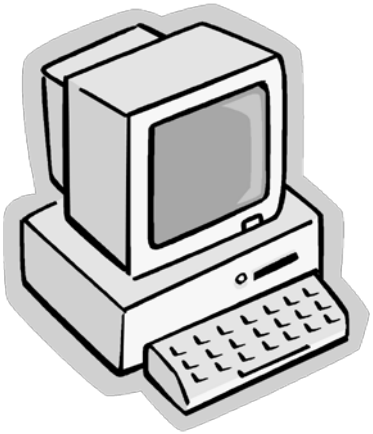
Appropriations $145,063

Mission Statement

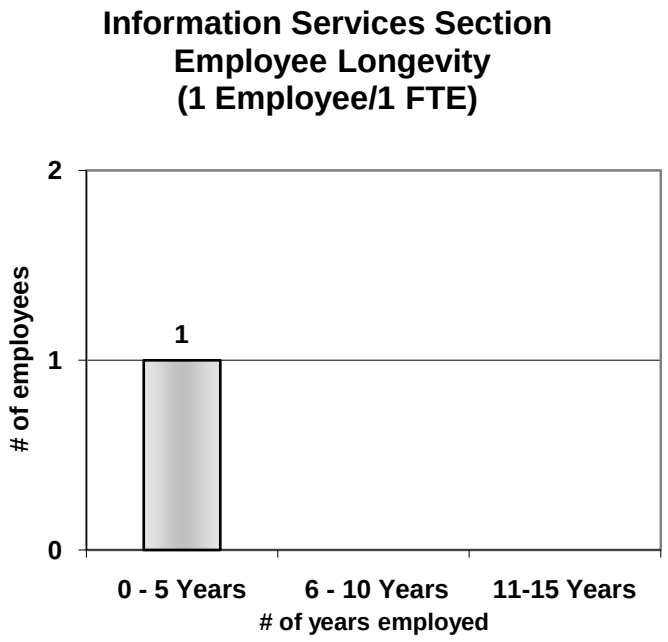
The Information Services Department is committed to providing a stable computing environment, reliable and responsive information technology support services, technological leadership and vision in support of the City's business requirements.

Finance/Administration Committee Members:

Ed Stern
Becky Erickson
Connie Lord



INFORMATION SERVICES SECTION STAFFING					
POSITION	*2006*	*2007*	*2008*	*2009*	*2010*
Information Services Manager	0	1	1	1	1
Information Services Specialist	1	1	1	1	0
Total Information Services	*1*	*2*	*2*	*2*	*1*



INFORMATION SERVICES SECTION:

PROGRAM DESCRIPTION:

The Information Services Department selects, implements, maintains and supports all things technology related including telephone systems, software and database systems, website, network security, computers and server systems and wired and wireless network infrastructure systems; to meet the ever-increasing citizen expectation for a more open and digitally accessible government, and to meet the objectives of all departments, boards and committees. The program budgeted herein recognizes and addresses the importance of the Information Services Department and the need for in-house management of the City's technology to maximize the value of each tax and utility dollar expended.

STAFFING:

In 2009, Information Services (IS) was staffed by two FTE's, an IS Support Specialist and an IS Manager. The IS Support Specialist position became unstaffed in 2009. To augment the City's IS department the City, through an Interlocal Agreement (ILA) with Kitsap County, will receive various technology support services from Kitsap County's IS Support Staff. This ILA has eliminated the need for the IS Support Specialist position.

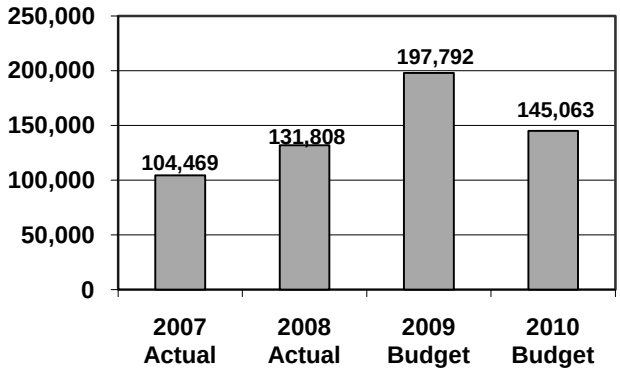
INFORMATION SERVICES GOALS:

- Deliver timely and effective responses to customer requirements and requests.
- Provide vision, leadership, and a framework for evaluating emerging technologies and implementing proven information technology solutions.
- Provide citizens, the business community and City staff with convenient access to appropriate information and services through technology.
- Develop and maintain technically skilled staff that will be competent in current and emerging information technology so they can employ modern technologies to maximize benefits.
- Provide a reliable communication and secure computer infrastructure on which to efficiently conduct City business operations today and in the future.
- Increase the City's electronic communication internally and externally to promote a paperless environment.

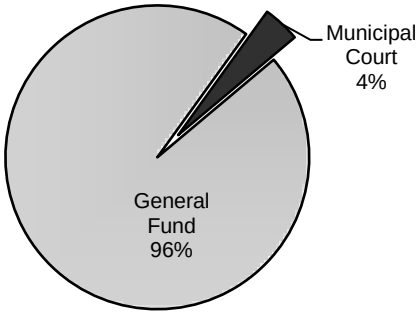
2009 PROGRAM ACCOMPLISHMENTS:

- Purchased and replaced 15 computers as part of the capital replacement cycle.
- Completed the redesign of the City's web site.
- Performed just under 1,000 technical support requests from City staff.
- Involved with KIT~NET.
- Involved with the Bremerton MSA Interoperability Grant (Community Oriented Policing Services (COPS) Grant).
- Applied several security updates and one major service pack to computers running Windows XP, Vista and Office 2007.
- Involved with design and specification work for the New City Hall.
- Moved Municipal Court into the District court office.
- Developed an Inter-Local Agreement with Kitsap County for technical support.

Information Systems Department Budget (2007-2010)



INFORMATION SERVICES					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	***2009 BUDGET***	***2010 BUDGET***	**% CHANGE**
SALARIES & WAGES	72,968	92,539	***116,063***	***70,416***	-39%
PERSONNEL BENEFITS	25,394	31,680	***46,682***	***24,600***	-47%
SUPPLIES	3,203	3,858	***2,368***	***2,368***	0%
OTHER SERVICES & CHARGES	2,904	3,731	***32,679***	***47,679***	46%
TOTAL INFORMATION SERVICES	104,469	131,808	***197,792***	***145,063***	-27%



MUNICIPAL COURT

Appropriations $373,310
FTE's 4.22

Mission Statement

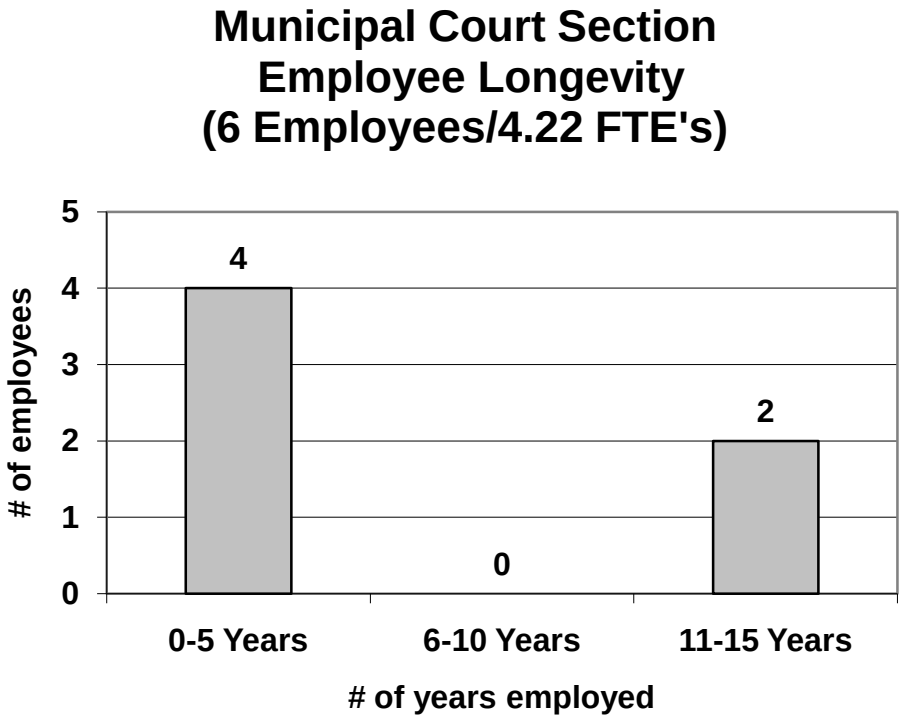
The Court is committed to excellence in providing fair, accessible, and timely resolution of alleged violations of the Poulsbo Municipal Court in an atmosphere of respect for the public, employees, and other government entities.

Public Safety Council Committee Members:

Kimberlee Crowder
Jeffrey McGinty
Dale Rudolph

Muni Court Section Staffing (FTE's)						
Position	2005	2006	2007	2008	2009	2010
Judge	.40	.40	.40	.40	.40	.40
Court Administrator	0*	0*	1	1	1	1
Judicial Specialist II	1	1	1	1	1	1
Judicial Specialist I	.5	.5	1.32	1.32	1.32	1.38
Probation Officer	1	1	0	0	0	0
Court Service Officer	.5	.5	.5	.5	.5	.44
Total	3.4	3.4	4.22	4.22	4.22	4.22

2007 Full time Court Administrator hired
***2005-2006**Court Administrator is a contracted position shared with City of Bainbridge Island



PROGRAM DESCRIPTION/ PROGRAM SERVICES PROVIDED:

The Poulsbo Municipal Court has a judge appointed by the Mayor and confirmed by City Council to a four-year term. The judge holds court on a part-time basis. The Court is committed to excellence in providing fair, accessible, and timely resolution of alleged violations of the Poulsbo Municipal Code in an atmosphere of respect for the public, employees, and other government entities.

The Poulsbo Municipal Court hears cases involving traffic infractions, City code violations, misdemeanors, and gross misdemeanors. It is the goal of this court to maintain accountability for the actions of individuals and also ensure that the punishment fits the violation.

The Court continues to identify our core services and focus our resources on these services in innovative ways to accomplish our mission. We continue our commitment to alternatives to incarceration when appropriate and to find a long-term solution to jail housing. Poulsbo Municipal Court continues to be a contributing partner working toward a safe and vital community.

STAFFING:

The Municipal Court consists of a part-time Judge, a full-time Court Administrator, a Judicial Specialist II, a full-time and a part-time Judicial Specialist I, and a part-time Court Services Officer. In 2009 some deskwork was transferred from the Court Services Officer to the part-time Judicial Specialist I, their hours were adjusted accordingly.

- The Judge is responsible for the administration of justice, overseeing the operation of the Municipal Court, and providing support and guidance for the administrator and the court staff.
- The Court Administrator is responsible for all aspects of the court's operations, including budget, personnel, automation, management and training of employees, public relations, facilities, and special projects. As of 2007 the Court Administrator is a full time position in lieu of a shared contract position.
- The Judicial Specialists perform clerical support work of a varied nature which includes: establishing and maintaining court files; handling fines and assessments; recording accurate minutes from court hearings; monitoring compliance with court imposed conditions.
- The Court Services Officer is responsible for the safety of staff and the general public while they are present in the courtroom or court office, monitors community work performed and supervises the Electronic Home Detention Program.

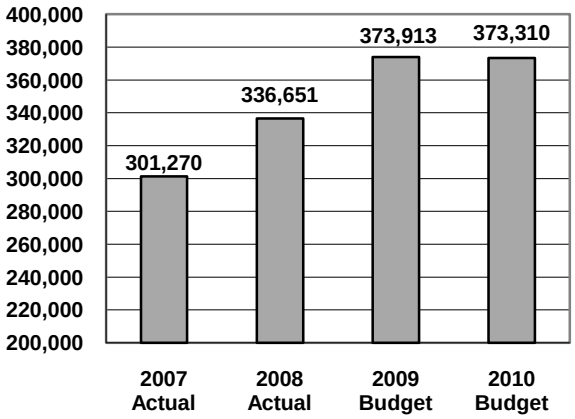
A MESSAGE FROM THE JUDGE:

The Poulsbo Municipal Court is dedicated to provide prompt, personal, professional service to the parties, council, witnesses and jurors as we administer justice according to the law.

2009 PROGRAM ACCOMPLISHMENTS:

- Continued work with the trial courts of Kitsap County to organize common court services.
- Ensured training and procedures were in place so court and accounting processes were in accordance with statutes.
- Staff, Administrator and Judge continued to attend training on changes within the judicial system.
- Partnered with other limited jurisdiction courts in Kitsap County to put together a language assistance plan. This enabled us to recoup some of our interpreter costs.
- The Poulsbo Municipal Court webpage was redesigned and updated.
- Continued to be a contributing partner working toward a safe and vital community.

Municipal Court's Budget (2007-2010)



NUMBER OF VIOLATIONS CHARGED

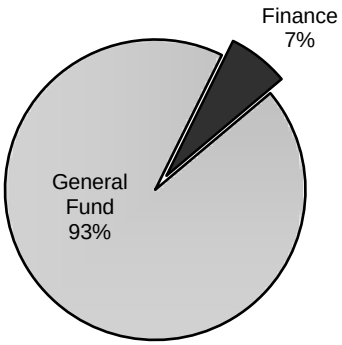
WORLDOAD MEASURES	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2009 PROJECTED	2010 PROJECTED
Criminal Traffic (DUI)	108	69	76	76	76
Criminal Other Traffic	265	379	362	295	295
Misdemeanors	175	159	185	185	185
Total Criminal Filings	***548***	***607***	***623***	***556***	***556***
Infractions Traffic	1892	1047	954	954	954
Infractions Non-Traffic	11	10	9	26	10
Parking	725	541	468	277	175
Civil Orders	0	0	0	0	15
Total Infraction Filings	***2628***	***1598***	***1430***	***1257***	***1154***
Total Filings	**3176**	**2205**	**2053**	**1695**	**1710**

COURT HEARINGS HELD

Criminal Hearings	2023	3510	3100	3100	3100
Infraction/Parking Hearings	821	1124	716	700	720
Total Hearings	**2844**	**4634**	**3816**	**3800**	**3820**

JUDICIAL

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	*2009 BUDGET*	*2010 BUDGET*	% CHANGE
SALARIES & WAGES	223,628	241,765	***263,475***	***266,432***	1%
PERSONNEL BENEFITS	53,912	68,314	***80,688***	***77,790***	-4%
SUPPLIES	6,477	7,257	***5,850***	***5,700***	-3%
OTHER SERVICES & CHARGES	17,253	19,316	***23,900***	***23,387***	-2%
INTERGOVERNMENTAL SERVICES	-	-	**-**	**-**	0%
TOTAL JUDICIAL	301,270	336,651	***373,913***	***373,310***	0%



FINANCE DEPARTMENT
ACCOUNTING & BUDGETING SECTION
Appropriations $640,118
8.0 FTE's

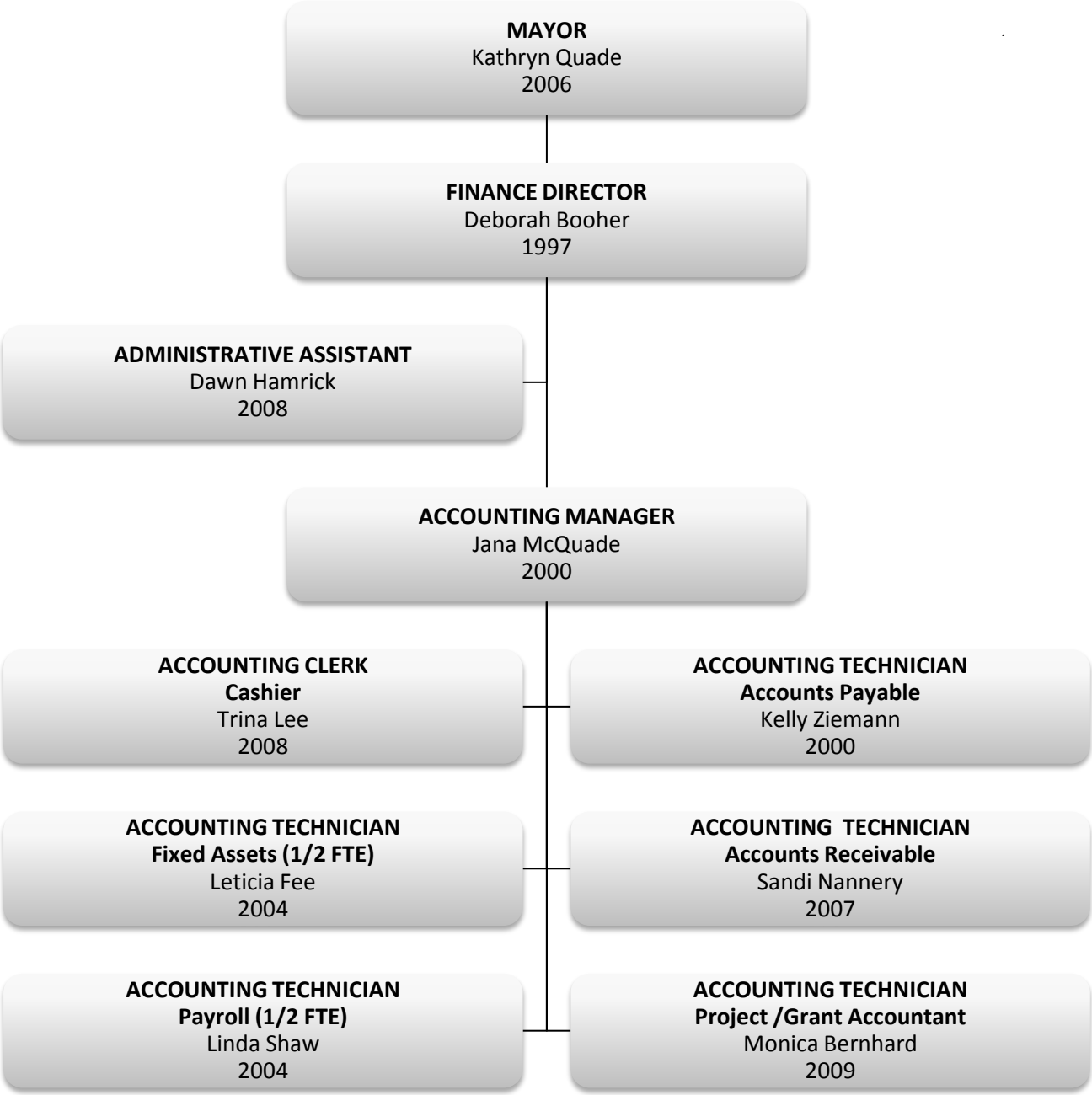
Mission Statement:

The Finance Department strives to provide exceptional service while safeguarding resources with integrity and efficiency.

Finance/Administration Committee Members:

Becky Erickson
Connie Lord
Ed Stern

THE ORGANIZATION OF THE FINANCE DEPARTMENT
Accounting
Budgeting



Accounting/Budgeting Section Staffing (FTE's)					
POSITION	2006	2007	2008	2009	2010
Finance Director	1	1	1	1	1
Accounting Manager	0	1	1	1	1
Budget Analyst	1	1	0	0	0
Administrative Assistant	0	0	1	1	1
Senior Accounting Technician	1	0	0	0	0
Accounting Technician	4	4	4	4	4
Accounting Clerk	0	1	1	1	1
Total Accounting/Budgeting	7	8	8	8	8

Finance Dept Employee Longevity
Accounting/Budgeting Section
(9 Employees/8.0 FTE's)

ACCOUNTING & BUDGETING SECTIONS:

PROGRAM DESCRIPTIONS:

The Accounting and Budgeting divisions analyze, record, and communicate the city's economic events. Financial records management and general financial administrative services are provided for the benefit of the public, other city departments, and the governmental body as a whole. High quality and low cost are its primary objectives by providing information to facilitate the decision making process. Most department operations are guided and mandated by federal, state and city laws and various regulatory agencies, such as Governmental Accounting Standards Board (GASB). State law guidelines are recorded and distributed in a manual published by the Washington Auditor's Office. This manual is referred to as the Budgeting Accounting and Reporting System (BARS).

Some of the responsibilities the Accounting and Budgeting divisions manage are:

- Accounts Payable
- Accounts Receivable
- Payroll
- Project Accounting including preparation of the 6 year City Improvement Plan
- Utility Billing
- Receipting all city funds
- Managing daily cash
- Managing City's Investment Portfolio
- Preparation of the Comprehensive Annual Finance Report (CAFR)
- Preparation of the Annual Operating Budget
- Monitoring and reporting by comparing the projections to actual dollars, detailing the variances
- Long term financial forecasts

STAFFING:

The Finance Department consists of 8 fulltime equivalent (FTE) positions composed of seven fulltime and 2 halftime employees. The staffing breakdown is as follows:
One fulltime Accounting Manager, one fulltime Administrative Assistant, three fulltime and two halftime Accounting Technicians, one fulltime Accounting Clerk, and one fulltime Finance Director.

The Finance Department slightly changed their structure at the end of 2007. The Budget Analyst was promoted to the position of Finance Director. It was determined some of the budgeting functions could be absorbed by the Finance Director and other duties would be performed by an Administrative Assistant and Accounting Technician.

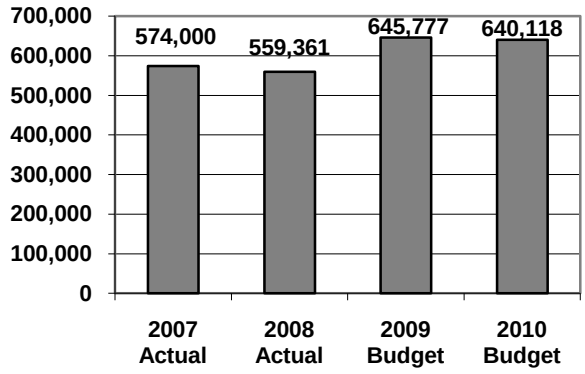
2009 ACCOMPLISHMENTS - ACCOUNTING:

- The City's Accounting Team earned the GFOA award for the 2008 CAFR.
- Received Professional Finance Officer (PFO) Awards from the Washington Finance Officers Association (WFOA) for five staff members. The award is given for continued commitment to achieving educational and professional excellence.
- Continued implementation of the ACH payment option for utility customers. This initiative provides a convenient service to our customers while also saving them postage, check and/or late fees, and prevents the potential of mail fraud.
- Contracted with an Investment firm to assist in management of the City's portfolio to maximize earnings, while maintaining liquidity for cash flow.
- Implemented new bank to increase services, improve security and maintain associated costs.
- Implemented credit card processing through an internet application, allowing the City to save funds for equipment and secure information according to federal regulations.

2009 ACCOMPLISHMENTS - BUDGET:

- Received the Government Finance Officers Association (GFOA) Distinguished Budget Award for the 2009 Budget; this is the ninth year receiving the award. Also increased number of proficient and outstanding ratings.
- Served as a member on the WFOA Education Committee.
- Served as a Washington Municipal Treasurer's Association (WMTA) Board member.

Finance Budget (2007-2010)

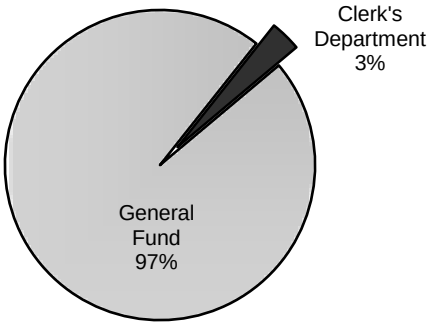


FINANCE DEPARTMENT (ACCOUNTING/BUDGETING) WORKLOAD MEASURES					
Type of Workload Measure	**2006 Actual**	**2007 Actual**	**2008 Actual**	**2009 Projected**	**2010 Projected**
# of treasurers receipts issued/year	39,905	34,515	32,463	36,000	32,000
# of utility accounts billed monthly	2,973	3,108	3,278	3,360	3,460
# of change of ownerships/year	251	277	258	200	220
# of new connections/year	104	228	106	90	90
# of ACH utility bill payments	-	100	106	90	90
# of W-2 forms issued	199	204	199	205	205
Average # of days per month to process payroll & related insurance	5	7	6	6	6
# of claims for self-insurance	146	95	111	0	0
# of HDPA accounts billed quarterly	104	159	120	120	120
Avg # of misc billing accts monthly	46	64	60	60	70
# of tenant authorization changes/year	135	115	186	140	150
# of journal entries	1,049	1,162	1075	1,150	1150
# of payroll checks processed	289	291	262	294	294
# of payroll direct deposits processed	2,347	2,517	2,386	2,422	2,422
# of A/P checks processed	3,325	3,237	3,425	3,300	3,425
# of NSF checks processed	42	40	34	75	50
Average Dollars (in millions) invested	$19.2	$20.9	20.9	21.0	17.0

*Switched health insurance carriers so the need for self-insurance was no longer required beginning January 2009.

FINANCE DEPARTMENT (ACCOUNTING/BUDGETING) PERFORMANCE MEASURES					
Type of Workload Measure	**2006 Actual**	**2007 Actual**	**2008 Actual**	**2009 Projected**	**2010 Projected**
# of work days to close out month	10	8	5	5	5
Received GFOA CAFR Award	Yes	Yes	Yes	Yes	Yes
# of staff receiving WFOA PFO Award	6 of 8	5 of 9	5 of 9	5 of 9	7 of 9
% of idle cash invested	95%	95%	96%	95%	95
% of receipts processed same day	99%	99%	99%	99%	99%
Received GFOA Distinguished Budget Award	Yes	Yes	Yes	Yes	Yes

			FINANCE		
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	***2009 BUDGET***	***2010 BUDGET***	**% CHANGE**
SALARIES & WAGES	427,632	397,563	*437,107*	***440,162***	1%
PERSONNEL BENEFITS	129,242	138,347	*167,970*	***161,481***	-4%
SUPPLIES	4,039	4,491	*4,400*	***4,800***	9%
OTHER SERVICES & CHARGES	13,087	18,960	*36,300*	***33,675***	-7%
TOTAL FINANCE	574,000	559,361	*645,777*	***640,118***	-1%



CLERK'S DEPARTMENT

Appropriations $301,484
FTE's – 4

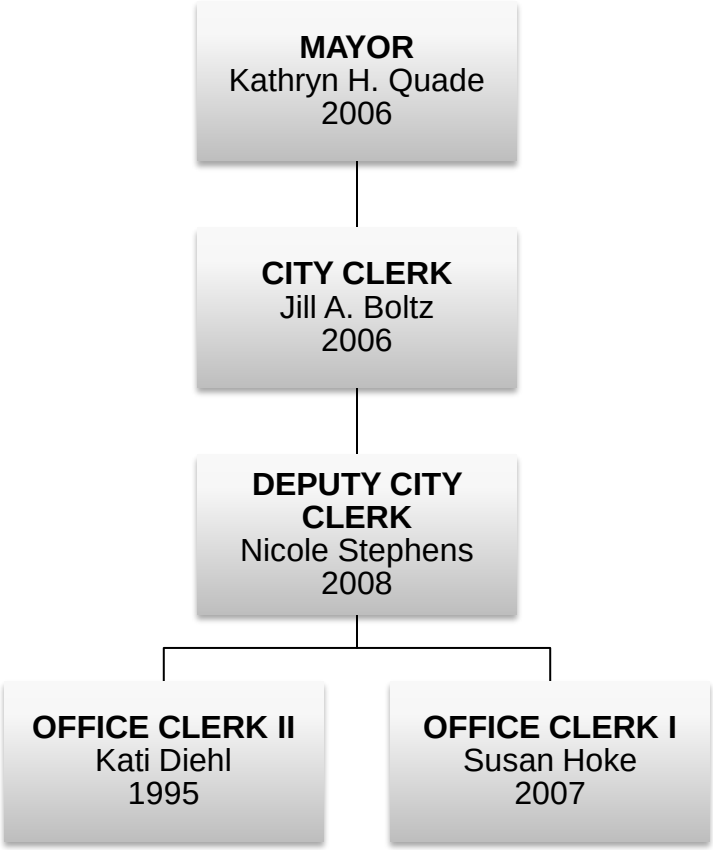
Mission Statement

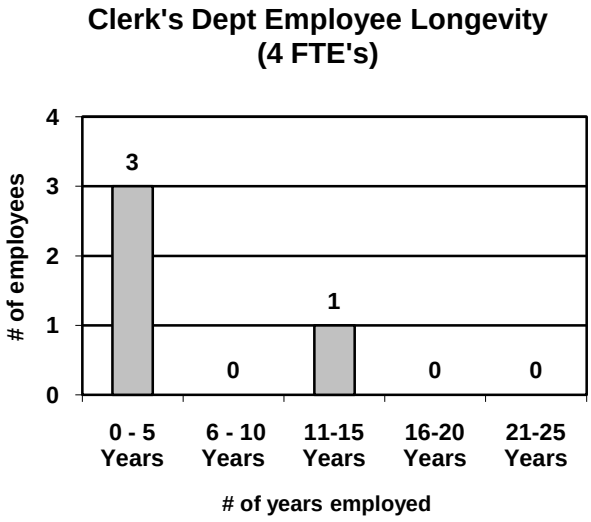
We, the members of the Clerk's Department, are committed to rendering neutral, impartial, considerate and equal service to all citizens as well as recording the truth and preserving all records entrusted to us.

Finance/Administration Committee Members:

Becky Erickson
Connie Lord
Ed Stern

THE ORGANIZATION OF THE CLERK'S DEPARTMENT





CLERK'S DEPARTMENT STAFFING					
POSITION	**2006**	**2007**	**2008**	**2009**	**2010**
City Clerk	1	1	1	1	1
Deputy City Clerk	1	1	1	1	1
Office Clerk I	2	2	2	1	1
Office Clerk II	0	0	0	1	1
TOTAL	**4**	**4**	**4**	**4**	**4**

PROGRAM DESCRIPTION/ SERVICES PROVIDED:

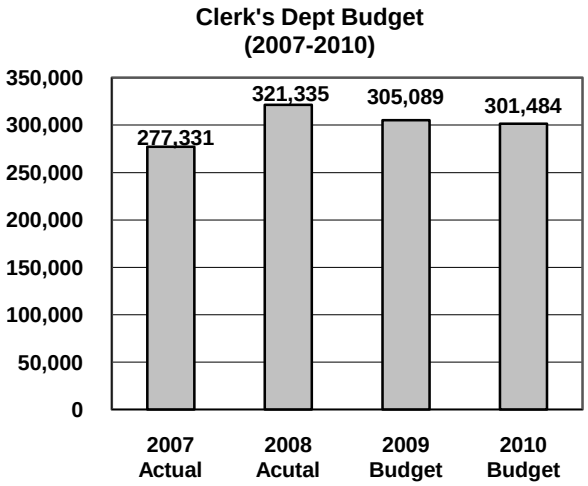
The Clerk's Department is the main information center for city government. In addition to providing information, public records and assistance to the citizens in a courteous, timely, proficient and professional manner, the department maintains and updates the Poulsbo Municipal Code, has responsibility for all ordinances, resolutions, proclamations and policies and provides records maintenance and retention for most city departments. Staff responsibilities include: providing support to the Mayor and City Council; preparing Council agendas and extended agendas; preparing Council agenda packets for placement on the City's web site; attending meetings, recording and transcribing Council meetings, Library Board, special meeting, retreat, and workshop minutes; coordinating with Bremerton Kitsap Access Television for the televising of Council meetings; issuing business and occupational licenses; processing ordinances, resolutions, contracts/ agreements; processing real property documents, claims for damages and lawsuits; facilitating citizen complaints, processing passport applications; issuing miscellaneous licenses and permits; telephone answering; inventory control of the Clerk's Department equipment; mail processing and distribution; updating information for the Legislative and Clerk Department portions of the City's web page; and public records and records retention instruction, storage, microfilming and access and monitoring of public records requests.

STAFFING:

The department includes four full-time positions: the City Clerk, Deputy City Clerk and two Office Clerks.

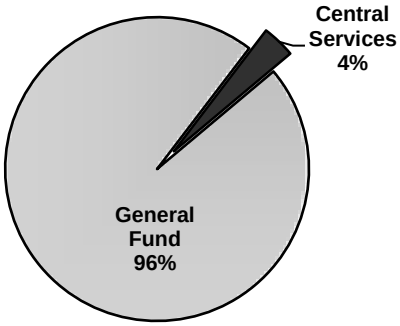
2009 PROGRAM HIGHLIGHTS:

- Completed and delivered essential records including ordinances, resolutions and minutes dating back to 1908 to Washington State Archives. The "Local Records Grant Program" provided a secure microfilmed backup of these records at the Washington State Archives in Olympia and permanent storage and preservation of the original documents. A supplemental grant was also received allowing the Clerk's Department to purchase a high quality desktop scanner.
- Scanned Minutes, Ordinances and Resolutions into searchable file format for in-house use and posting to the City's web-site.
- Implementation of a new lateral filing system allowing the Clerk's Office to more efficiently file and retrieve documents.
- Destruction of approximately 82 boxes of records city-wide.
- Reorganization of current archives.
- Assisted with the redevelopment of the City's website.
- Creation of a consistent electronic filing system for the Agendas and Minutes for all City Council, Boards and Commission meetings.
- Applied for a "Local Records Grant" through Washington State Archives for the preservation of various committee agendas and minutes dating back to 1997.



Type of Workload Measure	2007 Actual	2008 Actual	2009 Projected	2009 Actual	2010 Projected
Ordinances processed	60	21	25	16	25
Resolutions processed	23	20	19	16	20
New business licenses	186	210	225	148	200
Renewal business licenses issued	1575	1351		1415	1400
Council meetings staffed	39	42	38	43	36
Pages of council meeting minutes processed	357	297	375	385	350
Passports processed	1265	1018	1400	1015	1400
Signatures notarized	242*	228	350	221	300
Business license revenue	88,920	74,415	75,000	76,620	73,500
Passport revenue	30,750	25,845	28,000	25,375	25,000
Web page updates	167	-	175	-	125
Archival record retrievals	-	25	30		25
Library Board meetings staffed	5	3	4	4	4
Public record requests processed	73	79	88	87	75
Boxes of documents prepared for microfilming	0	0	50	0	-
Boxes of documents transferred to regional archivist	0	0	25	0	-
Boxes of documents submitted for records destruction	350	82	100	82	200
Pet License Revenue	2,001	3,025	2,100		2,900
Archives – total boxes received and transferred	375	67	75	70	100
Pages of Ordinances Codified	79	420	175	96	125
Microfilm transferred to State Archives	0	0	-	0	-

	CLERK				
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	***2009 BUDGET***	***2010 BUDGET***	**% CHANGE**
SALARIES & WAGES	196,196	214,584	*192,526*	***198,692***	3%
PERSONNEL BENEFITS	69,030	77,481	*85,766*	***85,576***	0%
SUPPLIES	2,666	5,235	*2,870*	***2,694***	-6%
OTHER SERVICES & CHARGES	9,439	24,035	*23,927*	***14,521***	-39%
TOTAL CLERK	277,331	321,335	*305,089*	***301,484***	-1%



CENTRAL SERVICES

Administration Appropriations	**$ 59,577♦**
Printing & Duplication Appropriations	**5,250♦**
Data Processing Appropriations	**62,010♦**
ADA Requirement Appropriations	**1,000♦**
Custodial/Janitorial/Building Maintenance Appropriations	**202,719♣**
Total Central Services	***$ 330,556***

FTE's - 1.9

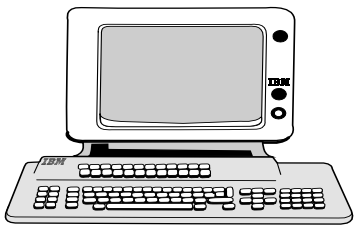
Central Services provides General Fund departments throughout the City with services and operating supplies which are not department specific

♦Finance/Administration Committee

Becky Erickson
Connie Lord
Ed Stern

♣Public Works Committee

Linda Berry-Maraist
Jeff McGinty
Dale Rudolph



ADMINISTRATION PROGRAM:

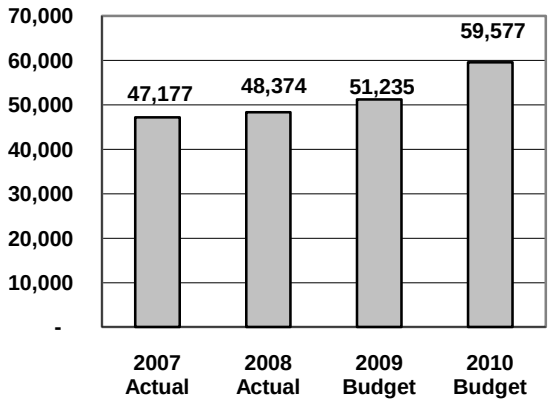
The administration-central budget includes items that are used by Clerk, Finance, and Mayor's offices such as copy paper, envelopes, and miscellaneous forms. Administrative postage, telephone services, heating fuel, City and power utilities, repair and maintenance, general governmental credit card discount fees, and retail B&O taxes are also included in this budget.

When the City changed banks in 2009 it contracted with a courier service for its cash deposits in order to increase safety, these charges are included in this budget.

Prior to 2009 interest earned for the City's checking account offset any fees charged by the bank. Due to very low interest earning rates and increasing FDIC fees the City is anticipating net charges for 2010.

In 2009 the city chose to lease a postage machine instead of purchasing one. This was done to reduce maintenance costs incurred by the city and also to maintain the level of service offered.

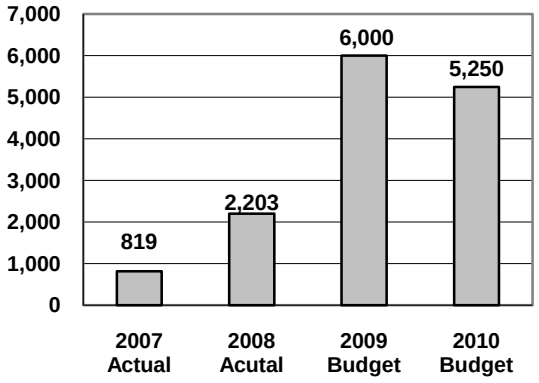
Central Services
Administrative Section Budget
(2007-2010)



PRINTING & DUPLICATION:

Administrative copy machine repair and maintenance contracts are budgeted here.

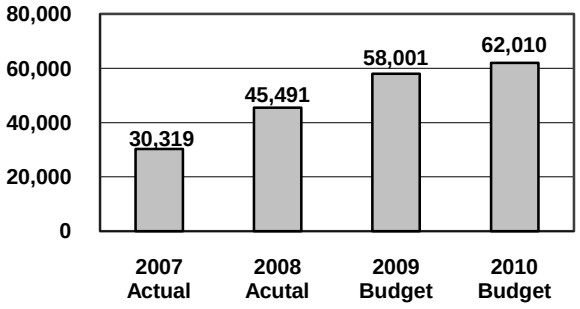
Central Services
Printing & Duplication Services
Budget (2007-2010)



DATA PROCESSING:

Budgeted here are administrative computer system repairs, maintenance agreements, and service for software programs. Also included are forms and supplies for the administrative computer system, such as payroll and claim checks and billing forms. The maintenance agreement payments for the new municipal software began in 2007, but not all modules have been implemented. It is anticipated the web applications will begin to be implemented. Once applications are implemented the maintenance agreements will commence..

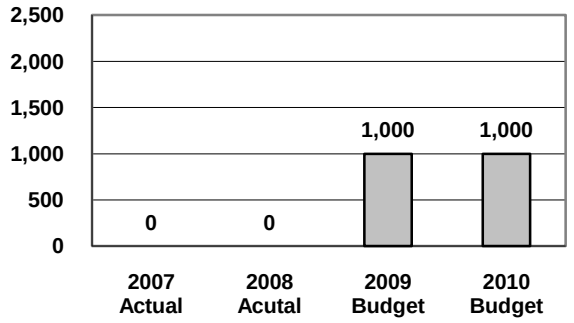
Central Services
Data Processing
Budget (2007-2010)



ADA REQUIREMENTS:

In order to meet the federally mandated Americans with Disabilities Act (ADA), the city appointed a committee to identify deficiencies in city facilities and on public streets and sidewalks. In cooperation with Public Works staff, the committee identifies items that must be improved to meet ADA requirements, and implementation of those items continues on an on-going basis. The city's goal is to continue to make city facilities and services accessible to all people and to allow committee members to attend pertinent training.

Central Services
ADA Requirement Budget
(2007-20010)



CUSTODIAL/BUILDING MAINTENANCE

Mission Statement: The mission of the Central Services Department is to provide for the routine maintenance and repair of City owned buildings to protect and maintain the value of the General Fund assets.

Program Description: The Custodial/Building Maintenance section of the General Fund is under the direction of Public Works. Responsibilities include janitorial services and the repair and maintenance of City owned or leased facilities and equipment. Facilities include: City Hall, Police Department, Library, Recreational Center, Rentals of Caretakers houses, Parks Buildings & Facilities, the Public Works Complex and Public Works installations including pump houses and other utility structures.

Staffing:
Staffing associated with Central Service includes 1.9 fulltime equivalent positions (FTE's) under the supervision of the Assistant Public Works Director.

2009 Program Accomplishments:

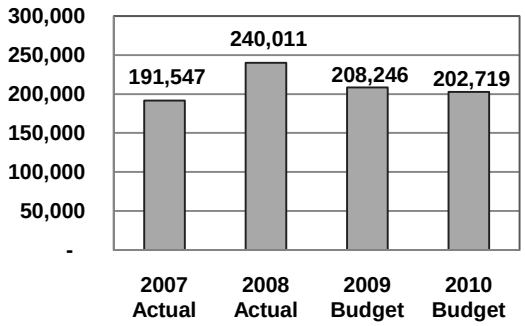
- Repair plumbing at Nelson Park Restroom
- Continued to provide routine maintenance to City buildings as required
- Continued support and clean-up at the Marine Science Center
- Painted various areas within City Hall
- Continued support to Library projects
- Support to various Public Works projects
- Boardwalk repairs
- Liberty Bay waterfront park roof replacement
- Power and telemetry installed at Lincoln Well #2
- Provide support for new City Hall project
- Provide support for new Public Works property

2010 Expenditures:
The year 2010 operation and maintenance program will be a continuation of the 2009 program. Expenditures for the year 2010 associated with Central Services for repair and maintenance of facilities are estimated to be approximately $202,719.

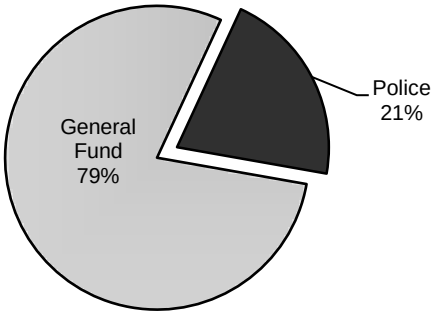
Programs and Projects for 2010 include:

- Support to various Public Works projects
- Continued routine maintenance projects throughout the city

Central Services
Custodial/Building Maintenance
(2007-20010)



ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	*2009 BUDGET*	*2010 BUDGET*	% CHANGE
CENTRAL SERVICES					
ADMINISTRATION					
BAD DEBT EXPENSE	-	39	-	**-**	0%
SUPPLIES	10,293	11,031	*15,700*	***14,950***	-5%
OTHER SERVICES & CHARGES	36,884	37,286	*35,510*	***44,202***	24%
INTERGOVERNMENTAL SERVICES	-	18	*25*	***425***	1600%
TOTAL ADMINISTRATION	47,177	48,374	*51,235*	***59,577***	16%
PRINTING & DUPLICATION SERVICES					
SUPPLIES	68	-	*2,500*	***1,750***	-30%
OTHER SERVICES & CHARGES	751	2,203	*3,500*	***3,500***	0%
TOTAL PRINTING & DUPL SERVICES	819	2,203	*6,000*	***5,250***	-13%
DATA PROCESSING SERVICES					
SUPPLIES	5,706	3,532	*10,991*	***8,500***	-23%
OTHER SERVICES & CHARGES	24,612	41,959	*47,010*	***53,510***	14%
TOTAL DATA PROCESSING SERVICES	30,319	45,491	*58,001*	***62,010***	7%
ADA REQUIREMENTS					
SUPPLIES	-	-	*150*	***150***	0%
OTHER SERVICES & CHARGES	-	-	*850*	***850***	0%
TOTAL ADA REQUIREMENTS	-	-	*1,000*	***1,000***	0%
CUSTODIAL/JANITORIAL/SERVICE					
SALARIES & WAGES	91,532	84,018	*94,165*	***95,206***	1%
PERSONNEL BENEFITS	31,975	28,443	*37,427*	***36,510***	-2%
SUPPLIES	18,342	16,668	*18,200*	***17,300***	-5%
OTHER SERVICES & CHARGES	18,037	9,042	*16,025*	***13,025***	-19%
INTERFUND PAYMENT FOR SERVICES	31,660	101,840	*42,430*	***40,678***	-4%
TOTAL CUSTODIAL/JANITORIAL SERVIC	191,547	240,011	*208,246*	***202,719***	-3%
TOTAL CENTRAL SERVICES	269,861	336,079	324,482	***330,556***	2%



POLICE DEPARTMENT

Appropriations $2,396,586
FTE's - 21

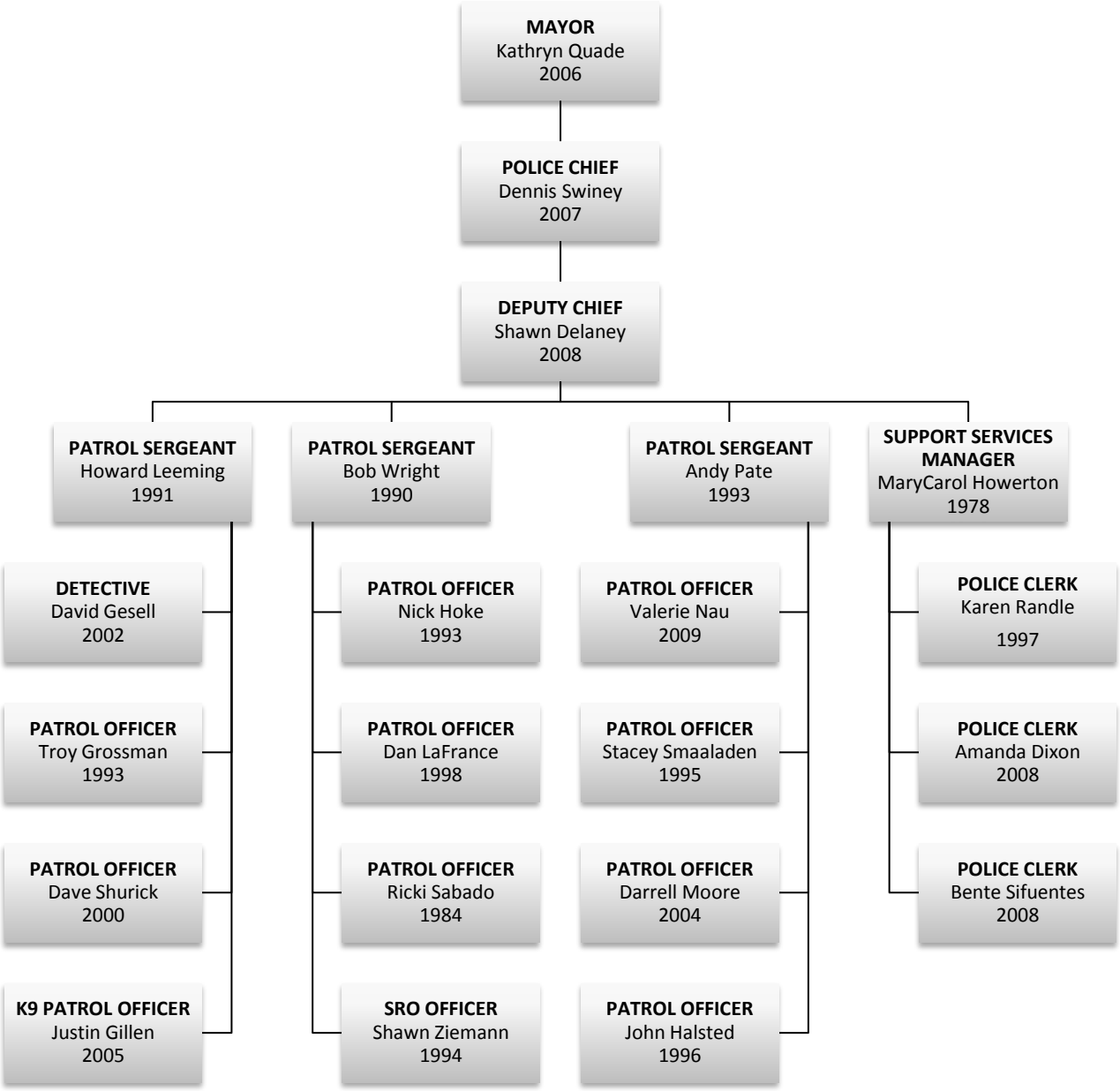
The Police Department Mission and Purpose:

The City of Poulsbo Police Department has been established to preserve the public peace, prevent crime, detect and arrest violators of the law, protect life and property, and enforce criminal laws of the State of Washington and the City of Poulsbo Municipal Code.

Public Safety Committee:

Dale Rudolph
Kimberlee Crowder
Jeff McGinty

THE ORGANIZATION OF THE POLICE DEPARTMENT



POSITION	2005	2006	2007	2008	2009	2010
Police Chief	1	1	1	1	1	1
Deputy Chief	0	0	1	1	1	1
Sergeant	3	3	3	3	3	3
Patrol Officer	11	11	11	11	12	11
Detective	2	2	2	2	1	1
Support Services Manager	1	1	1	1	1	1
Police Clerk	2	2	3	3	3	3
Total Police Department	*20*	*20*	*22*	*22*	*22*	*21*

PROGRAM DESCRIPTION:
The Poulsbo Police Department consists of a highly qualified and professionally trained group of men and women. The goal of the Officers is to help maintain the high quality of living that has come to be expected in Poulsbo. This standard is maintained by providing a safe environment for both the citizens and visitors of Poulsbo.

SERVICES PROVIDED:
Services provided by the police department include but are not limited to:

- Documenting crimes
- Arresting the suspects responsible
- Criminal Investigations
- Enforcing traffic laws with the goal of public safety
- Investigating accidents
- Providing record information to the public
- Making house checks for homeowners whom are on vacation

STAFFING:
The field operations of the Poulsbo Police Department consist of 11 Patrol Officers being supervised by 3 Sergeants. This reflects a reduction of 1 Patrol Officer from 2009 due to eliminated funding. Additionally, there is one Detective assigned to follow-up cases ranging from fraud to assault to robbery. Many of the Patrol Officers have collateral duties, some of those collateral duties consist of the following specialties; Field Training Officer, Marine Patrol Officer, School Resource Officer and Canine Officer.

The City of Poulsbo enjoys several festivals throughout the year. Staffing these festivals would be very difficult without the assistance of the Poulsbo Police Reserve unit. The Reserve Officers serve the citizens as a volunteer force. They are formally trained Reserve Police Officers and additionally they receive field training from experienced Officers. Each Reserve Police Officer donates at least sixteen hours of patrol time per month, some of them much more. The Reserve Officers literally donate hundreds of hours of their personal time with the result being a savings of tens of thousands of dollars. Most importantly, the dedicated work of the Reserve Officers results in a safer Poulsbo.

SUPPORT SERVICES
The Support Services Unit consists of the Manager as well as three Police Clerks. The Administrative Support Unit is tasked with supplying records management which includes all communications with the Court and various law enforcement entities throughout the area. Additionally, this unit manages all property and evidence that is booked into the police department as well as assists with finger printing of the public. The Support Services Unit is critical to the Department's success by maintaining the flow of information between the public, the Prosecutor's Office, the Courts as well as the Kitsap County Jail.

RELATED DEPARTMENT ACTIVITY

The Police Department is very proud of its very active group of Citizen Volunteers. These Citizen Volunteers patrol the city and routinely assist in many ways in helping to keep our streets safe. Citizen Volunteers assist during every special event with traffic control; they also assist by providing vacation house checks for residents whom are away from home. Our Citizen Volunteers routinely enforce disabled parking regulations. Critical to the success of the department is the fact that the Citizen Volunteers provide an invaluable service in that they report suspicious activity or crimes in progress during patrol. During this last year, the Department has transitioned into a national program known as Volunteers In Police Service (VIPS). The national VIPS program serves as an avenue to greater resources specifically for and about volunteer police programs of all kinds. The Poulsbo Citizen Volunteers donate hundreds of hours which if had to be compensated would cost tax payers tens of thousands of dollars.

2009 PROGRAM ACCOMPLISHMENTS:

The Poulsbo Police Department is proud to announce the kick-off of the Community Oriented Policing and Problem Solving program, better known as COPPS. This program was kicked-off on August 4, 2009 during "National Night Out" with a number of informational booths as well as food and activities at Anderson Parkway. The response to National Night Out and the COPPS program has been very positive. It is the goal of the COPPS program to establish "neighborhood watch" in our neighborhoods and to strengthen our ties with the community in our fight against crime.

The Poulsbo Police Department is fortunate to have an active Police Community Advisory Board. This board meets with the Chief of Police quarterly. The board provides input to the Chief and relays information from the various neighborhoods in Poulsbo. Chief Swiney personally relies on this board to communicate with him and assist as a liaison with the community.

In 2009 a Student Advisory Board was established through North Kitsap High School. The board is comprised of two individuals from each grade Freshman through Senior. The Chief meets monthly with the students in the company of the School Resource Officer and quite often a Vice Principal. The hope of the Student Advisory Board is to maintain a rapport and clear lines of communication with the high school students in the Poulsbo area.

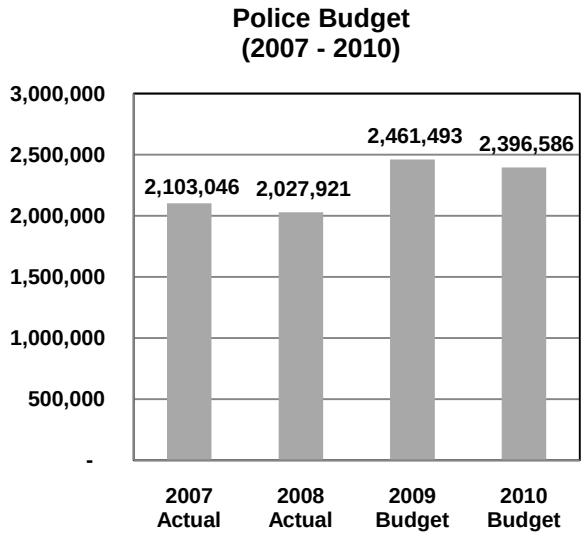
Andy Pate was promoted to the rank of Sergeant.

Valerie Nau has been hired and has recently completed field training and is on patrol.

The department is currently transitioning from an older policy to a new policy and great strides have been made toward that end. Additionally, with the new policy in place, it will be feasible to attain accreditation through the Washington Sheriff's and Police Chief's (WASPC) Association.

Also during 2009 the Poulsbo Police Department was awarded an Impact Mitigation Grant from the Suquamish Tribe in the amount of $30,500. These funds will be used for purchasing a new patrol vehicle.

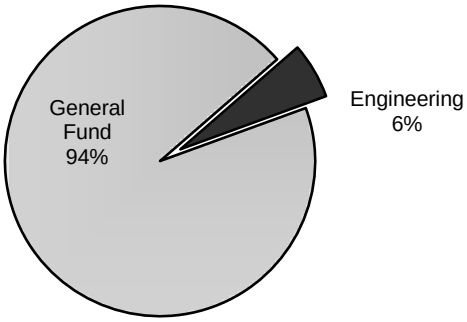
The Department competed for and was awarded a grant from Edward Byrne Memorial Justice Grant Program in the amount of $19,474. This will be used to aid in purchasing additional In Car Camera Video Systems.



Type of Measure	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Projected	2010 Projected
Case Reports	**1586**	**1998**	**2090**	**1783**	**1700**	**1700**
Citations Issued by Officers (Criminal, infractions, parking)	**2397**	**2576**	**2325**	**2185**	**1600**	**1600**
Prosecutor Complaints (Criminal)	**240**	**299**	**284**	**296**	**300**	**300**
Training Hours	**795.25**	**817.75**	**785**	**1718**	**1800**	**1800**
Calls for Service	**11229**	**13374**	**12942**	**12234**	**13500**	**14000**
Motor Vehicle Accidents (ILEAD STATS 2007)	**211**	**175**	**271**	**235**	**300**	**300**
Driving Under Influence (Total included in Criminal Citations)	**58**	**110**	**72**	**71**	**80**	**80**
Citizen Assist	**25**	**11**	**2**	**0**	**720**	**720**
Vacation House Checks	**909**	**1034**	**1049**	**847**	**1000**	**1000**
Handicap Parking Citations	**177**	**231**	**63**	**117**	**100**	**100**

POLICE

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	*2009 BUDGET*	*2010 BUDGET*	% CHANGE
SALARIES & WAGES	1,321,403	1,339,118	*1,587,796*	***1,530,310***	-4%
PERSONNEL BENEFITS	462,892	462,831	*595,795*	***584,530***	-2%
SUPPLIES	78,748	93,361	*110,107*	***127,607***	16%
OTHER SERVICES & CHARGES	232,714	116,936	*149,721*	***138,064***	-8%
*****RESERVES PROGRAM*****					
SUPPLIES	4,004	1,129	*7,375*	***5,875***	-20%
OTHER SERVICES & CHARGES	976	-	*4,500*	***4,000***	-11%
*****MARINE SAFETY PROGRAM*****					
SALARIES & WAGES	-	763	-	**-**	0%
BENEFITS	-	153	-	**-**	0%
SUPPLIES	204	1,963	-	**-**	0%
OTHER SERVICES & CHARGES	100	9,823	-	**-**	0%
*****CRIME PREVENTION*****					
BENEFITS	594	-	-	**-**	0%
SUPPLIES	476	1,350	*2,900*	***2,900***	0%
OTHER SERVICES & CHARGES	935	493	*3,300*	***3,300***	0%
TOTAL POLICE	2,103,046	2,027,921	*2,461,493*	***2,396,586***	-3%



ENGINEERING DIVISION

Appropriations $562,444
FTE's – 5.95

Mission Statement

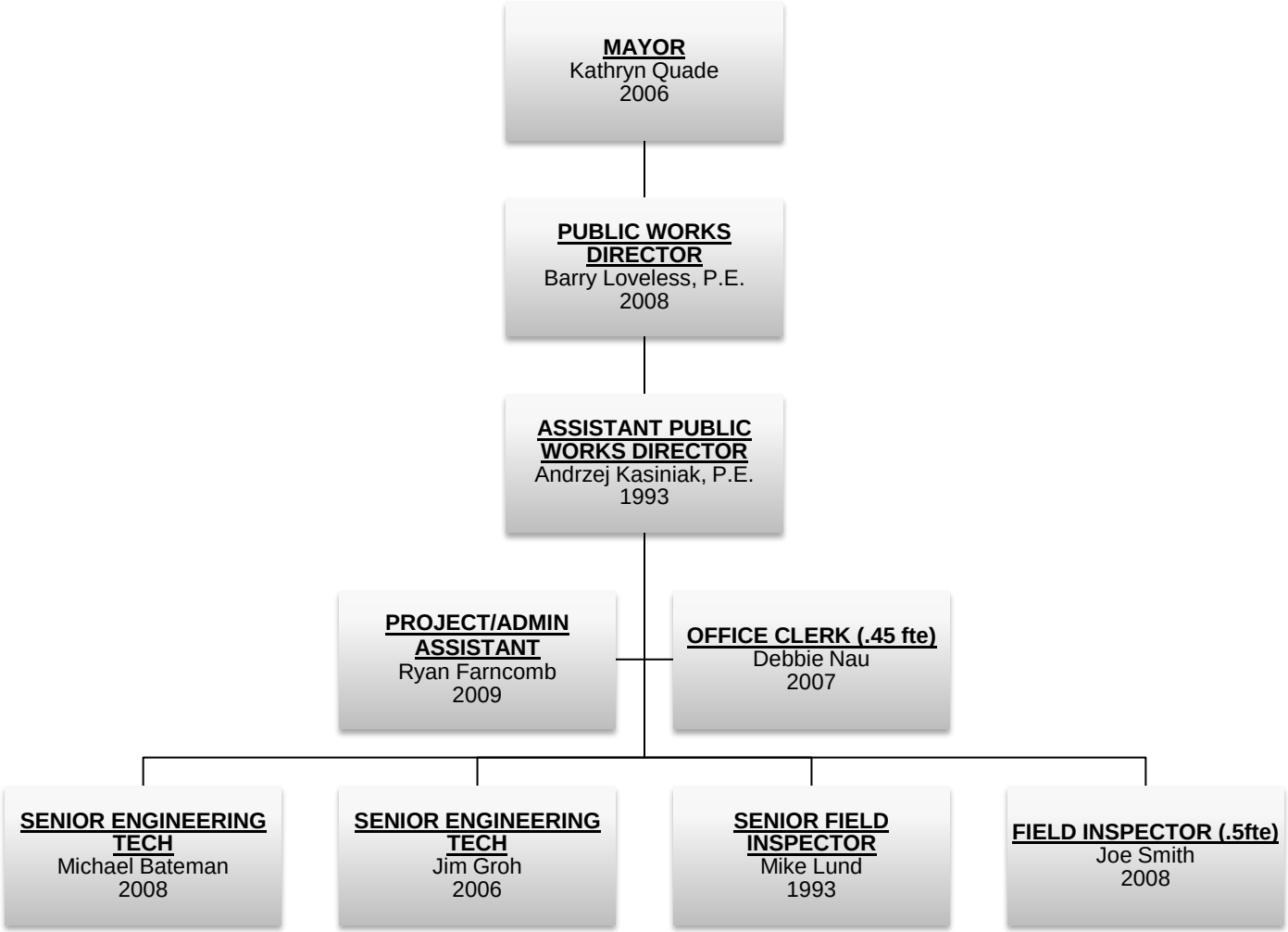
The City of Poulsbo Engineering Division strives to support the City's Vision Statement and promotes public health, safety, and welfare by:

- *Assisting in the development of the City's existing sewer, storm, water and street infrastructure;*
- *Ensuring that new projects meet City standards;*
- *Accomplishing our work in a professional, timely, and cost-effective manner.*

Public Works Committee

Linda Barry-Marist
Jeff McGinty
Dale Rudolph

ORGANIZATION OF THE ENGINEERING DIVISION



Engineering Dept. Employee Longevity
6 Employees (6 FTE's)

ENGINEERING SECTION STAFFING					
POSITION	*2006*	*2007*	*2008*	*2009*	*2010*
Public Works Director	.125	.125	.125	.125	.125
*Assistant PW Director/City Engineer	0	1	1	1	1
Project Engineer	1	0	0	0	0
Project/Administrative Assistant	1	1	1	1	1
Office Clerk	0	.45	.45	.45	.45
Senior Engineering Technician	1	2	2	2	2
Engineering Technician	1	0	0	0	0
Senior Field Inspector	1	1	1	1	1
Field Inspector	1	1	1	.5	.5
Total Engineering	**6.125**	**6.575**	**6.575**	**6.075**	**6.075**

PROGRAM DESCRIPTION:

The Engineering Division provides services to the public and other city departments in the following areas:

- Regional Transportation Planning
- City Long Range Planning
- Current Planning
- Contract Administration
- Construction of Public Facilities
- Construction of Private Facilities

SERVICES PROVIDED:

The Engineering Department provides technical assistance to Kitsap County Regional Coordinating Council; develops the City comprehensive sanitary sewer, water, storm water and transportation plans; provides contract management services to all City departments; implements the City's Capital Improvement Plan (CIP); reviews land use applications and performs field inspections and material testing; processes utility extension agreements, right of way and site construction permits, right of way vacation requests and local improvements district applications. The Engineering Department assists the American Public Works Association's (APWA) Contract Administration Subcommittee (CASC) in promoting responsible expenditure of local government funds for public works projects in accordance with applicable statutes and provides a network of training and support to local government agencies, consultants, and contractors in all aspects of public works contracting.

The Engineering Division takes pride in striving to provide courteous and professional treatment of its customers and quick turn-around of applications and permits.

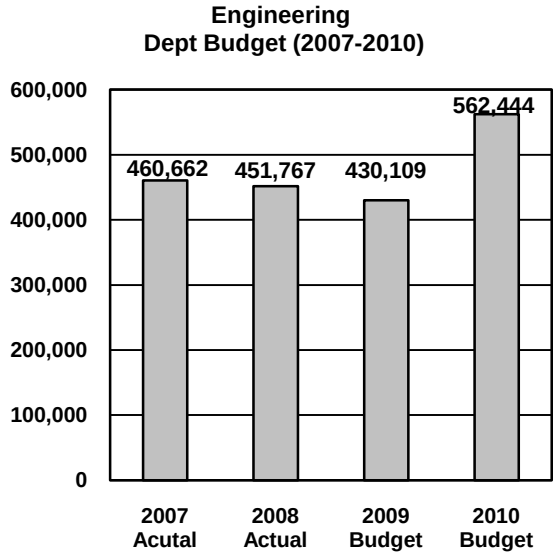
STAFFING LEVEL:

The Public Works Director manages the Engineering Division and Operation & Maintenance Division of Public Works. The Engineering Division consists of six full-time positions: Assistant Public Works Director, Project/Administrative Assistant, a .45 FTE Office Clerk, two Senior Engineering Technicians, a Senior Field Inspector, and a Field Inspector who is shared half-time with Public Works functions, this position was reduced in Engineering due to a reduction in revenue and related activity.

2009 ACCOMPLISHMENTS:

- Viking Avenue Improvements Phase II – Construction completed
- Viking Avenue Improvements Phase IIIA and IIIB – Design completed
- Noll Road Corridor – Shared use path design completed
- 6th & 9th Pump station – Design started
- Continued education and monitoring for Caldart Avenue Storm Water project
- Participated in Kitsap Regional Coordinating Council regional trails planning committee
- Began preliminary design on the new Public Works site
- Updated City Construction Standards
- Completed in-house design and awarded construction for the Pugh Well Transmission Main project

- Worked on completing the South Fork Dogfish Creek restoration master plan
- Mesford Sidewalk Improvements – In house design completed and construction awarded
- Senior Engineering Tech received certification in Low Impact Development design



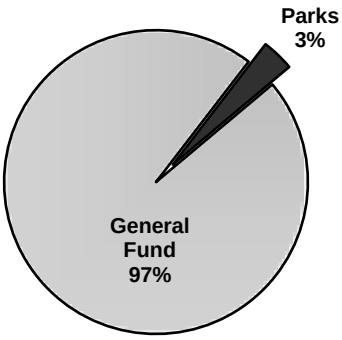
LAND USE, PERMIT AND INSPECTION WORKLOAD					
Type of Measure	*2006 Actual*	*2007 Actual*	*2008 Actual*	*2009 Projected*	*2010 Projected*
Right of Way Permits	53	52	63	32	35
Land Use Applications – Reviewed, Conditions or Comments written	100	79	50	65	65
Grading-Site Construction Permit/Application	19	6	10	15	15
*Commercial Sites – Land use applications	6	15	15	9	10
*Residential Sites – Land use applications	12	10	6	9	10
Engineering Services	$182,661	$144,658	$53,118	$65,778	$80,000

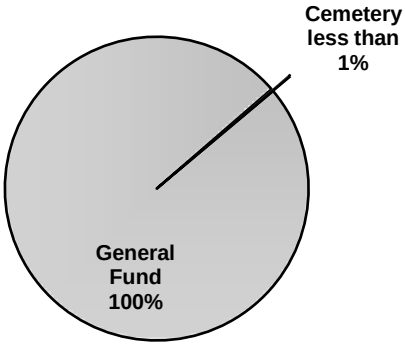
*Does not include storm detention ponds or storm vaults

*Commercial and Residential site development inspections occur on a daily basis. Inspections for structures occur when scheduled.

CONTRACTING WORKLOAD MEASURES					
Type of Measure	2006 Actual	2007 Actual	2008 Actual	2009 Projected	2010 Projected
Awarded from Small Works Roster	3	3	6	1	2
Formal Bids	7	3	5	4	4
Consultant Agreements	5	2	4	3	4

	ENGINEERING				
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	***2009 BUDGET***	***2010 BUDGET***	**% CHANGE**
SALARIES & WAGES	318,799	311,258	*277,370*	***380,576***	37%
PERSONNEL BENEFITS	112,068	113,150	*114,195*	***145,396***	27%
SUPPLIES	11,627	10,825	*11,419*	***10,418***	-9%
OTHER SERVICES & CHARGES	18,168	16,533	*27,125*	***26,053***	-4%
TOTAL ENGINEERING	460,662	451,767	*430,109*	***562,444***	-5%





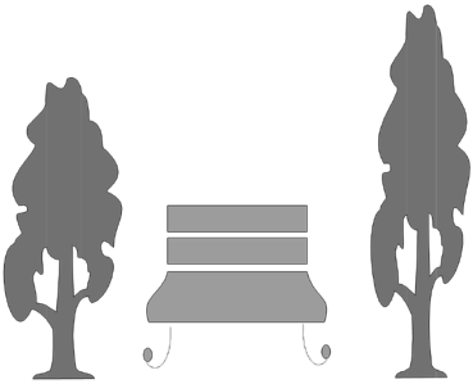
PARKS/CEMETERY PROGRAMS

Parks' Appropriations $324,790

FTE's – 2.15

Cemetery Appropriations $22,226

FTE's - .1



Public Works Committee:

Linda Berry-Maraist
Jeff McGinty
Dale Rudolph

PARKS DESCRIPTION/SERVICES:

The Parks program, under the direction of the Assistant Public Works Director, is responsible for the management and maintenance of the City of Poulsbo's municipal parks. The City's parks provide a high quality and safe recreational experience for both citizens and visitors. These facilities include:

Poulsbo has 19 city parks/open spaces as well as 3.75 linear miles of trails.

Facilities available within the City park system include two full size tennis courts, a combination basketball court, boat launch, exercise trails, two picnic shelters, and grilling facilities at 5 parks, a waterfront gazebo, and an off-leash exercise area known as the "Bark Park". Restroom facilities are maintained at 5 parks, playgrounds at 7 parks as well as a skate park located within Raab Park.

The city has intensified the development of parks and recreational areas resulting in significant increase in the demand for maintenance services. Maintenance of these facilities is a labor intensive activity. During summer months, routine maintenance activities significantly increases, and the Public Works Department increases staffing with casual labor to augment regular employees.

The City is currently handling all requirements for routine custodial services for the restrooms, servicing of public trash receptacles, maintaining street trees and planters, and furnishing and maintaining flower baskets and other landscaping services, including maintaining the downtown flower beds, maintenance of city hall landscaping and parking lot, and dog waste issues with this combined labor pool.

STAFFING:

Staffing associated with the parks maintenance function includes 2 fulltime equivalent positions (FTE's). The Assistant Public Works Director supervises these positions. Staffing was reduced by one full time employee in 2009.

2009 Operations & Maintenance Program Highlights:

- Address numerous vandalism issues in all city parks
- Repaired water service line in driveway at Centennial park rental house
- Repaired men's restroom partitions at Liberty Bay park due to vandalism
- Two of our employees were trained and certified in herbicide use and application methods as well as attending on–going training
- Cleaned up large trees blown down on the Wilderness park trail over the year
- Watered many newly planted trees/plants
- Continued maintenance on the Boardwalk as needed
- Assist in Arbor Day tree planting
- Met with citizen volunteers to plan Earth Day litter clean-up project
- Continuation of the Park's program associated with the scheduled maintenance and repair of all park's facilities, which includes cleaning of restrooms, grounds maintenance, mowing, and weekly inspections of park facilities to ensure safety, and compliance with applicable guidelines and regulations.
- Continued support of Fish Park project
- Installed ramp at Betty Iverson Park, 2nd Ave
- Coordinated with Parks & Rec regarding special events

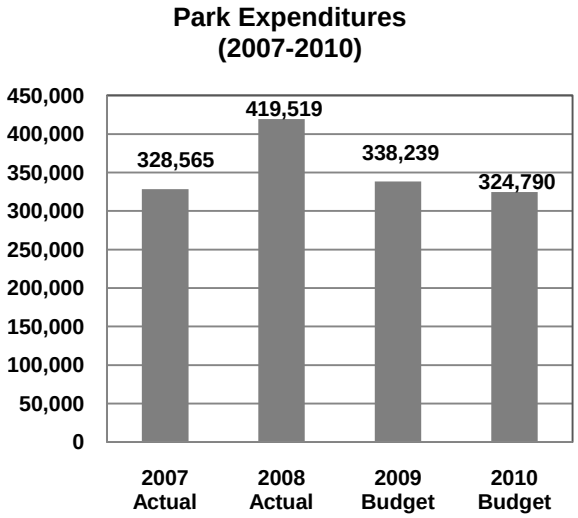
2010 Projects/Programs:

A number of projects are planned for the operations and maintenance of city parks for 2010:

- Repair a walking path at Legion Park
- Repair floor of Gazebo at Liberty Bay Park
- Repair stage at Raab Park
- Repair/replace Raab Park picnic tables near youth garden
- Asphalt Legion Park trail
- Legion parking lot railing replacement
- Raab Park stair replacement to trail
- Continuation of scheduled maintenance and routine repairs for all parks facilities

PARKS' EXPENDITURES:

The year 2010 repair and maintenance program will be a continuation of the 2009 program and will include the maintenance and repair associated with the City of Poulsbo Parks and open spaces. Expenditures for the year 2010 accounting period for repair and maintenance are estimated to be approximately $324,790.



PARKS' DEPARTMENT WORKLOAD MEASURES

Type of Measure	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Projected	2010 Projected
Number of parks, open spaces and trails maintained	16	16	16	17*	17	19**
Acres of parks/open space maintained	61	61	64	66.5*	66.5	68.5
Acres of parks mowed	4.5	12.5	12.5	13.5*	13.5	13.5
Vandalism/malicious mischief reports	10	10	10	15	10	10

*Indicated increase due to Centennial Park
**Indicates increases due to College Market Place

PARKS/OPEN SPACES TRAILS INCLUDED:

Liberty Bay Park	Lions Park	American Legion Park
Betty Iverson Kiwanis Park	Frank Raab Park	Wilderness Park
Austerbruin Park	Forest Rock Hills Park	Hattaland Park
Oyster Plant Park	Mitchusson Park	Centennial Park
Net Shed Vista Park	Poulsbo's Fish Park	Nelson Park – Caretaker maintained
County Road 59 Trail	Moe Street Trail	
Olhava Park #1 – coming 2010	Olhava Park #2 – coming 2010	

CEMETERY PROGRAM:

MISSION STATEMENT:

The mission of this program is to provide the continued maintenance and upkeep of the City of Poulsbo's Municipal Cemetery.

PROGRAM DESCRIPTION:

The program, under the direction of the Assistant Public Works Director, is responsible for the maintenance and upkeep of the municipal owned cemetery located on Caldart Avenue.

Activities include:

- Continue updating of cemetery records and maps including the sale of plots and burials.
- The sale of cemetery lots
- Plot locating and marking
- Maintenance and upkeep of the facilities including grave markers and grounds
- Assist the public and genealogy groups in records research and investigations
- Mowing and general site maintenance
- Update cemetery map as needed which is on CAD

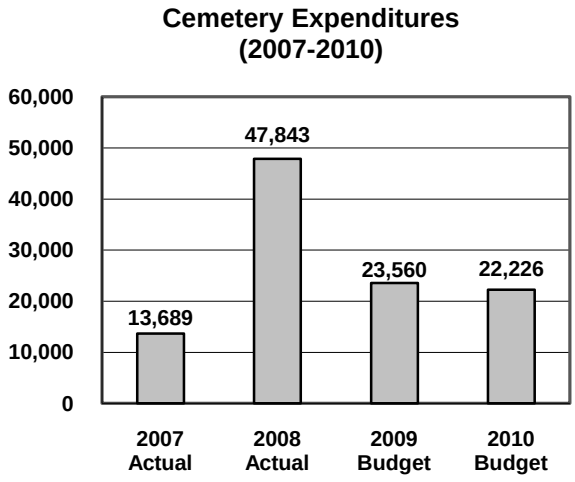
Revenues received from the sale of cemetery plots are recognized in Cemetery Reserves (Fund 314).

STAFFING:

Maintenance of the cemetery is accomplished utilizing fulltime and casual labor supervised by the Office Manager and the Assistant Public Works Director.

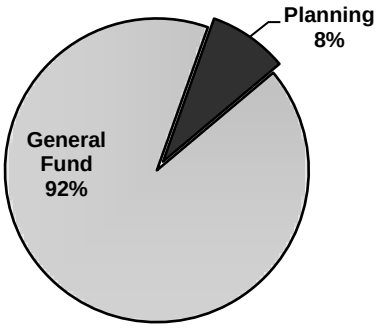
EXPENDITURES:

The year 2010 program will be a continuation of the year 2009 program and will include the administration, management and supervision of the department. Expenditures for the year 2010 accounting period for repair and maintenance are estimated to be approximately $22,226.



PARKS MAINTENANCE					
ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	2010 BUDGET	% CHANGE
SALARIES & WAGES	138,722	127,313	111,821	**111,253**	-1%
PERSONNEL BENEFITS	54,723	50,491	50,541	**49,898**	-1%
SUPPLIES	30,408	25,956	46,700	**41,750**	-11%
OTHER SERVICES & CHARGES	50,921	54,409	60,360	**55,568**	-8%
INTERGOVERNMENTAL SERVICES	2,731	2,731	2,731	**2,731**	0%
INTERFUND PAYMENT FOR SERVICES	51,059	158,620	66,086	**63,590**	-4%
TOTAL PARK MAINTENANCE	328,565	419,519	338,239	**324,790**	-4%

CEMETERY MAINTENANCE					
ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	2010 BUDGET	% CHANGE
SALARIES & WAGES	2,888	1,849	5,802	**5,249**	-10%
PERSONNEL BENEFITS	963	571	2,459	**2,337**	-5%
SUPPLIES	6	-	500	**500**	0%
OTHER SERVICES & CHARGES	-	-	100	**100**	0%
INTERGOVERNMENTAL SERVICES	15	30	12	**15**	25%
INTERFUND PAYMENT FOR SERVICES	9,816	45,392	14,687	**14,025**	-5%
TOTAL CEMETERY	13,689	47,843	23,560	**22,226**	-6%



PLANNING & BUILDING DEPARTMENT

Appropriations $836,489
FTE's – 8.45

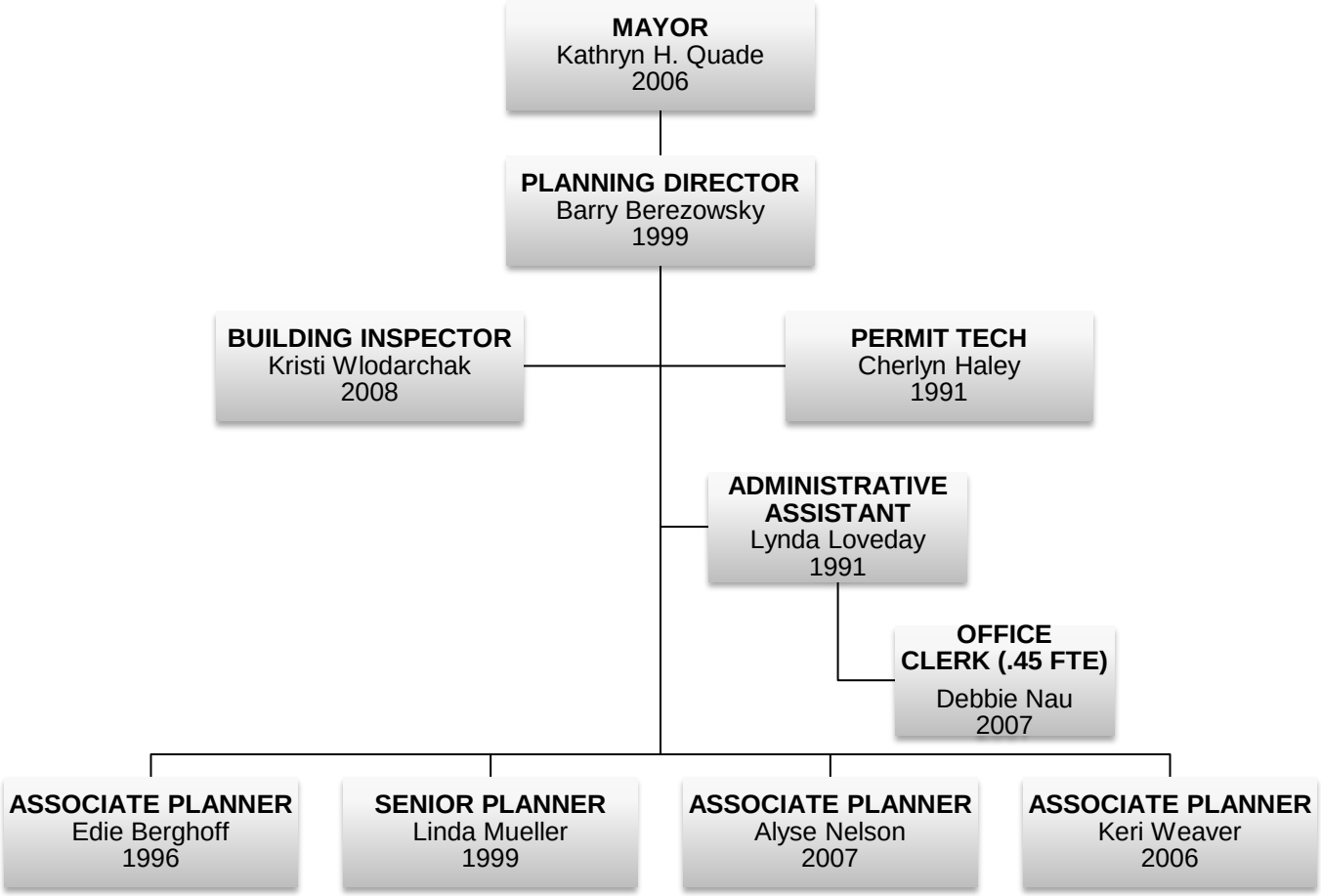
Mission Statement

Our mission is to provide our customers with excellent service, while serving the Poulsbo community – our client with the highest degree of professionalism. We accept responsibility to continually search for more effective and efficient ways to accomplish our job. We are proud of the City of Poulsbo and our job is to help the City accomplish its vision.

Public Works Committee:

Linda Berry-Maraist
Jeff McGinty
Dale Rudolph

THE ORGANIZATION OF THE PLANNING & BUILDING DEPARTMENT



Planning Dept Employee Longevity (9 Employees /8.45 FTE's)

Planning & Building Dept Section Staffing (FTE's)							
POSITION	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Planning Director	1	1	1	1	1	1	1
Senior Planner	0	1	1	1	1	1	1
Assoc Planner	2.75	2.5	3	3	3	3	3
Admin Assist	1	1	1	1	1	1	1
Office Clerk	0	0	0	0.45	0.45	0.45	0.45
Permit Technician	0	1	1	1	1	1	1
Building Inspector	0	1	2	2	2	1	1
TOTAL	4.75	7.5	9	9.45	9.45	8.45	8.45

PROGRAM DESCRIPTION/SERVICES:

The City of Poulsbo Planning and Building Department responds to issues regarding land development, population growth, environmental quality and building construction. A key focus of the department is the maintenance of the City Comprehensive Plan and implementing regulations in light of changes to State law and local issues. The department is also charged with enforcing the International Building Code. The department strives to build and maintain cooperative and productive relationships with both the private and public sectors.

The Planning and Building Department also participates in regional planning programs involving growth management and environmental issues. Other important functions of the department include: timely and thorough review of proposed development and construction projects, automated geographical mapping services, environmental protection, shoreline planning, community development, annexations, implementing and maintaining the City's new computer based permitting system and staff support to the City Council, City Planning Commission, Hearing Examiner and Design Review Board.

STAFFING:

The Planning and Building Department consists of 8.45 full time equivalent (FTE) positions. The staffing breakdown is as follows: one full time Associate Planner/GIS Analyst, two full time Associate Planners, one Senior Planner, one full-time Administrative Assistant, one part time office clerk, one full time Building Inspector, one full time Permit Technician, and the Planning Director/Building Official.

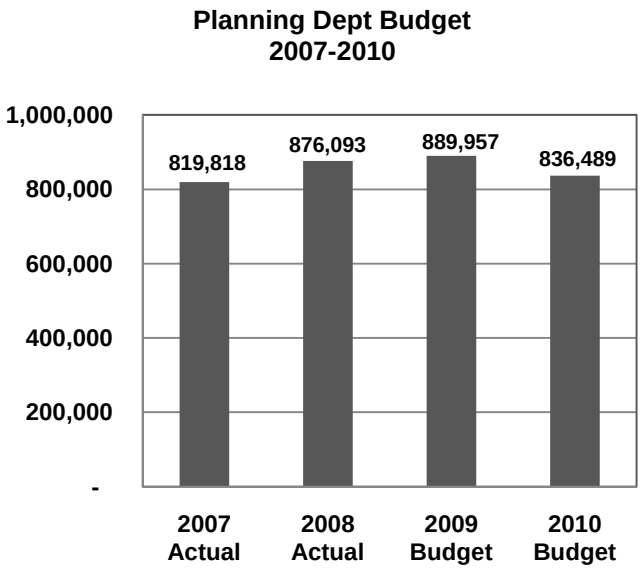
Due to a vacancy and a reduction in revenue and activity a building inspector position was eliminated in the 2009 budget.

The Planning and Building Department staff performs work in the following areas: ongoing administration of land development and building codes and ordinances, comprehensive planning, geographical information system, ordinance review and amendment, participation in regional growth management efforts, water quality planning, Endangered Species Act, and regional coordination.

2009 SUMMARY OF PROGRAM ACCOMPLISHMENTS:

- Maintained development review performance time lines for land use permit review. While the complexity of applications continues to increase – permit activity is down year-to-date, as are permitting fees.
- Planning Commission completed review of the City's new Comprehensive Land Use Plan and forwarded their recommended plan to the City Council for consideration.
- Worked with City Council for adoption of a new Comprehensive Plan.
- Approved Harrison Hospital's site plan for the construction of a cancer care facility on 10th Avenue.

- Approved the site plan for the new downtown City Hall.
- Commenced discussion with Kitsap County and Fire District 18 to consider entering into an inter-local agreement to facilitate annexation of the City's unincorporated urban growth area (UGA).
- Drafted new Urban Growth Area Agreement (UGMA) to replace current inter-local agreement with Kitsap County regarding joint planning and development review within the City's unincorporated UGA.
- Collaborated with the State Office of Financial Management in regards to updating the City's building permit records and population estimate. This included a hand count of all building permits issued over the past 10-years.
- Represented the Planning Department on the New City Hall Project Team.
- Completed the Downtown Parking Study funded by a $30,000 competitive grant from the CTED. Partially implemented by adding on-street parking to Front Street.
- Assisted the Engineering Department on various projects, as requested.
- Continued to work on implementing a new software system, which is fully integrated with the Financial Software accessible to all City Departments.
- Supported the Design Review Board on project review.
- Supported the Planning Commission on project review and updating the City's Comprehensive Land Use Plan.
- Continued to assist the Public Works and Engineering Departments during permit review for various public works projects, such as hydraulic permit assistance for the City's culvert clearing/maintenance program and the Bond Road pump station.
- Continued to assist the Parks and Recreation Department during project development and permit review for Fish Park and Centennial Park.
- Produced and distributed the monthly statistical report, including a new map showing project locations, helping to keep the public and officials up-to-date on department permitting activity.
- Continued to represent the City at KRCC Planning Director meetings and KRCC Policy Board meetings.
- Continued to coordinate with Kitsap County in reviewing development proposals in unincorporated Urban Growth Area (UGA).
- Continued to review building permits for compliance with conditions of approval and/or Poulsbo Municipal Code/Zoning Code.
- Continued to review business license applications for zoning compliance.
- Planning Director continued to represent Kitsap County cities on the Puget Sound Regional Council's (PSRG) Professional Tech Staff Committee.
- Continued to implement the International Code of Building Officials (ICBO).



Type of Measure	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Projected	2009 actual 7-31-09	2010 Projected
# of pre-applications	48	58	46	29	20	15	20
# of appeals	3	3	0	1	0	1	0
# of site plan reviews	24	12	19	14	15	4	15
# of preliminary plats *	5	7	7	1	5	3	5
# of short plats	24	7	0	3	5	4	5
# of shoreline permits	5	2	3	1	2	2	2
# of shoreline exemptions	0	0	2	2	0	0	2
# of SEPA checklists	25	24	27	14	29	11	27
# of variances	0	0	0	0	0	0	0
# of conditional use permits	4	2	3	4	2	2	2
# of home occupation permits	1	0	0	0	2	1	4
# of temporary use permits	3	1	0	0	0	0	0
# of comprehensive plan amendments	7	1	0	0	N/A	20 aps 13 fwd	5
# of PUD / PRD	2	5	3	0	7	2	3
# of final plats	1	6	4	1	3	0	1
# of administrative determinations	6	0	5	0	0	1	0
# of design reviews	11	13	16	10	15	6	10
# of other Planning Permits**	14	22	22	7	5	6	5
Total permits***	183	167	155	87	110	58	106
Zoning-Subdivision Revenue	$140,814	$167,456	$213,827	$86,933	$80,000	$93,980	$100,000

*Some plats are phased and therefore staff resources are needed to be committed over an extended time period. (i.e. Poulsbo Place; Olhava; Stendahl Ridge)

**Other Planning Permits include: accessory dwelling units, annexations, unclassified actions, critical area permit and non project grading and clearing permits.

***The Planning Department reviews every building permit prior to issuance for compliance with either conditions of approval and/or City Zoning standards.

Poulsbo, like most jurisdictions throughout the State of Washington and the Country has experienced a slowing of economic activity due to the "bursting of the housing ATM" bubble. As housing sales have slowed, so too has construction activity. While Poulsbo still continues to experience growth, the rate of growth has slowed to pre-2005 levels. While seen by some as a decline, others have defined this "retracing" a correction and if one takes out the unprecedented growth of 2005, 06 and 07 this opinion has merit. The following table illustrates the City's permit activity for both planning and building permits.

In light of the state of the national and local economy, the Planning and Building Department is requesting additional funds in the amount of $85,000 in professional services to ensure the City updates its development regulations to implement the revised Comprehensive Land use Plan and conducts a downtown visioning effort. These requests have been submitted as New Program Requests available in Section 8.

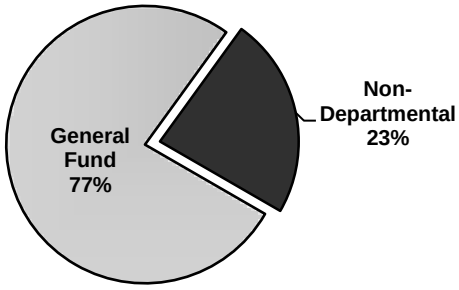
	Type of Measure	
	Number of Planning Permits	**Zoning-Subdivision Revenue**
2001 Actual	69	$16,575
2002 Actual	100	$31.171
2003 Actual	90	$29,263
2004 Actual	169	$64,441
2005 Actual	183	$147,230
2006 Actual	167	$169,299
2007 Actual	155	$212,026
2008 Actual	87	$86,933
2009 Projected / actual to 7-31-09	110 / 58	$80,000 / 93,987
2010 Projected	106	100,000

	Type of Measure	
	Building Permits Issued	**Building and Structure Permit Revenue**
2001 Actual	232	$163,360
2002 Actual	293	$214,413
2003 Actual	230	$140,000
2004 Actual	254	$204,354
2005 Actual	281	$292,128
2006 Actual	423	$349,813
2007 Actual	468	$658,389
2008 Actual	342	$336,281
2009 Projected/ actual to 8/17/09	300 / 147	$200,000 / $296,748
2010 Projected	250	$194,000

	Type of Measure
	CO's issued
01/01/09 to 08/17/09	42

PLANNING & COMMUNITY DEVELOP.					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	*2009 BUDGET*	***2010 BUDGET***	**% CHANGE**
SALARIES & WAGES	524,311	553,407	*526,837*	***533,262***	1%
PERSONNEL BENEFITS	175,378	195,941	*206,200*	***199,013***	-3%
SUPPLIES	14,398	11,364	*19,560*	***13,328***	-32%
OTHER SERVICES & CHARGES	105,730	115,380	*137,360*	***90,886***	-34%
TOTAL PLANNING	819,818	876,093	*889,957*	***836,489***	-6%

NON-DEPARTMENTAL



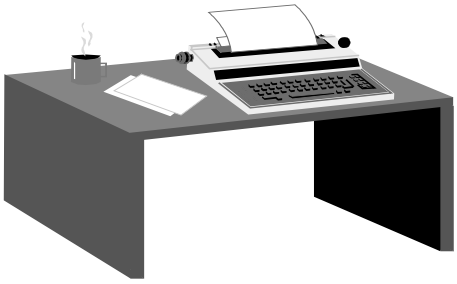
Audit Risk Management	$ 201,978♦	Natural Resources	$ 4,478♦
Legal	$ 254,535♦	Excise Taxes	$ 43,560♦
Employee Benefit Program	$ 3,395♠	Animal Control	$ 25,417♦
Other General Government	$ 7,983♦	Mental Health	$ 11,779♦
Fire Control	$ 61,000♦	Substance Abuse	$ 2,304♦
Detention and/or Correction	$ 72,480♦	Library	$ 105,015♦
Emergency Services	$ 12,805♦	Other Govt Svcs	$ 5,754♦
Communications	$ 120,024♦	Oper Transfers	$1,830,960♦
Employment Administration	$ 5,000♦		

Total Non-Departmental $ 2,768,467

Non-Departmental budgets represent those appropriations that are not department specific

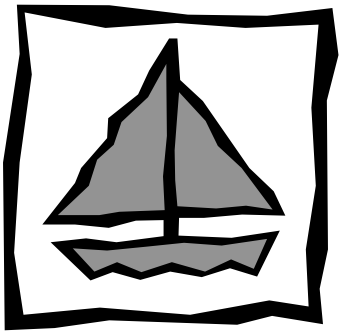
♦Finance/Administration Committee:

Becky Erickson
Connie Lord
Ed Stern



♠Community Services Committee:

Linda Berry-Maraist
Kimberlee Crowder
Connie Lord



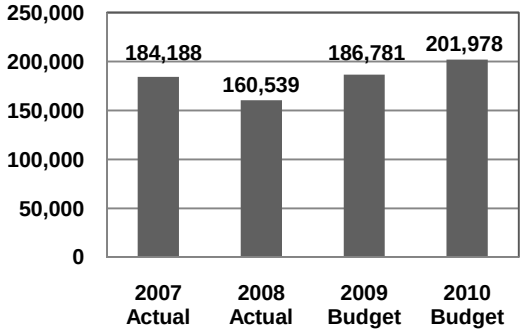
AUDIT/RISK MANAGEMENT:

The Risk Management budget is managed by the Finance Department and includes expenditures related to any audit service performed for the City and liability and property insurance costs.

The Washington State Auditor audits the City on an annual basis.

The City participates in the Association of Washington's Cities Insurance Risk Pool for liability and property insurance. In 1992, the City made the decision to change from insuring with a conventional type of insurance, to insuring with the pool. Since then the City has saved many thousands of dollars.

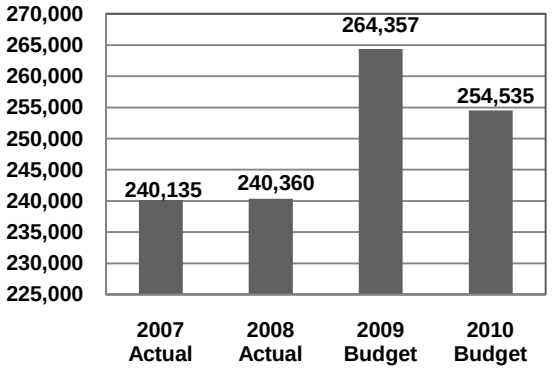
Audit/Risk Management Budget (2007-2010)



LEGAL:

This budget includes expenditures related to legal services. The City contracts with Ogden, Murphy, Wallace for general legal needs. Public Defender Services are contracted to Rovang and Associates. , an RFP will be issued in 2010 for a Public Defender to evaluate market cost and level of services. Prosecutor services are provided through a contract with the Kitsap County Prosecutor's Office.

Legal Budget (2007-2010)

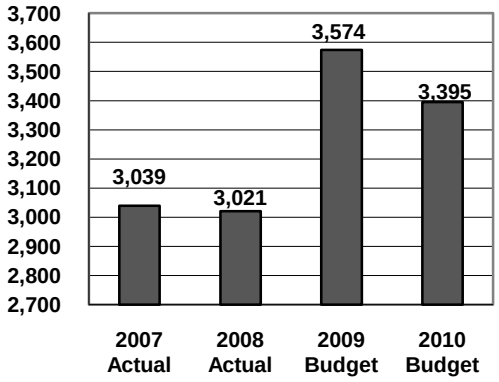


EMPLOYEE BENEFIT PROGRAMS:

The Employee Benefit budget is prepared and monitored by the Parks & Recreation Director. This budget supports the City's Wellness Program, which is governed by a committee of representatives from each City department. The committee develops, promotes and carries out policies, programs and activities aimed at preventing illnesses and injuries, and promoting better morale, reduced absenteeism, and enhanced productivity and performance among City employees.

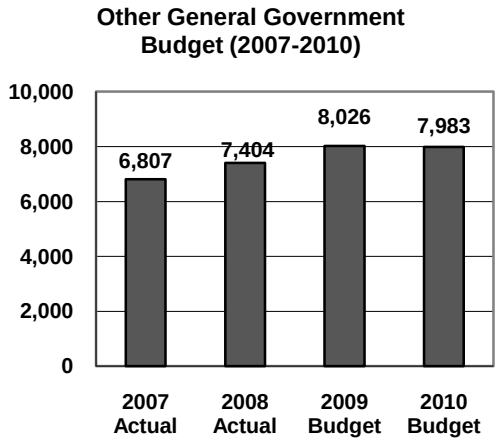
The City's Wellness Committee – through its Wellness Program - continues to create an environment supportive of positive health practices and lifestyle choices for its employees. The Wellness Program sponsors several educational activities such Wellness boards in every building with rotating health topics, the monthly newsletter "Hope Health", and Lunch and Learn presentations with subjects including Healthy Eating. Continued to support fitness activities at the pool and Recreation Center. Other morale building programs included the annual City Picnic in September, a holiday food drive for Fishline, an employee appreciation event in December, massages, and the Otter Pop and Hot Cocoa Brigade.

Employee Benefit Program Budget (2007-2010)



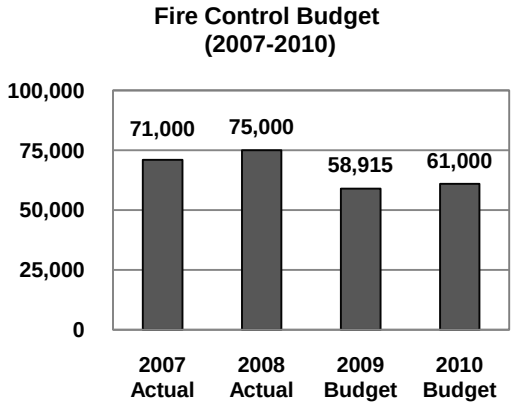
OTHER GENERAL GOVERNMENT:

This budget allocates funding for the Association of Washington Cities service fee and the Puget Sound Regional Council dues.



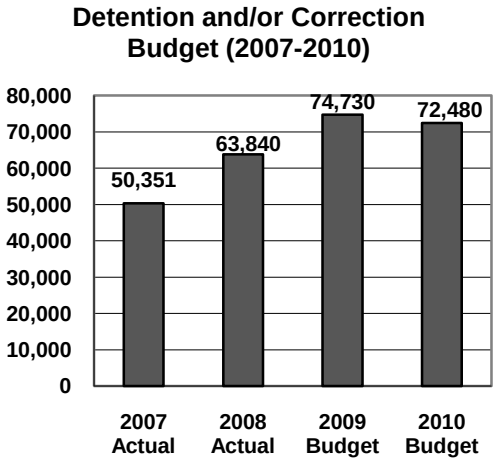
FIRE CONTROL:

A new agreement was negotiated in 2009 between the Poulsbo Fire Department and the City. This resulted in a net savings. The City will be paying a per inspection fee to better evaluate the level of service. Also, inspections for new construction will be collected as a fee and then passed through to the Fire Department.



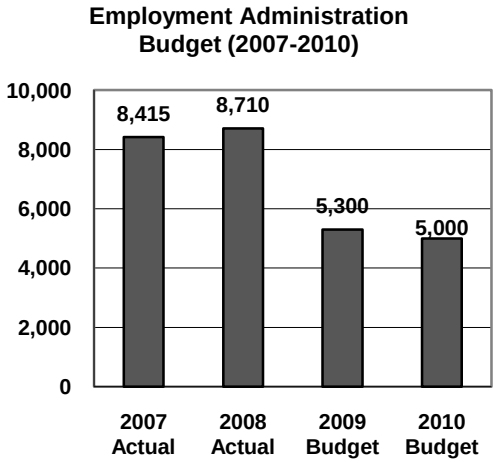
DETENTION and/or CORRECTION:

The City contracts with Kitsap County to provide incarceration services. In 2009 the contract increased to $80 per day. There is no increase for 2010. In 2008 the City signed a contract with the Forks jail to provide for any incarceration services which cannot be provided by Kitsap County.



EMPLOYMENT ADMINISTRATION

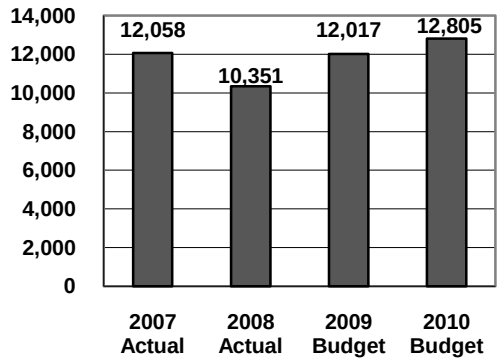
This budget funds a contract with Soundworks Employment Agency. They are a non profit agency providing job placement services. The amount has been reduced to a $5,000 contribution. The City provides an office for the agency to conduct business as the City's contribution for the services provided to the citizens.



EMERGENCY SERVICES:

This budget funds expenditures associated with emergency management, in particular, participation in Kitsap County's Department of Emergency Management Programs.

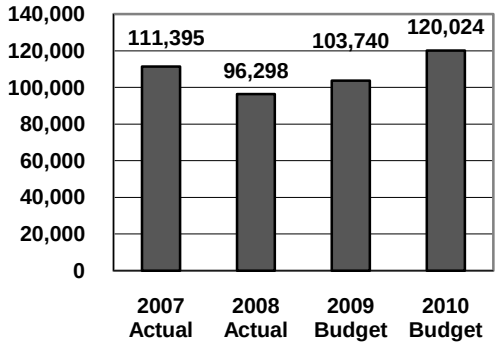
Emergency Services Budget (2007-2010)



COMMUNICATIONS:

This budget includes expenditures related to emergency 911-dispatch service, the City's centrex foreign exchange lines and the city's contract with Bremerton Kitsap Access Television to televise City Council meetings. Dispatch 911 service is contracted from Kitsap County CENCOM. The City maintains two centrex telephone lines that allow all departments to telephone and fax to the Seattle area toll free. Department specific telephone expenses are included with each individual department's budgets.

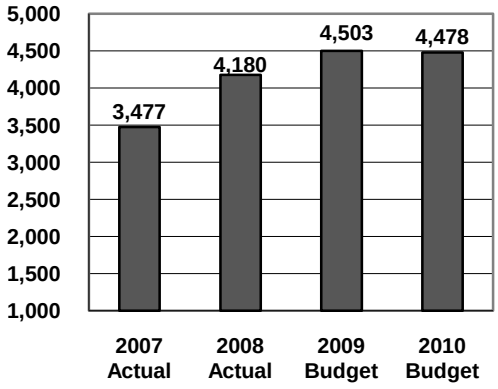
Communication Budget (2007-2010)



NATURAL RESOURCES:

The City contributes to the Puget Sound Air Pollution Control for maintenance of clean air in the Puget Sound Region as set forth by the terms of the Washington State Clean Air Act, RCW 70.94.093.

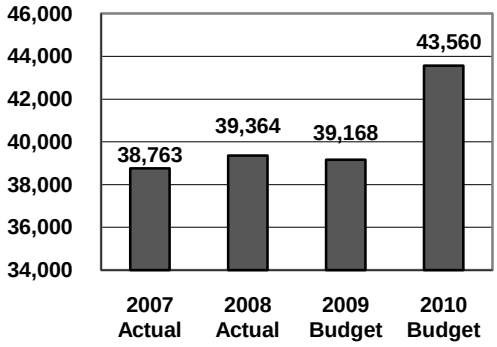
Natural Resources Budget (2007-2010)



EXCISE TAXES:

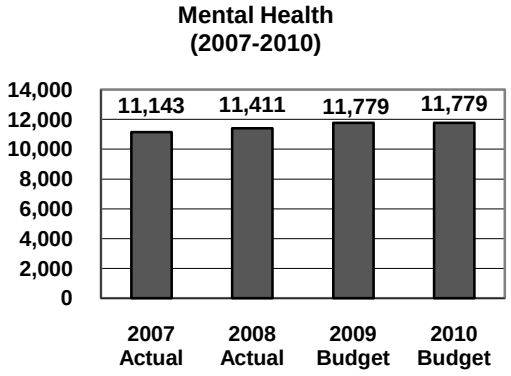
Washington State requires that excise tax be paid on the solid waste service charges recorded in the Solid Waste Fund 404. The taxes are transferred from the Solid Waste Fund to the General Fund for distribution.

Excise Taxes (2007-2010)



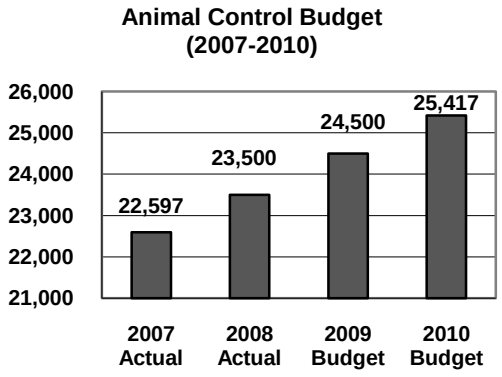
MENTAL HEALTH:

The City contracts with Kitsap County Health District to supplement the services they provide to the City.



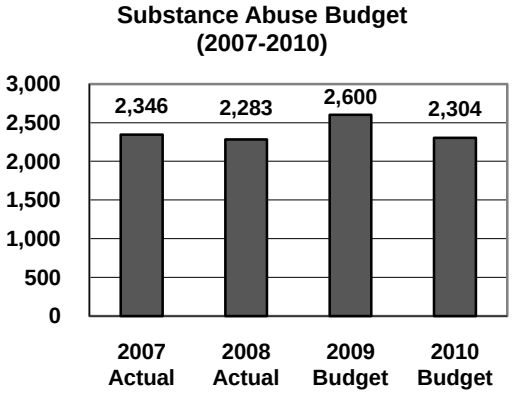
ANIMAL CONTROL:

The City contracts with Kitsap County Humane Society for animal control services. We have a five-year contract for these services.



SUBSTANCE ABUSE:

The City is required by State law to commit 3% of our revenues from liquor profits and liquor tax to this program. The City participates in Kitsap County's Substance Abuse Program.

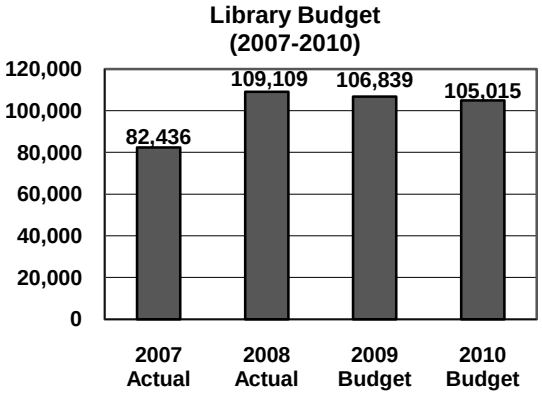


LIBRARY:

The City's library is a joint operation between the City of Poulsbo and the Kitsap Regional Library System. The City built and maintains the building while the Regional Library System provides the employees and media resources. This budget provides for janitorial and building maintenance along with utilities for the building.

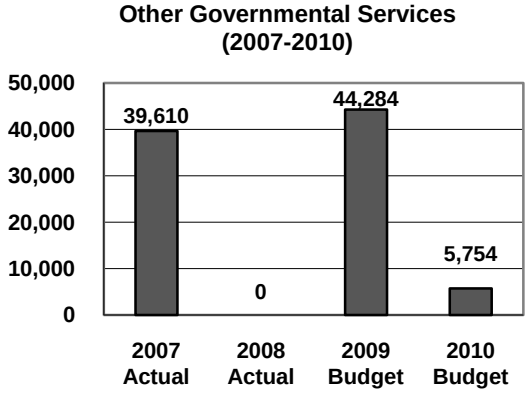
STAFFING:

Staffing associated with the Library maintenance function includes .6 fulltime equivalent (FTE) positions under the supervision of the Assistant Public Works Director.



OTHER GOVERNMENTAL SERVICES

This budget accounts for the amount of payment due to Kitsap County for revenue sharing. There have been several annexations over the past several years. As per the Interlocal agreement the County will receive a portion of the road tax over a ramping period for the annexations. The first year will be 75%, second year 50% and 25% the final year.

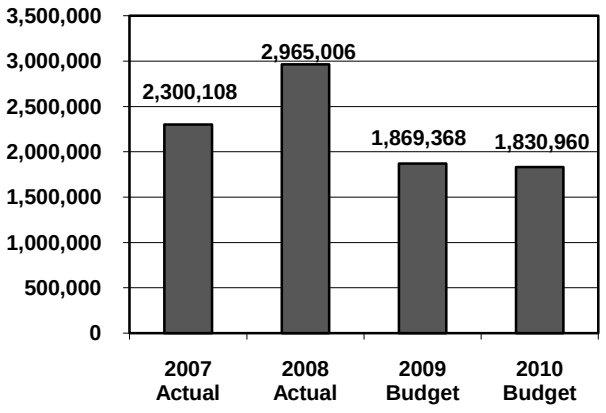


OPERATING TRANSFERS:

This budget includes routine or regular interfund operating transfers and transfers to City Reserves. The detail of transfers out is detailed in the chart below.

OPERATING TRANSFER SUMMARY	
GEN FUND TRANSFER TO FUND #	DETAIL OF TRANSFER
101	Transfer of 36% of property taxes revenue to the Street Fund
103	Transfer to the Recreation Activity Fund to support the Parks and Recreation Department
122	Transfer of 3% of sales tax revenue to the Revenue Stabilization Fund.
204	Transfer to Debt Service Funds for principal and interest payments for all government Debt Service payments
302	Transfer of 5% of property tax revenue to support the Park Reserve Fund
301/Capital Replacement	Transfer of 5% of sales tax revenue for replacement of Capital Equipment
301/New Programs	Transfer of 2% of sales tax revenue for Capital Equipment Acquisition for New Programs
311	Transfer of 5% of property tax revenue and property tax reserve to support the Street Reserve Fund

Operating Transfers' Budget (2007-2010)



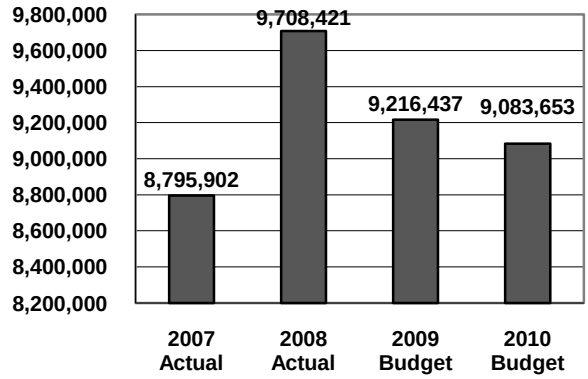
FUND BALANCE & RESERVES:

After closing the books from the previous year, any excess carryover dollars (those exceeding budgeted beginning balance) are used to consider unfunded Baseline Adjustment Requests and New Program requests. Excess dollars are then transferred into the City's Revenue Stabilization Fund (122).

TOTAL GENERAL FUND BUDGET SUMMARY:

GENERAL FUND SUMMARY	
Department/Section	Appropriations
Legislative	84,519
Executive	175,166
Finance	640,118
Personnel	122,435
Information Services	145,063
Municipal Court	373,310
Clerk	301,484
Central Services	330,556
Police	2,396,586
Engineering/Building	562,444
Cemetery	22,226
Planning	836,489
Parks	324,790
Non-Departmental	2,768,467
Total General Fund	***9,083,653***

Total General Fund Expenditures (2007-2010)



Section 4 - Special Revenue Funds (100's)

SPECIAL REVENUE FUNDS (100'S)

account for the proceeds for specific revenue sources that are legally restricted to expenditures for specific purposes.

SPECIAL REVENUE FUNDS SUMMARY

FUND #	FUND NAME	DESCRIPTION/USE
101	City Street	Maintenance and operations of street department
103	Recreation Activity	Provides recreational and instructional classes, preschool, community event planning, and administers development of park properties
121	Capital Improvement Fund	Revenue received from Real Estate Excise Tax used for expenditures associated with city's capital improvement plan
122	Cumulative Reserve/ Revenue Stabilization	Rainy-day fund to build reserves for revenue stabilization
123	Cumulative Reserve	Tracks traffic & sidewalk mitigation fees
131	Downtown Poulsbo/HDPA	Self assessed dues & expenditures on downtown businesses used for promotion and beautification of downtown area
141	Marine Science Center	Marine Science Center building debt payments and any necessary repair and maintenance
161	Paths & Trails Reserve	Fund receives a portion of state fuel tax revenue to be used for paths & trails expenditures
171	Drug Enforcement	Acquisitions acquired in drug related crimes which must be expended for drug enforcement related programs
181	Transient Occupancy Tax	Hotel/Motel tax received and expended on tourist related programs
191	Police Restricted Fund	Revenue received from various sources to be used specifically for law enforcement purposes.

FUND #	FUND NAME	BEGINNING BALANCE	TOTAL RESOURCES	TOTAL USES	ENDING BALANCE
101	City Street	387,037	955,191	1,137,682	204,546
103	Recreation Activity	8,000	692,888	672,664	28,225
121	Capital Improvement Fund	112,928	277,200	388,000	2,128
122	Cumulative Reserve/ Revenue Stabilization	1,690,000	99,000	414,342	1,374,658
123	Cumulative Reserve	93,875	550	40,000	54,425
131	Downtown Poulsbo/HDPA	20,382	40,000	44,854	15,528
141	Marine Science Center	35,345	250	32,628	2,967
161	Paths & Trails Reserve	8,660	1,002	0	9,662
171	Drug Enforcement	14,214	10,150	17,680	6,684
181	Transient Occupancy Tax	24,162	110,000	110,000	24,162
191	Police Restricted Fund	205,700	90,568	95,043	201,225

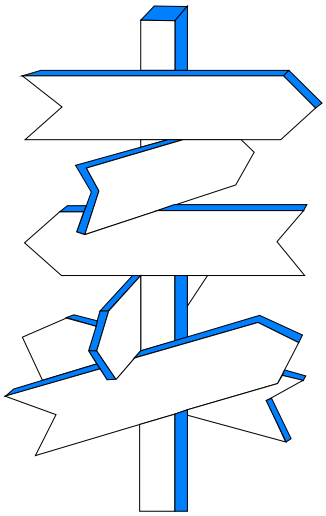
STREET FUND 101
Appropriations $1,137,682
FTE's 4.7

Mission Statement:

The mission of the Streets Department is to provide a safe, functional, efficient and aesthetic transportation system through efficient maintenance of and construction of improvement to the City's street, pedestrian corridors and bicycle routes for the citizens of Poulsbo to allow for the movement of people, goods and services in a safe, functional and efficient manner.

Public Works Committee:

Jeff McGinty
Linda Berry-Maraist
Dale Rudolph



STREET FUND (101) PROGRAM DESCRIPTION:

The Street Fund is a Special Revenue Fund providing for the repair and maintenance of the City's transportation system, which includes streets and right-of-ways, paths and trails, sidewalks and parking lots. Activities associated with the street programs are:

- **Street Maintenance and Repair:** maintenance and repair of the transportation infrastructure to include, roadways, right of ways, parking lots, sidewalks, trails, pedestrian corridors and traffic control devices
- **Emergency Response:** emergency response associated with snow removal, ice control and inclement weather conditions, including storm cleanup.
- **Routine Street Maintenance:** routine scheduled street cleaning and sweeping; painting of crosswalks, parking stalls, fog lines, no parking areas and curbing; installation of new street signs; asphalt pavement repair; and crack sealing and maintenance of existing signage and thermo plastic street markings.
- **Roadside Maintenance:** roadside and right of way maintenance and vegetation control
- **Ancillary Activities:** traffic control and cleanup associated with City of Poulsbo's special events to include, but not limited to, Viking Fest, Arts by the Bay, 3rd of July, Annual Street Dance and installation of lighting.
- **Street and Pedestrian Lighting**: installation and maintenance of street and pedestrian lighting

STAFFING:

The Street Maintenance program is staffed with 4.7 full time equivalent positions (FTE's) providing for the operation, maintenance and repair of the system. Staffing is under the supervision of the Public Works Foreman.

2009 Operation and Maintenance Program Highlights:

- Continuation of street sweeping program
- Assist with Viking Avenue Project
- Reconfigured parking stalls, removal of center line, repaint new stalls and center lines on Front Street
- Installation of stop signs, traffic revision signs and painting of new stop bars for TDM study
- Installed thermo plastic for most new stop bars and refresh various other locations
- Removed curbing and installed new temporary crosswalk at the Hostmark/Fjord/ 4th Ave/Lincoln
- Patching of selected "alligatored" areas
- Thermal plastic applications at various cross-walks/arrows
- Recycled approximately 100 yards of "snow" sand with local facility
- Performed routine scheduled maintenance and repair of streets, roadways, alleys, parking lots, sidewalks and trails
- Performed routine maintenance of roadsides and right of ways
- Continued maintenance and repair of traffic control devices and signage infrastructure
- Maintained city regulatory/guide signs
- Asphalt repair/sidewalk vegetation removal
- Supported various capital projects as needed
- Performed maintenance and cleaning of catch basins and street inlets to allow for the conveyance of surface and storm water and to prevent flooding.
- Continued pot hole/asphalt repairs and crack sealing and button replacement (on-going)
- Continued with annual striping program of parking stalls centerlines, fog lines and crosswalks
- Removed Centennial banners, readjust and repair banner arms before installing Viking Ship banners
- Pressure washed all the downtown sidewalks
- Installed military recognition Blue Star banners on Viking Ave
- Preparation of signs and barricades, place and remove cones for special events
- Installed and removed traffic counters at various locations for TDM study
- Ground down sidewalk trip hazards

2010 Operation & Maintenance Programs:

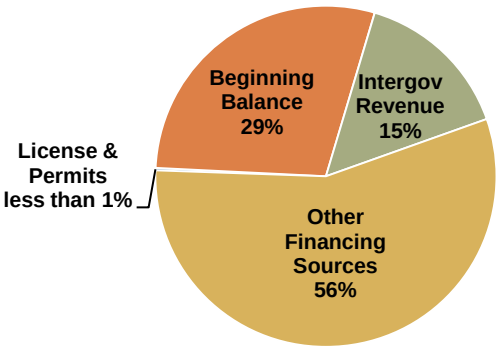
- Replace selected sections of sidewalks
- Repair concrete defects on Jensen Way
- Replace selected street asphalt as identified in the CIP
- Continue update of sign inventory
- Continue asphalt/crack seal program
- Continue button replacement program

- Continue torch-down striping placements /painting cross-walks
- Routine scheduled maintenance and repair of roadways, alleys, parking lots, sidewalks, trails and signage
- Expand ADA sidewalk access program to include more intersections
- Accomplish appropriate vegetation control where needed
- Replacement of oil absorbent pads in street storm water facilities
- Street sanding and snow removal as needed.
- Install handicap ramps/sidewalks at 5-way stop

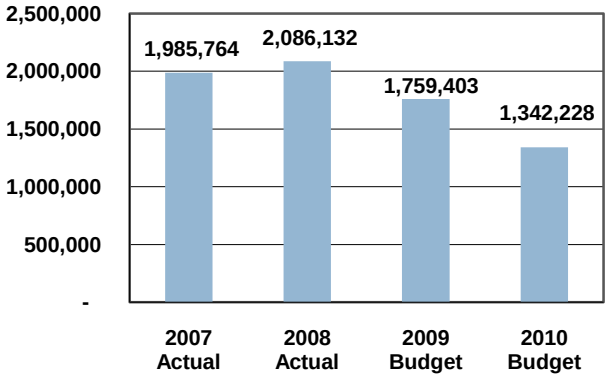
2010 REVENUES:

The Street Maintenance Fund (101) derives the majority of its revenues from operating transfers associated with revenue received from property taxes and real estate excise taxes. Revenue is also received from State Shared Revenue Gas Taxes. Revenues for 2010 are estimated to be approximately $955,191.

Street Fund Resources
Fund (101)
$1,342,228



Street Fund (101) Revenue
(2007-2010)



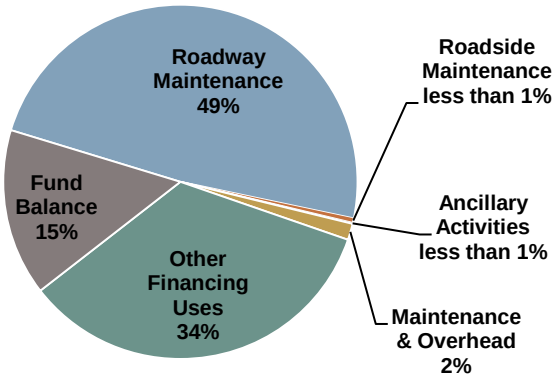
2010 EXPENDITURES:

Operation and Maintenance: The year 2010 operation and maintenance program will be a continuation of the 2009 program and will include the operation, maintenance and repair of the City's transportation systems. Operations and maintenance expenditures for year 2010 are estimated to be approximately $892,912.

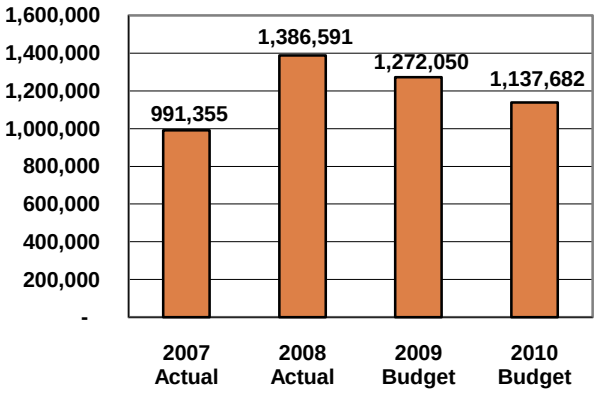
Debt Service: Debt Service expenditures for year 2010 from the 101 Fund are estimated to be approximately $244,770. These funds are transferred to the Debt Service Funds for the debt payments.

Additionally, it has been a goal of the City to transfer 5% of the revenue into the City Street Reserve Fund (311) and 5% into the City Street Equipment Reserve Fund (321).

Street Fund Uses
Fund (101)
$1,137,682



Street Fund (101)
Expenditures & Operating Transfers
(2007-2010)



STREET DEPARTMENT WORKLOAD MEASURES						
Type of Measure	**2005 Actual**	**2006 Actual**	**2007 Actual**	**2008 Actual**	**2009 Projected**	**2010 Projected**
# of street signs maintained	1805	1875	2174	2174	2210	2210
Miles of sidewalks	41.76	43	47.3	48	48	49
Miles of shoulders (grass, gravel, ditches, bike paths, R/W)	34	36	42	42	44	44
Miles of streets maintained	37	39	45.3	45.3	47	48
Hours spent street sweeping*	490	546	550	468	480	500
Hours snow plowing/sanding	--	--	--	380	100	100

*Note: On average, we sweep city streets 3 days per week, 3 hours per day

STREET FUND RESOURCES (FUND 101)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	2010 BUDGET	% CHANGE
BEGINNING BALANCE	995,123	1,014,119	686,055	***387,037***	-44%
LICENSE & PERMITS	6,625	4,750	3,000	***3,000***	0%
INTERGOVERNMENTAL	125,121	174,126	182,617	***200,389***	10%
CHARGES FOR SERVICES	-	-	-	**-**	0%
MISCELLANEOUS	37,187	28,338	-	**-**	0%
OTHER FINANCING SOURCES	821,708	864,799	887,731	***751,802***	-15%
TOTAL STREET FUND RESOURCES	1,985,764	2,086,132	1,759,403	***1,342,228***	-24%

CITY STREET USES (FUND 101)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	2010 BUDGET	% CHANGE
SALARIES & WAGES	211,104	265,861	281,424	***285,398***	1%
PERSONNEL BENEFITS	75,669	99,346	117,621	***115,834***	-2%
SUPPLIES	50,959	47,189	73,100	***65,485***	-10%
OTHER SERVICES & CHARGES	189,061	217,995	231,980	***217,346***	-6%
INTERGOVERNMENTAL SERVICES	10,170	10,493	15,000	***15,000***	0%
INTERFUND SERVICES P/W ADMIN	153,273	339,623	353,335	***193,849***	-45%
OTHER FINANCING USES	281,119	406,083	199,590	***244,770***	23%
FUND BALANCE	1,014,409	699,541	487,353	**204,546**	-58%
TOTAL STREET FUND USES	1,985,764	2,086,132	1,759,403	***1,342,228***	-24%

RECREATION ACTIVITY FUND (103)
Parks and Recreation Department

Operating Appropriations $672,664
FTE's - 6.62

Mission Statement:

The mission of the Parks and Recreation Department is to promote the quality of life by serving the community's needs for quality and affordable educational and recreational programs, parks and services to all residents and visitors.

Recreation Programs **Learn and Grow Preschool** **Sports Programs**

Park Acquisition & Development **Park Rentals** **Urban Forestry**

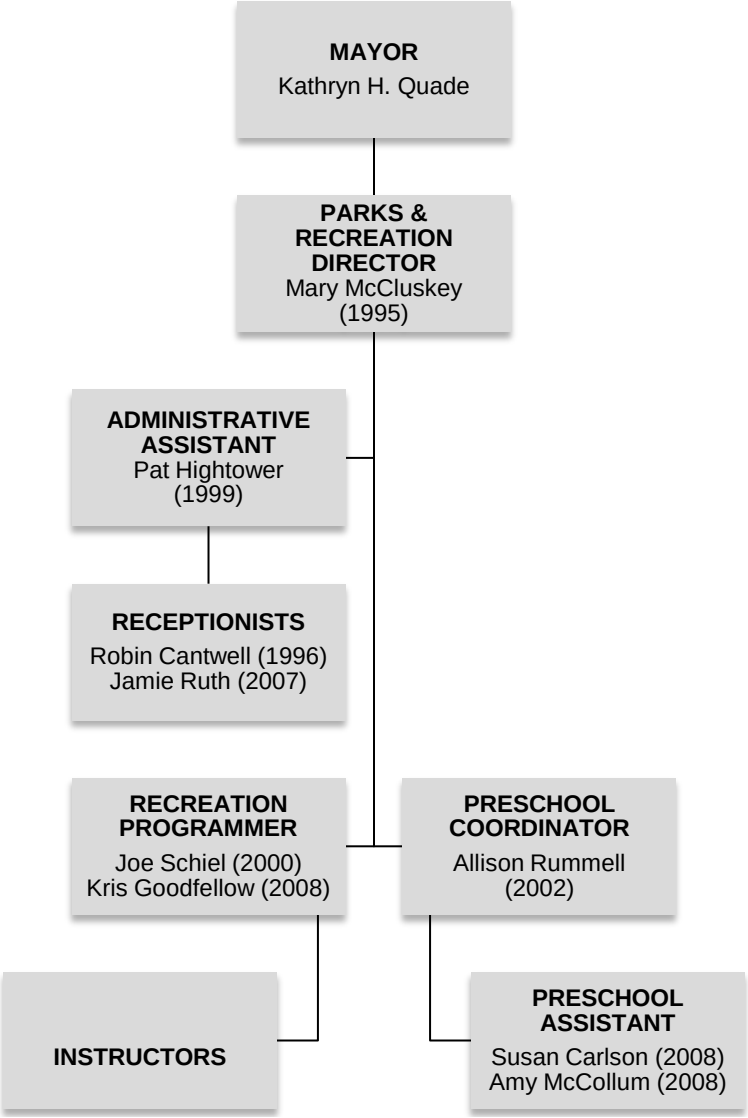
Community Partnerships **Special Events**

Hotel-Motel Tax Projects

Community Services Committee:

Linda Berry-Maraist
Kimberlee Crowder
Connie Lord

THE ORGANIZATION OF THE PARK & RECREATION DEPT



Parks & Recreation Dept Employee Longevity
(9 Employees/6.72 FTE's)

Parks and Recreation Section Staffing (FTE's)					
POSITION	*2006*	*2007*	*2008*	*2009*	*2010*
Park & Rec Dir	1	1	1	1	1
Preschool Coordinator	1	1	1	.9	.9
Administrative Assistant	1	1	1	1	1
Recreation Programmer	1	1.5	1.5	1.5	1.5
Preschool Assistant	0.62	0.62	0.62	.62	.62
Receptionist	1.2	1.7	1.7	1.6	1.6
TOTAL	*6.32*	*6.82*	*6.82*	*6.62*	*6.62*

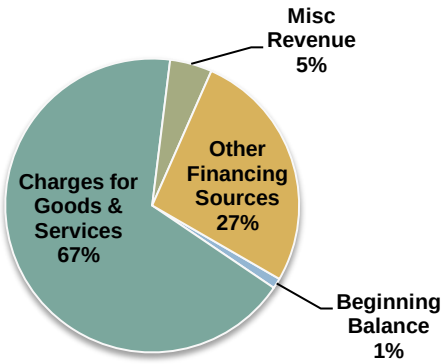
FUND CREATION:

In 1995, the City created the first Recreation Department in the General Fund. In 2000, the Parks and Recreation changed from the General Fund into the "Recreation Activity Fund (103)".

FUND RESOURCES:

The fund receives its funding from four sources; user fees charged to class participants, user fees charged to pre-school students, rent revenue, and a subsidy from the General Fund (001). This subsidy covers wages for the director and the administrative assistant, and benefits for a fulltime Recreation Programmer. User fees cover about 78% of all expenses.

Recreation Activity Fund Resources
Fund (103)
$700,888



STAFFING:

The department has two divisions: Administrative and Recreation Programs. There are 6.62 FTEs.

Administrative:

The Parks and Recreation Director performs a variety of professional and administrative work in planning, developing, scheduling, directing and implementing a year-round, city-wide parks and recreation program, obtains grants for park acquisition and development, and staffs the Poulsbo Tree Board, Poulsbo Park and Recreation Commission, and the Hotel-Motel Tax Advisory Committee. The office is managed by the **Administrative Assistant** who supervises the **receptionist** staff and the daily operations of the office.

***Recreation Programs*:**

Two Recreation Programmers lead the development, implementation and evaluation of recreation programs for all age groups, concentrating on sports, adventure, camps, and special events. They hire a variety of **part-time instructors, recreation aides and independent contractors to implement the programs.**

The Preschool Coordinator develops, implements and evaluates programs for preschool aged children, and teaches in the Learn and Grow Preschool. This position supervises the part time Preschool Assistant. Prior to 2009 the Preschool Coordinator was a shared position. When a coordinator resigned the remaining coordinator took over the duties of the coordinator and reduced the hours to a .9 fte.

PROGRAM DESCRIPTION and SERVICES

Recreation	Parks	Other
Primary provider of recreation programs in Poulsbo and North Kitsap	Process reservations for individuals and organizations that use the gazebo or picnic shelters at three city parks	Partnerships with other agencies and organizations to provide community programs.
Planning and implementation of community-wide special events	Process sign requests for the two community signs	Staff support for the Poulsbo Parks and Recreation Commission, Poulsbo Tree Board and Poulsbo Trails Committee and their related activities.
Operation and oversight of the Learn and Grow Preschool	Grant research and implementation for parks, recreation and open space improvements.	Participation and involvement with other countywide recreation service providers and knowledge of what is going on throughout the county.
Volunteer management in many areas including parks, recreation and special events	Capital acquisition and development of city parks	Staff support for the Lodging Tax Advisory Committee and the special funding projects.

RECREATION PROGRAM:

2009 RECREATION PROGRAM ACCOMPLISHMENTS:

The Parks and Recreation Department not only provides a variety of recreation programs for the citizenry, but continues to build community relationships with a variety of agencies, businesses, non-profit organizations, and individuals. Our main goals include:

1) Providing citizens with a variety of enjoyable leisure opportunities that are accessible, safe, well organized, physically attractive and well maintained. Recreation programs are often trendy, and programs are created through citizen request or have proven popular elsewhere.

2) Offering elementary and middle school classes immediately after school so that children don't have to find transportation back to a program continued in 2009. By working with the building principals, plans call for more programs.

3) Strengthening the relationship with the North Kitsap School District allowing community access of buildings, fields, and some shared maintenance. Staff enjoys open lines of communication with the maintenance and facilities departments, as well as the school district administration. Since the school district owns the majority of facilities that are used for community recreation programs, it is important to keep working together for the community.

The school district opened a new high school in 2007, including a synthetic turf field. The City of Poulsbo also contributed to synthetic turf at the North Kitsap High School and Strawberry Multi-Use Fields. These fields allow additional opportunities for practices in the winter months. Improvements at Vinland Elementary School were also made in 2008.

4) Staying involved with other countywide agencies including the Ports of Kingston and Poulsbo, WSU Master Gardener Foundation, Kitsap Public Facilities District, Kitsap County Parks and Recreation, local service clubs including the Poulsbo Lions and Rotary Clubs, as well as local youth athletic organizations is vital. Relationships with these departments and organizations are important in the department's success in service to the community.

2010 RECREATION ISSUES:

The ups and downs of the economy has definitely affected the parks and recreation department, but without a high level of panic. The attitude is that we must put out a good product, and people will sign up for classes that they want to spend their discretionary dollars.

The department continues to be the primary provider of recreation programs in North Kitsap. The programs are created based upon perceived need, client requests, and instructor availability. Department staff members monitor

the program trends throughout the state and country, and try to create programs that will be both successful and fun. The programs pay all direct costs including the instructor, room fee, and supplies. In addition, a 30% fee is assessed for administrative/overhead costs. This is up slightly from 2009.

The re-design of the city's website has been a big project, one which will benefit the parks and recreation department. It is a usable tool that will encourage citizens and program users to utilize on a regular basis.

The City of Poulsbo does not own any ball fields or gyms, but continues to have a good working relationship with the school district in using their developed fields. Quarterly payments by parks and recreation to the school district for use of these facilities continue to rise, thus adding to the bottom line cost of the class. Park improvement funding and development dollars is very competitive, but the City will continue to look at all funding opportunities.

In 2009, the City of Poulsbo negotiated the purchase of the Recreation Center with a closing anticipated in 2010, from the Kitsap County Consolidated Authority. The building will continue to be used to its fullest capacity for the community. The building is old, but will provide a solid home base for recreation programs and staff until a newer facility can be built. In addition to being used for recreation, the city will lease other space in the building to help cover the annual payments.

In 2000, Kitsap County created the Kitsap Public Facilities District, a group assessing the status of recreational facilities and opportunities in the county. The City will continue to work with that board in assessing facility needs in North Kitsap. The master plan for the North Kitsap Regional Events Center was completed in 2006. Phase 1 was completed in 2008, and included the renovation of two grass fields into synthetic turf. An indoor facility or recreation center is also on the plan. This partnership includes public agencies, private businesses, service organizations, and citizens.

The sailing program at the Port of Poulsbo and the Port of Kingston continues to thrive. These programs are successful because of strong ties with both ports, and the volunteerism of many local sailing enthusiasts. The program is facing some major decisions with regard to aging equipment. Many boats are older, and in need of replacement and/or repair.

In 2010, the department will continue to address a high quality level of service, with programs for all age groups from preschool to adult. This includes gymnastics, ballet, dance, music, art, foreign language, cooking, science, gardening, sports leagues, sailing, and boating. After school programs have been slow in catching on, but the hope is that more people will use these opportunities in 2010. The programs that have continued to have the highest number of registrations include adult and youth sports such as softball, soccer, and basketball.

Senior Excursions are very popular for the "over 50" crowd, providing passive but fun recreation. These excursions utilize a 15 passenger van, which is driven by a committed crew of volunteers.

The Learn and Grow Preschool remains a successful and popular pre-school for ages 2-5. 66 children fill the five classes during the 9-month school year.

Community wide special events are scheduled throughout the year. The regular events that have found a place in our community include Hip Hop Basketball tournament each January; Daddy-Daughter Dance in February; Easter Candy Hunt in April; Viking Fest Road Race in May; summer concert series during July and August; a Recreation Center Open House in September, and a preschool "Spooktacular" event in October. Local service organizations and businesses help support these events through sponsorships.

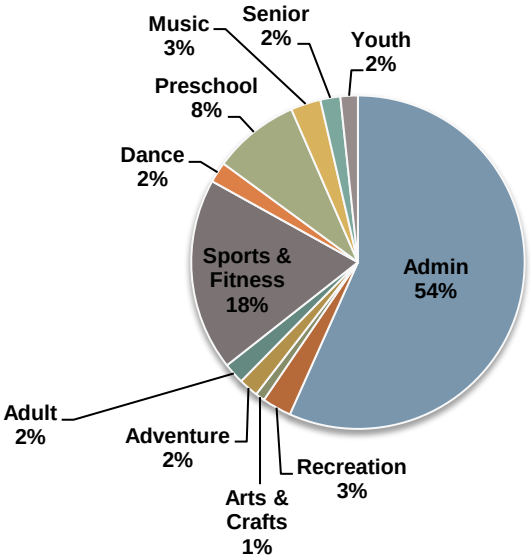
2010 REVENUE SOURCES:

User fees make up about 75% of the operating funds for the department. (User fees collected include class fees, building rentals, and donations.) The other 25% comes from the General Fund.

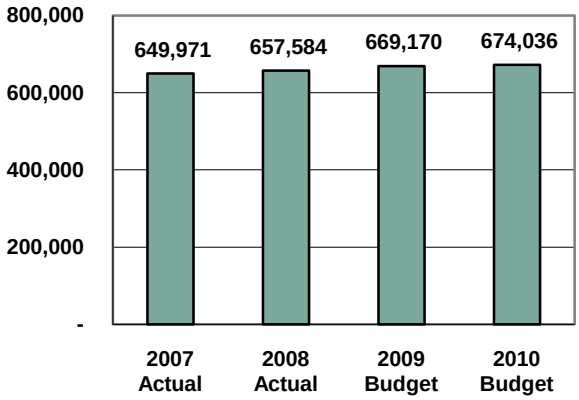
Parks and Recreation: Performance Measures

Performance Measure	Type	Measurement
Response to Citizen Requests and Complaints	Effectiveness	100% within 24 hrs
Prompt processing of sign/park permits	Efficiency	100% within 2 weeks (ordinance states 30 days)
# of Sign Permits	Workload	104 annually
# of Shelter Permits	Workload	120 annually
# of Senior Trip Registrations	Workload	650 registrations
# of Class or Program Cancellations	Workload	Determine 2009 class cancellation % in order to improve in 2010
Maintain 98% capacity in the Learn & Grow Preschool	Workload	Maintain 65 of 66 spots available during the school year
Grant Applications	Workload	Submit at least 5 during 2010
Program Related Expenses	Workload	Recover 100% direct/indirect expenses

Recreation Fund Uses
Fund 103
$704,624



Recreation Activity Fund Expenditures (2007-2010)



RECREATION ACTIVITY FUND RESOURCES (FUND 103)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
BEGINNING BALANCE	14,841	6,830	7,011	***8,000***	14%
CHARGE FOR SERVICES	470,650	472,562	435,000	***473,000***	9%
MISCELLANEOUS	15,978	24,242	29,600	***32,500***	10%
OTHER FINANCING SOURCES	155,324	161,006	200,124	***187,388***	-6%
TOTAL RECREATION ACT RESOURCES	656,793	664,640	671,735	***700,888***	4%

RECREATION ACTIVITY FUND USES (FUND 103)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
SALARIES & WAGES	362,570	370,316	374,005	***381,212***	2%
PERSONNEL BENEFITS	72,267	83,878	102,119	***100,462***	-2%
SUPPLIES	38,489	35,279	38,761	***42,761***	10%
OTHER SERVICES & CHARGES	172,248	163,951	150,285	***145,229***	-3%
INTERGOVERNMENTAL	4,398	4,159	4,000	***3,000***	-25%
OTHER FINANCING USES	-	-	-	**-**	0%
FUND BALANCE	6,822	7,056	2,565	**28,225**	1001%
TOTAL RECREATION ACTIVITY USES	656,793	664,640	671,735	***700,888***	4%

CAPITAL IMPROVEMENT FUND (121)
DESCRIPTION:

Capital Improvement Fund was established to Tax (receive all proceeds of the Real Estate Excise REET) disbursed to the City. The first quarter percent (1/4%) shall be accumulated from year to year, and may be expended at such time as the City Council shall direct for the purposes of making capital improvements for the public benefit. Revenues generated from the first quarter percent REET shall be used solely for financing capital projects specified in the Capital Facilities Plan element of the Comprehensive Plan. Capital projects include public works projects 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 and judicial facilities, etc.

The second quarter percent (1/4%) of REET is transferred into the City Street Fund to be used for street maintenance and operations. The fund can also be used for capital projects, including public works projects 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.

FUND RESOURCES:

As previously stated, the majority of this fund's revenue is derived from real estate excise tax (REET). This is a tax levied on each sale of real property within the City. The tax is collected at the rate of one-quarter (1/4) of one percent (1%) of the selling price of the property. The tax is collected in two parts referred to as simply "the first one quarter percent (1/4%) REET" and "the second one-quarter percent (1/4%) REET". The County Treasurer collects the tax at the time of property closing and disburses the tax back to the City.

This revenue is very difficult to estimate, as it is solely dependent on the number of real estate sales within any year. With the economic downturn in 2009, the revenue stream is seeing a dramatic decrease estimated to be 60% less than the prior year. 2010 revenue projections are reflecting a 53% decrease from 2009 projections,

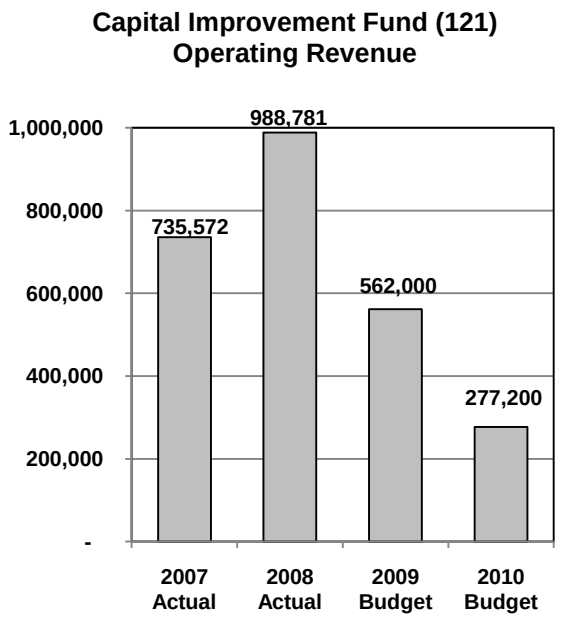
EXPENDITURES:

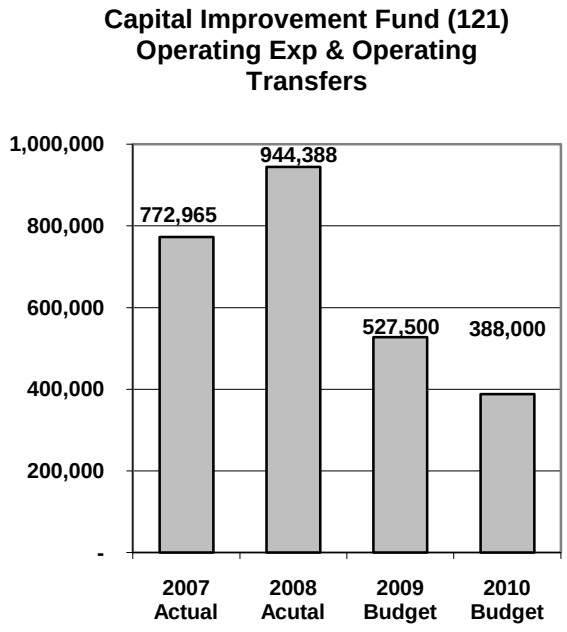
The Capital Improvement Plan (CIP) Committee is chaired by the Mayor and includes three council members. The role of the Committee is to consider and make recommendations on the city's capital improvement needs. The committee has two functions: strategic planning and finance/budget. Strategic planning will deal with very long-term policy planning, including capital improvement planning as part of the city's comprehensive plan. Finance/budget will deal with short-term planning which falls under the budget process (including capital improvement projects), with capital improvement projects being reviewed by individual committees, then reviewed by the Finance/Administration committee, and finally forwarded with recommendations to the full Poulsbo City Council.

The "City Improvement Plan", as it has been titled, has been updated to be part of the 2010 Budget process.

- The City will transfer the first one-quarter percent (1/4%) of REET to the Debt Service Fund (204) to help fund the City Hall Debt Service. ($250,000)

- The City continues to transfer the second one-quarter percent (1/4%) of REET to help support the Street Fund (101). ($138,000)





CAPITAL IMPROVEMENT FUND RESOURCES (FUND 121)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
BEGINNING BALANCE	640,617	1,037,076	223,428	***112,928***	-49%
TAXES	718,264	934,372	555,000	***276,000***	-50%
MISCELLANEOUS	17,308	54,409	7,000	***1,200***	-83%
OTHER FINANCING SOURCES	-	-	-	**-**	0%
TOTAL CAPITAL IMPROV RESOURCES	1,376,188	2,025,857	785,428	***390,128***	-50%

CAPITAL IMPROVEMENT FUND USES (FUND 121)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	2009 BUDGET	***2010 BUDGET***	**% CHANGE**
OTHER FINANCING USES	772,965	944,388	527,500	***388,000***	-26%
FUND BALANCE	603,223	1,081,469	257,928	**2,128**	-99%
TOTAL CAPITAL IMPROVEMENT USES	1,376,188	2,025,857	785,428	***390,128***	-50%

CUMULATIVE RESERVE/REVENUE STABILIZATION FUND (122)

DESCRIPTION:

The purpose of this fund is to provide monies for the stabilization of revenues in the event of a revenue shortfall and in order to meet unanticipated expenditures incurred in connection with further operations.

The monies may be allowed to accumulate from year to year until the City Council determines to expend the monies for the purposes specified in the Poulsbo Municipal Code. The monies shall never be expended for any other purpose without a 2/3 approval vote of the City Council.

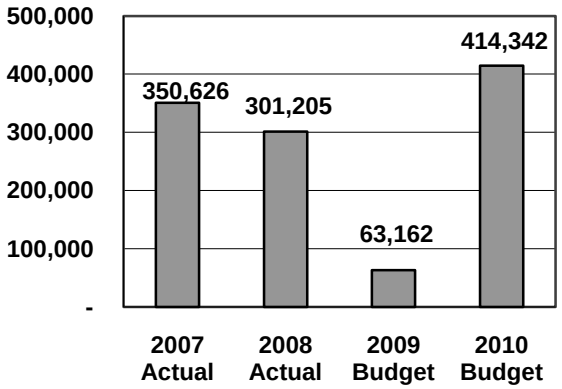
FUND RESOURCES:

The City transfers 3% of sales tax revenue received in General Fund to the Revenue Stabilization Fund. If the General Fund has an actual Beginning Balance (carryover) larger than anticipated, the excess is transferred to this fund. Due to revenue declines in the General Fund, the 3% transfer of sales tax was not transferred but remained in the General Fund for 2009. It is projected to again transfer the 3% in 2010.

EXPENDITURES:

- Operating transfer of $2 per capita ($17,710) to the Park Reserve Fund (302) to support the "Tree City USA" program.
- Transfer to stabilize the General Fund (001) and fund Baseline Adjustment Requests (BARS) and New Program Requests

Cumulative Reserve Fund (122)
Expenditures & Operating Transfers
(2007-2010)



CUM RESERVE/REVENUE STABILIZATION RESOURCES (FUND 122)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
BEGINNING BALANCE	886,855	1,037,076	1,724,651	***1,690,000***	-2%
MISCELLANEOUS	38,227	54,409	18,000	***15,000***	-17%
OTHER FINANCING SOURCES	462,620	934,372	-	***84,000***	0%
TOTAL CUM RES/REV STBL RESOURCES	1,387,702	2,025,857	1,742,651	***1,789,000***	3%

CUM RESERVE/REVENUE STABILZATON USES (FUND 122)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
OTHER SERVICES & CHARGES	-	-	-	**-**	0%
OTHER FINANCING USES	350,626	301,205	63,162	***414,342***	556%
FUND BALANCE	1,037,076	1,724,652	1,679,489	**1,374,658**	-18%
TOTAL CUM RES/REV STAB USES	1,387,702	2,025,857	1,742,651	***1,789,000***	3%

CUMULATIVE RESERVE FUND (123)
PROGRAM DESCRIPTION:

The purpose of this fund is to track revenue and expenditures associated with traffic mitigation fees. Developers are assessed impact fees based on the impact their projects are estimated to have on the flow of traffic in the area near the project.

Commercial fees must be paid prior to the issuance of the building permit, and residential fees at time of final plat approval. Fees are used to support street improvements in the area of the specific project.

FUND RESOURCES:

As previously stated, this fund's revenue is derived from fees assessed to developers. This revenue is difficult to estimate as many variables can delay or halt a project. For this reason revenue for this fund is rarely budgeted. Instead revenue is usually recognized when received.

EXPENDITURES:

A transfer to Street Reserve (Fund 311) for the Noll Road Project in 2010 is projected. ($40,000)

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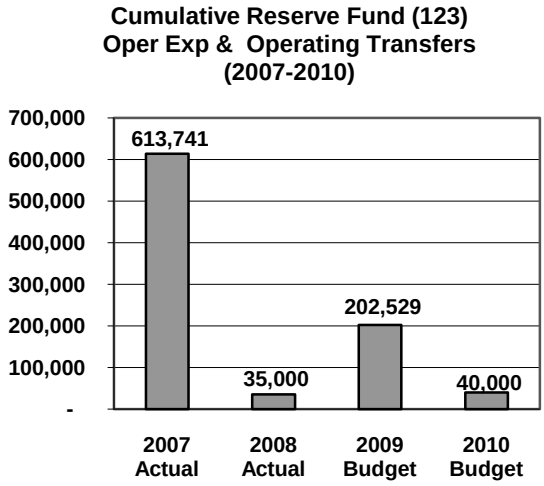


CUMULATIVE RESERVE FUND RESOURCES (FUND 123)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
BEGINNING BALANCE	741,837	202,100	215,348	***93,875***	-56%
CHARGE FOR SERVICES	83,837	44,428	-	**-**	0%
MISCELLANEOUS	24,694	3,821	2,200	***550***	-75%
TOTAL CUM RESERVE RESOURCES	850,367	250,349	217,548	***94,425***	-57%

CUMULATIVE RESERVE USES (FUND 123)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
OTHER FINANCING USES	613,741	35,000	202,529	***40,000***	-80%
FUND BALANCE	236,626	215,349	15,019	**54,425**	262%
TOTAL CUMULATIVE RESERVES USES	850,367	250,349	217,548	***94,425***	-57%

HISTORIC DOWNTOWN POULSBO ASSOCIATION FUND (131) DESCRIPTION:
In 1988, business owners in the downtown area, with the cooperation of the City, formed a Business Improvement Area Association (BIAA). This organization, dedicated to the beautification and promotion of historic downtown Poulsbo, is now known as the "Historic Downtown Poulsbo Association" (HDPA).

The purpose of the association as stated in their mission statement is: ***"To aid general economic development and facilitate business cooperation through promotion and improvement of the Downtown Business District".***

Businesses self-assess fees to support the beautification, preservation, and promotion of downtown Poulsbo. Donations are also accepted from corporations and any other business or individuals who wish to support the program. By attending quarterly member meetings on the third Thursday of March, June, September, and December, members can: join committees; run for open board positions; and discuss their ideas. A monthly newsletter keeps members informed about downtown events, ongoing projects, and upcoming promotions.

The skill and expertise of HDPA members has been the key to the success of the organization. The volunteer board and committee members decide how the association's budget will be spent. Part-time staff carries out board policy and assists the committee chairs. The City Council approves both the budget and expenditures. These funds are used for promotion, beautification, and administration purposes. The City provides the services of account receivable, accounts payable and annual report preparation in compliance with Washington state regulations. The city is paid for these services.

The Association has erected attractive blue standards to hold decorative banners and flower baskets which are planted each spring. Flowers are planted twice each year in the blue pots and ground areas throughout the business improvement area. Trash cans and ash cans purchased by the HDPA help keep the streets free of litter. The downtown is decorated for the winter holiday season with placards, wreaths, and garlands purchased and maintained by the HDPA.

Brochures, television, radio, Internet, and print media are used to promote the downtown area. The Internet directory at *HistoricPoulsbo.com* provides the names and telephone numbers of each association business member as well as a monthly events newsletter. Live web site links are also provided to all member businesses' websites. The marketing committee has also negotiated favorable advertising rates for association members.

In 2008 replacement of the old wooden benches with vibrant blue metal benches with the Viking ship logo was completed. The benches were paid for by donations, leaving a reserve for additional lighting standards on the boardwalk and possible garbage and/or recycling receptacles.

FUND RESOURCES:

Businesses located in the downtown area pay an assessment based on the type of business and square footage of floor space. These assessments are levied by applying a quarterly minimum fee, or a fee based on the square footage of floor space, whichever is greater. The association also recognizes the benefits of joining the Greater Poulsbo Chamber of Commerce and the Kitsap Peninsula Visitors & Convention Bureau in marketing efforts and fund procurement. This cooperation makes more marketing resources accessible to the downtown core, and enhances Poulsbo's overall branding.

The deputy fire marshal determines the correct square footage and the City bills association members on a quarterly basis. For 2010, assessments are estimated to be $40,000.

HDPA'S QUARTERLY ASSESSMENT SCHEDULE		
	Minimum Quarterly Base	Assessment per square footage
Retail	$60	7.5 cents
Non-Retail	$45	4.5 cents

EXPENDITURE HIGHLIGHTS:

Ongoing:

- purchase of replacement beautification elements when needed
- monthly Poulsbo LENKE "What's New"
  - o direct mail to media, accommodations, & yacht clubs
  - o direct and internet mail to all members

Seasonal-Spring

- planting of pots and ground areas for summer and fall
- purchase and planting of flower baskets for placement on blue standards

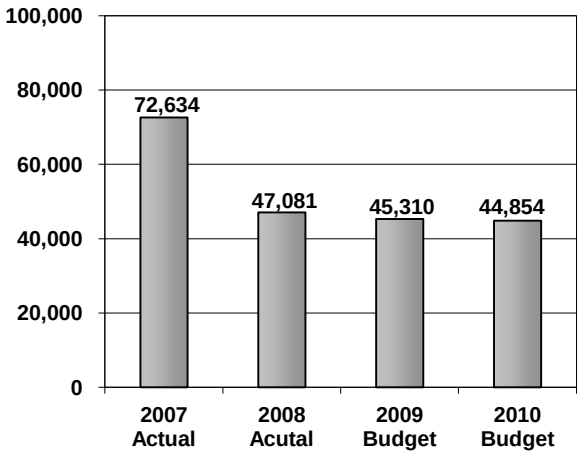
Seasonal-Summer

- Event Marketing
- Radio & Print Advertising
- Brochure Printing
- Co-op ads with Poulsbo Chamber of Commerce and the Visitors Convention Bureau

Seasonal-Fall

- planting of blue pots and ground areas for spring
- community "Trick or Treat" in downtown Poulsbo
- Christmas in Poulsbo
  - o decoration of downtown with Christmas banners, lighted garlands, placards, and wreaths
  - o Father Christmas and the Giving Tree (contributions collected for Fishline)
  - o Kitsap Newspaper Group - "Experience Little Norway"
  - o Kitsap Newspaper Group - Holiday Gift Guide
- Girls Night Out events

Historic Downtown Poulsbo Association Expenditures (2007-2010)



HISTORIC DNTWN POULSBO ASSOCIATION RESOURCES (FUND 131)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
BEGINNING BALANCE	24,283	18,144	19,134	***20,382***	7%
MISCELLANEOUS	66,494	48,071	44,100	***40,000***	-9%
TOTAL HIST DNTWN POULSBO ASSOC RES	90,777	66,215	63,234	***60,382***	-5%

HISTORIC DOWNTOWN POULSBO ASSOCIATION USES (FUND 131)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
SUPPLIES	15,933	3,372	8,000	***10,604***	33%
OTHER SERVICES & CHARGES	54,701	41,709	35,310	***31,750***	-10%
INTERFUND PAYMENT FOR SERVICES	2,000	2,000	2,000	***2,500***	25%
FUND BALANCE	18,143	19,134	17,924	**15,528**	-13%
TOTAL HIST DNTWN POULSBO USES	90,777	66,215	63,234	***60,382***	-5%

MARINE SCIENCE CENTER FUND (141): DESCRIPTION:

In 1990, the Poulsbo Public Development Authority (PPDA) was formed. A seven-member board of directors including the Mayor and three council members governs the Authority. The Authority's purpose was to undertake, assist with and facilitate acquisition, construction, development, equipping, leasing, operation and maintenance of the community educational center known as the Marine Science Center. Originally the PPDA issued $650,000 in bonds for construction. Kitsap County was responsible for $250,000 of the debt.

In 2002 these bonds were refinanced (refunded) and it is now tracked through Fund 204. This debt will be paid off in 2011. The PPDA dissolved in 2004 after the City refinanced the bonds. The ownership of the building has reverted to the City.

As the bonds were recently refinanced, they are not callable, meaning the City and County are responsible to the bonders for the remaining interest through 2011.

The Fund Balance will support projected expenditures through 2010. In 2011 the City Council will need to establish a funding source for a portion of the last debt payment.

A transfer is made at the beginning of each year to move the money for the debt payments from Fund 141 to Fund 204.

FUND RESOURCES:

In prior years, the majority of this fund's revenue was derived from leases with the building's tenants: the Marine Science Center Society and the North Kitsap School District. Due to funding constraints, the Marine Science Society closed the doors of the Center to the public and stopped making lease payments.

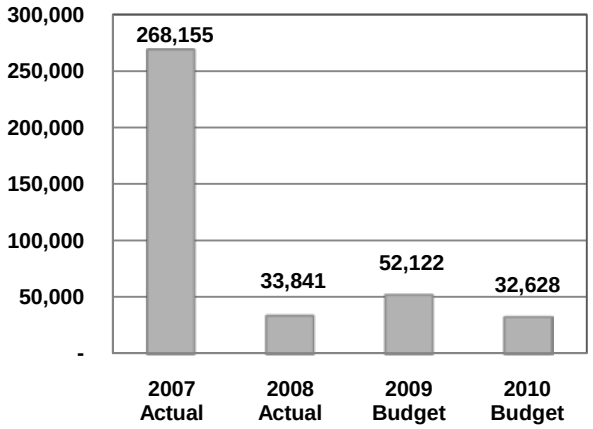
In September of 2007 the newly formed Marine Science Foundation was able to open the doors to the public with updated programs and exhibits.

The City has an interlocal agreement with the Society providing the building at no cost, which accounts for the amount of services provided to the Citizens of Poulsbo.

EXPENDITURE HIGHLIGHTS:

- Transfer to Fund Debt Service Fund (204) for the building's debt payment - $27,028
- 2007 expenditure costs were much higher due to a pass through grant to the Marine Science Society, which was offset by grant revenue.
- A bad debt expense of $2,157 was recorded in 2009 due to a receivable balance of the Marine Science Society outstanding rental fees.
- 2010 operating costs are estimated to be $5,600. These include costs for basic operations due to the elevator and fire safety requirements.
- Large facility repairs are anticipated in 2010 for the repair of the HVAC system.

Marine Science Center Expenditures (2007-2010)



MARINE SCIENCE CENTER RESOURCES (FUND 141)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
BEGINNING BALANCE	144,136	118,884	86,937	***35,345***	-59%
INTERGOVERNMENTAL	229,561	-	-	**-**	0%
MISCELLANEOUS	3,342	1,894	1,500	***250***	-83%
OTHER FINANCING SOURCES	10,000	-	-	**-**	0%
TOTAL MARINE SCIENCE CTR RES	387,039	120,778	88,437	***35,595***	-60%

MARINE SCIENCE CENTER USES (FUND 141)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
SALARIES & WAGES	-	-	-	**-**	0%
PERSONNEL BENEFITS	-	-	-	**-**	0%
SUPPLIES	30	16	-	**-**	0%
OTHER SERVICES & CHARGES	237,016	3,795	9,517	***5,600***	-41%
OTHER FINANCING USES	31,108	30,030	42,605	***27,028***	-37%
FUND BALANCE	118,884	86,937	36,315	**2,967**	-92%
TOTAL MARINE SCIENCE CENTER USES	387,039	120,778	88,437	***35,595***	-60%

PATHS & TRAILS RESERVE FUND (161)

DESCRIPTION:

The purpose of this fund is to track revenue and expenditures associated with the paths and trails reserve fund. This fund is administered by the Public Works Department.

FUND RESOURCES:

.5% of the State Fuel Tax is designated to be used specifically for paths and trails. The tax is State shared revenue and is distributed to cities based on their population.

EXPENDITURE HIGHLIGHTS

There are no anticipated expenditures in 2010.

PATH AND TRAILS RESOURCES (FUND 161)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	2010 BUDGET	% CHANGE
BEGINNING BALANCE	5,637	6,755	7,742	***8,660***	12%
MISCELLANEOUS	197	117	-	**-**	0%
OTHER FINANCING SOURCES	920	871	918	***1,002***	9%
TOTAL PATHS & TRAILS RESOURCES	6,754	7,742	8,660	***9,662***	12%

PATH AND TRAILS RESERVE USES (FUND 161)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	2010 BUDGET	% CHANGE
OTHER FINANCING USES	-	-	-	**-**	0%
FUND BALANCE	6,754	7,742	8,660	**9,662**	12%
TOTAL PATH AND TRAILS USES	6,754	7,742	8,660	***9,662***	12%

DRUG ENFORCEMENT FUND (171)
DESCRIPTION:

This fund was created to account for monies and proceeds from the sale of property seized during drug investigations and forfeited as outlined in RCW 69.50.505, or other state or federal laws. Additionally, all monies received by the City pursuant to a court order prescribing such monies shall be used for drug enforcement and be deposited into this fund after certain amounts, if any, are deducted in accordance with state and federal laws. The City shall keep and provide to the State Treasurer records of such deposits. The fund is administered by the Police Department.

The fund was established for accumulating funds for the expansion and improvement of controlled substance related law enforcement activity including drug awareness education and the purchase, lease, and maintenance of equipment and other items necessary for drug enforcement by the City of Poulsbo Police Department. The monies deposited in this fund shall be expended for these purposes only unless otherwise directed by the ordinance of the City Council.

At the end of the budget year, any unexpended funds shall remain in the fund and be carried forward from year to year until expended for the purposes set forth when the fund was created.

FUND RESOURCES:

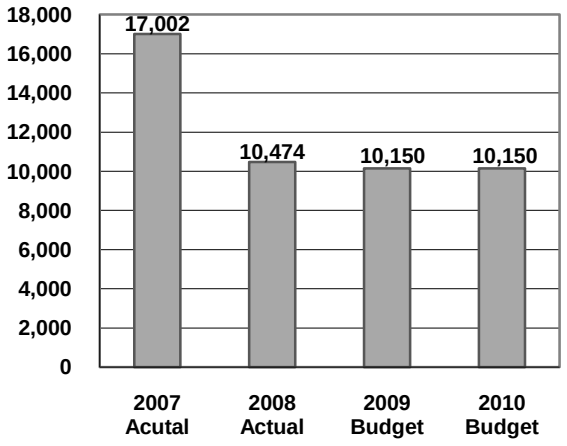
As described, resources are derived from monies and property seized during drug investigations. The City is very conservative in this revenue estimate because of the type of activity that generates the revenue.

Certain law enforcement activities in concert with federal drug enforcement agencies such as the Drug Enforcement Agency (DEA) or the Department of Homeland Security (DHS) may result in reimbursement of overtime costs.

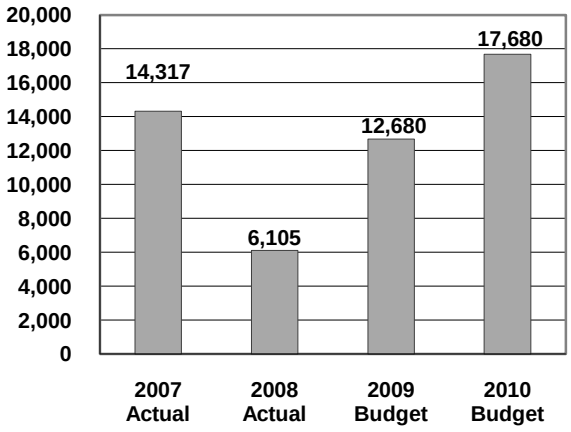
EXPENDITURE HIGHLIGHTS:

From 2003 to 2007, the Poulsbo Police Department was active with WestNET, the multi-agency Narcotics Enforcement Team. During 2008 and 2009 the Department has not been able to participate in WestNET enforcement activities due to staffing shortages. It is hoped that soon we will be up to staff and involved again.

Drug Enforcement Fund Revenue(2007-2010)



Drug Enforcement Fund Expenditures & Operating Transfers (2007-2010)



DRUG ENFORCEMENT FUND RESOURCES (FUND 171)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
BEGINNING BALANCE	9,690	12,376	16,744	***14,214***	-15%
INTERGOVERNMENTAL	12,377	4,643	10,000	***10,000***	0%
FINES AND FORFEITURES	4,307	5,579	-	***-***	0%
MISCELLANEOUS	318	252	150	***150***	0%
TOTAL DRUG ENFORCEMENT RES	26,692	22,850	26,894	***24,364***	-9%

DRUG ENFORCEMENT FUND USES (FUND 171)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
SALARIES & WAGES	11,715	5,173	10,000	***10,000***	0%
PERSONNEL BENEFITS	2,602	932	2,075	***2,075***	0%
SUPPLIES	-	-	600	***5,600***	833%
OTHER SERVICES & CHARGES	-	-	5	***5***	0%
FUND BALANCE	12,376	16,745	14,214	**6,684**	-53%
TOTAL DRUG ENFORCEMENT USES	26,692	22,850	26,894	***24,364***	-9%

TRANSIENT OCCUPANCY TAX FUND (181) DESCRIPTION:

In April 1982, this fund was created to account for monies received from hotel/motel tax. It is administered by the Finance Department. In accordance with RCW 67.28.180, the City levies a 2% tax on lodging activity within the City. This tax is credited against the State sales tax. The first 2% tax is not subject to recommendations by the lodging tax advisory committee. The City Council authorized this first two percent to be distributed equally to the Greater Poulsbo Chamber of Commerce and Kitsap Peninsula Visitors & Convention Bureau.

In 1998, the City approved Ordinance 98-03 in accordance with RCW 82.08 and authorized by RCW 67.28.181 to levy an additional 2% tax on charges for lodging activity, which is not credited against the sales tax. In order to collect the additional 2% tax the City is required to form a Lodging Tax Advisory Committee. As per requirements outlined in RCW 67.28.1817, the committee must consist of at least five members of which at least two are representatives from businesses that collect the tax, at least two which are persons involved in activities funded by the tax, and one member from the city who acts as chair. The second 2% tax is subject to recommendations by the lodging tax advisory committee and RCW 67.28.1815 which states "All revenue from (these) taxes shall be used solely for the purpose of paying all or any part of the cost of tourism promotion, acquisition or tourism-related facilities, or operation of tourism –related facilities."

Legislation in 2007 expanded the definition so that hotel-motel tax revenues can now be used not only on marketing special events and festivals but also on their operation. The more permissive language expires on June 30, 2013.

The actual definitions as outlined in RCW 67-28-080 are as follows:

"Tourism" means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.

"Tourism promotion" means activities, operations and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding marketing of special events and festivals designed to attract tourists.

"Tourism-related facility" means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities.

"Tourist" means a person who travels from a place of residence to a different town, city, county, state, or country, for purposes of business, pleasure, recreation, education, arts, heritage, or culture.

FUND RESOURCES:

At this time, the City has two motels, one bed and breakfast and one quilting retreat facility on which the tax is levied. The State collects the tax and remits it back to the City on a monthly basis.

EXPENDITURE HIGHLIGHTS:

In the past, the City Council authorized the first two percent of the lodging tax to be distributed equally to the Greater Poulsbo Chamber of Commerce (GPCC) and the Kitsap Peninsula Visitors & Convention Bureau (KPVCB). In 2010, the amount has been reduced to 1% that will be equally shared between the two organizations. The other 1% will be used for City operating expenses for the 3rd of July and Viking Festivals which has been deemed by the Lodging Tax Advisory Committee (LTAG) to be events largely attended by tourists. Additionally a minimal amount of funds will be used to maintain the restrooms in the waterfront park which is a primary tourist attraction in Poulsbo. If the hotel-motel tax revenues exceed the funding needed for these tasks, the additional revenues will be distributed evenly between the GPCC and the KPVCB.

The City also accepts proposals from various groups for use of the remaining 2% for special funding projects. These proposals are reviewed by the Lodging Tax Advisory Committee. The Committee then makes a recommendation to the Community Services Committee prior to coming before the full Council.

In 2009, a new marketing strategy was instituted using the second 2% of the hotel-motel tax dollars. The Greater Poulsbo Chamber of Commerce spearheaded a project known as the Marketing Coalition. The Coalition was led by

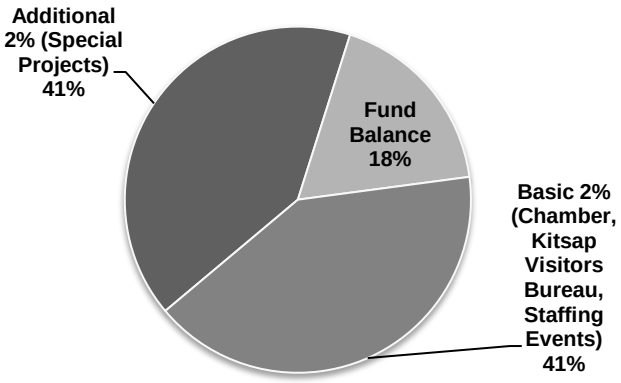
the Chamber, but one person from each member organization sat on the Coalition. The group used the second 2% to establish a pot of marketing funds. These dollars were then spent collaboratively on marketing Poulsbo events and organizations based on Coalition recommendations.

Member organizations who participated included the Historic Downtown Poulsbo Association, the Poulsbo Historical Society, Viking Fest, Fireworks on the 3rd, North Kitsap Soccer Club, Poulsbo Farmer's Market, Kitsap Sports Council, and the Kitsap Peninsula and Visitors Bureau.

The Lodging Tax Advisory Committee reviewed the Coalition's successes mid-2009; and made the recommendation to continue into 2010.

There is approximately $55,000 available for special funding requests in 2010.

Transient Occupancy Tax Fund (181) Uses



TRANSIENT OCCUPANCY RESOURCES (FUND 181)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
BEGINNING BALANCE	61,555	33,068	26,301	***24,162***	-8%
TAXES	131,683	126,246	120,000	***110,000***	-8%
MISCELLANEOUS	2,242	670	-	**-**	0%
TOTAL TRANSIENT OCCUP RESOURCES	195,481	159,985	146,301	***134,162***	-8%

TRANSIENT OCCUPANCY TAX USES (FUND 181)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
SALARIES & WAGES	-	-	-	***16,414***	100%
PERSONNEL BENEFITS	-	-	-	***2,791***	100%
SUPPLIES	8,313	16	-	**-**	0%
OTHER SERVICES & CHARGES	154,100	133,667	121,739	***90,795***	-25%
OTHER FINANCING USES	-	-	-	**-**	0%
FUND BALANCE	33,068	26,302	24,562	***24,162***	-2%
TOTAL TRANSIENT OCCUPANCY USES	195,481	159,985	146,301	***134,162***	-8%

POLICE RESTRICTED FUNDS (191): PROGRAM DESCRIPTION:

This fund is administered by the Police Department. It accounts for various revenues to be used specifically for criminal justice activities.

FUND RESOURCES:

Sales Tax/Public Safety/Criminal Justice: These funds are received from the .1% sales tax collected by the County. The County keeps 90% of the tax and distributes the remaining 10% back to cities located in the County, based on population. The funds cannot be used to replace or supplant existing funding. (RCW 82.14.340)

Vessel Registration Fees: Money is allocated to counties with eligible boat safety programs approved by the State Parks and Recreation Commission. Distribution is based on the number of registered vessels by county of moorage. The county is responsible for equitable allocation to other jurisdictions with approved programs within the county. (RCW 88.02.040)

Criminal Justice Population:
This state distributed excise tax is to be used for criminal justice purposes only. Distribution is based on population. (RCW.82.14.330 (1)).

Criminal Justice Program #1:
This state distributed excise tax is to be used for criminal justice purposes only. To be eligible for this distribution, a city has to meet the criteria established by the Department of Community, Trade, and Economic Development for innovative law enforcement strategies.
(RCW.82.14.330(2)(a))

Criminal Justice Program #2:
This state distributed excise tax is to be used for criminal justice purposes only. To be eligible for this distribution, a city has to meet the criteria established by the Department of Community, Trade, and Economic Development for programs helping at-risk children or child abuse victims.
RCW 82.14.330(2)(b).

Criminal Justice Program #3:
This state distributed excise tax is to be used for criminal justice purposes only. To be eligible for this distribution, a city must meet the criteria established by the Department of Community, Trade, and Economic Development for programs reducing the level of domestic violence.
RCW 82.14.330(2)(c)

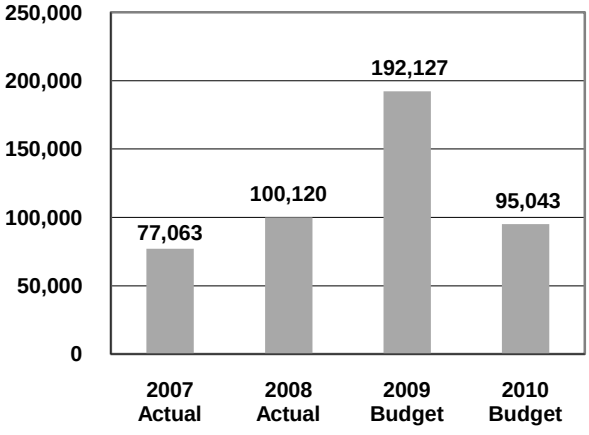
Suquamish Casino Mitigation: The Suquamish Indian reservation is located within 5 miles of the City. In 1995, the tribe opened a gambling casino and negotiated a gambling contract with the State of Washington to pay mitigation fees to the surrounding jurisdictions to mitigate the impact the casino had on local law enforcement and fire departments. The revenue is based on the "bet win" at the casino. The $10,000 every other year will continue to help support the ongoing impact.

In 2009 the Department was awarded additional Impact Mitigation Funds in the amount of $30,500. The funds were to be used to purchase a new patrol car.

FUND USES:

- State law requires the City to pay for the medical costs of retired Law Enforcement Officers & Firefighters (LEOFF) I employees, which are over and above those medical services covered by the City's provided health coverage. Expenditures associated with these costs are provided by this fund.
- The fund continues to transfer $28,000 to the General Fund (001) to help support Municipal Court services.
- The purchase of a new patrol car will be expended from this fund.

Police Restricted Fund (191)
Expenditures & Operating Transfers
(2007-2010)



POLICE RESTRICTED FUND RESOURCES (FUND 191)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
BEGINNING BALANCE	83,066	185,229	207,115	***205,700***	-1%
TAXES	106,337	99,984	75,000	***75,000***	0%
INTERGOVERNMENTAL	16,831	16,538	15,822	***14,168***	-10%
MISCELLANEOUS	56,057	5,485	48,071	***1,400***	-97%
TOTAL POLICE RESTRICTED RESOURCES	262,291	307,235	346,008	***296,268***	-14%

POLICE RESTRICTED FUNDS USES (FUND 191)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	**2010 BUDGET**	**% CHANGE**
SALARIES & WAGES	-	-	-	**-**	0%
PERSONNEL BENEFITS	6,157	6,754	10,000	***10,000***	0%
SUPPLIES	921	1,317	11,193	***11,193***	0%
OTHER SERVICES & CHARGES	1,580	2,106	3,850	***3,850***	0%
CAPITAL OUTLAY	40,405	61,943	139,084	***42,000***	-70%
OTHER FINANCING USES	28,000	28,000	28,000	***28,000***	0%
FUND BALANCE	185,229	207,115	153,881	**201,225**	31%
TOTAL POLICE RESTRICTED USES	262,291	307,235	346,008	***296,268***	-14%

Section 5 -

Debt Service Funds

(200's)

DEBT SERVICE FUNDS (200's):

account for the accumulation of resources for, and the payment of, long-term debt principal and interest for debt associated with the Governmental Funds

Note: Debt associated with the Proprietary Funds is accounted for in the Proprietary Funds.

TYPES OF CITY DEBT

Voted General Obligation (GO) Bonds: These bonds are the most common form of debt issuance by governments. The bonds offer maximum security to investors through the pledge of the issuer's full faith and credit. These GO bonds require voter approval and assess property owners a special tax levy.

Non-Voted General Obligation (GO): The debt can be in the form of bonds similar to the Voted GO bonds, with the exception that they do not require voter approval or a special tax levy. The debt can also be in the form of purchase, sales, or lease Contracts. Typically, these types of debts are very simple financial arrangements between the government and the vendor who is providing the property being acquired.

Public Works Trust Fund Loan (PWTF): The debt is a low interest intergovernmental loan from Washington State's Public Works Board to undertake a local public works project.

Local Improvement District (LID) Bonds: An obligation that has been incurred by the formation of LID's to provide specific capital improvements. This debt is retired by special levies against the specific properties benefited by the improvements.

Revenue Bonds: Bonds that are retired by means of revenue in proprietary funds. There is no general tax liability for these obligations. Revenue bond debt is accounted for in the enterprise funds (400's) and is controlled by bond covenants.

- All debt funds are administered by the City's Finance Department •

DEBT SERVICE FUNDS SUMMARY

FUND 201 MISCELLANEOUS GOVERNMENTAL DEBT
PWTF Loan/Front Street Improvements – Reconstruction of Front Street between Bond Road and Jensen Way. The total amount of the loan is $1,374,570 with a 3% interest rate. It will be paid off in June of 2020.
FUND 204 NON-VOTED GENERAL OBLIGATION DEBT
Municipal Campus – In late 2005 the city went out for $5.1 million debt to purchase a large parcel of land on 10Th Avenue with the intention of building a new municipal campus. The debt would fund Phase I which includes the purchase of land and civil site work. The debt will be paid off in December 2025. The property has since been sold with the proceeds and remaining bond proceeds are being used for the Downtown City Hall Project.
City Hall – In 2009 the city went out for $6 million debt to finance the new city hall. The debt is part of a funding package that includes additional sources. The debt will be paid off in December 2033.
Morris Property Acquisition – In 2000, 2.49 acres of commercial property was purchased for $600,000. The City issued GO bonds in 2003 in the amount of $2,505,000. $600,000 of this debt was used to payoff the three-year Bond Anticipation Note (BAN) that was originally used to finance this acquisition. The Morris Property portion of the debt will be paid off December of 2012.
Transportation Bonds – In 2003 the City issued GO bonds in the amount of $2,505,000 to payoff the Morris property BAN and to fund three transportation projects. The transportation money will fund improvement for Finn Hill Road, Caldart Avenue and 10th Avenue. In 2008 $600,000 of traffic impact fees was used to pay off a portion of the debt resulting in the transportation portion of the debt to be paid off December of 2017.
Marine Science Center – These GO bonds were originally issued through the Poulsbo Public Development Authority and tracked through Fund 141. In 2002, the City refinanced the outstanding balance of $415,000. Kitsap County participates in 38.46% of the debt service for these bonds. The outstanding balance for the City's portion is $55,000 and Kitsap County's is $50,000. This debt will be paid off in August of 2011.
FUND 230 VOTED GENERAL OBLIGATION DEBT
At this time, the City does not have any voted GO debt.
FUND 299 LID FUND
The LID Reserve guarantees the payment of the city's LID bonds issued to pay for the costs associated with any LID district. At this time the all LID bonds have been called.

FUND #	FUND NAME	BEGINNING BALANCE	TOTAL RESOURCES	TOTAL USES	ENDING BALANCE
201	Miscellaneous Governmental Debt	1,265	98,650	98,911	1,004
204	Non-Voted General Obligation	95,522	1,015,590	1,034,104	77,008
230	Voted General Obligation	368	-	-	368
299	LID Fund	22	-	-	22

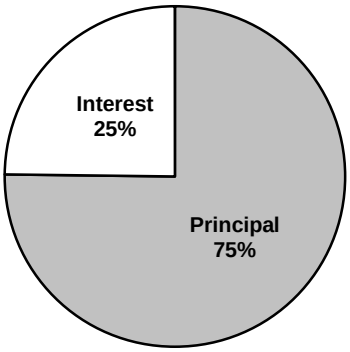
FUND 201 – MISCELLANEOUS GOVERNMENTAL DEBT

Fund 201 was created in 2003 to account for the revenue and debt expenditures associated with miscellaneous governmental debt.

FRONT STREET - PUBLIC WORKS TRUST FUND LOAN

In 2001 the City obtained a Public Works Trust Fund Loan (PWTF) for improvements to Front Street between Bond Road and Jensen Way. The total amount borrowed is $1,374,570. The debt funded improvements such as pavement overlay, storm drainage, shoulders, curbs and sidewalks.

Miscellaneous Governmental Debt (Fund 201) Uses



MISC GOVERNMENTAL DEBT RESOURCES (FUND 201)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	*2009 BUDGET*	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	5,201	769	***1,252***	***1,265***	1%
MISCELLANEOUS	421		**-**	**-**	0%
OTHER FINANCING SOURCES	110,705	113,455	***111,155***	***98,650***	-11%
TOTAL MISC GOV DEBT RESOURCES	116,327	114,224	***112,407***	***99,915***	-11%

MISCELLANEOUS GOVERNMENTAL DEBT USES (FUND 201)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	*2009 BUDGET*	2010 BUDGET	% CHANGE
DEBT SERVICE - PRINCIPAL	84,323	84,323	***84,323***	***74,369***	-12%
DEBT SERVICE - INTEREST	31,235	29,004	***26,773***	***24,542***	-8%
FUND BALANCE	769	897	***1,311***	***1,004***	-23%
TOTAL MISC GOV DEBT USES	116,327	114,224	***112,407***	***99,915***	-11%

FUND 204 – NON-VOTED GENERAL OBLIGATION DEBT

Fund 204 accounts for revenue and expenditures associated with the following debt:

MUNICIPAL CAMPUS:

In late 2005, the City went out for $5,185,000 of debt to purchase a piece of property to house the future Municipal Campus. A parcel on 10th Avenue was initially purchased however it was decided by advisory vote to move the location to the downtown area. Two adjacent parcels were purchased at 3rd & Moe to house the new City Hall. The debt proceeds were also to fund the design and initial civil site work. The original parcel on 10th was sold and the proceeds combined with the remaining debt proceeds were applied towards the downtown City Hall project.

MORRIS PROPERTY:

In 2000, the City purchased 2.49 acres of commercial property for $600,000 to be used as a future site of a city municipal complex. The property is adjacent to the City's library and Public Works property. Currently, the house on the property is being rented. Initially the City obtained a three-year, interest only bond anticipation note to finance the purchase of the land. The bond anticipation note expired in 2003. In April of 2003 the principal was paid and refinanced with a GO Bond Issue. The debt issue was a combination that paid for both the Morris Property/Muni Campus outstanding debt and three transportation projects. Because of changing regulations regarding set backs and the presence of a creek, the property has been determined not to be feasible for a municipal complex, but will better serve the citizens as a City Park. This property now houses the City's Centennial Park.

TRANSPORTATION BONDS:

In 2003, the City obtained GO Bonds in the amount of $2,505,000. $600,000 was used to pay off the Morris Property/Muni Campus note and $1,905,000 is being used to finance three transportation projects. The money was used to improve/fix three roads inside the City. They are Finn Hill Rd, Caldart Ave and 10th Ave The Finn Hill project was completed in 2003. Caldart Ave was completed in 2004. 10th Ave was completed in 2006. These bonds will be paid off in 2017.

Per the Olhava Development Agreement of April 2004 part of the mitigation fees paid were to be used to pay down the debt of the three transportation projects. At the end of 2005 fees,in the amount of $572,473, had been paid in full per the agreement. In 2008 the City paid $600,000 towards the debt as was the intention of the City Council when the debt was issued with a 5 year call.

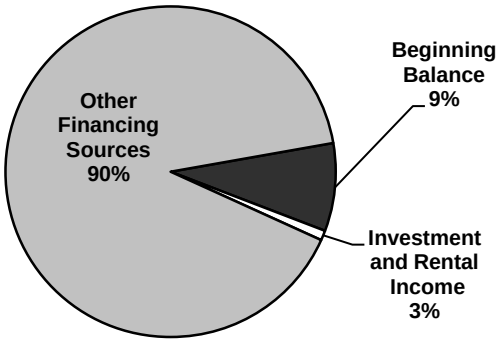
MARINE SCIENCE CENTER:

In 1990, the Poulsbo Public Development Authority was formed. The authority's purpose was to undertake, assist and facilitate the construction, development and maintenance of the community educational center known as the Marine Science Center. They went out for debt in the amount of $650,000. The property was leased to the city and the city sub-leased the building with lease payments funding the debt service payments. The county was responsible for $250,000 of the debt. In 2002 the outstanding $415,000 debt was refinanced. The debt is now a liability of the city and is tracked though Fund 204. The County's portion is $160,000 and the City's portion is $255,000. A transfer is made from Fund 141 each year to pay for the principal and interest payments. This will continue until the debt is paid off in 2011.

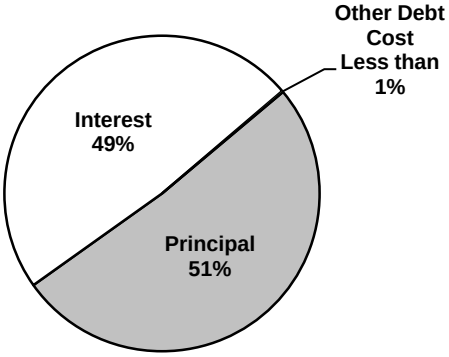
CITY HALL:

In early 2009, the City went out for $6,015,000 of debt as part of the financing package for the new City Hall on 3rd & Moe. This debt issue was the fund the site work and construction phase of the project. The bonds will be paid off in 2033.

Non-Voted GO Debt Resources (Fund 204)



Non-Voted GO Debt Uses (Fund 204)



NON-VOTED GENERAL OBLIG DEBT RESOURCES (FUND 204)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	*2009 BUDGET*	2010 BUDGET	% CHANGE
BEGINNING BALANCE	670,025	645,270	***59,316***	***95,522***	61%
MISCELLANEOUS	47,702	35,635	***10,635***	***10,635***	0%
OTHER FINANCING SOURCES	618,988	613,923	***1,012,787***	***1,004,955***	-1%
TOTAL NON-VOTED GO DEBT RESOURCES	1,336,715	1,294,828	***1,082,738***	***1,111,112***	3%

NON-VOTED GENERAL OBLIGATION DEBT USES (FUND 204)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	*2009 BUDGET*	2010 BUDGET	% CHANGE
DEBT SERVICE - PRINCIPAL	345,000	955,000	***475,000***	***530,000***	12%
DEBT SERVICE - INTEREST	279,815	269,873	***552,377***	***502,844***	-9%
OTHER FINANCING USES	66,630	-	***-***	***1,260***	100%
FUND BALANCE	645,270	69,955	***55,361***	***77,008***	39%
TOTAL NON-VOTED GO DEBT USES	1,336,715	1,294,828	***1,082,738***	***1,111,112***	3%

FUND 230 –VOTED GENERAL OBLIGATION DEBT

Fund 230 accounts for revenue and expenditures associated with voted general obligation debt. The City does not currently have any voter approved debt. This fund maintains a minimal balance to keep it active in the event we should use it again in the future.

VOTED GENERAL OBLIGATION DEBT RESOURCES (FUND 230)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	*2009 BUDGET*	2010 BUDGET	% CHANGE
BEGINNING BALANCE	187,097	184,008	*100*	***368***	268%
TAXES	149,195	2,000	-	**-**	0%
MISCELLANEOUS	5,618	2,000	-	**-**	0%
TOTAL VOTED G.O. DEBT RESOURCES	341,911	188,008	*100*	***368***	268%

TOTAL VOTED GENERAL OBLIGATION DEBT USES (FUND 230)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	*2009 BUDGET*	2010 BUDGET	% CHANGE
DEBT SERVICE - PRINCIPAL	145,000	160,000	-	**-**	0%
DEBT SERVICE - INTEREST	12,902	4,360	-	**-**	0%
OTHER FINANCING USES	-	22,712	-	**-**	0%
FUND BALANCE	184,008	936	100	***368***	268%
TOTAL VOTED G.O. DEBT USES	341,911	188,008	100	***368***	268%

FUND 299 – LID FUND
LID GUARANTY RESERVE
DESCRIPTION:

This reserve was created in 1985 for the purpose of guaranteeing payment on all outstanding LID bonds issued by the City. The reserve also guarantees monies to be available should there be a need for the City to foreclose on any property due to non-payment of the LID assessment. Funding was provided through a property tax levied by the City. However, since the reserve total cannot exceed 12% of the outstanding LID bonds from the previous year, and all LID Bonds are now called, the City no longer has the need or ability to levy this tax. The LID Guaranty Fund will now only show revenues from delinquent property taxes. Annually, a residual transfer will be made to the general fund based on any delinquent taxes received.

LID FUND RESOURCES (FUND 299)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	*2009 BUDGET*	2010 BUDGET	% CHANGE
BEGINNING BALANCE	21	22	23	***22***	-4%
TAXES	-	-	-	**-**	0%
MISCELLANEOUS	1	2	1	**-**	0%
TOTAL LID FUND RESOURCES	22	24	***24***	***22***	-8%

LID USES (FUND 299)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	*2009 BUDGET*	2010 BUDGET	% CHANGE
OTHER FINANCING USES	-	-	-	**-**	0%
FUND BALANCE	22	24	24	***22***	-8%
TOTAL LID FUND USES	22	24	***24***	***22***	-8%

Section 6 - Capital Project Funds (300's)

CAPITAL PROJECT FUNDS (300's)

account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary and trust funds.

CAPITAL PROJECT FUNDS

FUND #	FUND NAME	DESCRIPTION/USE	2010 FUNDING SOURCE
301	Equipment Acquisition	Replacement of existing capital equipment Acquisition of capital equip for new programs	General Fund transfer to cover capital replacement and new capital
302	Park Reserve	Development of parks Urban forestry projects	5% of property tax rev $2 per capita Grants
303	Library Improvement	Capital improvements to library building	No permanent funding source
304	Recreation Reserve	Acquisition of recreation equipment	Donations
311	Street Reserve	Capital Street Projects	5% of Street Fund Rev Grants Reserved Property Tax
312	Park Acquisition	Acquisition of park properties	Mitigation fees paid by developers
313	Museum Reserve	Future creation of city museum	Donations
314	Cemetery Reserve	Capital improvements to city cemetery	Gravesite sales
321	Street Equip Reserve	Acquisition of street program equipment	5% of Street Fund Revenue
331	Facilities Fund	Capital improvements to facilities	Bond Proceeds.

FUND #	FUND NAME	BEGINNING BALANCE	TOTAL RESOURCES	TOTAL USES	ENDING BALANCE
301	Equipment Acquisition	261,984	110,000	200,819	171,165
302	Park Reserve	47,697	175,460	192,960	30,197
303	Library Improvement	109	0	0	109
304	Recreation Reserve	594	0	0	594
311	Street Reserve	697,401	2,127,823	2,100,000	725,224
312	Park Acquisition	102,768	0	72,500	30,268
313	Museum Reserve	6,556	0	0	6,556
314	Cemetery Reserve	77,230	1,500	22,229	56,501
321	Street Equipment Reserve	194,686	48,059	0	242,745
331	Facilities Fund	3,796,452	3,470,474	7,036,024	230,902

EQUIPMENT ACQUISITION FUND (301)

DESCRIPTION: This fund, under the direction of the City's Finance Department, provides funding for the acquisition of capital equipment for all departments other than those in the proprietary funds. The equipment can be of two types: a replacement of existing equipment, or equipment for a newly approved program. When preparing their budgets for the following year, departments submit requests for capital equipment replacement to the Information Technology Department. After determining what resources will be available in the fund, the Information Technology Supervisor prioritizes the departments requests based on department need. The prioritized list is presented to the Finance/Administration Committee during the budget process. The Committee then makes a formal recommendation to the full Council. The Council makes the final determination on how the funds will be allocated.

The City's capitalization policy sets the capital purchase threshold at $5,000. Computers, printers, software and items of "small tools" in nature will continue to be purchased from this fund. These types of purchases represent: 1) items under $5,000 in cost which do not qualify as a capital purchase, i.e. software, or, 2) items that were budgeted to cost over $5,000, but actually came in at a lower cost. These expenditures are shown as "supplies" in the fund uses table.

PROGRAM RESOURCES:

Funding is provided through two operating transfers from the General Fund. Prior to 2009, 7% of sales tax was transferred to this fund; 5% was transferred to the fund for replacement purchases and 2% was transferred for new program equipment purchases. Again due to the economic status in 2010 the replacement cost of some equipment will not be funded, reducing the transfers from General Fund.

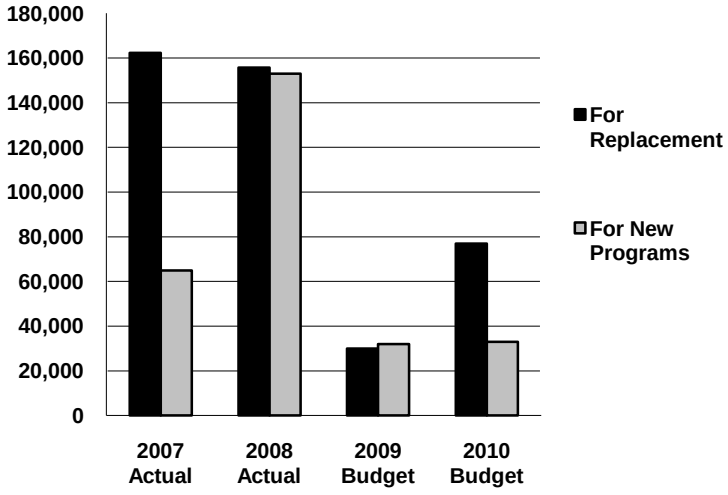
PROGRAM USES:

A detailed list of projected capital purchases for 2010 is provided below. Requested replacement items delayed for future purchase include a Park and Recreation van, a sailing chase boat and a central color printer.

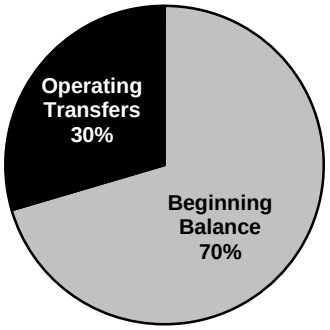
2009 ACCOMPLISHMENTS:

During 2009, Council was able to fund all of the equipment replacement requests within the allotted budget. All items funded during the 2009 budget process were purchased.

Equipment Acquisition Fund (301)
Revenue from Sales Tax Transfer
(2007-2010)



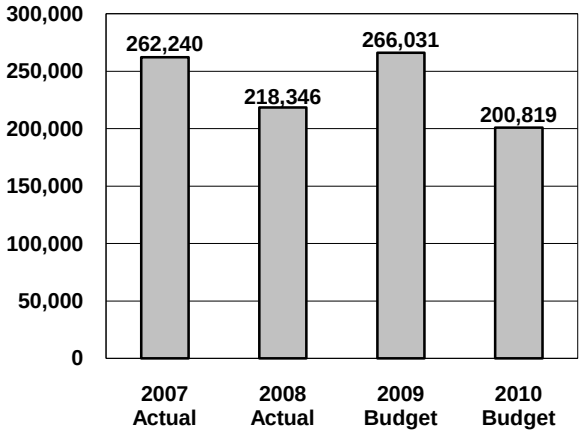
Equipment Acquistion Fund (301)
Resources $371,984



2010 Approved Replacement Capital Equipment List		
Dept/Section	**Equipment**	**Total Cost**
Engineering	1 Workstation	$ 1,500
Muni Court	1 Workstation	$ 1,500
Police	5 Workstations Color Copier Chevy Tahoe Chevy Tahoe	$ 7,500 $ 10,500 $ 48,542 $ 46,777
Clerks	1 Workstation	$ 1,500
Total		$117,819

2010 Capital Equipment for New Programs		
Dept/Section	**Equipment**	**Total Cost**
Debt Service	Transfer for debt service payments for new City Hall Project	$ 31,500
Municipal Court	Computers for Court	$ 1,500
Information Services (City Hall)	City Servers and Infrastructure	$ 50,000
Total		$ 83,000

Equipment Acquisition Fund 301
Expenditures (2007-2010)



EQUIPMENT ACQUISITION RESOURCES (FUND 301)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	391,068	368,524	235,496	***261,984***	11%
INTERGOVERNMENTAL	-	-	-	**-**	0%
MISCELLANEOUS	12,550	7,148	-	**-**	0%
OTHER FINANCING SOURCES	227,145	308,688	62,000	***110,000***	77%
TOTAL EQUIP ACQUIS RESOURCES	630,763	684,360	297,496	***371,984***	25%

EQUIPMENT ACQUISITION USES (FUND 301)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
SUPPLIES	87,640	68,946	24,500	***63,500***	159%
CAPITAL OUTLAY	144,600	119,400	210,031	***105,819***	-50%
OTHER OPERATING USES	30,000	30,000	31,500	***31,500***	0%
FUND BALANCE	368,523	466,014	31,465	***171,165***	444%
TOTAL EQUIP ACQUISITION USES	630,763	684,360	297,496	***371,984***	25%

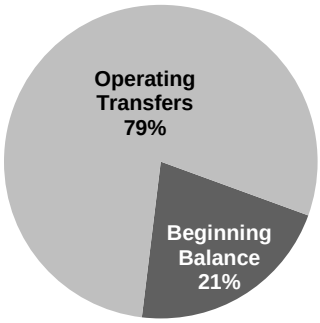
PARK RESERVE FUND (302) DESCRIPTION:
The purpose of this fund is to provide monies for improvements to City parks. The fund is administered by the Parks & Recreation Department.

The fund also provides the accounting for the urban forestry program. In 1997, the City of Poulsbo became a Tree City USA. The Poulsbo Tree Board was created and has put together a five-year strategic plan with updates, to build and sustain an urban forestry program within the City. The action plan is carried out with goals and objectives to establish and maintain an urban forest within the community.

FUND RESOURCES:

PARKS:
5% of property taxes received in the General Fund (001) are transferred into the Park Reserve Fund. Previously this fund also received the lease payment for a house located in Mitchusson Park. This park is now for sale and the house has been vacant since March of 2008. The planning and restoration work at Poulsbo's Fish Park continues. A state grant through the Aquatic Lands Enhancement Account was completed in June 2009. Phase 2 of the park, including development of trails in the newly acquired donated parcels, also began in 2009.

Park Reserve Fund (302)
Resources $223,157



2009 PROGRAM ACCOMPLISHMENTS:
The City has been very successful creating partnerships with other government agencies, service organizations, businesses, and citizens. Poulsbo parks have benefited from these partnerships over the years, and 2009 continued to see more successful projects.

Work on **Centennial Park** continued into 2009. Two pedestrian bridges were upgraded, thanks to the hard work of the Poulsbo Lions Club and the Poulsbo Rotary Club. The Rotary Club also upgraded the creek's existing overlook. The parking lot was improved through rock placement and landscaping. Two pergolas were built in the park, with picnic tables placed under them for pedestrians and park users. The project also benefited from a grant via the Poulsbo Garden Club for one picnic table.

Pavers in a pedestrian entryway way are now for sale as a fundraiser to help develop the entryway to the park. Additional grants will be secured to do future work on the project.

Poulsbo's Fish Park, located on the Dogfish Creek estuary at the north end of Liberty Bay along Lindvig Way, continues to successfully involve the citizenry, business and service organizations in its development. 2008 saw the addition of 7.43 acres of contiguous property to Fish Park. This area will be known as phase 2 during future improvements. This property was donated by the Great Peninsula Conservancy, who had received the property from a family donor. The city will continue to look for additional grants for development of this new piece. 2009 also saw other enhancements at the park. This includes a bike rack in the shape of a fish, improved trails and invasive plant removal.

Work on Phase 2 began in the fall of 2009. Because of the wetlands and critical areas on the site, improvements have been limited to trails, boardwalk and one viewing platform.

Fish Park also benefited from the Viking Avenue improvements in 2009. In addition to new curbs, gutters and sidewalks, the project installed a pedestrian bridge that brings people into Fish Park at the north end of the park. This has been a great addition for people walking and living on Viking Avenue north.

The Fish Park Steering Committee has continued to be the driving force in this mostly volunteer effort.

The **Poulsbo Trails Committee** has been working all year on a city-wide trail plan that will be a roadmap of trails for years to come. This plan can be used by developers and city planners alike, to guide connectivity between public spaces, parks, economic areas, neighborhoods and schools. Much of this plan has been driven by public input and suggestion, and will be completed in 2010. The city has benefited from a grant from the National Park Service through their Rivers, Trails and Conservation Assistance Program.

The review of **Park Impact Fees** was completed in 2009, in conjunction with the Comprehensive Plan update.

2010 Park Projects and Goals:

College Marketplace Ball Fields

***Carryover* Project:** The project will develop two ball fields and parking in the College Marketplace Development in West Poulsbo.

Goal: Begin planning of the College Marketplace Ball fields.
Objective: Create a plan that will be used to develop the property in the future.
Objective: Apply for additional grant money through the RCO and other sources for development monies.
Objective: Have discussions with local youth sport organizations on partnerships for operation and maintenance of the site.
Objective: Create a timeline on securing a partnership for development of the site. Early elements of development may include fencing, irrigation, seed, signage and infrastructure.
Measurement: A completed timeline and development plan by June 2010.
Responds to Council Goals: #1-Growth, #4-Revenues and Financial Stability, 5-Parks & Recreation.

Project Funding:

- Impact Fees - $10,000
  2010 Total: $10,000

Poulsbo Fish Park Development

***Carryover* Project:** The project will begin development of phase 2 on this 20.77-acre park with public access trails, boardwalk, a viewing platform, and interpretive areas.

Goal: Continue restoration of Poulsbo's Fish Park Phase 2.
Objective: Apply for additional grant money through various sources.
Objective: Continue forming partnerships with organizations for restoration work.
Measurement: Schedule for volunteer work parties to work on the site.
Measurement: Approximately 1000' of trails/boardwalk and one viewing platform built.
Responds to Council Goals: #1-Growth, #4-Revenues and Financial Stability, 5-Parks & Recreation, #9 - Environment

Project Funding:

- Impact Fees $25,000 (carryover funds)
  2010 total - $25,000

Centennial Park

***Continuing* Project:** The master plan and permits were completed in 2007. Development of the west side of Dogfish Creek were completed in 2009, including two pergolas with picnic tables, two renovated footbridges over Dogfish Creek, one renovated overlook, and some paths.

Goal: Continue park development on the east side of Dogfish Creek.
Objective: Develop construction documents for the next phase of the project.
Objective: Make a final determination on the fate of the house on the site.
Objective: Research and secure additional funding for park development.
Objective: Make improvements that will allow public access and enjoyment of the park.
Measurement: Complete phase 3 improvements by December 2010.
Responds to Council Goals: #**1-Growth, #3 - Public Safety, #4-Revenues and Financial Stability, 5-Parks & Recreation, #9-Environment.**

Project Funding:

- Impact Fees $37,500
  2010 total: $37,500

American Legion Park

***Continuing* Project:** Tree roots have taken a toll on the asphalt trail at ALP, and it needs to be replaced with new asphalt or extend the boardwalk into the park. Improvements will improve pedestrian safety and access to the park. This is the second year of a two-year project.

Goal: Improve or replace the asphalt trail.
Objective: Determine whether the trail will be

replaced or whether the boardwalk will be extended for improved pedestrian access.
Objective: Order materials and create a timeline for the project.
Measurement: Complete 2 trial improvements by December 2010.
Responds to Council Goals: **#3 - Public Safety, #5-Parks & Recreation**

Project Funding:

- Park Reserves - $20,000
- Project total: $20,000

Other Park Improvement Projects for 2010:

- **Nelson Park Trail $10,000**
  Planning and materials for a trail easement at the head of the bay and leading to Nelson Park.

- **Park Brochure $1,000**
  The City Parks brochure has not been updated for at least three years. This project would be design and printing of 1000 copies.

- **Kvelstad Pavilion $6,250**
  Replacement of decking at the pavilion in Liberty Bay Park.

URBAN FORESTRY:

The urban forestry program is supported by a $2 per capita operating transfer from the Cumulative Reserve/Revenue Stabilization Fund (122). These dollars go directly into public education, repair and maintenance, and contractual services for the City Arborist and Urban Forestry Programs within the City.

URBAN FORESTRY PROGRAM

2009 URBAN FORESTRY ACCOMPLISHMENTS:

- Maintained Tree City USA designation for the year by upholding four standards: 1) maintain the Tree Board; 2) maintain a tree ordinance; 3) allocate $2 per citizen to tree related projects and needs; and 4) celebrate Arbor Day.
- Hosted public park clean up events, had displays at the Poulsbo Farmers Market and worked cooperatively on an Arbor Day event with Puget Sound Energy at Nelson Park.
- Final work on the Poulsbo Tree Ordinance which was adopted by City Council in June 2009.
- Toured local parks to look at trees.
- Completed and printed 1500 *Significant Trees of Poulsbo* brochure. This brochure has been very popular in the community.

PARK RESERVE RESOURCES (FUND 302)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	209,171	115,483	158,142	***47,697***	-70%
INTERGOVERNMENTAL	139,208	152,493	25,000	**-**	-100%
MISCELLANEOUS	13,426	10,795	-	**-**	0%
OTHER FINANCING SOURCES	263,067	434,649	175,434	***175,460***	0%
TOTAL PARK RESERVE RESOURCES	624,871	713,420	358,576	***223,157***	-38%

PARK RESERVE USES (FUND 302)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
SALARIES & WAGES	1,653	1,800	1,600	***1,700***	6%
PERSONNEL BENEFITS	507	579	600	***610***	2%
SUPPLIES	366	1,141	1,500	***2,100***	40%
OTHER SERVICES & CHARGES	13,781	11,236	11,980	***14,800***	24%
CAPITAL OUTLAY	313,626	193,550	272,500	***173,750***	-36%
OTHER OPERATION USES	8,868	399,102	-	**-**	0%
FUND BALANCE	286,070	106,013	70,396	***30,197***	-57%
TOTAL PARK RESERVE USES	624,871	713,420	358,576	***223,157***	-38%

LIBRARY IMPROVEMENT FUND (303) DESCRIPTION:

The City of Poulsbo is annexed into the Kitsap Regional Library District. The library building was built and is maintained by the City. The District provides books, furnishings, equipment, and staffing. This fund was created to provide funding for the purpose of making improvements, capital and general, to the City's library facility. The Public Works Department administers the fund.

In 1998, a Library Capital Facilities District was formed, five members from the City and six members from Kitsap County. The district includes properties located within the City as well as surrounding areas that also use and benefit from the Poulsbo Library. The voters in the district approved a $1.6 million dollar levy to expand the City's existing library building.

An interlocal agreement was approved between the County and the City. Kitsap County issued, and is responsible for the debt. The minimal fund balance is the accumulated investment earnings.

FUND RESOURCES:

At this time, there is no permanent funding source for this fund. Donations are received occasionally.

LIBRARY IMPROVEMENT RESOURCES (FUND 303)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	103	107	107	***109***	2%
INTERGOVERNMENTAL	-	-	-	**-**	0%
MISCELLANEOUS	4	2	-	**-**	0%
OTHER FINANCING SOURCES	-	-	-	**-**	0%
TOTAL LIBRARY IMPROVE RESOURCE	107	109	107	***109***	2%

LIBRARY IMPROVEMENT USES (FUND 303)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
SALARIES & WAGES	-	-	-	**-**	0%
PERSONNEL BENEFITS	-	-	-	**-**	0%
CAPITAL OUTLAY	-	-	-	**-**	0%
FUND BALANCE	107	109	107	***109***	2%
TOTAL LIBRARY IMPROVEMENT USES	107	109	107	***109***	2%

RECREATION RESERVE FUND (304) DESCRIPTION:

This fund was created to provide an accounting vehicle for various donations individuals and/or organizations make to the Park & Recreation Department. In the past, sailboats have been donated as well as a single $10,000 donation for construction of a skateboard park. In 2004, donations for a new piano were started, and in 2007, a new piano was purchased. The fund is administered by the Parks & Recreation Department.

RECREATION RESERVE RESOURCES (FUND 304)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	3,066	1,387	1,440	***594***	-59%
MISCELLANEOUS	921	66	-	**-**	0%
TOTAL REC RESERVE RESOURCES	3,987	1,453	1,440	***594***	-59%

RECREATION RESERVE USES (FUND 304)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
SUPPLIES	-	-	-	**-**	0%
OTHER SERVICES & CHARGES	2,600	-	-	**-**	0%
FUND BALANCE	1,387	1,453	1,440	***594***	-59%
TOTAL REC RESERVE USES	3,987	1,453	1,440	***594***	-59%

STREET RESERVE FUND (311)
PROGRAM DESCRIPTION:

Fund 311, under the administration of the Engineering Division, provides for the planning, design and construction of improvements associated with the City of Poulsbo's transportation system.

The program includes: construction of roads, traffic control devices, curbs, gutters, and sidewalks as well as roadway drainage improvements, and pavement restoration.

PROGRAM RESOURCES:

The Street Reserve Fund (311) derives the majority of its revenues from State Transportation Improvement Board (TIB) grant program, Federal Surface Transportation Program (STP) grant program and operating transfers.

Operating Transfers:

- Transfers from the Arterial Street Fund (102) which accumulates State Shared State Fuel Tax revenue
- Transfers from the Cumulative Reserve Fund (123) which accumulates traffic impact fees
- Prior to 2009 Fund (311) received an operating transfer from the General Fund (001) - 5% of Property Tax Revenue. In 2010 due to the economic conditions this transfer will not be made.
- General Fund (001) - "Banked" Property Tax Revenue
- Street Fund (101) - 5% of Fund 101 Revenue

2009 PROGRAM ACCOMPLISHMENTS:

- Mesford Avenue Improvements in-house design completed. Construction contract to be awarded toward the end of 2009
- Viking Avenue McDonald's to SR 305 Construction Cost $2.5 million. Total Project Cost $2.9 million.
- Viking Avenue Bovela Lane to south city limits: Phase 3A & 3B design completed. Phase 3A construction contract awarded

2010 PROGRAM PROJECT GOALS:

Noll Road Corridor – Shared use path from Hostmark to Poulsbo Elementary:

Project: The project will complete the Plans, Specifications and Estimates (PS&E). The project includes the following elements: 12' asphalt shared use path, signage, drainage improvements.
PS&E Cost - $60,000

Project Funding:

- Traffic Impact Fees - $60,000

Responds to Council Goal: #6 - Public Works

Viking Ave Bovela Lane to 1000 feet south – Construction Phase 3A:

Project: The project includes the following elements: roadway widening, sidewalks, drainage improvements.
Total Project Cost - $1,070,000

Project Funding:

- American Recovery and Reinvestment Act funding - $1,070,000 million

Viking Ave End of Phase 3A to South City Limits – Construction Phase 3B:

Project: The project includes the following elements: roadway widening, sidewalks, drainage improvements.
Total Project Cost - $900,000

Project Funding:

- State Grant - $780,000
- Street Reserves - $80,000
- Impact Fees - $40,000

Responds to Council Goal: #6 - Public Works

6th Ave. Traffic Calming Improvements - Design:

Project: The project will install traffic calming features on 6th Ave. from Hostmark St. to Fjord Drive.
PS&E Cost - $10,000.

Project Funding:

- Traffic Impact Fees - $10,000

3rd Ave. Reconstruction – Moe to Iverson:

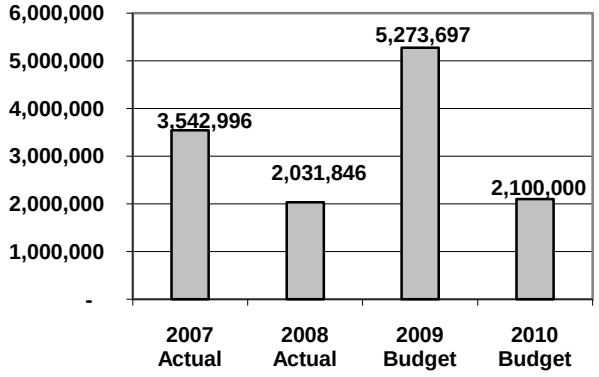
Project: The project includes the following elements: pavement repair, sidewalks, drainage improvements. This will complete the PS&E required for the project.
PS&E Cost: $60,000

Project Funding:

- Traffic Impact Fees - $60,000

Responds to Council Goal: #6 - Public Works

Street Reserve Fund (311)
Expenditures
(2007 - 2010)



STREET RESERVE RESOURCES (FUND 311)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	977,656	851,556	1,097,783	***697,401***	-36%
INTERGOVERNMENTAL	2,303,976	1,606,718	3,996,552	***1,850,000***	-54%
MISCELLANEOUS	50,268	17,085	-	**-**	0%
OTHER FINANCING SOURCES	1,105,887	467,252	613,482	***277,823***	-55%
TOTAL STREET RESERVE RESOURCES	4,437,787	2,942,611	5,707,817	***2,825,224***	-51%

STREET RESERVE USES (FUND 311)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
CAPITAL OUTLAY	3,506,996	354,729	5,273,697	***2,100,000***	-60%
OTHER SERVICES & CHARGES	36,000	1,677,117	-	**-**	0%
FUND BALANCE	930,791	910,764	434,120	***725,224***	67%
TOTAL STREET RESERVE USES	4,473,787	2,942,611	5,707,817	***2,825,224***	-51%

PARK ACQUISITION FUND (312) DESCRIPTION:

The purpose of this fund is to provide a repository for park impact fees paid by developers for park improvements as a means of compliance with the State Environmental Protection Act (SEPA) and the Park, Recreation and Open Space element of the City's Comprehensive Plan. The funds shall be used for the acquisition of land, cost of planning, or capital improvements of land to be used for public park purposes. The fund is administered by the Parks & Recreation Department.

FUND RESOURCES:

Developer park mitigation fees provide the revenue for this fund. Fees are assessed by the Planning Department after site plan approval and are required to be paid prior to final plat approval. This timing can be very unpredictable; therefore, revenue is rarely budgeted, rather recognized when received.

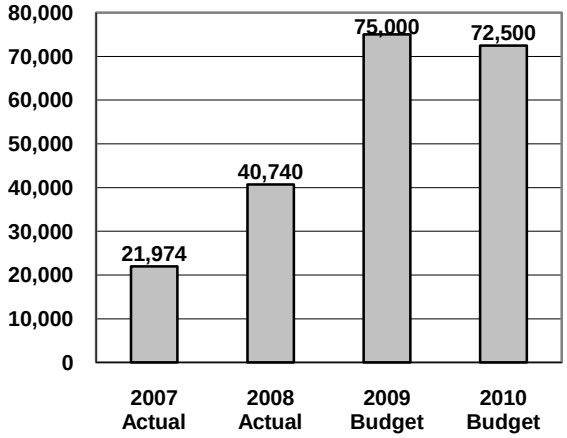
The City completed a review of these Park Impact fees in 2009 and a plan is anticipated to be workshopped and adopted by City Council in 2010.

EXPENDITURES:

In 2009, the city anticipated the start of construction of ball fields in the College Marketplace Development, but did not secure any grant funding that would supplement the project. In the past these funds have gone towards athletic field improvements to the community field at Vinland Elementary School and the replacement of an aging playground at Betty Iverson Kiwanis Park. These funds are transferred into the Park Reserve Fund (302).

In 2010 projects using Park Acquisition Funds (312) include $50,000 carried-over for College Marketplace ball fields, $25,000 towards Poulsbo's Fish Park phase 2, and $75,000 for Centennial Park.

Park Acquisition Fund 312
Operating Expenditures & Transfers
(2007-20010)



PARK ACQUISITION RESOURCES (FUND 312)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	159,941	191,930	91,190	***102,768***	13%
CHARGE FOR SERVICES	47,260	27,400	-	**-**	0%
MISCELLANEOUS	6,702	4,006	-	**-**	0%
TOTAL PARK ACQUISN RESOURCES	213,903	223,336	91,190	***102,768***	13%

PARK ACQUISITION FUND USES (FUND 312)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
OTHER FINANCING USES	21,974	40,740	75,000	***72,500***	-3%
FUND BALANCE	191,929	182,596	16,190	***30,268***	87%
TOTAL PARK ACQUISITION USES	213,903	223,336	91,190	***102,768***	13%

MUSEUM RESERVE FUND (313) DESCRIPTION:

This fund was created to receive donations from private citizens, businesses, or organizations for the purpose of funding the future creation of a City museum.

Poulsbo is rich in its Scandinavian history. The Poulsbo Historical Society is very active and has been collecting historical exhibits and a written history of Poulsbo for many years. Concern that valuable reminders of the area's past are being lost because of the lack of a permanent home to display the items. The society continues to raise funds for a future museum.

In 2000, the City purchased a parcel of land that will be the future site of the museum. A portion of the Transient Occupancy Tax Fund (181) was used for this purchase. The Historical Society has worked with an architect to develop a building plan. In 2003 a workshop was held with a consultant to design and implement a successful capital campaign. In 2009 an extension to the ground lease was adopted. This allows the Historical Society additional time to look for grant opportunities, secure funding and update the building design before submitting an application for a building permit in accordance with the terms of the lease.

MUSEUM RESERVE FUND RESOURCES (FUND 313)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	6,172	6,402	6,484	***6,556***	1%
MISCELLANEOUS	230	124	-	**-**	0%
TOTAL MUSEUM RESRVE RESOURCES	6,402	6,526	6,484	***6,556***	1%

MUSEUM RESERVE FUND USES (FUND 313)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
FUND BALANCE	6,402	6,526	6,484	***6,556***	1%
TOTAL MUSEUM RESERVE USES	6,402	6,526	6,484	***6,556***	1%

CEMETERY RESERVE FUND (314)

DESCRIPTION:

The City owns 5.1 acres of land known as the Poulsbo Cemetery, which dates back to 1900. The land is plotted for approximately 2913 gravesite plots and 534 cremain sites.

This fund was established as a repository for receipts paid for cemetery gravesites. The funds may be used for cemetery improvements. The fund is administered by the Public Works Department in conjunction with the City Clerk.

FUND RESOURCES:

Revenue is derived from the sale of gravesites.

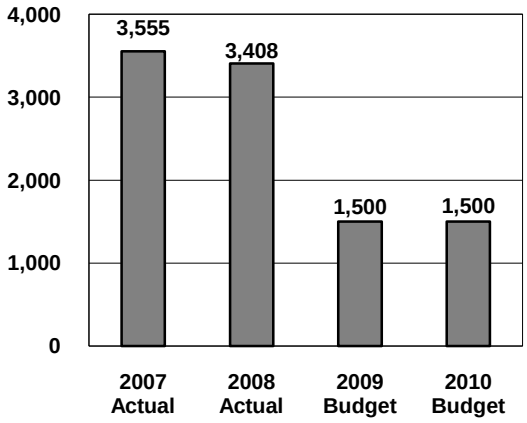
FUND USES:

In 2010, $22,229 is being transferred to support cemetery maintenance functions in the General Fund.

Cemetery Site Rates	
Cremain gravesite	$200
Regular gravesite	$400
Family lot (6 regular grave sites)	All sold
Block (24 regular grave sites)	All sold

.

Cemetery Reserve Fund (314)
Revenue
2007 - 2010



CEMETERY RESERVE RESOURCES (FUND 314)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	68,767	72,322	73,622	***77,230***	5%
CHARGE FOR SERVICES	1,000	2,000	1,000	***1,000***	0%
MISCELLANEOUS	2,555	1,408	500	***500***	0%
TOTAL CEMETERY RESRV RESOURCES	72,322	75,730	75,122	***78,730***	5%

CEMETERY RESERVE (FUND 314)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
INTERFUND SERVICES	-	-	-	***22,229***	0%
FUND BALANCE	72,322	75,730	75,122	***56,501***	-25%
TOTAL CEMETERY RESERVE USES	72,322	75,730	75,122	***78,730***	5%

STREET EQUIPMENT RESERVE FUND (321) DESCRIPTION:

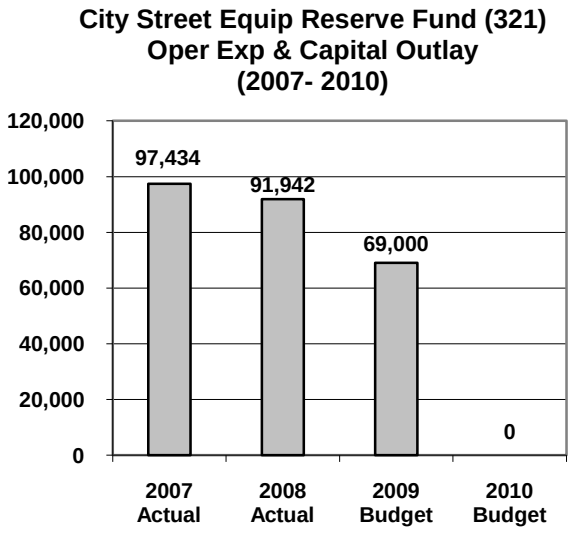
This fund, under the administration of the Public Works Department provides a reserve fund for the purchase of equipment for the Street Department.

PROGRAM RESOURCES:

Funding is provided by an operating transfer of approximately 5% of the specific Street Fund (101) revenue.

2010 STREETS CAPITAL EQUIPMENT EXPENDITURES:

There are no Streets capital expenditure requests for 2010.



CITY STREET EQUIP RESERVE RESOURCES (FUND 321)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	194,829	149,704	212,078	***194,686***	-8%
MISCELLANEOUS	5,084	2,858	1,000	***500***	-50%
OTHER FINANCING SOURCES	47,827	150,856	50,608	***47,559***	-6%
TOTAL CITY STR EQUIP RESOURCES	247,740	303,418	263,686	***242,745***	-8%

CITY STREET EQUIPMENT RESERVE USES (FUND 321)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
CAPITAL OUTLAY	97,434	91,942	69,000	**-**	-100%
FUND BALANCE	150,306	211,477	194,686	***242,745***	25%
TOTAL CITY STREET EQUIP RES USES	247,740	303,418	263,686	***242,745***	-8%

FACILITIES FUND (331) DESCRIPTION:

This fund accounts for funds available for capital improvements to City buildings and facilities.

FUND RESOURCES:

In 2009 the City issued bonds for Phase II of the City Hall Project in the amount of $6.1 million. Additional funding sources for the new planned City Hall are sales of current real estate, an interlocal contribution from Kitsap County for their share of the capital in the new City Hall and transfers of revenue from the General Fund directly attributed to the project such as sales tax and permit fees.

EXPENDITURES:

- The design phase of the City Hall project was completed in 2009. Construction began in 2009 with anticipated completion and move in the middle of 2010.

2009 ACCOMPLISHMENTS:

- Design of new City Hall completed.
- Construction contract issued.
- Site work completed.
- Bonds were issued for City Hall project
- Sale of 10th Avenue property to Harrison Hospital providing funding for City Hall project.
- Construction began May 2009.

FACILITIES FUND RESOURCES (FUND 331)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	2,855,990	2,897,832	748,444	***3,796,452***	407%
MISCELLANEOUS	109,951	42,613	1,328,346	***1,245,024***	-6%
OTHER FINANCING SOURCES	468,065	453,962	11,025,450	***2,225,450***	-80%
TOTAL FACILITIES FUND RESOURCES	3,434,006	3,394,407	13,102,240	***7,266,926***	-45%

FACILITIES FUND USES (FUND 331)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
SERVICES	-	-	-	**-**	0%
OTHER OPERATING USES	-	-	-	**-**	0%
CAPITAL OUTLAY	536,174	2,803,169	10,589,532	***7,036,024***	-34%
FUND BALANCE	2,897,832	591,239	2,512,708	***230,902***	-91%
TOTAL FACILITIES FUND USES	3,434,006	3,394,407	13,102,240	***7,266,926***	-45%

Section 7 - Proprietary Funds (400's - 500's)

PROPRIETARY FUNDS:

Include both the Enterprise and Internal Service Funds

ENTERPRISE FUNDS (400'S)

account for operations (a) that are normally financed and operated in a manner similar to a private business enterprise - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes

INTERNAL SERVICE FUNDS (500'S)

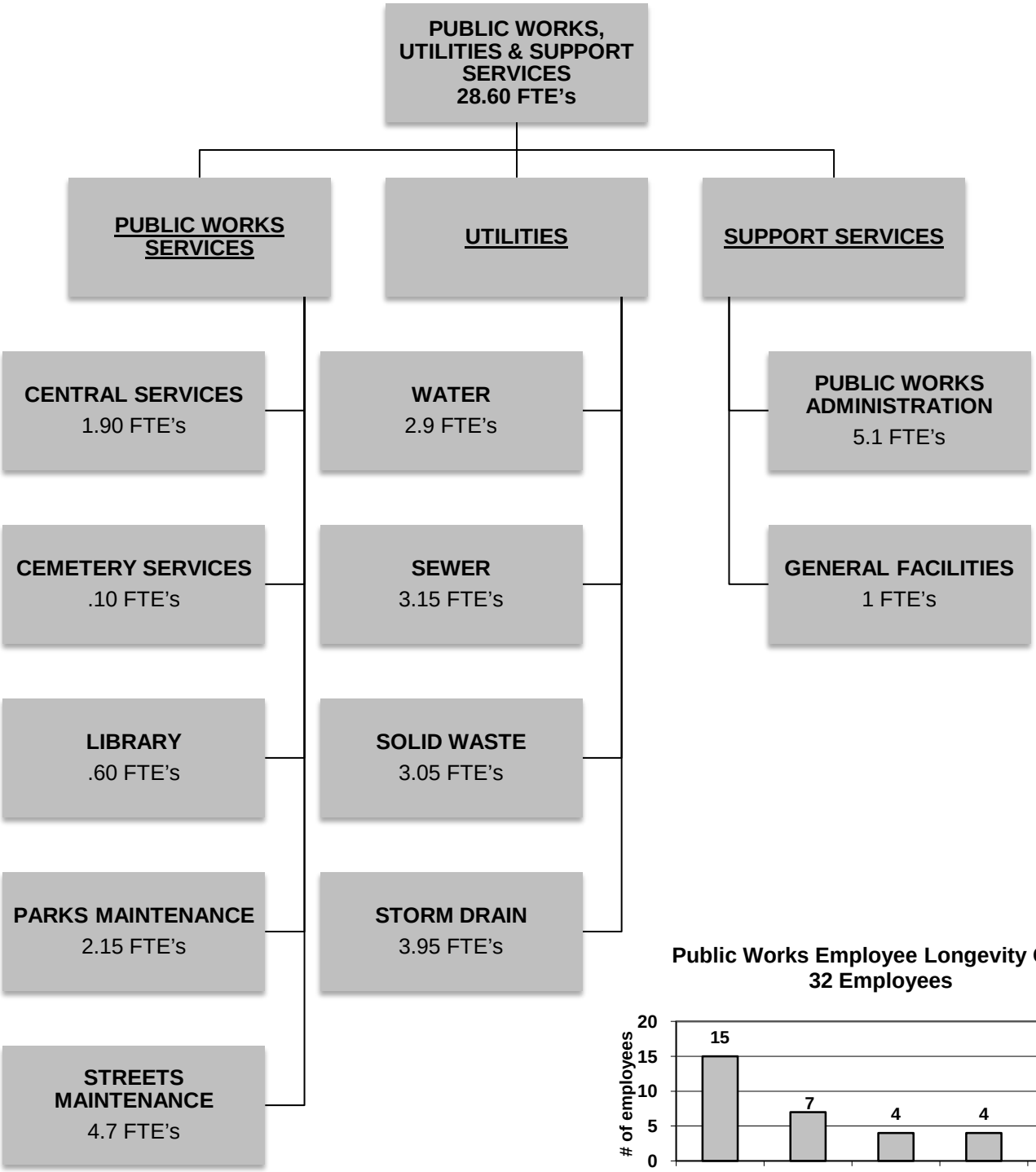
account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis

PROPRIETARY FUNDS SUMMARY

FUND #	FUND NAME	DESCRIPTION/USE	FUNDING SOURCE
ENTERPRISE FUNDS			
401	Water	Provides water services	Funded by user charges and connection fees
403	Sewer	Provides sewer services	Funded by user charges and connection fees
404	Solid Waste	Provides garbage and recycling services	Funded by user charges
410	Storm Drain	Services the City's storm drainage system	Funded by user charges
INTERNAL SERVICE FUNDS			
501	General Facilities	City mechanic fund	Funded by the departments that use the services
502	Public Works Administration	Provides administrative support to the City's streets, water/sewer, solid waste, storm drain, and general facilities departments	Funded by the departments it supports
503	Medical Reimbursement Fund	Provides funding for City's self-insuring deductible program for City's employee groups	Funded by savings in medical insurance deductible

FUND #	FUND NAME	BEGINNING BALANCE	TOTAL REVENUES	TOTAL EXPENDITURES	ENDING BALANCE
		ENTERPRISE FUNDS			
401	Water	2,196,473	1,625,651	1,803,987	2,018,137
403	Sewer	2,324,808	2,615,954	3,958,943	981,819
404	Solid Waste	820,377	1,247,000	1,148,197	919,980
410	Storm Drain	1,356,001	700,000	1,099,429	956,572
		INTERNAL SERVICE FUNDS			
501	General Facilities	54,637	185,000	176,260	63,377
502	Public Works Administration	87,100	1,124,344	1,122,585	88,859
503	Medical Reimbursement Fund	98,596	200	1,500	97,296

THE ORGANIZATION OF THE PUBLIC WORKS DEPARTMENT



Public Works Employee Longevity Chart
32 Employees

PUBLIC WORKS STAFFING FULL TIME EQUIVALENTS (FTE's)						
	2005	**2006**	**2007**	**2008**	**2009**	**2010**
Director	1	1	1	1	1	1*
Assistant Director O&M	0	1	1	1	1	1
Facilities Manager	1	0	0	0	0	0
Office Manager	1	1	1	1	1	1
Engineering Technician	0	1	1	1	1	1
Engineering Tech Sr.	0	0	0	0	1	1
Civil Engineer	1	1	1	1	1	1
Office Clerk	1	1	1.1	1.1	1.1	1.1
Foreman	2	2	2	2	2	2
Operations Technician	1	0	0	0	0	0
Senior Maintenance Lead	0	3	3	3	0	0
Maintenance Technician Sr.	10	7	7	7	9	9
Maintenance Technician I	4.5	5.5	5.5	6.5	5	5
Custodian	1.5	1.5	1.5	1.5	1.5	1.5
Grounds Maintenance Tech II	0	2	2	2	1	2
Maintenance Mechanic	1	1	1	1	1	1
Mechanic/Building Mech.	2	2	1	1	1	1
TOTAL	**27**	**30**	**29.1**	**30.1**	**27.6**	**28.6**

*.125 of the Director is charged directly to Engineering

Water Fund (401)
Water Operating & Capital Outlay Appropriations
$1,803,987
Water FTE's 2.9

Water Department Mission Statement:

The Public Works Department ensures the city's physical infrastructure (buildings and parks, water and sewer systems, roads and sidewalks, and drainage systems) is built and maintained, and that essential public services (solid waste collection and equipment maintenance) are performed, in a fiscally responsible manner to support a safe and healthy environment and help the city achieve its vision.

Public Works Committee Members:

Linda Berry-Maraist
Jeff McGinty
Dale Rudolph

WATER FUND PROGRAM DESCRIPTION:

The Water program is part of an enterprise fund providing for the delivery of domestic water supplies to the citizens of the City of Poulsbo and the surrounding community.

The City of Poulsbo currently provides service to approximately 3,500 residential and commercial water customers located primarily within the city limits of Poulsbo. The water system consists of a supply, treatment, storage and distribution system.

Water Supply: Water supply is derived from six groundwater wells; two located in the Big Valley area (Big Valley Well's 1 & 2), one from east of the City in the Lincoln Road area, the Pugh Road Well (relocated to site along Lincoln Road), the Bus Barn well and the Westside Well. The wells have a combined capacity of approximately 2010 gallons per minute. Additionally, the City maintains an intertie with the Kitsap County Public Utility District # 1 for 120 gpm of water supply.

Water Treatment: The City provides for treatment and disinfection of its water supplies. Sources of water supplies are treated utilizing sodium hypochlorite in order to insure proper disinfections pursuant to State Health Department Standards. Additionally, the City adds fluoride to its water supplies at the sources as an additional health benefit. The City water supply is tested daily by City staff. Sampling and laboratory testing is conducted monthly pursuant to the requirements of the Federal Safe Drinking Water Act to insure the protection of the public health and the safety of the community. Water sampling and testing includes coliform, lead and copper, volatile and synthetic organic chemicals (VOC's and SOC's), chlorine residuals and radio-nuclides and also disinfection by-products.

Storage and Distribution System: The distribution system consists of ten (10) storage facilities located in various service zones having a total combined capacity of 4 million gallons of water, six (6) water pump stations and appurtenances, together with a water distribution system consisting of 55 miles of pipe ranging in size from 2 inches to 12 inches. In 2005, the city added College Market Place improvements to the system, including approximately 2 miles of pipe with one section 16-inches in diameter.

WATER STAFFING:

The Water program is staffed with 2.9 fulltime equivalents (FTE's) providing for the operation, maintenance and repair of the system. Staffing is under the supervision of the Utilities Foreman.

2009 Program Highlights:

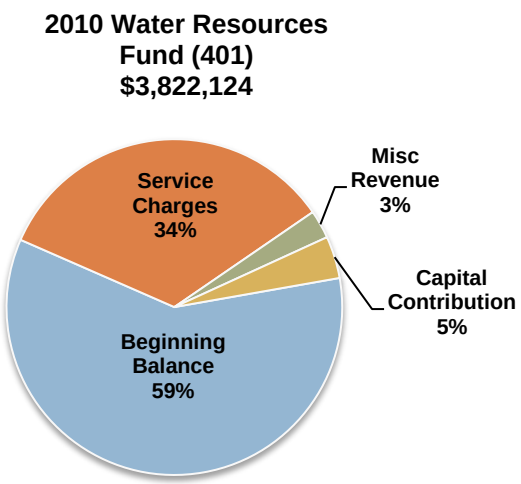
Maintenance and Operations:

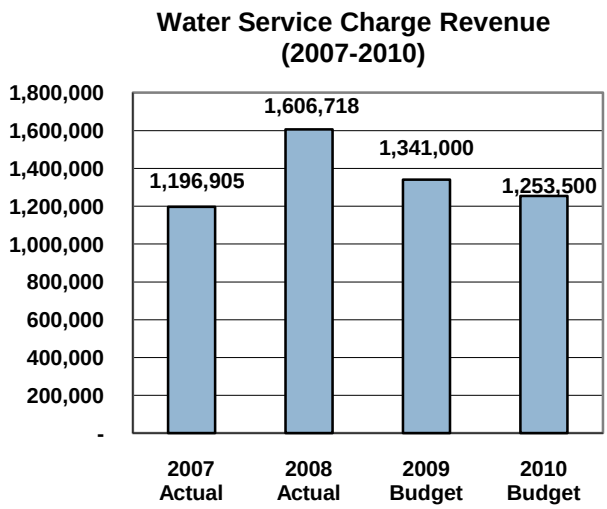
- Conducted our annual water main flushing program
- Complied with state mandated water quality monitoring and testing requirements, including coliform, phase I, II & V contaminates, lead & copper monitoring and a susceptibility assessment survey to determine vulnerability of source contamination
- Updated and distributed our annual Consumer Confidence Report for water system performance during calendar year 2008.
- Read of water distribution system service meters for the 2009 billing period
- Responded to customer requests for servicing
- Currently tracking 682 backflow assemblies for effectiveness and compliance
- Provided inspections for all new water main construction on our system
- Extensive hydrant maintenance program which included replacing or repairing fire hydrants.
- Assisted with relocation of water mains for the City Hall project
- Emergency Response Plan (DOH)
- Total gallons of water pumped from July 2008 to July 2009: 350,715,000.
- Coordinated approximately 96 unscheduled meter reads and an unspecified number of turn-off's/turn-on's with Finance Department
- Provided 270 utility locates and markings through August 2009, an average of 45 each month
- Initiated city-wide program to exercise water valves.
- Installed new water transmission main on Lincoln.
- Replaced main line valve on Ryen Street.

2010 WATER REVENUE:

Its users support the water utility, and revenue is generally derived from three sources: 1) monthly service charges, 2) system connection fees, and 3) miscellaneous revenues to include investment interest and charges associated with special work requests for customers. The majority of revenue comes from monthly service charges. The summer months June through September have different consumption rates. Larger usage during these months will have a higher consumption rate. This will more accurately charge the users of the system and also promote conservation during the summer months. 2010 revenues for these services are estimated to be approximately $1,355,000.

Current Monthly Residential Water Rate Structure		
	Inside City	Outside City
Base Rate	11.64	17.45
Plus Consumption per 100		
October through May		
0 and over	1.80	2.30
June through September		
0-1000	1.80	3.36
1001 and over	2.81	3.36





2010 WATER EXPENSES:

Operation and Maintenance: The year 2010 operation and maintenance program will be a continuation of the 2009 program and will include the operation, maintenance and repair of the utility's existing water system infrastructure to include water supply, storage and distribution systems. Additional duties associated with operations will include water monitoring and testing, compliance with regulatory reporting requirements and implementation of the water comprehensive planning requirements. Expenditures for year 2010 for operations and maintenance are estimated to be approximately $1,261,336.

2010 Operations & Maintenance Program

On-going maintenance of all well, pump, valve and storage facilities tanks, including routine maintenance, flushing and other tasks.

2010 Capital Improvement Program

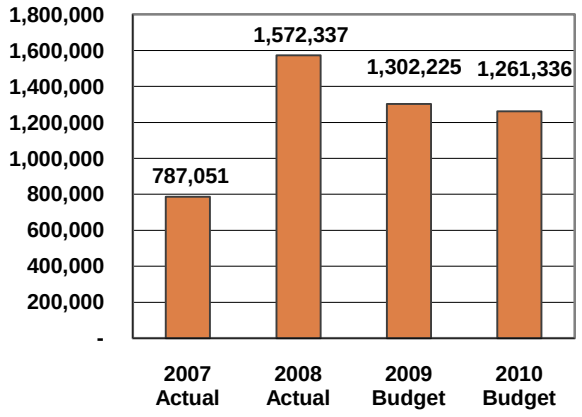
The Capital Improvement Program for year 2010 is estimated to be $422,000 and includes the following projects:

- Westside Well – Treatment for Manganese ($100,000)
- Intrusion Alarms ($22,000)
- Viking Avenue Phase 3 Water Main ($285,000)
- Big Valley Wells – Piping Improvements ($15, 000)

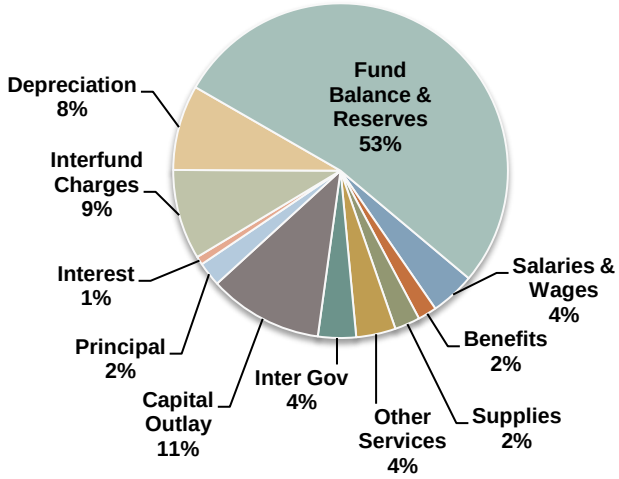
Debt Service

Debt Service expenses for year 2010 are estimated to be approximately $120,651. Detail information on the outstanding debt is found in a chart at the end of this fund's section.

Water Dept Fund (401)
Operating Expenditures
(2007-2010)



2010 Water Uses, Reserves, &
Funds Balances (Fund 401)
$3,822,124



WATER WORKLOAD MEASURES						
Type of Measure	**2005 Actual**	**2006 Actual**	**2007 Actual**	**2008 Actual**	**2009 Projected**	**2010 Projected**
# of active water services	2707	2820	2990	3142	3302	3200
Miles of water mains maintained	58	60	61	61	62	63*
Meters read per month/# of accounts	2663	2758	3051	3093	3115	3115

*Includes addition of Lincoln Road water main

WATER/SEWER FUND OUTSTANDING DEBT INFORMATION:					
Year	**Type**	**Purpose**	**Original Issue**	**Balance as of 12-31-09**	**Year of Payoff**
1996	PWTF Loan #2	Jensen Way Water & Sewer Improvements	$869,025	$275,086	2015
1998	Revenue Bond Water & Sewer	Refund of 1992 issue plus an additional $3 million for new sewer projects	$1,295,000	$500,000	2012
2005	Revenue Bond Water & Sewer	Refund portion of 1998 Bonds	$3,134,000	$2,867,000	2017
2001	PWTF Loan #3	Front Street Improvement	$1,374,570	$818,051	2020

WATER RESOURCES (FUND 401)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	***2010 BUDGET***	**% CHANGE**
BEGINNING BALANCE	1,717,337	4,267,616	3,020,098	***2,196,473***	-27%
CHARGE FOR SERVICES	1,196,905	1,606,718	1,341,000	***1,253,500***	-7%
MISCELLANEOUS	151,500	69,704	99,000	***101,500***	3%
PROPRIETARY OTHER INCOME	521,384	1,380,758	200,000	***150,000***	-25%
INTERGOVERNMENTAL REVENUE	-	-	120,202	***120,651***	0%
TOTAL WATER RESOURCES	3,587,127	7,324,797	4,780,300	**3,822,124**	-20%

WATER USES (FUND 401)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	***2010 BUDGET***	**% CHANGE**
SALARIES AND WAGES	184,780	153,151	178,807	***164,483***	-8%
PERSONNEL BENEFITS	66,628	54,776	73,419	***69,595***	-5%
SUPPLIES	66,089	54,493	94,600	***93,600***	-1%
OTHER SERVICES & CHARGES	127,802	127,034	173,414	***145,934***	-16%
INTERGOVERNMENTAL	47,682	132,437	143,343	***140,410***	-2%
DEBT SERVICE - PRINCIPAL	48,861	83,181	85,601	***89,561***	5%
DEBT SERVICE - INTEREST	41,895	39,872	34,601	***31,090***	-10%
INTERFUND PAYMENT FOR SERVICES	252,682	745,474	336,642	***332,314***	-1%
CAPTIAL OUTLAY	138,359	136,917	1,060,720	***422,000***	-60%
DEPRECIATION EXPENSE	41,388	304,972	302,000	***315,000***	4%
FUND BALANCE	2,570,961	5,492,490	2,297,153	**2,018,137**	-12%
TOTAL WATER USES	3,587,127	7,324,797	4,780,300	**3,822,124**	-20%

Sewer Fund (403)
Sewer Operating & Capital Outlay Appropriations
$3,958,943
Sewer FTE's 3.15

Sewer Department Mission Statement:

The Mission of the Wastewater Department is to provide the citizens of Poulsbo and the surrounding community with quality domestic wastewater service in concert with federal, state and local regulatory requirements together with associated responsibilities including the planning, design and expansion of the utility in support of the short and long term goals of the City and the maintenance, replacement and upgrade of utility infrastructure.

Public Works Committee Members:

Linda Berry-Maraist
Jeff McGinty
Dale Rudolph

SEWER FUND PROGRAM DESCRIPTION

The Sewer program is part of an enterprise fund providing for the delivery of the collection and treatment of wastewater for the citizens of the City of Poulsbo and the surrounding community.

The City of Poulsbo currently provides service to approximately 3,500 residential and commercial sewer customers located primarily within the City limits of Poulsbo. The wastewater system consists of a collection and transmission system.

Collection System: The collection system consists of approximately thirty-one (34) miles of collection system main, providing collection of wastewater from the respective drainage basins located throughout the City.

Transmission and Conveyance System: The transmission and conveyance system is comprised of eight (9) wastewater lift stations, together with the central interceptor, connecting the City of Poulsbo's System with the Kitsap County Wastewater Treatment Plant.

Wastewater Treatment: The City contracts with the Kitsap County Department of Public Works for treatment of its wastewater. Wastewater is received by the County from the City at the County's Johnson Way Metering Station located at Johnson Way and State Highway 305.

SEWER STAFFING:

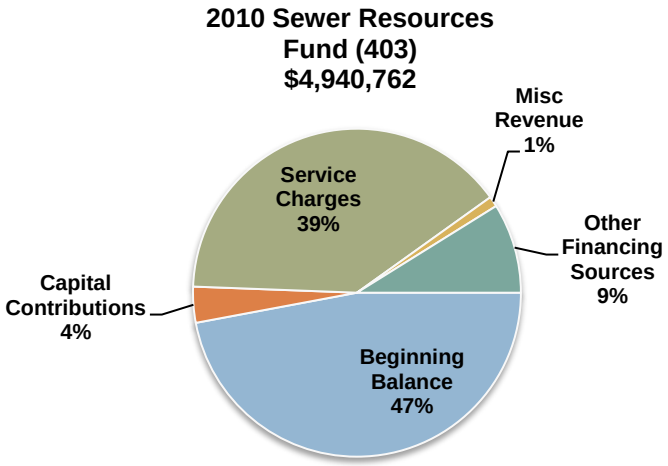
The 3.15 FTE's provide the operation, maintenance, and repair of the system. Staffing is under the supervision of the Utilities Foreman.

2009 Sewer Program Highlights:

- Continued pre-design activities associated with wastewater improvements in order to expand the capacity of the wastewater system
- Cleaned & maintained 9 lift stations (includes cleaning floats, changing filters, cleaning wet wells of grease, floats, flapper valves, seals and impellers as needed)
- Conducted dye and smoke tests
- Monitored flows daily to wastewater treatment facility
- Jetted problem areas as needed
- Continued to monitor commercial business grease traps
- Continued manhole inventory
- Repaired faulty manhole and restored slope at Nordness St
- Installed two meters on private well lines for sewer charges
- Replacement of 2001 pickup
- Continued to provide locating services for new developments and projects
- Replacement of backhoe with mini excavator

2010 SEWER REVENUES:

Its users support the wastewater utility and revenue is generally derived from three sources: 1) monthly service charges, 2) system connection fees, and 3) miscellaneous revenues to include investment interest and charges associated with special work requests for customers. The majority comes from monthly service charges. The summer months, June through September, charge consumption based on an average water usage during the eight previous months. The rate now takes into consideration increased summer usage for watering but does not produce any more wastewater. In 2008 the sewer Comprehensive Plan was updated including a financial analysis. The process included a study group consisting of citizens, business owners, developers and staff. New rates went into effect in 2009 as a result of the study to provide funding to support operations and long term capital improvements and maintenance updates. The Revenues for the year 2010 accounting period are estimated to be approximately $2,615,954.



SEWER RATES:

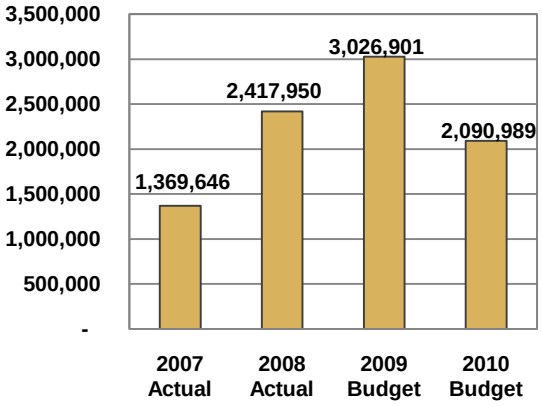
Current Monthly Residential Sewer Rate Structure		
	Inside City	Outside City
Base Rate	37.94	56.58
Base charge includes 400 cubic feet of water flow		
Plus Consumption per 100		
October through May		
401 and over	4.99	7.41
June through September		
401 and over	4.99	7.41
Seasonal Averaging for months of June – Sept: Cubic feet consumption calculated on the average water flow of the previous eight months for each account individually		

2010 SEWER EXPENSES:

Operation and Maintenance: The year 2010 operation and maintenance program will be a continuation of the 2009 program and will include the operation, maintenance and repair of existing utility system infrastructure to include wastewater collection system, pump stations and conveyance facilities. Expenditures for the year are estimated to be approximately $2,090,989.

Debt Service: Debt Service expenses for year 2010 are estimated to be approximately $437,954.

Sewer Dept Fund (403)
Operating Expenditures
(2007-2010)



Capital Improvements:

The capital improvement program for year 2010 is estimated to be $905,000 and includes the following projects:

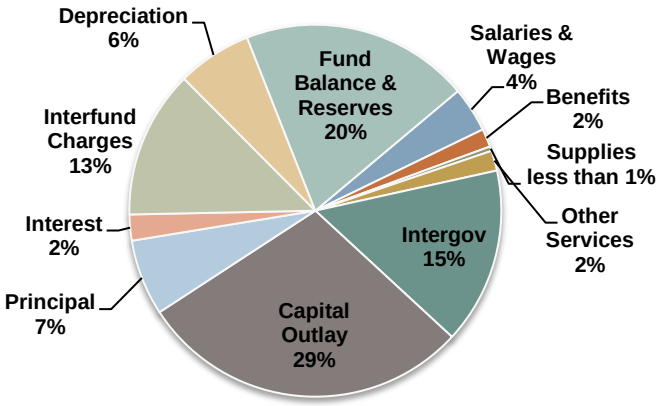
- 6th&9th Avenue Pump Station Upgrades ($600,000)
- Annual Inflow Reduction Program ($20,000)
- Viking Avenue Sewer Extension ($235,000)
- Tollefson Force main upgrade ($50,000)

Capital Outlay

Capital Outlay for Equipment and contractual amounts paid to Kitsap County for the City's share of the treatment processing plant

- City's Portion of Sewage Treatment Plant – increased to $500,000 for 2010.

2010 Sewer Uses, Reserves
& Fund Balances (Fund 403)
$4,940,762



SEWER WORKLOAD MEASURES						
Type of Measure	**2005 Actual**	**2006 Actual**	**2007 Actual**	**2008 Actual**	**2009 Projected**	**2010 Projected**
# of active sewer services	2561	2631	2778	2869	2886	2900
# of pumping stations maintained	8	8	9	9	9	9
Miles of sewer lines maintained	31	33	33	34	34	34

SEWER RESOURCES (FUND 403)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	3,844,513	4,060,693	3,821,120	***2,324,808***	-39%
CHARGE FOR SERVICES	1,881,126	1,962,393	2,343,000	***1,952,500***	-17%
MISCELLANEOUS	181,413	136,746	52,000	***50,500***	-3%
PROPRIETARY OTHER INCOME	530,806	193,362	206,000	***612,954***	198%
TOTAL SEWER RESOURCES	6,437,858	6,353,194	6,422,120	**4,940,762**	-23%

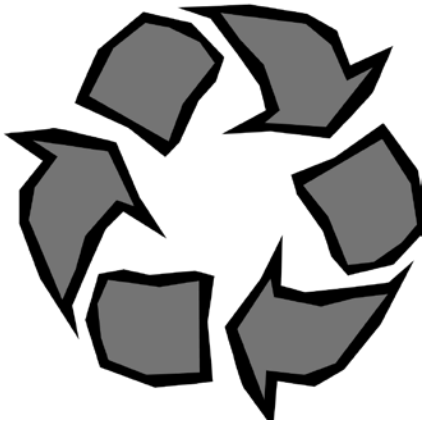
SEWER USES (FUND 403)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
SALARIES AND WAGES	161,553	163,097	193,845	***194,008***	0%
PERSONNEL BENEFITS	56,147	57,640	79,766	***78,177***	-2%
SUPPLIES	19,888	25,569	19,500	***19,500***	0%
OTHER SERVICES & CHARGES	56,852	52,924	85,600	***86,170***	1%
INTERGOVERNMENTAL	658,612	706,951	779,392	***757,449***	-3%
DEBT SERVICE - PRINCIPAL	321,987	303,667	1,223,379	***326,287***	-73%
DEBT SERVICE - INTEREST	156,159	145,410	124,507	***111,667***	-10%
INTERFUND PAYMENT FOR SERVICES	156,029	1,102,260	1,548,798	***635,685***	-59%
CAPTIAL OUTLAY	323,235	1,252,896	797,512	***1,430,000***	79%
DEPRECIATION EXPENSE	260,565	309,509	320,000	***320,000***	0%
FUND BALANCE	4,266,832	2,233,270	1,249,822	**981,819**	-21%
TOTAL SEWER USES	6,437,858	6,353,194	6,422,120	**4,940,762**	-23%

Solid Waste Fund (404)
Operating & Capital Outlay Appropriations
$1,148,197
FTE's 3.05

Public Works Committee

Jeff McGinty
Linda Berry-Maraist
Dale Rudolph



SOLID WASTE FUND 404 PROGRAM DESCRIPTION:

Solid Waste program is an enterprise fund providing for the collection and disposal of solid waste for the citizens of the City of Poulsbo and the surrounding community.

SERVICES PROVIDED:

The City of Poulsbo provides both residential and commercial solid waste collection and disposal services to approximately 2,755 residential and commercial utility customers located within the City limits of Poulsbo. The solid waste program also includes a curbside recycling program.

Residential Service: Residential services include the weekly pickup of containers ranging in size from 10 gallons to 64 gallons.

Commercial Service: Services included all sizes of containers together with dumpsters ranging in size from two yard to eight yards. For units greater than eight yards in volume, customers are referred to Bainbridge Disposal for disposal services.

Solid waste is collected on a weekly basis in the residential areas of the community and on a more frequent basis in the commercial areas of the City subject to the property owner's disposal requirements.

Solid Waste Disposal: Solid waste is transported and disposed of at the Olympic View Transfer Station located in South Kitsap adjacent to the Port of Bremerton Industrial Park off State Highway 3.

Recycling Program: The City has an established recycling program in accordance with the Solid Waste Act of 1989. The fee for recycling is included in the customer's monthly service charge rate.

In 2007, the City renewed a contract to Bainbridge Disposal for providing curbside recycling services as well as collection of cardboard, yard waste, and refuse from oversized dumpsters.

In August 2008, Bainbridge Disposal implemented a new and improved 'single stream' curb side recycling program. New 64-gallon containers were delivered to City residents. All recyclable items can be co-mingled into the new containers, including milk cartons and cardboard. Recycling is picked up on the same scheduled day as the customers' garbage on an every-other week schedule.

Recycling Center: The recycling program also includes a regional recycling center. To assist those residents in the surrounding community requiring service and for those City residents requiring expanded service, the City of Poulsbo in concert with the Kitsap County Solid Waste Division, established the "Poulsbo Recycle Center" located on Viking Avenue north of Bond Road off Highway SR 305. The facility is designed to serve both City and County residents. The recycling center provides a drop point for the disposal of newspaper, aluminum, tin cans, plastic milk jugs, and plastic pop bottles. Charts providing recycling information are displayed later in this section.

SOLID WASTE STAFFING:

The Solid Waste program is staffed with 3.05 fulltime equivalents (FTE's) providing for the collection and disposal of refuse and solid waste. Staffing is under the supervision of the Assistant P.W. Director, Operations & Maintenance. A halftime Maintenance Tech position which had never been filled was removed for the 2009 budget.

2009 PROGRAM ACCOMPLISHMENTS:

- Continuation of the City of Poulsbo's "Keep the City Clean Program", a program which allows each resident of the City annually to obtain a one yard dumpster in order to encourage local residents to keep the city clean and dispose of unneeded and unwanted trash
- Continued cleanup and mowing of old landfill
- Purchase of new automated residential garbage truck

SOLID WASTE CAPITAL PROGRAM:

In 2008, the solid waste program ordered a new solid waste garbage truck with an automated arm and "Curroto" can attachment to allow for automated' pickup of cans.

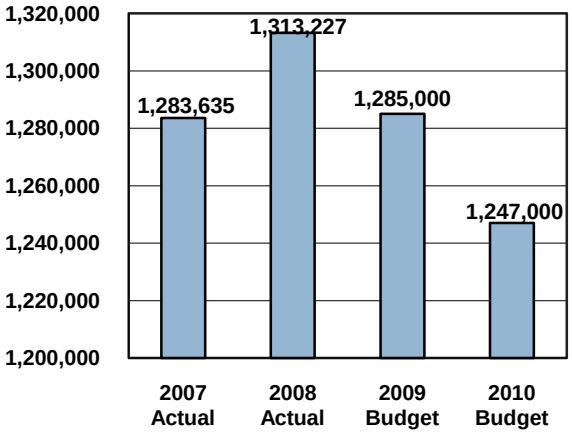
In the Solid Waste Capital Improvement Plan, a total of $125,000 is budgeted for a ramp and miscellaneous improvements for a cost-effective solid waste transfer station including a 40-yard transfer trailer with walking floor to eliminate the long haul distance for local collection trucks.

2010 REVENUES:

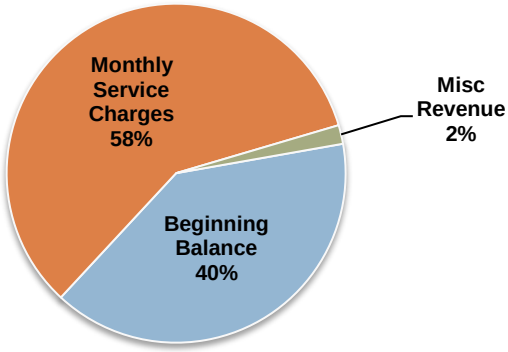
The solid waste utility is supported by its users and revenue is generally derived from service charges which include: 1) service charges for scheduled residential and regular dumpster garbage collection, and 2) service charges for recycling. The majority of revenue comes from monthly service charges. Revenues for the year 2010 accounting period are estimated to be approximately $1,247,000.

	Current Monthly Residential Garbage Rate Structure (includes $3 recycling charge)		
# of cans	**Can Size**		
	32 Gallon	20 Gallon	10 Gallon
1	$16.50	$11.00	$8.25
2	35.20	24.20	NA
3	53.90	35.20	NA

Solid Waste Revenue (2007-2010)



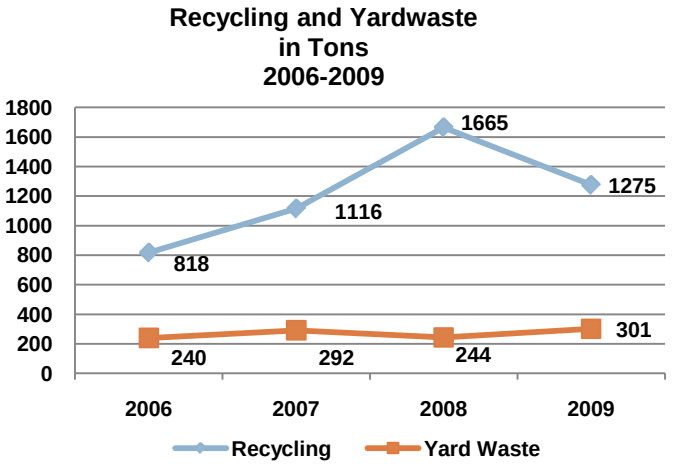
2010 Solid Waste Resources Fund (404) $2,067,377

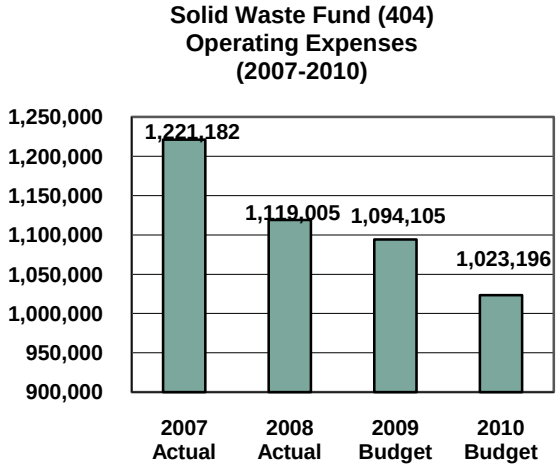


2010 EXPENSES:

Operation and Maintenance: The year 2010 operation and maintenance program will be a continuation of the 2009 program and will include the collection and disposal of refuse and solid waste for the citizens of Poulsbo. Expenditures for the year 2010 for operation and maintenance are estimated to be approximately $1,023,196.

Residential Customer Can Count				
Can Size	**# of Cans**			
	1	**2**	**3**	**4**
32 Gallon	1392	272	8	0
20 Gallon	493	8	0	0
10 Gallon	142	0	0	0
Misc Combo	19	20	0	0





SOLID WASTE WORKLOAD MEASURES						
Type of Measure	**2005 Actual**	**2006 Actual**	**2007 Actual**	**2008 Actual**	**2009 Projected**	**2010 Projected**
# of residential accounts	2273*	2331*	2430*	2746*	2682*	2794***
# of multi-family accounts	1030	1038	1102	1012	1012	1012
# of dumpster accounts	224	229	201	231	225	225
Tons of waste to landfill	5200	5690	5700	4794**	4855	4800
Clean-up dumpsters provided	363	326	350	308	290	300

*Includes Seabird Mobile Home which is listed as one (1) account; but has 44 units and Poulsbo Mobile Home Park is listed as one (1) account and has 76 units.
**Reduction due to recycling.
***Seabird Mobile Home Park will become individual accounts as of December, 2009 for a total of 44

SOLID WASTE RESOURCES (FUND 404)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	***2010 BUDGET***	**% CHANGE**
BEGINNING BALANCE	1,318,121	1,427,280	1,561,065	***820,377***	-47%
CHARGES FOR SERVICES	1,204,354	1,256,597	1,250,000	***1,210,000***	-3%
MISCELLANEOUS	79,279	56,630	35,000	***37,000***	6%
TOTAL SOLID WASTE RESOURCES	2,601,754	2,740,508	2,846,065	**2,067,377**	-27%

SOLID WASTE UTILITIES USES (FUND 404)					
ACCOUNT DESCRIPTION	**2007 ACTUAL**	**2008 ACTUAL**	**2009 BUDGET**	***2010 BUDGET***	**% CHANGE**
SALARIES AND WAGES	232,391	153,013	168,434	***156,705***	-7%
PERSONNEL BENEFITS	86,297	59,141	73,530	***70,729***	-4%
SUPPLIES	146,933	70,968	70,450	***68,250***	-3%
OTHER SERVICES & CHARGES	180,597	207,405	205,125	***185,327***	-10%
INTERGOVERNMENTAL	388,999	414,786	394,550	***390,470***	-1%
INTERFUND PYMNT FOR SRVCS	196,957	300,992	146,916	***136,515***	-7%
CAPTIAL OUTLAY	-	24,137	495,000	***125,000***	-75%
DEPRECIATION EXPENSE	25,282	14,877	60,000	***15,200***	-75%
FUND BALANCE	1,344,299	1,495,189	1,232,060	**919,180**	-25%
TOTAL SOLID WASTE USES	2,601,754	2,740,508	2,846,065	**2,067,377**	-27%

Storm Drain Fund (410)
Operating & Capital Outlay Appropriations
$1,099,430
FTE's 3.95

Stormwater Department Mission Statement:

The mission of the Stormwater Department is to provide the citizens of Poulsbo and the surrounding community with collection, monitoring and disposal services in concert with federal state and local regulatory requirements together with associated responsibilities including the planning, design and expansion of the utility in support of the short and long term goals of the City and the maintenance, replacement and upgrade of utility infrastructure.

Public Works Committee Members:

Linda Berry-Maraist
Jeff McGinty
Dale Rudolph

STORM DRAIN FUND 410 PROGRAM DESCRIPTION:

Storm Drain program is an enterprise fund providing for the collection, treatment and disposal of storm and surface water runoff for the citizens of the City of Poulsbo and the surrounding community which includes State Hwy 305 drainage.

SERVICES PROVIDED:

Collection System: The collection system consists of approximately twenty two (22) miles of collection system mains and approximately four (4) miles of open drainage ditches, twelve-hundred and seventy (1270) catch basins providing for the collection and conveyance of storm and surface water runoff. The addition of the new Viking Avenue system which includes pervious sidewalks will increase the catch basin system an additional 14.

Treatment System: The treatment system includes the operation and maintenance of more than forty (40) detention and treatment facilities.

STAFFING:

The 3.95 full time equivalents (FTE's) provide for the operation, maintenance and repair of the system. An additional FTE was added in 2008 to help meet the requirements for National Pollutant Discharge Elimination System (NPDES). Staffing is under the supervision of the Utilities Foreman.

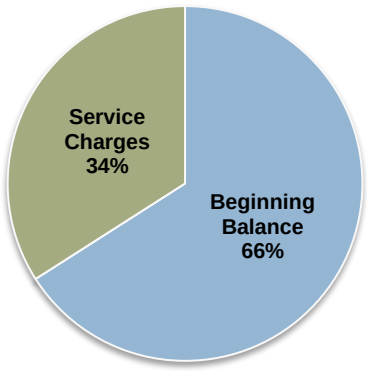
2009 O&M PROGRAM HIGHLIGHTS:

- Continue inspection all city storm drainage facilities
- Maintenance and cleaning of catch basins, trash collectors and oil separators.
- Calculated impervious areas for all new annexed properties
- Attended Department of Ecology workshop regarding NPDES Phase II Storm Water Permit requirements
- Continued working on NPDES permit requirements
- Continued coordination with the Washington State Department of Transportation for the collection and disposal of stormwater associated with the State Highway 305 Project
- Cut and removed unwanted brush and trees inside pond areas and around fences
- Vegetation control of retention and detention ponds
- Maintained fencing
- Dredged out ponds and bio-swales in Deer Run
- Repaired stream damaged area on Storhoff Road
- Executed the Storm Water Comprehensive Plan, including O&M manual preparation.
- Installation of 200 markers at catch basins to "Report Pollution".
- Repaired 30" culvert in the waterfront park
- Installed asphalt berm to control flooding downstream of 9th Avenue
- Installed 5 tons of rock to repair undermining of city shop building
- With new construction on Viking Way (N), we have increases in bio-swales, bio-retention cells, previous sidewalks and catch basins

2010 REVENUE:

The storm drain utility is supported by its users and revenue is generally derived from service charges, which include: 1) monthly service charges, and 2) building permit connection charges. The majority of revenue comes from monthly service charges. Revenues for the 2010 accounting period for services are estimated to be $700,000.

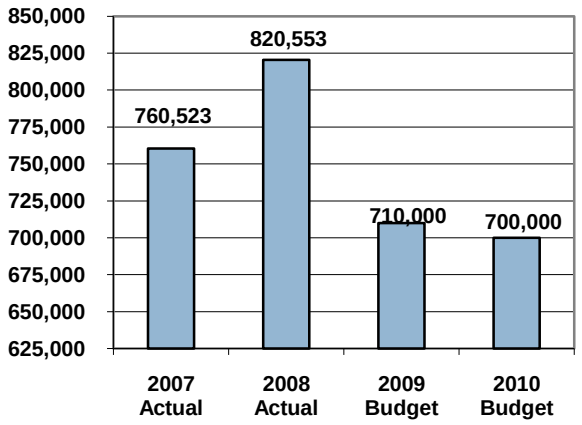
2010 Storm Drain Resources
Fund (410)
$2,056,001



STORM DRAIN DRAINAGE RATES:

The 2010 rates charge residential and commercial customers $7.94 per impervious surface units (ISU). One ISU is equivalent to 3,000 square feet of impervious surface. The new rate structure provides funding for many of the stormwater projects identified in the City's updated Comprehensive Stormwater Management Plan.

Storm Drain Fund (410)
Revenue (2007-2010)



2010 EXPENSES:

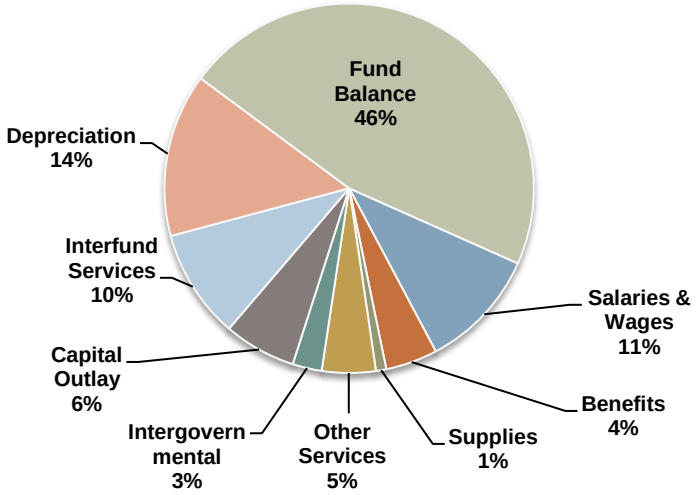
Operation and Maintenance: The year 2010 operation and maintenance program will be a continuation of the 2009 program and will include the operation, maintenance and repair of the utilities existing storm water system infrastructure to include storm drain collection systems and conveyance facilities to reduce flooding and protect water quality pursuant to the City of Poulsbo's Stormwater Comprehensive Plan, adopted stormwater management manuals, and NPDES permit. 2010 Expenditures for operations and maintenance are estimated to be approximately $969,429.

2010 Capital Expenditures/Improvements:

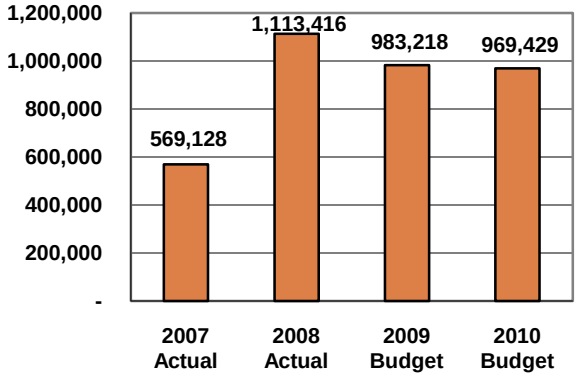
($213,000 total)

- Dogfish Creek Restoration ($50,000).
- Anderson Parkway LID Retrofit ($40,000)
- Noll Rd Culvert Replacement ($40,000)

2010 Storm Drain Uses
Fund (410)
$2,056,001



Storm Drain Fund (410)
Operating Expenses
(2007-2010)



STORM DRAIN DEPARTMENT WORKLOAD MEASURES						
Type of Measure	**2005 Actual**	**2006 Actual**	**2007 Actual**	**2008 Actual**	**2009 Projected**	**2010 Projected**
# of detention ponds maintained	22	29	29	29	32	32
Control Structures	28	29	29	29	30	30
Number of Bio Swales maintained	12	16	16	16	18	18

STORM DRAIN RESOURCES (FUND 410)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	1,386,723	1,478,447	1,185,019	***1,356,001***	14%
CHARGE FOR SERVICES	699,537	682,314	700,000	***700,000***	0%
MISCELLANEOUS REVENUE	60,986	81,811	10,000	**-**	-100%
PROPRIETARY OTHER INCOME	-	56,428	-	**-**	0%
TOTAL STORM DRAIN RESOURCES	2,147,246	2,299,000	1,895,019	**2,056,001**	8%

STORM DRAIN UTILITIES USES (FUND 410)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
SALARIES AND WAGES	85,705	166,311	214,833	***217,156***	1%
PERSONNEL BENEFITS	31,567	62,792	94,757	***93,513***	-1%
SUPPLIES	9,749	13,578	24,200	***18,600***	-23%
OTHER SERVICES & CHARGES	34,930	37,155	103,960	***96,737***	-7%
INTERGOVERNMENTAL	51,601	50,601	52,586	***52,586***	0%
DEPRECIATION EXPENSES	199,475	285,561	293,000	***294,000***	0%
INTERFUND PYMENT FOR SRVCS	156,100	497,419	199,882	***196,838***	-2%
CAPITAL OUTLAY	45,926	-	-	***130,000***	0%
FUND BALANCE	1,532,192	1,185,584	911,801	**956,572**	5%
TOTAL STORM DRAIN USES	2,147,246	2,299,000	1,895,019	***2,056,001***	8%

General Facilities Fund (501)
Operating & Capital Outlay Appropriations
$176,260

FTE's 1

General Facilities Department Mission Statement:

The mission of the General Facilities Department is to provide support services to the City and the Public Works Department. Responsibilities include the repair and maintenance for vehicles and machinery utilized and owned by the City and the Public Works Department.

Public Works Committee Members:

Linda Berry-Maraist
Jeff McGinty
Dale Rudolph

GENERAL FACILITIES FUND 501
PROGRAM DESCRIPTION:
(Municipal Repair Garage)

General Facilities program is an enterprise fund providing services to other departments associated with the maintenance and repair of the City's vehicles and equipment. Departments serviced by the General Facilities Fund include: Police, Parks & Recreation, Engineering, Municipal Court and the Public Works Departments. Departments' vehicles and equipment serviced and repaired include Police and Public Safety vehicles, Public Works vehicles, pickups, service trucks, heavy machinery, and miscellaneous equipment.

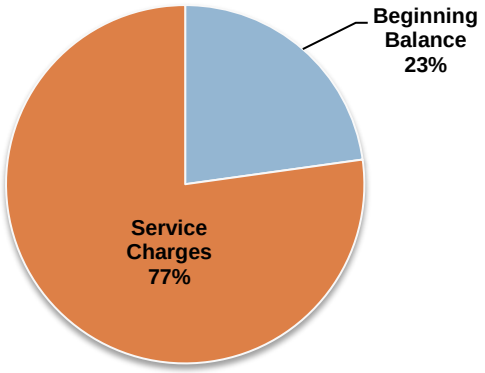
2009 Highlights:

- Equipped newly purchased police vehicles with specialty items to meet police car specifications
- Equipped newly purchased public works vehicles.
- Retrofitted garbage trucks with additional safety features and backup camera replacements
- Set up new Curroto Can
- Purchased and set up a new solid waste garbage truck and dump truck

STAFFING:

The 1 full time equivalent (FTE) provides for the repair and maintenance of vehicles and equipment under the supervision of the Assistant Public Works Director, Operations & Maintenance.

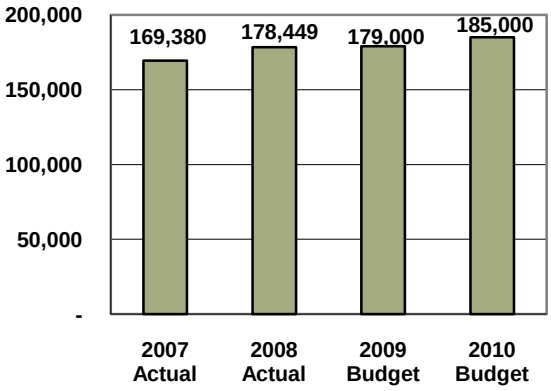
2010 General Facilities Resources Fund (501) $239,637



2010 REVENUE:

General Facilities is supported by its users and funding is derived from charges associated with the maintenance and repair of vehicles. Revenue for the year 2010 accounting period for services provided is estimated to be approximately $185,000.

General Facilities Fund (501) Revenue (2007-2010)



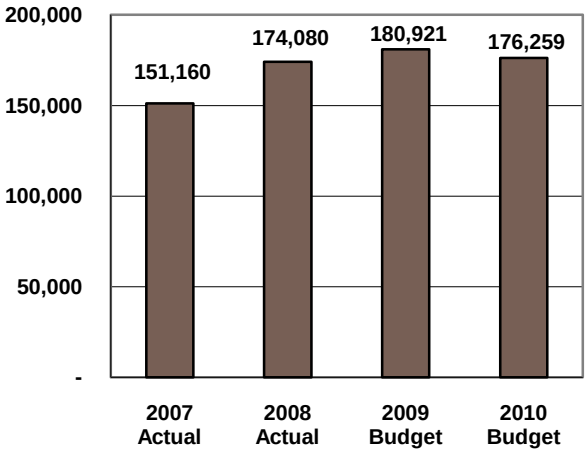
RATES:

The service charges associated with repair and maintenance is for labor and materials for routine maintenance, oil changes, tune-ups, brakes, and minor/major repairs to all other vehicle/equipment, including large garbage trucks, dump trucks, backhoe's, vactor truck, generators, etc. These charges are then billed back to the owning department.

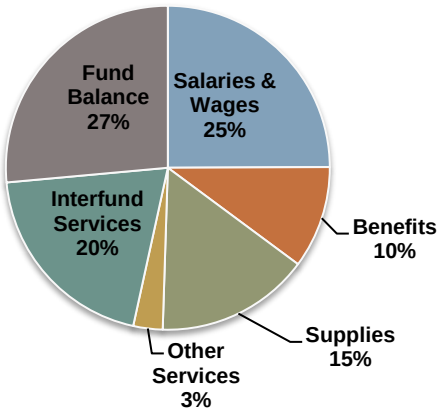
EXPENSES:

The year 2010 operation and maintenance program will be a continuation of the 2009 program. Expenditures for the year 2010 for operation of the municipal garage are estimated to be approximately $176,259.

General Facilities Fund (501) Expenses (2006-2010)



2010 General Facilities Uses
(Fund 501)
$239,637



GENERAL FACILITIES DEPARTMENT WORKLOAD MEASURES					
Type of Measure	**2006 Actual**	**2007 Actual**	**2008 Actual**	**2009 Projected**	**2010 Projected**
# of mechanical work orders (city vehicles & equipment)	508	444	438	505	510

GENERAL FACILITIES FUND RESOURCES (FUND 501)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	33,427	43,748	48,258	***54,637***	13%
CHARGE FOR SERVICES	168,095	177,246	179,600	***185,000***	3%
MISCELLANEOUS	1,285	1,319	-	**-**	0%
TOTAL GENERAL FACILITIES RESOURCES	202,807	222,313	227,858	***239,637***	5%

GENERAL FACILITIES USES (FUND 501)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
SALARIES AND WAGES	50,489	58,030	59,749	***59,749***	0%
PERSONNEL BENEFITS	18,779	21,307	25,095	***24,481***	-2%
SUPPLIES	40,026	42,311	36,800	***36,800***	0%
OTHER SERVICES & CHARGES	6,481	8,638	8,000	***7,016***	-12%
INTERFUND PAYMENT FOR SVCS	35,385	43,793	51,277	***48,213***	-6%
DEPRECIATION EXPENSES	-	-	-	**-**	0%
FUND BALANCE	51,647	48,234	46,937	**63,377**	35%
TOTAL GEN FACILITIES USES	202,807	222,313	227,858	***239,637***	5%

Public Works Administration
Fund (502)
Operating & Capital Outlay Appropriations
$1,122,585
FTE's 4.975

Public Works Administrative Department Mission Statement:

The mission of the Public Works Administrative Department is to provide support services to the Public Works Department. Responsibilities include management and supervision, budgeting and accounting, and purchasing and procurement of supplies, good and services.

Public Works Committee Members:

Linda Berry-Maraist
Jeff McGinty
Dale Rudolph

PUBLIC WORKS ADMINISTRATION FUND 502 PROGRAM DESCRIPTION:

Public Works Administration is an internal service support fund responsible for the overall supervision and administration of the Public Works Department.

Public Works Administration is responsible for the management and oversight of ten (10) different departments/sections. These include: ***General Fund*** activities associated with Central Services to include building maintenance, janitorial activities and maintenance activities associated with the Parks and the Cemetery; ***Special Revenue Fund*** activities associated with Streets; and ***Proprietary Fund*** activities associated with Water, Sewer, Solid Waste, Storm Drain and General Facilities (Mechanic/Shop).

Support activities associated with Public Works Administration include:

- Management and supervision of approximately 29 FTE's, engaged in the operation, maintenance and repair of the City of Poulsbo's public infrastructure including buildings and central facilities, streets, roadways, trails and sidewalks, water, wastewater, solid waste and stormwater facilities, services and equipment repair facilities
- Preparation, management and monitoring of the department's annual budget
- Comprehensive planning and administration of all public works capital improvements and equipment replacement programs
- Financial administration and management of Public Works activities to include, but not limited to, payroll preparation, work order and project cost accounting, processing of accounts receivable and payable
- Allocation of overhead expenses to include management and supervision, insurance expenses, general fund expenses and other allied expenses to the benefiting departments

2009 Program Highlights:

- Posted on-line, the water and street design standards (with detail drawings) for easy access by developers
- Formalized and convened a city-wide Safety Committee
- Managed the construction of the new City Hall
- Completed in-house design of Mesford Street improvements
- Updated City web site
- Continued staff support to other city departments
- Continued plan design review for developer projects
- Began updating the utility AutoCAD drawings

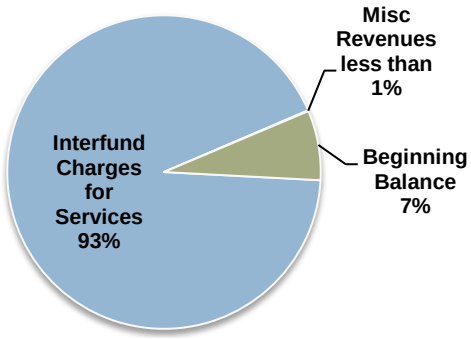
STAFFING:

Staffing associated with Public Works Administration includes 4.975 full time equivalent positions (FTE's). Public Works Administration is under the supervision of the Public Works Office Manager.

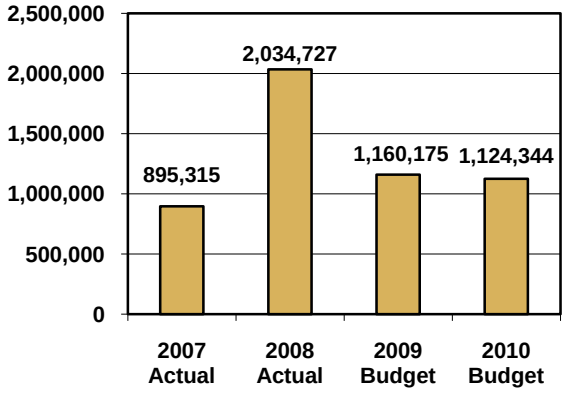
2010 REVENUE:

Public Works Administration is supported by departments receiving benefits from this department. This includes the Streets, Water, Sewer, Solid Waste, Stormwater, Parks, Central Building Maintenance, and Cemetery Departments. Expenses associated with the operation of Public Works Administration are allocated based on a percentage of the respective department budgets. Revenue for the year 2010 accounting period for services provided is estimated to be approximately $1,124,344.

Public Works Administration Fund (502) 2010 Resources $1,211,444

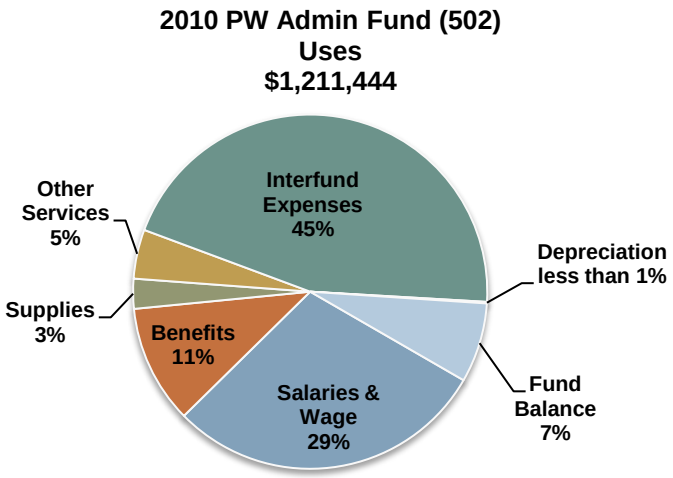


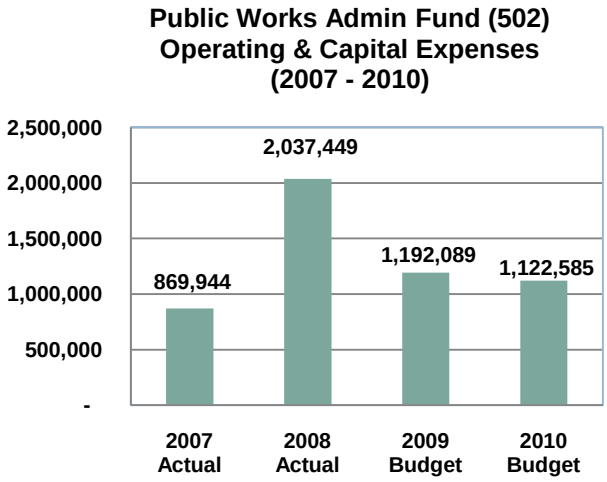
Public Works Admin Fund (502) Revenues (2007-2010)



2010 EXPENSES:

The year 2010 administrative management program will be a continuation of the year 2009 program and will include the administration, management and supervision of Public Works Departments. Expenditures for the year 2010 accounting period for administration of the Public Works Department are estimated to be approximately $1,122,585.





Type of Measure	2006 Actual	2007 Actual	2008 Actual	2009 Projected	2010 Projected
# of work orders processed	298	283	362	362	300
Utility Change of Ownership /New and change of service	520	655	710	710	755
Clean-up Dumpsters	326	302	308	308	350

PUBLIC WORKS ADMINISTRATION RESOURCES (FUND 502)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	86,782	81,719	100,636	***87,100***	-13%
INTERFUND CHARGES FOR SERVICES	890,122	2,029,700	1,159,175	***1,123,344***	-3%
MISCELLANEOUS	5,193	5,027	1,000	***1,000***	0%
TOTAL PUBLIC WKS ADMIN RESOURCES	982,096	2,116,447	1,260,811	***1,211,444***	-4%

PUBLIC WORKS ADMINISTRATION USES (FUND 502)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
SALARIES & WAGES	314,338	334,937	349,879	***354,895***	1%
BENEFITS	100,047	117,945	135,485	***130,315***	-4%
SUPPLIES	16,982	16,392	38,100	***33,100***	-13%
OTHER SERVICES & CHARGES	40,060	33,973	55,300	***54,400***	-2%
INTERFUND PAYMENT FOR SVCS	390,094	474,008	573,405	***548,175***	-4%
DEPRECIATION EXPENSE	3,602	2,447	20,000	***1,700***	-92%
CAPITAL OUTLAY	4,821	1,057,749	19,920	**-**	-100%
FUND BALANCE	112,152	78,998	68,722	**88,859**	29%
TOTAL PUBLIC WORKS ADMIN USES	982,096	2,116,447	1,260,811	***1,211,444***	-4%

MEDICAL REIMBURSEMENT FUND 503 PROGRAM DESCRIPTION:

The City changed insurance carriers in 2009, so all City employees will be covered under one carrier. The City will no longer self insure for the difference in the deductible amount from $100 to $500.

There will be no further funding source from the employee's insurance premium and no expenses relating to the deductible reimbursement.

The reserve in this fund is for anticipated future allocations for the Fire Department's leave cash out. When the Fire Department annexed to the County the City agreed to pay the accumulated leave as employees used the balance or cashed out upon termination.

The program is administered by the Finance Department.

MEDICIAL REIMBURSMENT PLAN RESOURCES (FUND 503)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
BEGINNING BALANCE	189,333	132,290	99,796	***98,596***	-1%
MISCELLANEOUS	18,527	11,909	11,140	***200***	-98%
TOTAL MEDICAL REIMB RESOURCES	207,860	144,199	110,936	***98,796***	-11%

MEDICAL REIMBURSEMENT PLAN USES (FUND 503)

ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 BUDGET	*2010 BUDGET*	% CHANGE
PERSONNEL BENEFITS	8,220	43,872	10,140	***1,500***	-85%
SERVICES	-	-	-	**-**	0%
OTHER FINANCING USES	67,350	-	-	**-**	0%
FUND BALANCE	132,290	100,327	100,796	97,296	-3%
TOTAL MEDICAL REIMBRSMNT USES	207,860	144,199	110,936	***98,796***	-11%

Section 8 - Baseline Adjustment Requests and New Program Requests

2010 BUDGET
BASELINE ADJUSTMENT REQUESTS

DEPT/IMPROVEMENT	Associated Costs: Non-Discretionary	Associated Costs: Mandatory/ Regulatory	Associated Costs: Other	PG #	On-Going	FUNDING SOURCE	FUNDED?
LEGISLATIVE							
1 Sound Works			3,710	8-2	Y	General Fund (001)	
SUBTOTAL BY DEPT	-	-	*3,710*				
CENTRAL SERVICES - Admin							
1 Courier Services	2,650			8-3	Y	General Fund (001)	**FUNDED**
SUBTOTAL BY DEPT	*2,650*	-	-				
LEGAL							
1 Public Defender - Non-Contract		6,000		8-4	Y	General Fund (001)	**FUNDED**
1 Public Defender - Contract			6,000	8-4	Y	General Fund (001)	
SUBTOTAL BY DEPT	-	*6,000*	*6,000*				
Care and Custody of Prisoners							
1 Increase Funding for Prisoner Costs		18,750		8-5	Y	General Fund (001)	**FUNDED**
SUBTOTAL BY DEPT	-	*18,750*	-				
POLICE							
1 Police Uniforms							**$1, 400**
	5,419			8-6	Y	General Fund (001)	**FUNDED**
2 Overtime/Benefits	15,948			8-7	Y	General Fund (001)	
3 Police K9 Program			5,000	8-8	N	Drug Enforcement Fund (171	**FUNDED**
4 Crime Prevention			1,500	8-9	Y	General Fund (001)	
SUBTOTAL BY DEPT	*21,367*	-	*6,500*				
STREETS							
1 Repair & Maintenance	20,700			8-10	Y	City Street (101)	**FUNDED**
SUBTOTAL BY DEPT	*20,700*	-	-				
WATER							
1 Overtime	3,398			8-11	Y	Water (401)	**FUNDED**
SUBTOTAL BY DEPT	*3,398*	-	-				
PARKS & RECREATION							
1 Fish Park Spotlights/Additional Power			300	8-12	Y	General Fund (001)	**FUNDED**
SUBTOTAL BY DEPT	-	-	*300*				

Summary of Totals	Requested					New Revenue	
Total General Fund (Fund 001)	24,017	24,750	7,800				28,800
Total Street Maintenance (Fund 101)	20,700	-	-				20,700
Total Revenue Stabilization - Election R	-	-	-				
Total Revenue Stabilization- Legal Rese	-	-	-				
Total Revenue Stabilization - LID Reserv	-	-	-				
Total Drug Enforcement Fund (171)	-	-	5,000				5,000
Total Police Restricted Fund (191)	-	-	-				
Total Park Reserves (Fund 302)	-	-	-				
Total Water (Fund 401)	3,398	-	-				3,398
Total Sewer (Fund 403)	-	-	-				
Total Solid Waste (Fund 404)	-	-	-				
Total Storm Drain (Fund 410)	-	-	-				
Total General Facilities (501)	-	-	-				
Total All Funds	***48,115***	***24,750***	***12,800***			-	***57,898***

CITY OF POULSBO
BASELINE ADJUSTMENT REQUEST

For the 2010 budget process, departments are limited to the 2009 budget levels with the exception of wages, benefits and contractual costs. If any line items need to be increased to maintain the current level of service, departments should complete this General Adjustments Request for Additional Funding Form. The request goes through a separate process than the operating budget process.

General Adjustments will be divided into three categories:

1) **Non Discretionary** - costs beyond staff's control (i.e. utility, fuel)
2) **Mandatory/Regulatory** - costs for legally mandated items (i.e. election costs, taxes)
3) **Other** - other adjustments (i.e. training, small tools, supplies, equipment)

Please enter the costs into the appropriate category.

Title: Sound Works - Employment Admin	Priority: 1
Person Responsible: Jill A. Boltz, City Clerk / Bob Middlebrook	Department: Legislative
Council Goal this request responds to: 2	Economic Development

Description:

Sound Works Job Center provides Social Services to the residents of the City of Poulsbo. Our services include helping the unemployed prepare for and find employment. Some of the services include professional resume and cover letter preparation including Navy Civil Service resumes, one-on-one employment counseling and interview training, job referrals, providing information on social services such as housing, food, clothing, daycare, medical, legal and dental care. Since 1994, we have had over 34,000 visits for employment services and clients which have found employment through our services have returned over $12,000,000.00 to our community. This amount does not include the funds saved by city, state, federal, and tribal assistance programs by virtue of our job placements. We provide every unemployed worker the compassion, encouragement and tools he or she needs during their job search. 2009 funding was approved at $5,000 (with $300 additional for matching advertising), the 2010 request is for $8,710.

Effect on Level of Service:

This year, we experienced major cuts in our grant income. Much of our normal grant funds were diverted to such places as food banks, shelters and child care. The loss of the additional funding we are requesting from the City of Poulsbo will require us to make cuts in our services we provide our clients.

Alternatives:

The contract can be amended to remove the requirement for Sound Works Job Center to pay for the building's utilities.

Advantages/Disadvantages of Approval or Denial:

Denial will prevent Sound Works Job Center from providing the full range of social services we now provide the residents of Poulsbo. Each month in year 2010 we will receive a grant in the amount of $416.00 from the City of Poulsbo. We must then turn around and pay a monthly utility bill of an average of $100.00 per month. This reduces our monthly grant amount to provide services to our clients to $316.00 per month.

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	114300055210 50000490
Wages				
Benefits				
Supplies				
Other			3,710	
Capital				
Total	**-**	**-**	**3,710**	

One Time Expense ☐ Continuous Funding Request ☑

Source of Funding (New Revenue?) ☐ Yes ☑ No

If yes, indicate revenue account number:

CITY OF POULSBO

BASELINE ADJUSTMENT REQUEST

For the 2010 budget process, departments are limited to the 2009 budget levels with the exception of wages, benefits and contractual costs. If any line items need to be increased to maintain the current level of service, departments should complete this General Adjustments Request for Additional Funding Form. The request goes through a separate process than the operating budget process.

General Adjustments will be divided into three categories:

1) **Non Discretionary** - costs beyond staff's control (i.e. utility, fuel)
2) **Mandatory/Regulatory** - costs for legally mandated items (i.e. election costs, taxes)
3) **Other** - other adjustments (i.e. training, small tools, supplies, equipment)

Please enter the costs into the appropriate category.

Title:	Courier Services	Priority:	1

Person Responsible:	Debbie Booher	Department:	Central Services
Council Goal this request responds to:	4	Revenues and Financial Stability	

Description:

In 2009 the City budgeted $1,250 for the courier service to deliver our daily cash deposits to the bank. We are asking for an increase to cover the actual cost of the service in 2010.

Effect on Level of Service:

This will allow the City to continue to have their daily cash deposits couriered to the bank safely.

Alternatives:

Pay an employee to drive to the bank and make the deposit.

Advantages/Disadvantages of Approval or Denial:

Advantages: The deposits are taken daily to the bank safely. Disadvantage: Lack of security.

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	
Wages				
Benefits				
Supplies				
Other	2,650			00114200051810 50000410
Capital				
Total	**2,650**	**-**	**-**	

One Time Expense ☐	Continuous Funding Request ☑
Source of Funding (New Revenue?) ☐ Yes ☑ No If yes, indicate revenue account number:	

CITY OF POULSBO

BASELINE ADJUSTMENT REQUEST

For the 2010 budget process, departments are limited to the 2009 budget levels with the exception of wages, benefits and contractual costs. If any line items need to be increased to maintain the current level of service, departments should complete this General Adjustments Request for Additional Funding Form. The request goes through a separate process than the operating budget process.

General Adjustments will be divided into three categories:

1) **Non Discretionary** - costs beyond staff's control (i.e. utility, fuel)
2) **Mandatory/Regulatory** - costs for legally mandated items (i.e. election costs, taxes)
3) **Other** - other adjustments (i.e. training, small tools, supplies, equipment)

Please enter the costs into the appropriate category.

Title:	Public Defender	Priority:	1

Person Responsible:	Debbie Booher	Department:	Finance Department
Council Goal this request responds to:	4	Revenues and Financial Stability	

Description:

This budget is maintained in the General Fund. Public Defender costs have risen over the last several years. In 2008 the costs were $3200 more than budgeted. As of August the additional costs have totals $4,800.

Effect on Level of Service:

This will allow the City to continue to provide the required Public Defender services.

Alternatives:

Other budgets will have to be decreased.

Advantages/Disadvantages of Approval or Denial:

Advantage: Maintains the required level of service. Disadvantage: Reduces budget capacity.

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	
Wages				
Benefits				
Supplies				
Other		6,000	6,000	00114200051520 50000414
Capital				
Total	**-**	**6,000**	**6,000**	

One Time Expense ☐ Continuous Funding Request ☑

Source of Funding (New Revenue?) ☐ Yes ☑ No

If yes, indicate revenue account number:

CITY OF POULSBO

BASELINE ADJUSTMENT REQUEST

For the 2010 budget process, departments are limited to the 2009 budget levels with the exception of wages, benefits and contractual costs. If any line items need to be increased to maintain the current level of service, departments should complete this General Adjustments Request for Additional Funding Form. The request goes through a separate process than the operating budget process.

General Adjustments will be divided into three categories:

1) **Non Discretionary** - costs beyond staff's control (i.e. utility, fuel)
2) **Mandatory/Regulatory** - costs for legally mandated items (i.e. election costs, taxes)
3) **Other** - other adjustments (i.e. training, small tools, supplies, equipment)

Please enter the costs into the appropriate category.

Title: Care and Custody of Prisoners	Priority: 1
Person Responsible: Debbie Booher	Department: Finance Department
Council Goal this request responds to: 4	Revenues and Financial Stability

Description:

This expenditure line item is maintained in the General Fund budget. The budget for 2009 is $42,480 and as of July we have expended 94% of our budget. The budget needs to be increased to cover the actual costs. Home monitoring budget is being reduced because the city no longer provides the service for Bainbridge Island, the net request is $18,750.

Effect on Level of Service:

This baseline adjustment request will allow appropriate care and custody of prisoners in order to maintain public safety.

Alternatives:

Reduce budget capacity in other line items to increase capacity in this line item.

Advantages/Disadvantages of Approval or Denial:

Advantage: Maintains public safety

Disadvantage: Uses General Fund capacity

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	
Wages				
Benefits				
Supplies				
Other		18,750		114200052360 50000510
Capital				
Total	**-**	**18,750**	**-**	

One Time Expense ☐	Continuous Funding Request ☑
Source of Funding (New Revenue?) ☐ Yes ☑ No If yes, indicate revenue account number:	

CITY OF POULSBO

BASELINE ADJUSTMENT REQUEST

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2) **Mandatory/Regulatory** - costs for legally mandated items (i.e. election costs, taxes)
3) **Other** - other adjustments (i.e. training, small tools, supplies, equipment)

Please enter the costs into the appropriate category.

Title: Police Uniform	Priority: 1
Person Responsible: Sgt. Howard Leeming	Department: Police
Council Goal this request responds to: 4	Revenues and Financial Stability

Description:

Additional funding requested to support the purchase of the required uniforms for our Front Office Staff, for the Volunteers in Police Services (VIPS) uniforms, two new ballistic vests, and uniform caps.

Effect on Level of Service:

Our Front Office Staff is required to maintain a professional, uniform appearance and as such they must be supplied with uniforms. Citizen Volunteers (VIPS) continue to provide much needed service to the community and the Police Department. Providing the volunteers (VIPS) new uniforms will greatly improve morale in the membership resulting in improved service hours and commitment. Two new ballistic vests are sought to replace worn vests which also are past the useful service life of the item. Officers do not have a current cap to wear in inclement weather.

Alternatives:

Citizen volunteers (VIPS) will continue to use old, outdated jackets and uniforms shirts they pay for themselves. Officers continue wearing outdated ballistic vests and Officers will not have inclement weather protection.

Advantages/Disadvantages of Approval or Denial:

• Improve morale among Citizen Volunteers (VIPS). Provide proper safety equipment to all officers. Provide proper attire for poor weather situations.
• Officers continue working with outdated or nonexistent equipment.

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	
Wages				
Benefits				
Supplies	5,419			00120000052110 50000220
Other				
Capital				
Total	**5,419**	**-**	**-**	

One Time Expense ☐	Continuous Funding Request ☑
Source of Funding (New Revenue?) ☐ Yes ☑ No	
If yes, indicate revenue account number:	

CITY OF POULSBO

BASELINE ADJUSTMENT REQUEST

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3) **Other** - other adjustments (i.e. training, small tools, supplies, equipment)

Please enter the costs into the appropriate category.

Title: OVERTIME / BENEFITS	Priority: 2
Person Responsible: WRIGHT	Department: POLICE
Council Goal this request responds to: 4	Revenues and Financial Stability

Description:

This line pays for all hours worked outside the employees regular shift which includes mandatory overtime for festivals and contractual obligations such as Holiday pay.

Effect on Level of Service:

Ensures adequate/safe staffing of shifts when covering for sick, vacation, training days, court trials and investigations. As wages increase so do overtime costs by that same percentage.

Alternatives:

Continue at current funding level and continue to run in the red due to contractual obligations. Remove Holiday Pay from this line and put that into wages and benefits since it is a fixed contractual expense and remove Festivals from this line and make a line item for them alone.

Advantages/Disadvantages of Approval or Denial:

Advantage of approval is accurate and reasonable accountability for overtime. Disadvantage of approval will be a shortage of funding in that line causing it to be in the red at the end of the budgetary cycle.

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	
Wages				
Benefits	2,317			00120000052110 50000210
Supplies				
Other	13,631			00120000052110 50000120
Capital				
Total	**15,948**		**-**	

One Time Expense ☐ Continuous Funding Request ☑

Source of Funding (New Revenue?) ☐ Yes ☑ No

If yes, indicate revenue account number:

CITY OF POULSBO

BASELINE ADJUSTMENT REQUEST

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3) **Other** - other adjustments (i.e. training, small tools, supplies, equipment)

Please enter the costs into the appropriate category.

Title: Police K9 Program	Priority: 3
Person Responsible: Sgt. Howard Leeming	Department: Police
Council Goal this request responds to: 4	Revenues and Financial Stability

Description:
Additional funding to support training requirements of donated police K9. The funding will support vet costs, food, and initial obedience school and boarding fees during FY 2010.

Effect on Level of Service:
Current K9 "AICO" is expected to retire at or near the end of 2010 due to age. With this additional funding, we can take advantage of I GUARD INTERNATIONAL's offer to donate a pure bred police K9 to our City. As a result, the Poulsbo Police K9 program will continue for another 8 to 10 years of service with a new animal.

Alternatives:

Retire K9 "AICO" in 2010 and discontinue Police K9 Program. Outright purchase of police K9 currently estimated $2500* (*source-current pricing from I GUARD INT for purchase) for future reference.

Advantages/Disadvantages of Approval or Denial:

- K9 Program can continue uninterrupted with another dog for about 10 more years.
- K9 Program will end upon retirement of "AICO".

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	
Wages				
Benefits				
Supplies				
Other			5,000	00120000052130 50000492
Capital				
Total	**-**	**-**	**5,000**	

One Time Expense ☑ Continuous Funding Request ☐

Source of Funding (New Revenue?) ☐ Yes ☑ No

If yes, indicate revenue account number:

CITY OF POULSBO

BASELINE ADJUSTMENT REQUEST

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3) **Other** - other adjustments (i.e. training, small tools, supplies, equipment)

Please enter the costs into the appropriate category.

Title:	CRIME PREVENTION	Priority:	4

Person Responsible:	Chief Swiney	Department:	Police
Council Goal this request responds to:	3	Public Safety	

Description:

Purchase of crime prevention materials to aid in crime prevention training by officers and to assist them in serving the community of Poulsbo in a productive manner.

Effect on Level of Service:

Help create and maintain a positive police image and to promote prevention of crime in the community.

Alternatives:

Business as usual with no budget for crime prevention

Advantages/Disadvantages of Approval or Denial:

Help bring a higher level of service to the City of Poulsbo and promote police/public cooperation and awareness.

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	
Wages				
Benefits				
Supplies			1,500	19120000052190 50000310
Other				
Capital				
Total	**-**	**-**	**1,500**	

One Time Expense ☐ Continuous Funding Request ☑

Source of Funding (New Revenue?) ☐ Yes ☑ No

If yes, indicate revenue account number:

CITY OF POULSBO

BASELINE ADJUSTMENT REQUESTS

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3) **Other** - other adjustments (i.e. training, small tools, supplies, equipment)

Please enter the costs into the appropriate category.

Title:	Repair & Maintenance	Priority:	1
Person Responsible:	Barry Loveless, P.W. Director	Department:	Streets
Council Goal this request responds to:	6	Public Works	

Description:

Currently this expenditure line pays the monthly billings to the City of Bremerton for traffic light/signal maintenance which is increased annually by CPI. Also, any maintenance required which is not addressed in the Interlocal Agreement is billed separately. Funding in this line also supports all street vehicle/equipment maintenance billed through the mechanic, annual fire extinguisher certifications for vehicles & equipment, street striping of major city streets by Kitsap County per Interlocal Agreement, repairs to compaction test gauge, nuke gauge monitoring, pot hole repairs and general maintenance and repairs to light/street pole standards, etc. Also in 2009, we expended an additional $3,692 for paint removal on Front Street as a result of re-striping/stop sign installation.

Effect on Level of Service:

With greater service areas, increased street signals/lights and general maintenance activities, we are requesting an increase to this line. To provide some history: In 2005 our budget for this line was $29,700 and a total of $46,845 was expended; A BAR was requested and approved for 2006 bringing this budget line to $50,300. A 2006 year-end budget amendment was required as total expenditures were $61,481. Our budget for 2007 stayed at $50,300 with a total of $54,327 being expended. In 2008 with our $50,300 budget, we again processed a year end amendment as total expenses were $76,414. As of June 2009, we have expended a total of $48,252.56.

Alternatives:

Experience a budget shortfall and process year-end budget amendment.

Advantages/Disadvantages of Approval or Denial:

To maintain our current levels of service and accurately reflect the true costs for contracted repair & maintenance.

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	
Wages				
Benefits				
Supplies				
Other	20,700			101 300 000 542 30 50000480
Capital				
Total	**20,700**	**-**	**-**	

One Time Expense ☐ Continuous Funding Request ☑

Source of Funding (New Revenue?) ☐ Yes ☑ No

If yes, indicate revenue account number:

CITY OF POULSBO

BASELINE ADJUSTMENT REQUEST

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3) **Other** - other adjustments (i.e. training, small tools, supplies, equipment)

Please enter the costs into the appropriate category.

Title:	Overtime	Priority:	1
Person Responsible:	Barry Loveless, P.W. Director	Department:	Water - Operations
Council Goal this request responds to:	6	Public Works	

Description:

This overtime line pays for weekend services which consists of visiting every water pump station and taking meter readings, plus treatment process readings, tank levels, pump hours, checks and balances. Additional water overtime can come from turn on/offs, water leaks (city/or customer), water quality complaints, telemetry call-outs or any issue relating to water. This applies to holidays also.

Effect on Level of Service:

With a current budget of $5,602 we are requesting an increase to this line to reflect actual required expenses for overtime in the Water Department. As examples, we expended $8,481 in 2008, $9,362 in 2007 and $8,272 in 2006.

Alternatives:

Reduction in another budget line item in Water/Operations or process a budget amendment.

Advantages/Disadvantages of Approval or Denial:

The advantage would be to accurately reflect the true costs of overtime expended.

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	
Wages				
Benefits				
Supplies				
Other	3,398			401 300 000 534 80 50000120
Capital				
Total	**3,398**	**-**	**-**	

One Time Expense ☐ Continuous Funding Request ☑

Source of Funding (New Revenue?) ☐ Yes ☑ No

If yes, indicate revenue account number:

CITY OF POULSBO

BASELINE ADJUSTMENT REQUEST

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2) **Mandatory/Regulatory** - costs for legally mandated items (i.e. election costs, taxes)
3) **Other** - other adjustments (i.e. training, small tools, supplies, equipment)

Please enter the costs into the appropriate category.

Title:	Fish Park Spotlights/additional power	Priority:	1

Person Responsible:	Mary McCluskey	Department:	Parks & Recreation
Council Goal this request responds to:	4, 5	Revenues & Financial Stability, Parks & Recreation	

Description:

The Fish Park Steering Committee would like to install spotlights onto the two fish rocks and the Fish Park main sign. We have capital dollars for that work, but the ongoing power may be up to $300 per year according to the PSE engineer.

Effect on Level of Service:

None

Alternatives:

Do not install spotlights onto the rocks.

Advantages/Disadvantages of Approval or Denial:

Improve the aesthetics of the park.

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	
Wages				
Benefits				
Supplies				
Other			300	Parks Utilities 50000470
Capital				
Total	**-**	**-**	**300**	

One Time Expense ☐	Continuous Funding Request ☑
Source of Funding (New Revenue?) ☐ Yes ☑ No If yes, indicate revenue account number:	

2010 BUDGET
NEW PROGRAM REQUESTS

Last updated: 3/8/2010

DEPT/IMPROVEMENT	COST	PG#	On-Going	FUNDING SOURCE	Funded
Legislative					
1 Washington CASH	6,200	8-14	N	General Fund (001)	
SUBTOTAL BY DEPT	*6,200*				
Muni Court					
1 Two Courtroom Computers	3,000	8-15	N	Equipment Acq Fund (301)	***$1,500 FUNDED***
SUBTOTAL BY DEPT	*3,000*				
POLICE					
1 Special Weapons and Tactics	5,461	8-16	N	General Fund (001)	
2 In Car Video Program	18,000	8-17	N	General Fund (001)	***FUNDED***
SUBTOTAL BY DEPT	*23,461*				
PLANNING					
1 Code Amendments	31,000	8-18	N	General Fund (001)	***FUNDED***
2 Downtown Poulsbo Visioning Design Study	25,000	8-19	N	General Fund (001)	
3 West Poulsbo Visioning/Design Study	25,000	8-20	N	General Fund (001)	
SUBTOTAL BY DEPT	*81,000*				
STREETS					
1 Powder Coat Blue Streetlight Poles	8,000	8-21	N	Street Fund (101)	
2 SR305 Concrete Wall Sign	5,000	8-22	N	Bernice Borgen Fund (701)	
SUBTOTAL BY DEPT	*13,000*				
	126,661				
				NEW REVENUE	
Grand Total General Fund (001)	110,661			6,000	49,000
Grand Total Street Fund (101)	8,000				
Grand Total Equipment Acquisition Fund (301)	3,000				1,500
Grand Total Street Reserves (311)	-				
Grand Total Street Equipment (321)	-				
Grand Total Water Fund (401)	-				
Grand Total Sewer Fund (403)	-				
Grand Total Solid Waste Fund (404)	-				
Grand Total Storm Fund (410)	-				
Grand Total Bernice Borgen Fund (701)	5,000				
Total All Funds	***121,661***			***6,000***	***50,500***

CITY OF POULSBO
NEW PROGRAM REQUEST

Title:	Business Training and Peer Loan Program in Kitsap Co. - Washington CASH	Priority:	1

Person Responsible:	Jill A. Boltz, City Clerk	Department:	Legislative
Council Goal this request responds to:		4	Revenues and Financial Stability

Description:

Washington Community Alliance for Self-Help (CASH) provides the business training, supportive community, and capital to help enterprising individuals with limited financial resources gain self-sufficiency through small business ownership. Through a tuition-free program, Washington CASH provides vital services to determined entrepreneurs striving to build businesses and new livelihoods. Washington CASH provides business development training, followed by peer lending support and microloans, advanced workshops, marketing assistance and mentoring. Washington CASH is the only microcredit program using the peer lending model in the state of Washington. Peer lending—when clients entrepreneurs themselves make loan readiness decisions within their loan group —is the cornerstone of the Washington CASH experience. Peer accountability reinforces our client's obligations to grow their business and keep loan payments current, because other business group members may not apply for new loans unless all loans are up to date.

Effect on Level of Service:

City of Poulsbo funding will assist Washington CASH in providing four business development training courses plus one-on-one business coaching and peer lending services to low-income participants in 2010. Washington CASH will provide specific marketing and recruitment to City of Poulsbo residents with low incomes, as well as access to free training, one-on-one consulting, mentoring and microloans between $1,000 and $35,000.

Alternatives:

In Kitsap County, no other microcredit, alternative or other lending institution exists that makes loans and training available to low-income and under-served entrepreneurs. We seek to aggressively serve the people with the greatest need. Washington CASH's much-needed services complement the lending services for higher-income, more established businesses provided by Shorebank Enterprise Cascadia and Poulsbo banks.

Advantages/Disadvantages of Approval or Denial:

Approval of City of Poulsbo 2010 funding would help Poulsbo clients to: 1) gain critical start-up business knowledge; 2) complete a business plan; 3) improve both personal and business financial position/credit; 4) increase business viability, profitability and stability; 5) access small loans to increase inventory, create marketing tools and increase profits. 70% of Washington CASH clients were in business 2 years after receiving services, and of clients who were on public assistance at intake, 46% left public assistance after receiving Washington CASH services.

Associated Costs:		Expenditure Account Number:
Wages	5,000	
Benefits	750	
Supplies	200	
Other	250	
Capital		
Total	**6,200**	001 110 000 511 10 50000490

One Time Expense ☑ Continuous Funding Request ☐

Source of Funding (New Revenue?) ☐ Yes ☑ No

If yes, indicate revenue account number:

CITY OF POULSBO
NEW PROGRAM REQUEST

Title: 2 Courtroom Computers	Priority: 1

Person Responsible: Linda Baker	Department: Municipal Court
Council Goal this request responds to: Public Safety & Customer Service #3 and #7	

Description:

When moving into the new City Hall the two computers currently located in the court room need to be replaced. This is not a capital replacement item as one of the computers belongs to Kitsap County and the other is one that was surplussed by the City of Poulsbo.

Effect on Level of Service:

There are two computers in the courtroom that are in need of replacement. We would like to replace them. The one on the Judge's bench is a old computer that was surplussed by another city department a year ago. The computer on the court clerk's desk is currently owned by District Court, was replaced in 2004, is old and very slow. District Court does not have the funds for replacement. The current courtroom is owned by Kitsap County. The court spaces in the new Poulsbo City Hall will be shared by Poulsbo Municipal and Kitsap County District Courts. The required recording program runs through the computer. If the computer goes down we can't record the proceedings and cannot hold court. We could run into speedy trial issues if we have to cancel court.

Alternatives:

Keep using the old equipment.

Advantages/Disadvantages of Approval or Denial:

Disadvantage: Equipment is old and slow. At times staff has to reboot the clerk's computer 1 to 3 times to get it to completely load the recording program. If it goes down we can not hold court. Advantage: Computers would be faster and more reliable. We would not have to wait for the county to respond to problems with the computers.

Associated Costs:		Expenditure Account Number:
Wages		
Benefits		
Supplies		
Other		
Capital	2 computers $1,500 each = $3,000	301-142-000-512-50-500-00-350
Total	**3,000**	

One Time Expense ☐	Continuous Funding Request ☑
Source of Funding (New Revenue?) ☐ Yes ☑ No	
If yes, indicate revenue account number:	

CITY OF POULSBO
NEW PROGRAM REQUEST

Title: Special Weapons and Tactics	Priority: 1

Person Responsible: Sgt. Andreas Pate	Department: Poulsbo Police
Council Goal this request responds to:	3 Public Safety

Description:
Fully funding this position will assist the Kitsap County Interagency Special Weapons and Tactics (SWAT) team in meeting the goal of providing prompt emergency tactical services to all residents of Kitsap County. By providing an officer for the team, the City of Poulsbo contributes to the success and direction of this valuable law enforcement asset.

Effect on Level of Service:

Poulsbo's active contribution to SWAT gives us a voice in the direction of policies and procedures as well as ensuring within the team there are personnel familiar with the City of Poulsbo and our city's values and mission statement.

Alternatives:

Reduction in level of service - elimination of the currently unfunded position we can no longer subsidize through alternative budgetary sources.

Advantages/Disadvantages of Approval or Denial:

Advantage is the City would have a voice to reflect our community on the team. The City would be fairly sharing with our surrounding communities in a vital, highly specialized law enforcement asset. Disadvantage would be the loss of a program the Police Department has already sacrificed to establish and maintain.

Associated Costs:		Expenditure Account Number:
Wages		
Benefits	383	00120000052110 50000210
Supplies	1,304	00120000052110 50000430
Other	1,004	00120000052110 50000120
Capital	2,770	00120000052110 50000350
Total	**5,461**	

One Time Expense ☑	Continuous Funding Request ☐
Source of Funding (New Revenue?) ☐ Yes ☑ No	
If yes, indicate revenue account number:	

CITY OF POULSBO
NEW PROGRAM REQUEST

Title: Police In Car Video Program	Priority: 2

Person Responsible: Sgt. Howard Leeming	Department: Police
Council Goal this request responds to:	3 Public Safety

Description:

Additional funding requested to support completion of in car video program by purchasing 4 in car video systems.

Effect on Level of Service:

In car video systems are proven to reduce litigation, complaints, use of force instances, improve conviction rates, improve officer safety, and improve the public's trust in law enforcement.

Alternatives:

Officers will continue without in car video systems in some patrol vehicles.

Advantages/Disadvantages of Approval or Denial:
• Improve conviction rates, provide quality equipment to first responders, provide method of feedback to officers for work accomplished, and reduce litigation by eliminating unfounded complaints from citizens.
• Several patrol officers will not have in car video systems.

Associated Costs:		Expenditure Account Number:
Wages		
Benefits		
Supplies	18,000	00120000052110 50000350
Other		
Capital		
Total	**18,000**	

One Time Expense ☑	Continuous Funding Request ☐
Source of Funding (New Revenue?) ☐ Yes ☑ No	
If yes, indicate revenue account number:	

CITY OF POULSBO
NEW PROGRAM REQUEST

Title: Code Amendments	Priority: 1

Person Responsible: Barry Berezowsky	Department: Planning
Council Goal this request responds to:	1 Growth

Description:
With the adoption of the City's revised Comprehensive Land Use Plan on the horizon, the City is advised to review and revise its development regulations to ensure implementation of the new land use plan. Regulations to be revised include: zoning; subdivision; clearing and grading and permit procedure and process. While the City's zoning code has been updated on a regular basis, the City's subdivision code has not been reviewed since 1994 and clearing and grading was updated in 2002 to regulate cutting in critical areas.

Effect on Level of Service:

To provide the highest level of service (LOS) to the community, the City must operate under codes that ensure the vision of the community is achieved through land development. Updating the City's procedural ordinance (Title 19) will ensure both the developer and community of a transparent and equitable permitting process, therefore, providing efficiencies through the development review process.

Alternatives:

Delay updating the City's implementing ordinances and therefore, risk approving projects through inefficient processes that do not reflect the future vision of the City.

Advantages/Disadvantages of Approval or Denial:
Denial of the request has no advantages. Advantages of approving the request include ensuring the City's development regulations support the new Comprehensive Land Use Plan, as adopted by the City Council while providing added certainty and predictability to both the development community and residents of the City.

Associated Costs:		Expenditure Account Number:
Wages	31,000	
Benefits		
Supplies		
Other		
Capital		
Total	**31,000**	

One Time Expense ☑	Continuous Funding Request ☐
Source of Funding (New Revenue?) ☑ Yes ☐ No	
If yes, indicate revenue account number: 00158000036030 (Grant is 18,000 - $6,000 will be receiving in 2010 and $12,000 will be received in 2011)	

CITY OF POULSBO
NEW PROGRAM REQUEST

Title: Downtown Poulsbo Visioning/Design Study	Priority: 2

Person Responsible: BARRY BEREZOWSKY	Department: PLANNING
Council Goal this request responds to:	1 Growth

Description:
Downtown Poulsbo is a special place in the community that draws local residents, employees, tourists, and boaters. In order to preserve and enhance the quality of Downtown Poulsbo, this study will look comprehensively at the problems, opportunities, and alternatives to shape the future of downtown development.

Effect on Level of Service:

This proposal will not directly impact Level of Service (LOS).

Alternatives:

The alternative is to continue with development in Poulsbo's downtown pursuant to currently adopted regulations and design standards. The study could be done in the future.

Advantages/Disadvantages of Approval or Denial:

There is an advantage in doing the study now due to existing City property located downtown that will be available for redevelopment. Disadvantages to not doing the study now is to move forward with downtown development without a current comprehensive vision.

Associated Costs:		Expenditure Account Number:
Wages		
Benefits		
Supplies		
Other	25,000	
Capital		
Total	**25,000**	

One Time Expense ☑	Continuous Funding Request ☐
Source of Funding (New Revenue?) ☐ Yes ☑ No	
If yes, indicate revenue account number:	

CITY OF POULSBO
NEW PROGRAM REQUEST

Title: West Poulsbo Visioning/Design Study	Priority: 3

Person Responsible: BARRY BEREZOWSKY	Department: PLANNING
Council Goal this request responds to:	1 Growth

Description:

West Poulsbo consists of a mix of strip commercial development, older residential housing and large area of vacant and underdeveloped land primarily within the City's unincorporated urban growth area (UGA). This area has experienced a significant decline in commercial activity and development interest during the recent economic downturn. In an effort to renew interest in the area the City has expressed an interest in developing a "plan" to guide future development in the area with the goal of diversifying the economic and residential base of this important area of Poulsbo.

Effect on Level of Service:

This proposal will not directly impact Level of Service (LOS).

Alternatives:

The alternative is to let time and market forces dictate when and how the area develops in the future.

Advantages/Disadvantages of Approval or Denial:

There is an advantage of doing the study now is the high level of interest amount existing property owners and residents.

Associated Costs:		Expenditure Account Number:
Wages		
Benefits		
Supplies		
Other	25,000	
Capital		
Total	**25,000**	

One Time Expense ☑	Continuous Funding Request ☐
Source of Funding (New Revenue?) ☐ Yes ☑ No	
If yes, indicate revenue account number:	

CITY OF POULSBO
NEW PROGRAM REQUEST

Title: Powder Coat Blue Streetlight Poles	Priority: 1

Person Responsible: Barry Loveless	Department: PW
Council Goal this request responds to:	6 Public Works

Description:

Provide new powder coating to faded blue light poles in the Downtown area. The HDPA has pledged approximately $8,000 to refinish existing light poles, as well as $7,000 to install additional poles on the bases in waterfront park. They have requested the City match the $8,000 to complete refinishing all the poles.

Effect on Level of Service:

Improves appearance of the primary park and sidewalks in the downtown area of the City.

Alternatives:

No action.

Advantages/Disadvantages of Approval or Denial:

Improves City image.

Associated Costs:		Expenditure Account Number:
Wages		
Benefits		
Supplies		
Other	8,000	1013000005426150000000
Capital		
Total	**8,000**	

One Time Expense ☑	Continuous Funding Request ☐
Source of Funding (New Revenue?) ☐ Yes ☑ No	
If yes, indicate revenue account number:	

CITY OF POULSBO
NEW PROGRAM REQUEST

Title: SR305 Concrete Wall Sign	Priority: 2

Person Responsible: Barry Loveless	Department: PW
Council Goal this request responds to:	6 Public Works

Description:

Provide etching into the concrete wall at the SE corner of SR305 and Lincoln Road intersection with the words "Velcommen til Poulsbo!"

Effect on Level of Service:

Improves appearance of one of the main entrances into the Old Town area of the City.

Alternatives:

No action.

Advantages/Disadvantages of Approval or Denial:

Improves City image.

Associated Costs:		Expenditure Account Number:
Wages		
Benefits		
Supplies		
Other	5,000	1013000005426150000000
Capital		
Total	**5,000**	

One Time Expense ☑ Continuous Funding Request ☐

Source of Funding (New Revenue?) ☑ Yes ☐ No

If yes, indicate revenue account number: Bernice Borgen Fund (701)

Section 9 - City Improvement Plan

City of Poulsbo, Washington

2010 – 2015
City Improvement Plan

COVER PHOTO
RobertHunt.com

City Improvement Plan
City of Poulsbo, Washington

MAYOR
Kathryn H. Quade

CITY COUNCIL
Becky Erickson
Dale Rudolf
Ed Stern

CIP COMMITTEE

Finance Director	Deborah Booher
Parks & Recreation Director	Mary McCluskey
Planning Director	Barry Berezowsky
Public Works Director	Barry Loveless

CITY OF POULSBO
2010-2015 City Improvement Plan

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CITY OF POULSBO
2010-2015 City Improvement Plan

INTRODUCTION

The State of Washington Growth Management Act of 1990 (GMA) requires that the City of Poulsbo develop a Comprehensive Plan outlining its strategy with respect to land use, housing, capital facilities, utilities, public facilities and transportation. A key component of this plan is the City's Capital Facilities Plan (CFP). In addition to serving as an important planning tool, the CFP also places certain obligations on the City. First of all, the CFP is required to be a fully funded plan, identifying funding sources for all projects and expenditures included in the plan. Secondly, land use decisions which rely on future infrastructure improvements, impose an obligation on the City to complete the improvements within six years of development, provided the improvement has concurrency requirements.

The key detailed strategies and programs necessary to implement the CFP are outlined in the City Improvement Plan (CIP), which is a long-range study of financial wants, needs, expected revenues and policy intentions. The City Improvement Plan (CIP) communicates the City's six-year plan for capital construction and major acquisitions which are consistent with the City's Mission Statement, Council goals, department priorities and service level standards necessary to maintain the safety and quality of life of our citizens.

The City's Mission Statement:

> ***The City of Poulsbo is committed to managing the public resources to promote community health, safety and welfare, and plan for the future to accommodate growth without burden while preserving our natural resources and enhancing those qualities that make our community unique and desirable.***

Capital construction projects and major acquisitions in the CIP are divided into three categories: General Purpose, Transportation and Enterprise.

- **General Purpose** contains projects dealing with police, parks and recreation, public buildings and improvements;
- **Transportation** outlines projects dealing with vehicle and pedestrian transportation and, for the most part, duplicates our Transportation Improvement Plan (TIP); and,
- **Enterprise** details projects associated with the City's utilities – Water, WasteWter, Storm Water and Solid Waste.

COMPREHENSIVE PLAN

The state's Growth Management Act of 1990 requires that all cities within counties planning under the Act adopt a Comprehensive Land Use Plan. Mandatory elements of the Comprehensive Plan are:

- Land use
- Housing
- Utilities
- Transportation
- **Capital facilities**

CAPITAL FACILITIES PLAN (CFP)

The Capital Facilities Plan (CFP) element of the Comprehensive Plan must include:

- An inventory of existing capital facilities owned by public entities showing the location and capacities of the capital facilities;
- A forecast of the future needs for such facilities;
- **The proposed locations and capacities of expanded or new capital facilities;**
- **At least a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and**
- A reassessment of the land use element if probable funding falls short of meeting existing needs and to ensure that the land use element, capital facilities element, and financing plan in the Capital Facilities Plan element are consistent.

CITY IMPROVEMENT PLAN (CIP)

The City Improvement Plan (CIP) is a long-range study of financial wants, needs, expected revenues and policy intentions. It is not a budget but provides facts, trends and suggestions for decision-makers. Its components are:

- ***General Purpose***
  - Parks and Recreation
  - Municipal buildings
  - Police
- ***Transportation System***
  (Transportation Improvement Plan (TIP)
- ***Enterprise***
  - Water
  - Sewer
  - Solid Waste
  - Storm Drain

The actual appropriation which represents the amount that will be used to implement a part of the City Improvement Plan in the coming years is the:

ANNUAL CAPITAL BUDGET

CITY OF POULSBO
2010-2015 City Improvement Plan

PROJECT PRIORITIZATION CRITERIA

Anticipated growth and development within the City is projected against existing facilities and infrastructure to ensure that established level of service standards are, and will continue to be, met. If situations are found where growth or development will degrade service levels, projects are identified to rectify the situation. In addition, the public, Council members or City staff may suggest specific capital facility projects or major purchases. In all cases, the suggestion is forwarded to the appropriate Council committee for review and for cost projections. A complete financial package is provided to the CIP committee headed by the Mayor and comprised of the Finance Director, Parks and Recreation Director, Planning Director, Public Works Director and three Council members.

Since service level standards and criteria are different for each category of projects, the prioritization criteria are also different. The only consistent criteria is the furtherance of City Council established goals and objectives and implementation of Comprehensive Plan policies. The specific prioritization criteria for each category are listed below and a detailed description of the prioritization criteria is provided in the appendix. The departmental or fund, as appropriate, will determine the final project rankings, based on the prioritization criteria.

General Purpose Criteria

- Legal Mandates
- Health and Safety
- Econo mic Development
- Operation and Maintenance/Reliability
- Project Feasibility
- GMA Compliance
- Liability
- Other Impacts

Transportation Criteria

- Safety
- Mobility
- Structural Condition
- Multimodal/Intermodal
- Multi-Agency
- Project Cost
- Economic Development
- O&M Cost Impact
- Legal Mandate
- Relationship to Plans and Policies
- Environmental Issues
- Other Impacts

Enterprise Criteria

- Legal or Contractual Mandate
- Health and Safety
- Reliability and Efficiency
- Environmental Issues
- Economic Development
- Relationship to Other Project
- Relationship to Plans and Policies
- Project Costs
- Number of Customers or Area Affected
- Other Impacts

FINANCING THE CIP

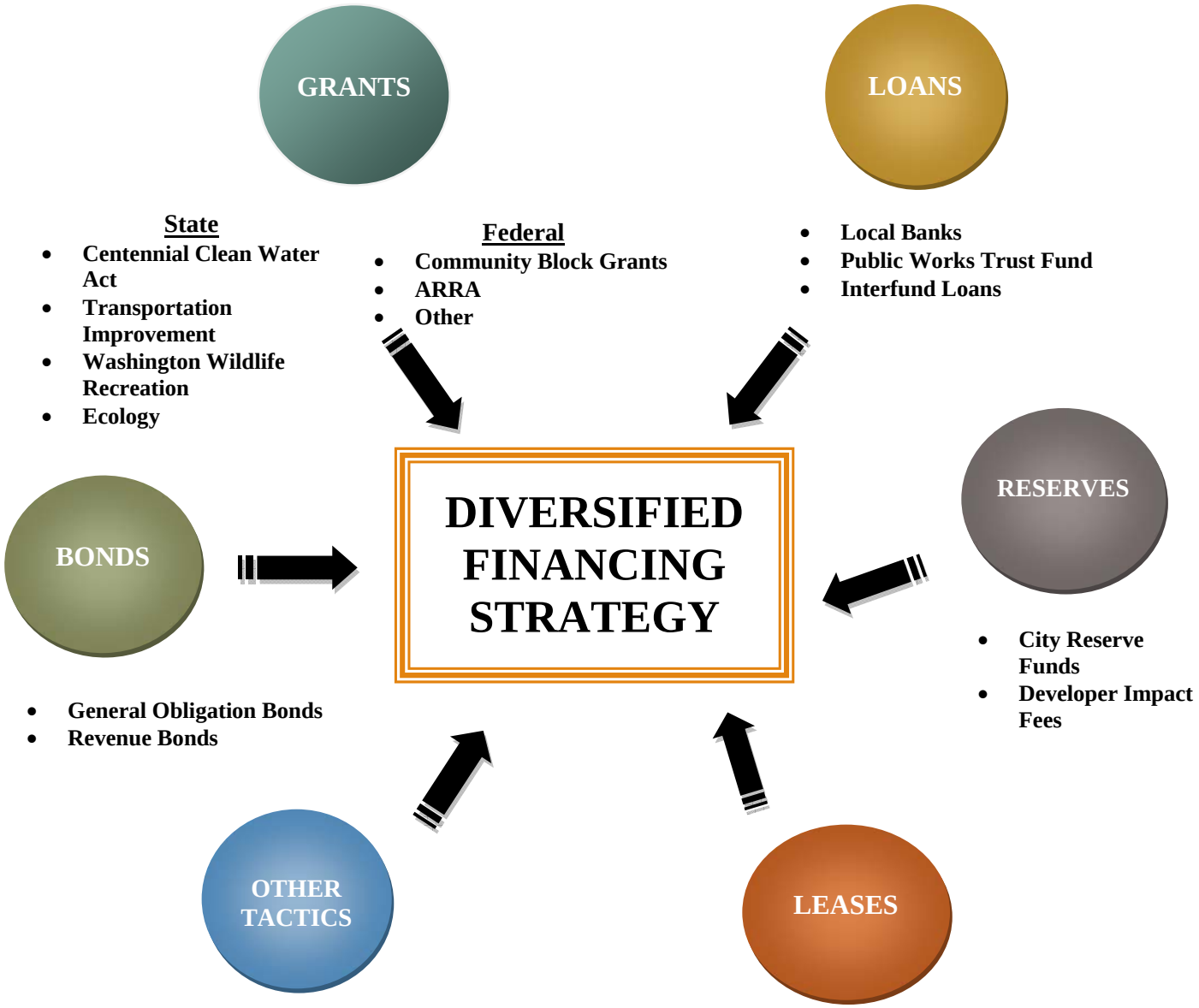
State and Federal mandates continue to impose financial burdens on the City. At the same time, recent funding constraints have left us with aging infrastructure (roadways, utility lines and municipal facilities) which require high maintenance and eventual replacement in the not-so-distant future. Looking to the future, the City needs to diversify its revenue base and attract new industry to our area which requires investment in site development. Where development is allowed to proceed, the infrastructure improvement must occur unless service level standards are reduced; and since development decisions can be predicated on future infrastructure improvements, all sources of project funding must be identified as part of the plan. Most of our current revenue sources are used to either cover operating expenses, provide for current debt payments or to build reserves. Therefore, very few new projects can be considered without looking for new funding sources.

In order to finance the CIP, the City has at its disposal a multitude of possible funding sources including taxes, utility rates, grants, donations, impact fees, reserves and donations. The City also has the ability to raise taxes, existing utility rates or, in a few limited cases, impose new taxes to generate additional revenue. However, new taxes could be unpopular with our citizens so any decision to move in that direction will not be easy.

In addition, the City can issue bonds and use the proceeds to finance capital spending. However, when considering bond financing, or for that matter, any other type of financing, doing so obligates the City to a fixed payment stream to pay off the debt. Therefore, the CIP addresses financing sources from the stand point of annual cash flow requirements and the master project list contained in the appendix lists projected annual funding obligations.

Finally, while certain capital facilities could be financed by voted bonds, there are limits to the City's total indebtedness without degrading our ability to receive a favorable bond rating. Page 7 contains a list of annual debt payments, bond retirement date and the overall debt limit available to the City. Over the course of the six-year focus period, there are some debt obligations that will be paid off, thus freeing up funds to support new obligations, but these funds are limited and could be used for other than capital needs.

CITY OF POULSBO
2010-2015 City Improvement Plan



CITY OF POULSBO
2010-2015 City Improvement Plan

LONG-TERM DEBT OBLIGATIONS AND DEBT CAPACITY

As the demand for public sector investment and infrastructure continues to grow, the issuance of medium to long term debt has become an increasingly important component of state and local government capital programs. While the issuance of debt is frequently an appropriate method of financing capital projects, it also requires careful monitoring to ensure that an erosion of the City's credit quality does not result. A decision to borrow money binds the City to a stream of debt service payments that can last as long as twenty years and it is therefore imperative that the City employ consistent application of carefully developed debt management policies to ensure the City's credit quality and access to the tax-exempt and tax credit markets remains strong.

The implementation of the City's formal debt policies is an important component of the City's overall capital program. Formal debt policies send a clear message to credit analysts, underwriters and investors that the City is administering its debt program in a responsible manner and in compliance with its policies relative to debt management. The City of Poulsbo recently received an underlying "AA" rating for its last insured General Obligation Bonds issue from Standard and Poors. This is an upgrade from the previous "A+" rating.

The two basic forms of long-term debt are general obligation issues which are backed by the full faith and credit (i.e. taxes) of the City, and revenue bonds which pledge revenues from a specific utility for repayment. The City of Poulsbo portfolio utilizes both general obligation and revenue debt to fund its operations. Under RCW 39.36.020(2), the public may vote to approve bond issues for general government in an amount not to exceed 2.5% of the assessed valuation. Within the 2.5% limit, the City Council may approve bond issues not to exceed 1.5% of the City's assessed valuation. Currently, the City's remaining debt capacity within the 2.5% limit is estimated at $21,495,843. Under RCW 39.36.030(4), the public may also vote to approve park facilities and utility bond issues, each of which is also limited to 2.5% of the City's assessed valuation. Thus a total of 7.5% of the City's assessed valuation may be issued in bonds. All voted bonds require a 60% majority approval. To validate the election, the total votes cast must equal at least 40% of the total votes cast in the last general election.

CITY OF POULSBO
2010-2015 City Improvement Plan

Project	Type	Duration	Interest Rate	Amount Issued	Outstanding
Trans/Muni Campus Bonds	Non Voted	2003 - 2017	2.5% - 4.8%	$ 2,505,000	$ 955,000
Marine Science Center	Non Voted	2005 - 2011	3.0% - 4.8%	415,000	105,000
City Hall 2005	Non Voted	2005 - 2025	3.0% - 4.8%	5,185,000	4,420,000
City Hall 2009	Non Voted	2009 - 2033	1.4% - 3.75%	6,015,000	5,775,000
				$ 14,120,000	$ 11,255,000

This Debt is controlled by assessed Valuation Debt Limits

2010 Assessed Valuation $ 1,310,033,708

X 0.025	=	$ 32,750,843	Limited for Combined Debt	Balance Available	$ 21,495,843
X 0.015	=	$ 19,650,506	Limited for Non-Voted Debt	Balance Available	$ 8,395,506
			Balance Available for Voted Debt	$ 13,100,337	

BOND DEBT TO MATURITY

	General Obligation (GO)			Revenue Bonds		
Year	Principal	Interest	Total	Principal	Interest	Total
	-	-	-	-	-	-
2010	555,000	476,743	1,031,743	370,000	122,672	492,672
2011	575,000	459,498	1,034,498	383,000	107,969	490,969
2012	540,000	442,323	982,323	396,000	92,546	488,546
2013	490,000	425,165	915,165	414,000	76,521	490,521
2014	505,000	408,965	913,965	429,000	62,238	491,238
2015	520,000	391,035	911,035	443,000	47,438	490,438
2016	535,000	371,880	906,880	457,000	32,154	489,154
2017	555,000	351,768	906,768	475,000	16,388	491,388
2018	470,000	330,111	800,111	-	-	-
2019	485,000	311,385	796,385	-	-	-
2020	510,000	291,115	801,115	-	-	-
2021	530,000	269,650	799,650	-	-	-
2022	550,000	247,190	797,190	-	-	-
2023	575,000	223,878	798,878	-	-	-
2024	600,000	199,505	799,505	-	-	-
2025	630,000	171,500	801,500	-	-	-
2026	275,000	142,070	417,070	-	-	-
2027	285,000	127,770	412,770	-	-	-
2028	300,000	112,950	412,950	-	-	-
2029	315,000	97,350	412,350	-	-	-
2030	335,000	80,025	415,025	-	-	-
2031	355,000	61,600	416,600	-	-	-
2032	370,000	42,075	412,075	-	-	-
2033	395,000	21,725	416,725			
TOTAL	11,255,000	6,057,275	17,312,275	3,367,000	557,924	3,924,924

CITY OF POULSBO
2010-2015 City Improvement Plan

CITY OF POULSBO
2010-2015 City Improvement Plan

SOURCES OF FUNDING

RESERVES

Historically, whenever possible, the City of Poulsbo has utilized a "pay-as-you-go" approach to funding capital projects. To that end, several reserve accounts have been established.

Utility Reserves: The City transfers into the utility reserves an amount equal to 100% of the depreciation expense which allows the City to prolong the need to go out for debt on smaller projects, and be able to fund the entire project.

Police Reserves: These reserves are in place to purchase, or at least partially fund, large equipment purchases.

Street, Street Reserve and Park Reserve Funds: Of the City's property taxes collected in the General Fund, the City transfers 36% into the Street Fund to fund maintenance and operations along with small street projects, 5% into the Park Reserve Fund and 5% into the Street Reserve Fund for capital projects. For 2010 the City will continue to transfer a portion of the previous reserved capacity of property tax levies to Street Reserves (Fund 311). This amount has been segregated for future maintenance and transportation projects. The City also uses the first one-quarter percent (¼%) of the real estate excise tax for City streets. The second ¼% is held in reserve for CIP approved projects.

BOND FINANCING

At the end of 2005 the Ciy issued bonds for the purchase of a large parcel of land, civil site work and an architectural design contract for a new city hall. The 2010 bond payments are projected to be paid from real estate excise tax earnings. In 2009 the City also secured a second bond issue for construction of the city hall. These bond payments are projected to be paid from the General Fund and Proprietary Fund.

In 2003, the City went out for debt to fund the refinancing of the city hall Morris property and three city transportation projects; Finn Hill Road, 10th Avenue and Caldart Avenue. To fund the annual payments, a transfer is made from the General Fund.

IMPACT FEES

Developers are assessed traffic impact fees based on the estimated impact their projects will have on the flow of traffic in the area near the project. The traffic impact fees are used to support street improvements in the area of the assessment. Park impact fees are assessed for park improvments as a means of compliance with State Environmental Protection Act (SEPA) and are used for the acquisition of land or capital improvements to be used for public purposes.

POTENTIAL NEW FUNDING

It is particularly important to consider new sources of funding that could support projects that would otherwise be funded through the City's General Fund including:

Hotel/Motel Tax: The City could use the additional amount remaining of the second 2% to fund projects that would qualify for this tax use (i.e. Bathrooms, cultural arts, etc.)

B & O Tax: The City is currently part of the minority of cities in the State of Washington that do not impose a business and occupation (B & O) tax. All cities are authorized to establish such a tax and doing so could generate additional dollars annually for capital projects.

CITY OF POULSBO
2010-2015 City Improvement Plan

SUMMARY OF CAPITAL PROJECTS and FUNDING SOURCES

General Purpose Projects

Projects	*Prior Yrs*	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*2015*	*Total*
General/Municipal Facilities	$ 7,046,302	$6,201,262	$ 7,036,024	$3,319,530	$ 2,285,670	$ 1,120,000	$ -	$ -	$ 27,008,788
Park Projects	3,027,198	100,000	102,500	570,000	475,000	240,000	-	-	4,514,698
Total General Purpose	$ 10,073,500	$6,301,262	$ 7,138,524	$3,889,530	$ 2,760,670	$ 1,360,000	$ -	$ -	$ 31,523,486

Funding	*Prior Yrs*	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*2015*	*Total*
Grants	$ 1,967,757	$ -	$ -	$ 400,000	$ 400,000	$ 240,000	$ -	$ -	$ 3,007,757
City Revenues	1,597,981	701,474	386,323	225,000	95,000	20,000	-	-	$ 3,025,778
County Revenue	-	-	1,230,024	-	-	-	-	-	$ 1,230,024
Debt	6,230,737	6,096,515	-	3,264,530	2,235,670	-	-	-	$ 17,827,452
Lease/Sale	-	2,800,000	2,225,450	-	-	1,100,000	-	-	$ 6,125,450
Donation/In-Kind	277,025	-	-	-	30,000	-	-	-	$ 307,025
Total General Purpose	$ 10,073,500	$9,597,989	$ 3,841,797	$3,889,530	$ 2,760,670	$ 1,360,000	$ -	$ -	$ 31,523,486

Transportation Projects

Projects	*Prior Yrs*	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*2015*	*Total*
Streets Projects	$ 225,000	$ 185,000	$ 2,100,000	$1,005,000	$ 1,445,000	$ 885,000	$ 3,816,000	$2,875,000	$ 12,536,000
Pedestrian/Bicycle	-	-	-	-	-	-	-	-	-
Total Trans. Projects	$ 225,000	$ 185,000	$ 2,100,000	$1,005,000	$ 1,445,000	$ 885,000	$ 3,816,000	$2,875,000	$ 12,536,000

Funding	*Prior Yrs*	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*2015*	*Total*
Grants	$ 75,000	$ -	$ 1,850,000	$ 369,000	$ -	$ -	$ 2,500,000	$2,125,000	$ 6,919,000
City Revenues	150,000	185,000	250,000	636,000	1,095,000	885,000	1,316,000	750,000	5,267,000
County Revenue	-	-	-	-	350,000	-	-	-	350,000
Total Trans. Projects	$ 225,000	$ 185,000	$ 2,100,000	$1,005,000	$ 1,445,000	$ 885,000	$ 3,816,000	$2,875,000	$ 12,536,000

Enterprise Projects

Projects	*Prior Yrs*	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*2015*	*Total*
Sewer Projects	$ 650,000	$ 615,000	$ 1,405,000	$ 950,000	$ 481,000	$ 188,000	$ 230,000	$1,120,000	$ 5,639,000
Water Projects	100,000	693,000	422,000	1,598,000	1,352,000	654,000	2,242,000	1,436,000	8,497,000
Storm Drain	11,843	66,000	130,000	815,000	383,000	57,000	32,000	94,000	1,588,843
Solid Waste	-	25,000	125,000	-	-	-	-	-	150,000
Total Enterprise Projects	$ 761,843	$1,399,000	$ 2,082,000	$3,363,000	$ 2,216,000	$ 899,000	$ 2,504,000	$2,650,000	$ 15,874,843

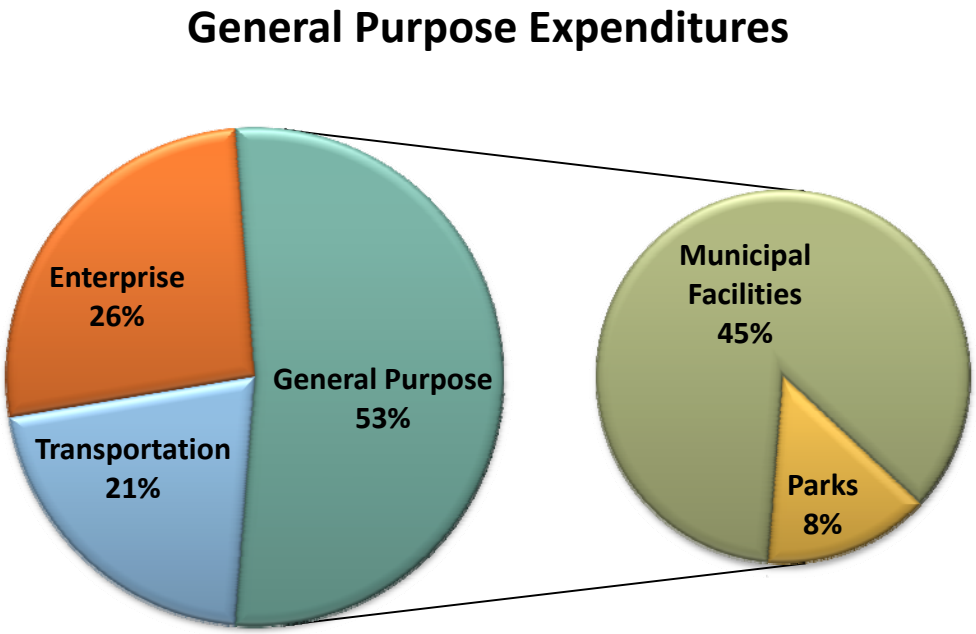
Funding	*Prior Yrs*	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*2015*	*Total*
Grants	$ -	$ -	$ -	$ 575,000	$ 200,000	$ 110,000	$ -	$ -	$ 885,000
City Revenues	761,843	1,399,000	2,082,000	2,788,000	2,016,000	789,000	2,504,000	2,650,000	14,989,843
Total Enterprise Projects	$ 761,843	$1,399,000	$ 2,082,000	$3,363,000	$ 2,216,000	$ 899,000	$ 2,504,000	$2,650,000	$ 15,874,843

CITY OF POULSBO
2010-2015 City Improvement Plan

GENERAL PURPOSE PROGRAM

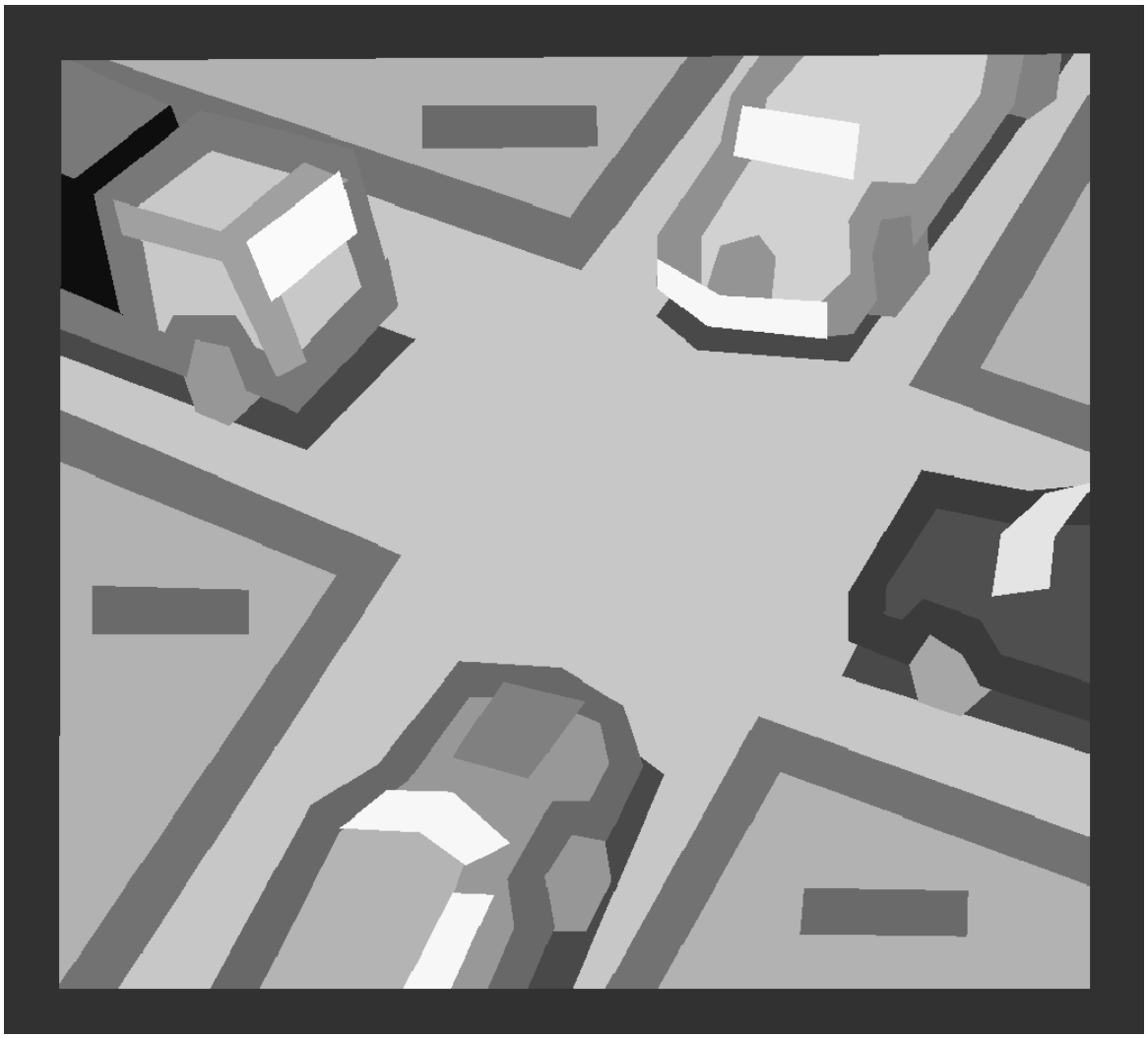
The General Purpose Program element of the City Improvement Plan comprises Police, Parks & Recreation and General Government projects. Combined, they represent $31,523,486 or 53% of the $59,934,329 proposed City Improvement Plan. Of the 53%, $4,514,698 represents park projects that rely heavily on grant funding.

In 2009 construction began to build a City Hall in the downtown corridor. In 2009, the City also purchased the current building used for Parks and Recreation.Necessary improvements to this facility will be staged over the next several years.



CITY IMPROVEMENT PLAN

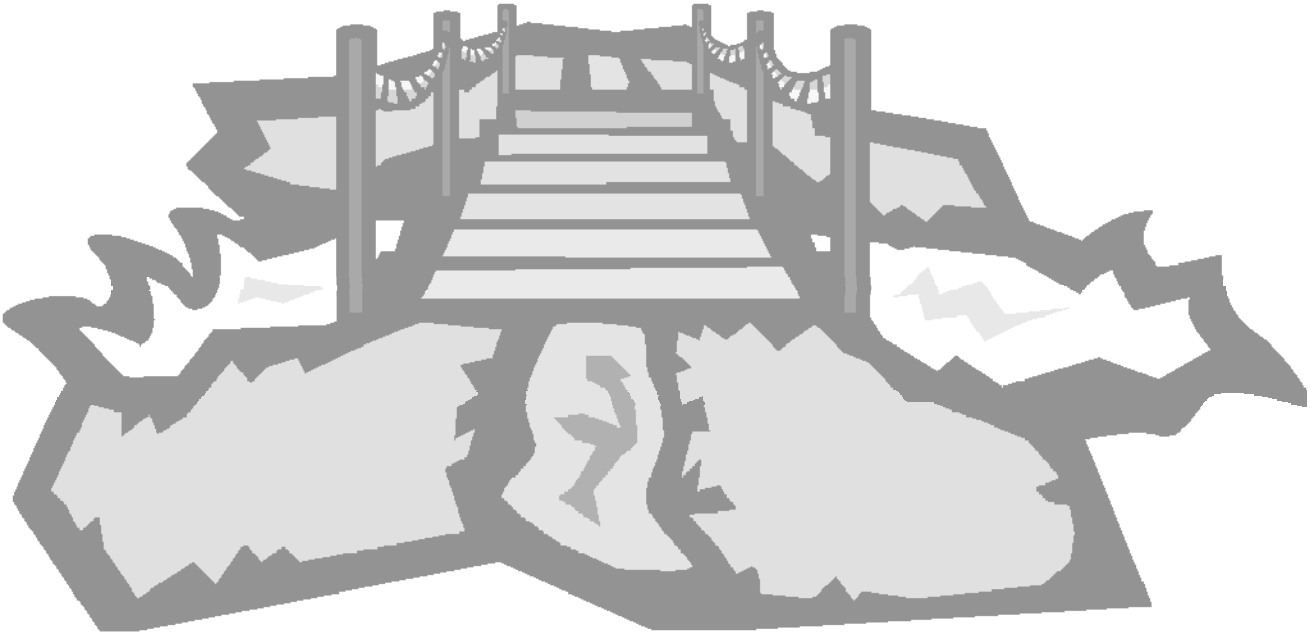
PROGRAM	AMOUNT
General Purpose	**$31,523,486**
Transportation	$12,536,000
Enterprise	$15,874,843
TOTAL CAPITAL PROGRAM	**$59,934,329**



CITY OF POULSBO

2010-2015 CITY IMPROVEMENT PLAN

GENERAL PURPOSE PROGRAM



GENERAL PURPOSE CAPITAL IMPROVEMENTS

Page #	Project Name	Prior Year Project Costs	2010 Project Cost	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	Total Project Cost
	General Projects/Municipal Facilities								
15	City Hall - Downtown Site	$ 2,763,158	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,763,158
	6- Non-Voted Bonds	$ 2,686,595	-	-	-	-	-	-	
	7-City/Utility Reserves	$ 22,300	-	-	-	-	-	-	
	10-Real Estate Excise Tax	$ 54,263	-	-	-	-	-	-	
	SUBTOTAL FUNDING SOURCES	$ 2,763,158	-	-	-	-	-	-	2,763,158
16	City Hall - 10th Avenue Site	$ 8,859,406	$ 6,971,024	$ -	$ -	$ -	$ -	$ -	$ 15,830,430
	3-County	$ -	*1,230,024*	-	-	-	-	-	
	6-Non-Voted Bonds	$ 8,540,657	-	-	-	-	-	-	
	7- City/Utility Reserves	$ 227,312	*218,823*	-	-	-	-	-	
	8-Real Estate Excise Tax	$ 500,000	-	-	-	-	-	-	
	9-General Fund Revenue	$ 88,164	-	-	-	-	-	-	
	11-Lease/Sale	$ 2,800,000	*2,225,450*	-	-	-	-	-	
	SUBTOTAL FUNDING SOURCES	$ 12,156,133	*3,674,297*	-	-	-	-	-	$ 15,830,430
17	Parks & Rec Building	$ 525,000	$ 65,000	$ 20,000	$ 20,000	$ 20,000	$ -	$ -	$ 650,000
	6-Non-Voted Bonds	$ 300,000							
	7- City/Utility Reserves	$ 225,000	*65,000*	*20,000*	*20,000*	*20,000*	-	-	
	SUBTOTAL FUNDING SOURCES	$ 525,000	65,000	20,000	20,000	20,000	-	-	$ 650,000
18	PW Complex Relocation	$ 1,100,000	-	3,264,530	2,235,670	1,100,000	-	-	$ 7,700,200
	6-Non-Voted Bonds	$ 1,100,000	-	*3,264,530*	*2,235,670*	-	-	-	
	11-Sale of PW Prop	$ -	-	-	-	*1,100,000*	-	-	
	SUBTOTAL FUNDING SOURCES	$ 1,100,000	-	3,264,530	2,235,670	1,100,000	-	-	$ 7,700,200
19	Marine Science Center Building	$ -	$ -	$ 35,000	$ 30,000	$ -	$ -	$ -	$ 65,000
	7-City/Utility Reserves	$ -	-	*35,000*	*30,000*	-	-	-	*65,000*
	Total Municiple Facility Projects	**$ 13,247,564**	**$ 7,036,024**	**$ 3,319,530**	**$ 2,285,670**	**$ 1,120,000**	**$ -**	**$ -**	**$ 27,008,788**
	Total Municiple Facility Funding Sources	**16,544,291**	**3,739,297**	**3,319,530**	**2,285,670**	**1,120,000**	**-**	**-**	**27,008,788**

GENERAL PURPOSE CAPITAL IMPROVEMENTS (continued)

Page #	Project Name	Prior Year Project Costs	2010 Project Cost	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	Total Project Cost
	Park Projects								
20	American Legion Park Paths	$ -	$ 20,000	$ 105,000	$ -	$ -	$ -	$ -	$ 125,000
	7-City/Utility Reserves	$ -	*20,000*	*105,000*	-	-	-	-	$ 125,000
21	Centennial Park	$ 776,808	37,500	-	-	-	-	-	$ 814,308
	8 - City Impact Fees	$ 176,808	*37,500*	-	-	-	-	-	
	10-Real Estate Excse Tax	$ 600,000	-	-	-	-	-	-	
	SUBTOTAL FUNDING SOURCES	$ 776,808	37,500	-	-	-	-	-	$ 814,308
22	Poulsbo Fish Park Restoration	$ 2,350,390	25,000	-	-	-	-	-	$ 2,375,390
	1-Federal Grants	$ 150,000	-	-	-	-	-	-	
	2-State Grants	$ 1,817,757	-	-	-	-	-	-	
	7-City/Utility Reserves	$ 80,401	*25,000*	-	-	-	-	-	
	8 - City Impact Fees	$ 25,207	-	-	-	-	-	-	
	13-Donation/In-Kind	$ 277,025	-	-	-	-	-	-	
	SUBTOTAL FUNDING SOURCES	$ 2,350,390	25,000	-	-	-	-	-	$ 2,375,390
23	College Marketplace Athletic Fields	$ -	10,000	465,000	425,000	-	-	-	$ 900,000
	2-State Grants	$ -	-	*400,000*	*400,000*	-	-	-	
	7-City/Utility Reserves	$ -	-	*25,000*	*25,000*	-	-	-	
	8-City Impact Fees	$ -	*10,000*	*40,000*	-	-	-	-	
	SUBTOTAL FUNDING SOURCES	$ -	10,000	465,000	425,000	-	-	-	$ 900,000
24	Nelson Park Development Phase 2	$ -	10,000	-	50,000	240,000	-	-	$ 300,000
	1- Federal Grants	$ -	-	-	-	*240,000*	-	-	
	8-City Impact Fees	$ -	*10,000*	-	*50,000*	-	-	-	
	SUBTOTAL FUNDING SOURCES	$ -	$ 10,000	$ -	$ 50,000	$ 240,000	$ -	$ -	300,000
	Total Park and Recreation Projects	**$ 3,127,198**	**$ 102,500**	**$ 570,000**	**$ 475,000**	**$ 240,000**	**$ -**	**$ -**	**$ 4,514,698**
	Total Park Funding Sources	**$ 3,127,198**	**$ 102,500**	**$ 570,000**	**$ 475,000**	**$ 240,000**	**$ -**	**$ -**	**$ 4,514,698**
	Total General Purpose Capital Projects	***$ 16,374,762***	***$ 7,138,524***	***$ 3,889,530***	***$ 2,760,670***	***$ 1,360,000***	***$ -***	***$ -***	***$ 31,523,486***
	Total General Purpose Funding Sources	***$ 19,671,489***	***$ 3,841,797***	***$ 3,889,530***	***$ 2,760,670***	***$ 1,360,000***	***$ -***	***$ -***	***$ 31,523,486***

Project Name: **City Hall**

Project Description

Budget: $2,763,158 **Purpose:** General Purpose

Location: 123 Moe Street **Project Manager:** Debbie Booher

Description: A new City Hall Complex would be constructed to accommodate the existing functions at the Jensen Way facility plus Public Works Administration. The current planning anticipates accomodating the District and Municipal Courts. This project may be combined with a new police station, but are currently planned and scheduled separately.

Justification: The existing building is old and too small. It requires high maintenance, the Council Chamber is not functional, insufficient conference rooms, storage space and offices create inefficiencies in the required activities of City Government and service to the public.

Start Date: 2005 **Completion Date:** 2010

Capital Funding

Sources of Funding

				Six-Year Plan						
		Prior Years	2009	2010	2011	2012	2013	2014	2015	Total
3	County									-
6	Non-Voted Bonds	2,686,595								2,686,595
7	City/Utility Reserves	22,300								22,300
10	Real Estate Excise Tax	54,263								54,263
9	General Fund Revenue									-
11	Lease/Sale									-
										-
	Total	2,763,158	-	-	-	-	-	-	-	2,763,158

Capital Costs

				Six-Year Plan						
		Prior Years	2009	2010	2011	2012	2013	2014	2015	Total Costs
	Planning & Design	614,472								614,472
	Land/ Right of Way	2,148,686								2,148,686
	Permits/Consultants									-
	Construction									-
	FF&E									-
	Management									-
	Financing/Legal									-
	Contingency									-
	Total	2,763,158	-	-	-	-	-	-	-	2,763,158

Estimated Impact on Future Operating Budgets

Notes:

				Six-Year Plan						
		Prior Years	2009	2010	2011	2012	2013	2014	2015	Total Costs
	Operating				70,000	72,450	74,986	77,610	80,327	375,373
	Debt			425,000	425,000	425,000	425,000	425,000	425,000	2,550,000
	Total	-	-	425,000	70,000	497,450	499,986	502,610	505,327	2,925,373

Project Name: **City Hall**

Project Description

Budget: $15,830,430 **Purpose:** General Purpose

Location: 123 Moe Street **Project Manager:** Debbie Booher

Description: A new City Hall Complex would be constructed to accommodate the existing functions at the Jensen Way facility plus Public Works Administration. The current planning anticipates accomodating the District and Municipal Courts. This project may be combined with a new police station , but are currently planned and scheduled separately.

Justification: The existing building is old and too small. It requires high maintenance, the Council Chamber is not functional, insufficient conference rooms, storage space and offices create inefficiencies in the required activities of City Government and service to the public.

Start Date: 2005 **Completion Date:** 2010

Capital Funding

Sources of Funding

				Six-Year Plan						
		Prior Years	2009	2010	2011	2012	2013	2014	2015	Total
3	County			1,230,024						1,230,024
6	Non-Voted Bonds	2,444,142	6,096,515							8,540,657
7	City/Utility Reserves	227,312		218,823						446,135
10	Real Estate Excise Tax	500,000								500,000
9	General Fund Revenue	11,690	76,474							88,164
11	Lease/Sale		2,800,000	2,225,450						5,025,450
										-
	Total	3,183,144	8,972,989	3,674,297	-	-	-	-	-	15,830,430

Capital Costs

				Six-Year Plan						
		Prior Years	2009	2010	2011	2012	2013	2014	2015	Total Costs
	Planning & Design	692,362	402,500	42,632						1,137,494
	Land/ Right of Way	1,629,080	15,920							1,645,000
	Permits/Consultants	27,828	122,172							150,000
	Construction	588,830	4,111,996	4,968,035						9,668,861
	FF&E			600,000						600,000
	Management	215,408	204,000	60,592						480,000
	Financing/Legal	29,637	98,671	61,013						189,321
	Contingency	-	721,002	1,238,752						1,959,754
	Total	3,183,145	5,676,261	6,971,024	-	-	-	-	-	15,830,430

Estimated Impact on Future Operating Budgets

Notes:

				Six-Year Plan						
		Prior Years	2009	2010	2011	2012	2013	2014	2015	Total Costs
	Operating				70,000	72,450	74,986	77,610	80,327	375,373
	Debt			800,000	800,000	800,000	800,000	800,000	800,000	4,800,000
	Total	-	-	800,000	70,000	872,450	874,986	877,610	880,327	5,175,373

Project Name: **Park & Rec Building**

Project Description

Budget: $650,000 **Purpose:** General Purpose

Location: **Project Manager:** Debbie Booher

Description: Purchase existing Park & Recreation building to continue to house the City's Park and Recreation programs. Perform maintenance repairs to building for safety and functionality.

Justification: Purchase building to continue to house recreation programs and administration. Repair building including the roof and parking lot to be safe and functional. The vacant part of the building may be leased out to provide a revenue stream to offset the cost of improvements and maintenance costs.

Start Date: Sep-09 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
6	Non-Voted Bonds		300,000							300,000
7	City/Utility Reserves		225,000	65,000	20,000	20,000	20,000			350,000
	Total	-	525,000	65,000	20,000	20,000	20,000	-	-	650,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design		17,000							17,000
	Land/ Right of Way		508,000							508,000
	Construction			65,000	20,000	20,000	20,000			125,000
	Management									-
	Total	-	525,000	65,000	20,000	20,000	20,000	-	-	650,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Rental Revenue			12,000	34,800	34,800	34,800	34,800	34,800	186,000
	Operating			5,000	15,000	15,000	15,000	15,000	15,000	80,000
	Debt			25,000	25,000	25,000	25,000	25,000	25,000	150,000
	Total	-	-	18,000	5,200	5,200	5,200	5,200	5,200	230,000

Project Name: **Public Works Complex Relocation**

Project Description

Budget: $7,700,200 **Purpose:** General Purpose

Location: N. Viking Road **Project Manager:** Barry Loveless

Description: Relocation of the Public Works complex.

Justification: Upgrade of facilities (poor condition, drainage problems) and relocate to area where there is less conflict with nearby public uses.

Start Date: 2008 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
6	Non-Voted Bonds	1,100,000			3,264,530	2,235,670				6,600,200
11	Sale of PW Prop						1,100,000			
	Total	1,100,000	-	-	3,264,530	2,235,670	1,100,000	-	-	7,700,200

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design				500,000					500,000
	Land/ Right of Way	1,100,000								1,100,000
	Construction				2,764,530	2,235,670	1,100,000			6,100,200
	Management									-
	Total	1,100,000	-	-	3,264,530	2,235,670	1,100,000	-	-	7,700,200

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating						36,500	37,777	39,060	113,337
	Debt						348,500	348,500	348,500	1,045,500
	Total	-	-	-	-	-	385,000	386,277	387,560	1,158,837

Project Name: **Marine Science Center Building**

Project Description

Budget: $65,000 **Purpose:** General Purpose

Location: **Project Manager:** Debbie Booher

Description: Repair and replacement of heating and air conditioning units at Marine Science Center building.

Justification: Current system is near failure and the repair/replacement is necessary to keep the system functioning for heating and cooling the building.

Start Date: 2010 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			-	35,000	30,000				65,000
	Total	-	-	-	35,000	30,000	-	-	-	65,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction			-	35,000	30,000				65,000
	Management									-
	Total	-	-	-	35,000	30,000	-	-	-	65,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **American Legion Park Asphalt Trail Improvement**

Project Description

Budget: $125,000 **Purpose:** Parks

Location: **Project Manager:** Mary McCluskey

Description: The tree roots have taken a toll on the asphalt trail, we need to replace the trail with new asphalt or extend the boardwalk into the park.

Justification: Improve access and public safety.

Start Date: 2009 **Completion Date:** 2010

Capital Funding

Sources of Funding

		Prior Years	2009	Six-Year Plan 2010	2011	2012	2013	2014	2015	Total
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
7	City/Utility Reserves		-	20,000	105,000					125,000
-	-									-
	Total	-	-	20,000	105,000	-	-	-	-	125,000

Capital Costs

		Prior Years	2009	Six-Year Plan 2010	2011	2012	2013	2014	2015	Total Costs
	Planning & Design		-							-
	Land/ Right of Way									-
	Construction			20,000	100,000					120,000
	Management				5,000					5,000
	Total	-	-	20,000	105,000	-	-	-	-	125,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	2009	Six-Year Plan 2010	2011	2012	2013	2014	2015	Total Costs
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Centennial Park**

Project Description

Budget: $814,318 **Purpose:** Parks

Location: **Project Manager:** Mary McCluskey

Description: This 2.5 acre parcel, located at the corner of 7th Avenue and Iverson Street, was purchased in 2000 by the City for future offices. Because Dogfish Creek runs through it and subsequent Critical Areas Ordinance guidelines, building new structures on this site is not feasible. It was retained as an urban park because of its proximity to shopping, medical offices, the library, and public transportation. A master plan was completed in 2007 and development began in 2008 with clearing and the installation of the Centennial sculpture. Phase 2 included more development including picnic tables, landscaping and one bridge over the creek.

Justification: In the center of the city; connectivity to other public services; a nice, urban setting.

Start Date: 2006 **Completion Date:** 2010

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
8	City Impact Fees	101,808	75,000	37,500						214,308
10	Real Estate Excise Tax	600,000								600,000
	Total	701,808	75,000	37,500	-	-	-	-	-	814,308

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design	48,930	5,000	5,000						58,930
	Land/ Right of Way	600,000								600,000
	Construction	52,415	65,463	30,000						147,878
	Management		5,000	2,500						7,500
	Total	701,345	75,463	37,500	-	-	-	-	-	814,308

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Poulsbo's Fish Park Property Restoration**

Project Description

Budget: $2,375,390 **Purpose:** Parks

Location: **Project Manager:** Mary McCluskey

Description: With an additional land donation in 2008, this nature park is now 20.77 acres in size. A master plan was completed in 2004, and development has included public access trails and boardwalk, interpretive areas and signage, restoration of the estuary and uplands, wildlife viewing platforms, educational opportunities and information. Partnerships between the city and local organizations, business, schools, and individuals has made this park a natural draw in an urban setting.

Justification: Planned public access into wildlife areas is important to the survival of the vegetation and wildlife. This area will be important for salmon species viewing and educational opportunities. The land was purchased in 2002.

Start Date: 2003 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants	150,000								150,000
2	State Grants	1,817,757								1,817,757
3	County									-
7	City/Utility Reserves	55,401	25,000	25,000						105,401
8	City Impact Fees	25,207		-						25,207
13	Donation/In-Kind	277,025								277,025
	Total	2,325,390	25,000	25,000	-	-	-	-	-	2,375,390

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design	47,000	3,000	-						50,000
	Land/ Right of Way	980,000								980,000
	Construction	1,248,390	20,000	23,000						1,291,390
	Management	50,000	2,000	2,000						54,000
	Total	2,325,390	25,000	25,000	-	-	-	-	-	2,375,390

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **College Marketplace Athletic Fields**

Project Description

Budget: $900,000 **Purpose:** Parks

Location: **Project Manager:** Mary McCluskey

Description: This project recognizes that the City of Poulsbo is deficient in the number of ballfields that it owns (0), and that development of additional athletic fields is necessary. This plans for development of two multi-use fields and parking on the 7-acre site, citywide, at $450,000 per field. Partnerships will be must be encouraged to develop the property.

Justification: The community is growing quickly, and over 7,000 students attend NK Schools. All community recreation programs are held at school district fields. The demand for youth and adult programs far outweigh the facilities available to host these programs.

Start Date: 2009 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants				400,000	400,000				800,000
3	County									-
7	City/Utility Reserves				25,000	25,000				50,000
8	City Impact Fees		-	10,000	40,000					50,000
-	-									-
	Total	-	-	10,000	465,000	425,000	-	-	-	900,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design		-	10,000	40,000					50,000
	Land/ Right of Way									-
	Construction		-		400,000	400,000				800,000
	Management		-		25,000	25,000				50,000
	Total	-	-	10,000	465,000	425,000	-	-	-	900,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Nelson Park Phase II**

Project Description

Budget: $240,000 **Purpose:** Parks

Location: **Project Manager:** Mary McCluskey

Description: Nelson Park encompasses over 11 acres in West Poulsbo. This waterfront property was purchased in 1997, and includes four parcels along the Liberty Bay shoreline. A master plan was developed in 1998. In 2004, phase 1 development of about four acres included a restroom and picnic shelter, playground, parking and some trails. Phase 2 would include trails throughout the property. The improvements to the caretaker's residence were completed by a local non-profit organization in 2003, and the addition of an historic log cabin and windmill were completed in 2006.

Justification: The City of Poulsbo acquired this property in 1997. Development of property will add to the city's park system and improve access to Liberty Bay. It will provide an area for residents and tourists to enjoy the out-of-doors and natural environmental education.

Start Date: 2012 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants						240,000			240,000
2	State Grants									-
3	County									-
4	PWTF									-
8	City Impact Fees			10,000		50,000				60,000
-	-									-
	Total	-	-	10,000	-	50,000	240,000	-	-	300,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design			10,000		50,000				60,000
	Land/ Right of Way									-
	Construction						225,000			225,000
	Management						15,000			15,000
	Total	-	-	10,000	-	50,000	240,000	-	-	300,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

CITY OF POULSBO

2010-2015 CITY IMPROVEMENT PLAN

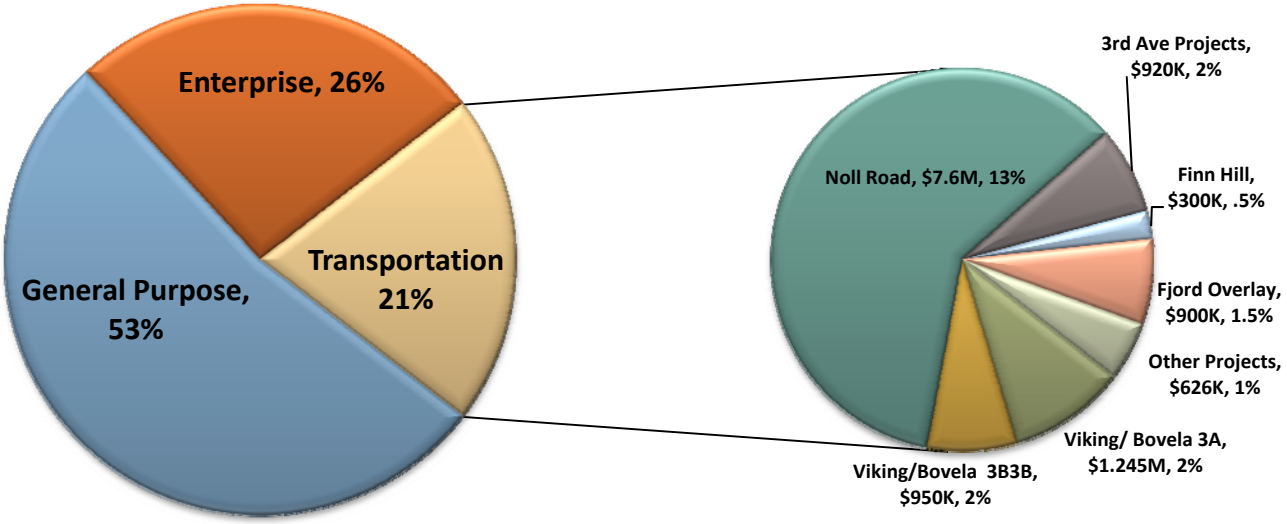
TRANSPORTATION PROGRAM

CITY OF POULSBO
2010-2015 City Improvement Plan

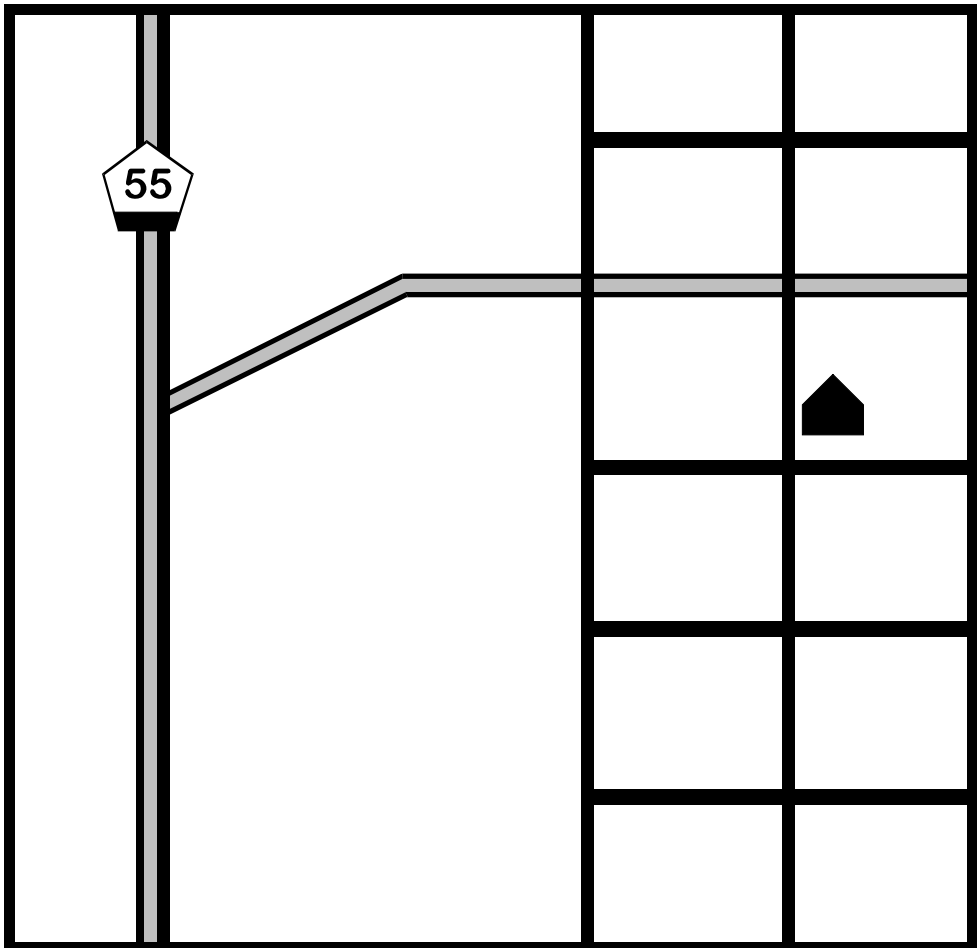
TRANSPORTATION PROGRAM

The Transportation Program element of the City Improvement Plan comprises all vehicle and pedestrian transportation projects including roadways, alleys, sidewalks and traffic lighting/signals. The transportation projects will help traffic flow through the city and enhance pedestrian safety with new sidewalks. Combined they represent $12,536,000 or 21% of the $59,934,329 City Improvement Plan. The projects listed in the Transportation Program are projects from the TIP that have established and available funding.

Transportation Expenditures



CITY IMPROVEMENT PLAN	
PROGRAM	**AMOUNT**
General Purpose	$31,523,486
Transportation	**$12,536,000**
Enterprise	$15,874,843
TOTAL CAPITAL PROGRAM	**$59,934,329**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TRANSPORTATION CAPITAL IMPROVEMENTS

Page #	Project Name		2010 Project Cost	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	Total Project Cost
	Street Projects								
30	Viking Ave Bovela Ln to S City Limits - Phase 3A	$ 175,000	$ 1,070,000	$ -	$ -	$ -	$ -	$ -	$ 1,245,000
	1-Federal Grants	$ 50,000	*1,070,000*	-	-	-	-	-	
	2-State Grants	$ -	-	-	-	-	-	-	
	7-City/Utility Reserves	$ -	-	-	-	-	-	-	
	8-City Impact Fees	$ 125,000	-	-	-	-	-	-	
	SUBTOTAL FUNDING SOURCES	$ 175,000	$ 1,070,000	$ -	$ -	$ -	$ -	$ -	*1,245,000*
31	Viking Ave Bovela Ln to S City Limits - Phase 3B	$ 50,000	$ 900,000	$ -	$ -	$ -	$ -	$ -	$ 950,000
	1-Federal Grants	$ 25,000							
	2-State Grants	$ -	*780,000*						
	7-City/Utility Reserves	$ -	*80,000*						
	8-City Impact Fees	$ 25,000	*40,000*						
	SUBTOTAL FUNDING SOURCES	$ 50,000	900,000	-	-	-	-	-	*950,000*
32	Noll Road	$ 125,000	60,000	615,000	1,170,000	200,000	3,000,000	2,425,000	$ 7,595,000
	1-Federal Grants	$ -	-	*219,000*	-	-	*2,500,000*	*2,125,000*	
	2-State Grants	$ -	-	*150,000*	-	-	-	-	
	3-County	$ -	-	-	*350,000*	-	-	-	
	7-City/Utility Reserves	$ 125,000	*60,000*	-	-	-	-	*300,000*	
	8-City Impact Fees	$ -	-	*246,000*	*820,000*	*200,000*	*500,000*	-	
	SUBTOTAL FUNDING SOURCES	$ 125,000	60,000	615,000	1,170,000	200,000	3,000,000	2,425,000	*7,595,000*
33	Moe - From Jensen to 3rd Ave	$ 60,000	-	-	-	-	-	-	$ 60,000
	7-City/Utility Reserves	$ 60,000	-	-	-	-	-	-	*60,000*
34	3rd Ave Reconstruction - Moe to Iverson	$ -	60,000	300,000	-	-	-	-	$ 360,000
	7-City/Utility Reserves	$ -	*60,000*	*300,000*	-	-	-	-	*360,000*
35	3rd Ave Reconstruction - Moe to Hostmark	$ -	-	-	75,000	425,000	-	-	$ 500,000
	7-City/Utility Reserves	$ -	-	-	*75,000*	*425,000*	-	-	*500,000*
36	Finn Hill Reconstruction	$ -	-	-	200,000	100,000	-	-	$ 300,000
	8-City Impact Fees	$ -	-	-	*200,000*	*100,000*	-	-	*300,000*
37	7th Ave Overlay - Iverson to Liberty	$ -	-	-	-	160,000	-	-	$ 160,000
	7-City/Utility Reserves	$ -	-	-	-	*160,000*	-	-	*160,000*
38	Lincoln Rd Reconstruction - PS&E	$ -	-	-	-	-	100,000	-	$ 100,000
	8-City Impact Fees	$ -	-	-	-	-	*100,000*		*100,000*
39	Caldart & For. Rock Overlay - Gard. to Nordic	$ -	-	-	-	-	266,000	-	$ 266,000
	7-City/Utility Reserves	$ -	-	-	-	-	*266,000*	-	*266,000*
40	Fjord Rd Overlay - Hostmark to C/L	$ -	-	-	-	-	450,000	450,000	$ 900,000
	7-City/Utility Reserves	$ -	-	-	-	-	*450,000*	*450,000*	*900,000*
41	6th Avenue Traffic Safety Improvements	$ -	10,000	90,000	-	-	-	-	$ 100,000
	7-City/Utility Reserves	$ -	*10,000*	*90,000*	-	-	-	-	*100,000*
	Total Transportation Capital Projects	**$ 410,000**	**$ 2,100,000**	**$ 1,005,000**	**$ 1,445,000**	**$ 885,000**	**$ 3,816,000**	**$ 2,875,000**	**$ 12,536,000**
	Total Transportation Funding Sources	**$ 410,000**	**$ 2,100,000**	**$ 1,005,000**	**$ 1,445,000**	**$ 885,000**	**$ 3,816,000**	**$ 2,875,000**	**$ 12,536,000**

Project Name: **Viking Ave. Phase 3A - Bovela Lane to 1000' South**

Project Description

Budget: $1,245,000 **Purpose:** Transportation

Location: **Project Manager:** Andrzej Kasiniak, P.E.

Description: Viking Avenue Reconstruction . The project will include widening, sidewalks, drainage, and bike lanes.

Justification: The project will increase roadway capacity and improve safety.

Start Date: 2008 **Completion Date:** 2010

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants	50,000		1,070,000						1,120,000
2	State Grants	-		-						-
3	County									-
4	PWTF									-
7	City/Utility Reserves			-						-
8	City Impact Fees	25,000	100,000							125,000
	Total	75,000	100,000	1,070,000	-	-	-	-	-	1,245,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design	75,000	100,000							175,000
	Land/ Right of Way									-
	Construction			1,000,000				-		1,000,000
	Management			70,000				-		70,000
	Total	75,000	100,000	1,070,000	-	-	-	-	-	1,245,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Viking Ave. Phase 3B - South City Limits to end of Phase 3**

Project Description

Budget: $950,000 **Purpose:** Transportation

Location: **Project Manager:** Andrzej Kasiniak, P.E.

Description: Viking Avenue Reconstruction . The project will include widening, sidewalks, drainage, and bike lanes.

Justification: The project will increase roadway capacity and improve safety.

Start Date: 2008 **Completion Date:** 2010

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants	25,000		-						25,000
2	State Grants	-		780,000						780,000
3	County									-
4	PWTF									-
7	City/Utility Reserves			80,000						80,000
8	City Impact Fees		25,000	40,000						65,000
	Total	25,000	25,000	900,000	-	-	-	-	-	950,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design	25,000	25,000							50,000
	Land/ Right of Way									-
	Construction			830,000				-		830,000
	Management			70,000				-		70,000
	Total	25,000	25,000	900,000	-	-	-	-	-	950,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Noll Road Improvements**

Project Description

Budget: $7,595,000 **Purpose:** Transportation

Location: Noll Road **Project Manager:** Andrzej Kasiniak, P.E.

Description: Project will be implemented in several phases. Phase I (2010/2011) will include construction of pedestrian and bicycle improvements between Hostmark and Deer Run; Phase II (2011/2012) will include the roundabout (Noll/Lincoln Intersection); Phase III (2012/2015) will include the roadway improvements between Deer Run Plat and Johnson Ridge Plat.

Justification: The project will increase roadway capacity and improve safety.

Start Date: 2008 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants				219,000			2,500,000	2,125,000	4,844,000
2	State Grants				150,000					150,000
3	County					350,000				350,000
4	PWTF									-
7	City/Utility Reserves	125,000		60,000					300,000	485,000
8	City Impact Fees			-	246,000	820,000	200,000	500,000		1,766,000
	Total	125,000	-	60,000	615,000	1,170,000	200,000	3,000,000	2,425,000	7,595,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design	125,000		60,000	215,000	300,000	200,000			900,000
	Land/ Right of Way					480,000				480,000
	Construction				360,000	350,000		2,900,000	2,345,000	5,955,000
	Management				40,000	40,000		100,000	80,000	260,000
	Total	125,000	-	60,000	615,000	1,170,000	200,000	3,000,000	2,425,000	7,595,000

Estimated Impact on Future Operating Budgets

Notes:

Phase I	PE 65,000, CN 400,000
Phase I I	PE 65,000, CN 390,000
Phase III	PE 650,000, RW 480,000, CN 5,425,000

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Moe - Pavement Restoration From Jensen to 3rd Ave**

Project Description

Budget: $60,000 **Purpose:** Transportation

Location: Jensen to 3rd **Project Manager:** Andrzej Kasiniak, P.E.

Description: The project includes the following elements: Pavement Repairs, Pavement Overlay, and Striping.

Justification: The project will improve safety, extend life of the city streets, and reduce street maintenance cost. The project is financed by the Pavement Restoration Program.

Start Date: 2009 **Completion Date:** 2009

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		60,000							60,000
	Total	-	60,000	-	-	-	-	-	-	60,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction		50,000							50,000
	Management		10,000							10,000
	Total	-	60,000	-	-	-	-	-	-	60,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **3rd Ave Reconstruction - Moe to Iverson**

Project Description

Budget: $360,000 **Purpose:** Transportation

Location: **Project Manager:** Andrzej Kasiniak, P.E.

Description: The project includes the following elements: Sidewalk & Curb on one-side, Pavement Repairs, Pavement Overlay, and Striping.

Justification: The project will improve safety, extend life of the city streets, and reduce street maintenance cost. The project is financed by the Pavement Restoration Program and City Reserve Fund.

Start Date: 2010 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			60,000	300,000					360,000
	Total	-	-	60,000	300,000	-	-	-	-	360,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design			50,000						50,000
	Land/ Right of Way									-
	Construction				280,000					280,000
	Management			10,000	20,000					30,000
	Total	-	-	60,000	300,000	-	-	-	-	360,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **3rd Ave Reconstruction - Moe to Hostmark**

Project Description

Budget: $500,000 **Purpose:** Transportation

Location: **Project Manager:** Andrzej Kasiniak, P.E.

Description: The project includes the following elements: Sidewalk & Curb on one-side, Pavement Repairs, Pavement Overlay, Parking, and Striping.

Justification: The project will improve safety, extend life of the city streets, and reduce street maintenance cost. The project is financed by the Pavement Restoration Program and City Reserve Fund.

Start Date: 2012 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves					75,000	425,000			500,000
	Total	-	-	-	-	75,000	425,000	-	-	500,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design					75,000				75,000
	Land/ Right of Way									-
	Construction						415,000			415,000
	Management						10,000			10,000
	Total	-	-	-	-	75,000	425,000	-	-	500,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Finn Hill Reconstruction**

Project Description

Budget: $300,000 **Purpose:** Transportation

Location: **Project Manager:** Andrzej Kasiniak, P.E.

Description: Finn Hill Roadway Improvements Phase II. The project will include widening, sidewalks, drainage, and bike lanes.

Justification: The project will increase roadway capacity and it will improve safety.

Start Date: 2012 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
8	City Impact Fees					200,000	100,000			300,000
	Total	-	-	-	-	200,000	100,000	-	-	300,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design					200,000	100,000			300,000
	Land/ Right of Way									-
	Construction									-
	Management									-
	Total	-	-	-	-	200,000	100,000	-	-	300,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **7th Ave Overlay - Iverson to Liberty**

Project Description

Budget: $160,000 **Purpose:** Transportation

Location: **Project Manager:** Andrzej Kasiniak, P.E.

Description: The program is designed to overlay the streets listed in the "City Wide Pavement Management Program" table. The project includes the following elements: Pavement Repairs, Pavement Overlay, and Striping.

Justification: The project will improve safety, extend life of the city streets, and reduce street maintenance cost. The project is financed by the Pavement Restoration Program.

Start Date: 2013 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves						160,000			160,000
	Total	-	-	-	-	-	160,000	-	-	160,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction						150,000			150,000
	Management						10,000			10,000
	Total	-	-	-	-	-	160,000	-	-	160,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Lincoln Rd. Reconstruction - PS&E**

Project Description

Budget: $100,000 **Purpose:** Transportation

Location: **Project Manager:** Andrzej Kasiniak, P.E.

Description: Lincoln Rd Improvements Phase I - PS&E only. The project will include widening, sidewalks, drainage, and bike lanes.

Justification: The project will increase roadway capacity and it will improve safety.

Start Date: 2014 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
8	City Impact Fees							100,000		100,000
	Total	-	-	-	-	-	-	100,000	-	100,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design							100,000		100,000
	Land/ Right of Way									-
	Construction									-
	Management									-
	Total	-	-	-	-	-	-	100,000	-	100,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Caldart Ave. Overlay**

Project Description

Budget: $266,000 **Purpose:** Transportation

Location: Poulsbo Gardens to Nordic Pl. **Project Manager:** Andrzej Kasiniak, P.E.

Description: The program is designed to overlay the streets listed in the "City Wide Pavement Management Program" table. The project includes the following elements: Pavement Repairs, Pavement Overlay, and Striping.

Justification: The project will improve safety, extend life of the city streets, and reduce street maintenance cost. The project is financed by the Pavement Restoration Program.

Start Date: 2014 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
7	City/Utility Reserves							266,000		266,000
8	City Impact Fees									-
	Total	-	-	-	-	-	-	266,000	-	266,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction							250,000		250,000
	Management							16,000		16,000
	Total	-	-	-	-	-	-	266,000	-	266,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Fjord Rd. Overlay - Hostmark to C/L**

Project Description

Budget: $900,000 **Purpose:** Transportation

Location: **Project Manager:** Andrzej Kasiniak, P.E.

Description: The program is designed to overlay the streets listed in the "City Wide Pavement Management Program" table. The project includes the following elements: Pavement Repairs, Pavement Overlay, and Striping.

Justification: The project will improve safety, extend life of the city streets, and reduce street maintenance cost. The project is financed by the Pavement Restoration Program.

Start Date: 2014 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
7	City/Utility Reserves							450,000	450,000	900,000
-	-									-
	Total	-	-	-	-	-	-	450,000	450,000	900,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction							430,000	430,000	860,000
	Management							20,000	20,000	40,000
	Total	-	-	-	-	-	-	450,000	450,000	900,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **6th Ave Traffic Safety Improvements**

Project Description

Budget:	$100,000	**Purpose:**	Transportation
Location:	Fjord to Hostmark	**Project Manager:**	Andrzej Kasiniak, P.E.
Description:	Install traffic calming devices		
Justification:	Public feedback regarding safety, speeding cars are jeopardizing safety		
Start Date:	2010	**Completion Date:**	2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
7	City/Utility Reserves			10,000	90,000					100,000
-	-									-
	Total	-	-	10,000	90,000	-	-	-	-	100,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design			10,000						10,000
	Land/ Right of Way									-
	Construction				85,000					85,000
	Management				5,000					5,000
	Total	-	-	10,000	90,000	-	-	-	-	100,000

Estimated Impact on Future Operating Budgets

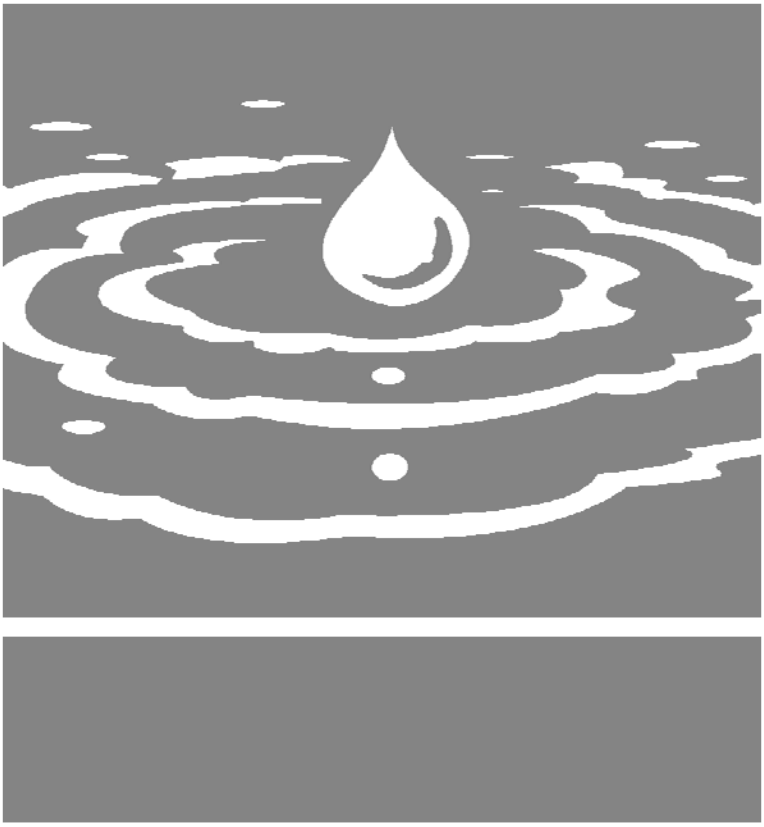
Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

CITY OF POULSBO

2010-2015 CITY IMPROVEMENT PLAN

ENTERPRISE PROGRAM

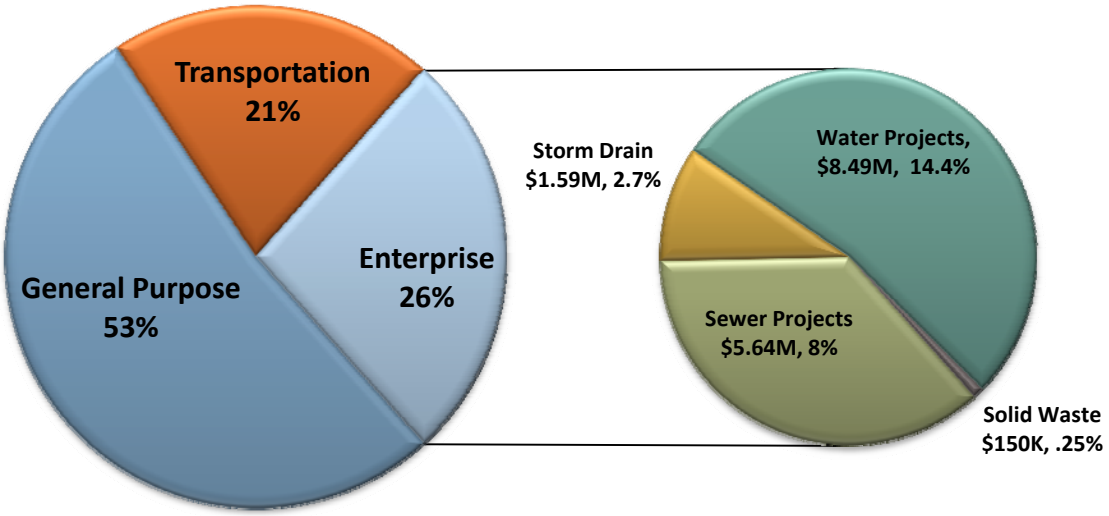


CITY OF POULSBO
2010 - 2015 City Improvement Plan

ENTERPRISE PROGRAM

The Enterprise Program element of the City Improvement Plan comprises Water, Wastewater, Solid Waste and Storm Water Utility Programs. Combined, they represent $15,874,843 or 26% of the $59,934,329 proposed City Improvement Plan. Funding for the Enterprise projects will come from the individual utility's reserve funds or by issuing debt supported by the rate payers of the utility.

Enterprise Expenditures



CITY IMPROVEMENT PLAN	
PROGRAM	**AMOUNT**
General Purpose	$31,523,486
Transportation	$12,536,000
Enterprise	**$15,874,843**
TOTAL CAPITAL PROGRAM	**$59,934,329**

ENTERPRISE CAPITAL IMPROVEMENTS

Page #	Project Name		2010 Project Cost	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	Total Project Cost
	Sewer	$ -							
46	Central Poulsbo I&I	$ 650,000	$ -	$ 630,000	$ -	$ -	$ -	$ -	$ 1,280,000
47	Annual Inflow Reduction Program	$ 10,000	20,000	20,000	20,000	20,000	-	-	$ 90,000
48	6th & 9th Avenue Pump Station Upgrade	$ 150,000	600,000	-	-	-	-	-	$ 750,000
49	Viking Avenue Phase 3 Sewer Extension	$ 15,000	235,000	300,000	-	-	-	-	$ 550,000
50	Tollefson Forcemain Upgrade	$ -	50,000	-	-	-	-	-	$ 50,000
51	Poulsbo Village Pump Station Upgrade	$ -	-	-	81,000	-	-	-	$ 81,000
52	Harrison Force Main Replacement	$ -	-	-	380,000	-	-	-	$ 380,000
53	Replace 175 RCP -Johnson Rd	$ -	-	-	-	58,000	-	-	$ 58,000
54	I&I Effectiveness/Downstream Capacity Eng. Study	$ -	-	-	-	110,000	-	-	$ 110,000
55	Lemolo Pipeline Improvements	$ -	-	-	-	-	50,000	-	$ 50,000
56	Slipline Beach Force Main	$ -	-	-	-	-	180,000	1,120,000	$ 1,300,000
57	Capital Facilities Charge for CK Plant	$ 440,000	500,000	-	-	-	-	-	$ 940,000
	Total Sewer Projects	**$ 1,265,000**	**$ 1,405,000**	**$ 950,000**	**$ 481,000**	**$ 188,000**	**$ 230,000**	**$ 1,120,000**	**$ 5,639,000**

	Funding for Sewer Projects								
	1-Federal Grants	$ -	-	-	-	*110,000*	-	-	$ 110,000
	7-Sewer Reserves	$ 1,265,000	*1,405,000*	*950,000*	*481,000*	*78,000*	*230,000*	*1,120,000*	$ 5,529,000
	Total Sewer Projects Funding Sources	**$ 1,265,000**	**$ 1,405,000**	**$ 950,000**	**$ 481,000**	**$ 188,000**	**$ 230,000**	**$ 1,120,000**	**$ 5,639,000**

	Water								
58	Westside Well - Treatment for Manganese	$ -	$ 100,000	$ -	$ -	$ -	$ -	$ -	$ 100,000
59	Intrusion Alarms	$ -	22,000	-	-	-	-	-	$ 22,000
60	Viking Avenue Phase 3 Water Main	$ 15,000	285,000	300,000	-	-	-	-	$ 600,000
61	Big Valley Wells Piping Improvements	$ -	15,000	75,000	-	-	-	-	$ 90,000
62	Pugh Well/Lincoln #2-Treatment for Mang.	$ -	-	100,000	-	-	-	-	$ 100,000
63	Hostmark Transmission Main	$ -	-	688,000	-	-	-	-	$ 688,000
64	Wilderness Park Booster Station Replacement	$ -	-	50,000	563,000	-	-	-	$ 613,000
65	Wilderness Park Transmission Main	$ -	-	35,000	439,000	-	-	-	$ 474,000
66	Old Town - Distribution Main Replacement	$ -	-	350,000	350,000	-	-	-	$ 700,000
67	Finn Hill Transmission Main	$ -	-	-	-	453,000	-	-	$ 453,000
68	Big Valley Well #3	$ -	-	-	-	166,000	302,000	-	$ 468,000
69	Finn Hill Booster Station	$ -	-	-	-	35,000	740,000	-	$ 775,000
70	Big Valley - Little Valley Transmission Main	$ -	-	-	-	-	1,100,000	-	$ 1,100,000
71	Westside Well No. 2	$ -	-	-	-	-	100,000	350,000	$ 450,000
72	Finn Hill Reservoir #2	$ -	-	-	-	-	-	1,086,000	$ 1,086,000
73	Water Tanks - Seismic Evaluations	$ 50,000	-	-	-	-	-	-	$ 50,000
74	Pugh Well #2 Transmission Main	$ 378,000	-	-	-	-	-	-	$ 378,000
75	Water Tank Painting	$ 350,000	-	-	-	-	-	-	$ 350,000
	Total Water Projects	$ 793,000	**$ 422,000**	**$ 1,598,000**	**$ 1,352,000**	**$ 654,000**	**$ 2,242,000**	**$ 1,436,000**	**$ 8,497,000**

	Funding for Water Projects								
	7-Water Reserves	$ 793,000	*422,000*	*1,598,000*	*1,352,000*	*654,000*	*2,242,000*	*1,436,000*	$ 8,497,000
	Total Water Project Funding Sources	$ 793,000	**$ 422,000**	**$ 1,598,000**	**$ 1,352,000**	**$ 654,000**	**$ 2,242,000**	**$ 1,436,000**	**$ 8,497,000**

ENTERPRISE CAPITAL IMPROVEMENTS (continued)

Page #	Project Name		2010 Project Cost	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	Total Project Cost
	Storm Drain								
76	Dogfish Creek Restoration	$ 71,843	$ 50,000	$ 350,000	$ 300,000	$ -	$ -	$ -	$ 771,843
77	Anderson Parkw ay LID Retrofit	$ 6,000	40,000	255,000	-	-	-	-	$ 301,000
78	Noll Rd Culver Replacement/Bjorgen Cr Culvert	$ -	40,000	210,000	-	-	-	-	$ 250,000
79	Replace Storm Drain in Wendy Way	$ -	$ -	$ -	83,000	-	-	-	$ 83,000
80	Norrland Drainage ditch replacement	$ -	$ -	$ -	-	57,000	-	-	$ 57,000
81	Replace Storm Drain W of 10th Ave	$ -	$ -	$ -	-	-	32,000	-	$ 32,000
82	Repair American Legion Park Outfall	$ -	$ -	$ -	-	-	-	94,000	$ 94,000
	Total Storm Drain Projects	**$ 77,843**	**$ 130,000**	**$ 815,000**	**$ 383,000**	**$ 57,000**	**$ 32,000**	**$ 94,000**	**$ 1,588,843**
	Funding for Storm Drain								
	2-State Grants	$ -	$ -	$ 575,000	$ 200,000	$ -	$ -	$ -	$ 775,000
	7-Storm Drain Reserves	$ 77,843	*130,000*	*240,000*	*183,000*	*57,000*	*32,000*	*94,000*	$ 813,843
	Total Storm Drain Funding Sources	$ 77,843	**$ 130,000**	**$ 815,000**	**$ 383,000**	**$ 57,000**	**$ 32,000**	**$ 94,000**	**$ 1,588,843**
	Solid Waste								
83	Solid Waste Transfer Station	$ 25,000	125,000	-	-	-	-	-	$ 150,000
	Total Solid Waste Projects	$ 25,000	**$ 125,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 150,000**
	Funding for Solid Waste Projects								
	7-Solid Waste Reserves	$ 25,000	*$ 125,000*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	$ 150,000
	Total Solid Waste Funding Sources	$ 25,000	**125,000**	**-**	**-**	**-**	**-**	**-**	**150,000**
	Total Enterprise Capital Projects	**$ 2,160,843**	**$ 2,082,000**	**$ 3,363,000**	**$ 2,216,000**	**$ 899,000**	**$ 2,504,000**	**$ 2,650,000**	**$ 15,874,843**
	Total Enterprise Funding Sources	**$ 2,160,843**	**$ 2,082,000**	**$ 3,363,000**	**$ 2,216,000**	**$ 899,000**	**$ 2,504,000**	**$ 2,650,000**	**$ 15,874,843**
	GRAND TOTAL CIP PROJECTS	**18,945,605**	**11,320,524**	**8,257,530**	**6,421,670**	**3,144,000**	**6,320,000**	**5,525,000**	**59,934,329**
	GRAND TOTAL FUNDING SOURCES	**22,242,332**	**8,023,797**	**8,257,530**	**6,421,670**	**3,144,000**	**6,320,000**	**5,525,000**	**59,934,329**

Project Name: **Central Poulsbo I&I**

Project Description

Budget: $1,280,000 **Purpose:** Sewer

Location: **Project Manager:** Andrzej Kasiniak, P.E.

Description: The project will replace old deteriorated mains in the areas of 3rd Avenue, 5th Avenue, Moe Street, Lincoln Rd, and Hostmark Street. Pipe bursting techniques will be used to replace old pipes.

Justification: The existing pipes are in very poor condition. The project will substantially reduce the existing high levels of inflow and infilitration in this basin.

Start Date: 2008 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves	650,000			630,000					1,280,000
	Total	650,000	-	-	630,000	-	-	-	-	1,280,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design	20,000			20,000					40,000
	Land/ Right of Way									-
	Construction	620,000			600,000					1,220,000
	Management	10,000			10,000					20,000
	Total	650,000	-	-	630,000	-	-	-	-	1,280,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Annual Inflow Reduction Program**

Project Description

Budget: $90,000 **Purpose:** Sewer

Location: City Wide **Project Manager:** Dan Wilson

Description: The City will implement an inflow reduction program consisting of identifying and repairing inflow sources. Example: Installation of an I&I prevention devices such as manhole inserts.

Justification: Flow monitoring data shows that the existing sewer system experiences high level of in-flow during storm events.

Start Date: 2009 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		10,000	20,000	20,000	20,000	20,000			90,000
	Total	-	10,000	20,000	20,000	20,000	20,000	-	-	90,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction		10,000	20,000	20,000	20,000	20,000			90,000
	Management									-
	Total	-	10,000	20,000	20,000	20,000	20,000	-	-	90,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **6th & 9th Avenue Pump Station**

Project Description

Budget: $750,000 **Purpose:** Sewer

Location: **Project Manager:** Dan Wilson

Description: Rehabilitation and upgrade of the 6th Avenue and 9th Avenue wastewater pump stations and replacement of 6th & 9th Avenue transmission mains.

Justification: The existing infrastructure is aged and the pump stations are at capacity. Upgrade of the pump stations is required in order to ensure reliability and replace aged infrastructure and appurtenances. Additionally, this project replaces the existing force mains serving 6th Ave & 9th Ave pump stations. The existing mains have operational issues.

Start Date: 2009 **Completion Date:** 2010

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		150,000	600,000						750,000
	Total	-	150,000	600,000	-	-	-	-	-	750,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design		150,000							150,000
	Land/ Right of Way									-
	Construction			570,000						570,000
	Management			30,000						30,000
	Total	-	150,000	600,000	-	-	-	-	-	750,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Viking Avenue Phase 3 Sewer Extension**

Project Description

Budget: $550,000 **Purpose:** Sewer

Location: Viking Ave, Bovela Ln to S. **Project Manager:** Andrzej Kasiniak

Description: Construct approximately 2,000 lf of 8" sewer line

Justification: The sanitary sewer mian extension is associated with the road improvements. Phase 3 of the Viking Avenue Road Improvements is scheduled for construction starting in

Start Date: 2010 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years	2009	Six-Year Plan 2010	2011	2012	2013	2014	2015	Total
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		15,000	235,000	300,000	-	-	-		550,000
	Total	-	15,000	235,000	300,000	-	-	-	-	550,000

Capital Costs

		Prior Years	2009	Six-Year Plan 2010	2011	2012	2013	2014	2015	Total Costs
	Planning & Design									-
	Land/ Right of Way									-
	Construction		15,000	235,000	300,000	-	-			550,000
	Management									-
	Total	-	15,000	235,000	300,000	-	-	-	-	550,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	2009	Six-Year Plan 2010	2011	2012	2013	2014	2015	Total Costs
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Tollefson Focemain Upgrade**

Project Description

Budget: $50,000 **Purpose:** Sewer

Location: Tollefson **Project Manager:** Dan Wilson

Description: Increase capacity of the manhole(Tollefson) where the SR 305 Forcemain discharges sewer into the gravity system.

Justification: The existing connection point is at capacity. Upgrade of the connection point is required to ensure reliability of the system.

Start Date: 2010 **Completion Date:** 2010

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			50,000						50,000
	Total	-	-	50,000	-	-	-	-	-	50,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design			10,000						10,000
	Land/ Right of Way									-
	Construction			40,000						40,000
	Management									-
	Total	-	-	50,000	-	-	-	-	-	50,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Poulsbo Village Pump Station Upgrade**

Project Description

Budget: $81,000 **Purpose:** Sewer

Location: **Project Manager:** Dan Wilson

Description: Rehabilitation and upgrade of the Poulsbo Village wastewater pump station (Electrical Panel, Controls, and pipes in a dry well).

Justification: The existing infrastructure is aged and the pump station is at capacity. Upgrade of the pump station is required in order to ensure reliability and replace aged infrastructure and appurtenances.

Start Date: 2012 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves					81,000				81,000
	Total	-	-	-	-	81,000	-	-	-	81,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design					15,000				15,000
	Land/ Right of Way									-
	Construction					60,000				60,000
	Management					6,000				6,000
	Total	-	-	-	-	81,000	-	-	-	81,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Harrison Forcemain Replacement**

Project Description

Budget:	$380,000	**Purpose:**	Sewer
Location:	MSC Pumpstation to Harrison St.	**Project Manager:**	Dan Wilson

Description: Replace the 12-in force main from MSC pump station that runs south along the beach. Install new 12 inch main along Fjord Drive and tie it to the existing 12 inch main at Harrison Street.

Justification: The existing forcemain is buried on the beach and any leak or failure of the main results in sewage discharge into Liberty Bay.

Start Date: 2012 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves					380,000				380,000
	Total	-	-	-	-	380,000	-	-	-	380,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design					50,000				50,000
	Land/ Right of Way									-
	Construction					320,000				320,000
	Management					10,000				10,000
	Total	-	-	-	-	380,000	-	-	-	380,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Replace 175' 18" RCP with 24" PVC - Johnson Rd**

Project Description

Budget: $58,000 **Purpose:** Sewer

Location: **Project Manager:** Dan Wilson

Description: Replace 175 fl of 18-in RCP with 24-in PVC.

Justification: To provide the necessary capacity with the sanitary sewer basin.

Start Date: 2013 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves						58,000			58,000
	Total	-	-	-	-	-	58,000	-	-	58,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design						18,000			18,000
	Land/ Right of Way									-
	Construction						38,000			38,000
	Management						2,000			2,000
	Total	-	-	-	-	-	58,000	-	-	58,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **I & I Effectiveness & Downstream Capacity Eng. Study**

Project Description

Budget: $110,000 **Purpose:** Sewer

Location: **Project Manager:** Dan Wilson

Description: Evaluate effectiveness of I&I reduction program and if warranted prepare the design to increase the system capacity.

Justification: Evaluate effectiveness of I&I program.

Start Date: 2013 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants						110,000			110,000
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves									-
	Total	-	-	-	-	-	110,000	-	-	110,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design						110,000			110,000
	Land/ Right of Way									-
	Construction									-
	Management									-
	Total	-	-	-	-	-	110,000	-	-	110,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Lemolo Pipeline Improvement**

Project Description

Budget: $50,000 **Purpose:** Sewer

Location: **Project Manager:** Dan Wilson

Description: Install Air-Vecs to improve flow characteristics of the Lemolo Pipeline.

Justification: The Lemolo pipe capacity will increase from 3.2 mgd to 3.6 mgd.

Start Date: 2014 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves							50,000		50,000
	Total	-	-	-	-	-	-	50,000	-	50,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design							5,000		5,000
	Land/ Right of Way									-
	Construction							43,000		43,000
	Management							2,000		2,000
	Total	-	-	-	-	-	-	50,000	-	50,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Slipline Beach Force Main**

Project Description

Budget: $1,300,000 **Purpose:** Sewer

Location: **Project Manager:** Dan Wilson

Description: The project will slip line the existing 8-inch force main between Lindvig Pump Station and Marine Science Pump Station.

Justification: The exisitng forcemain had two leaks within the last three years. The rehabilitated forcemain will provide 60% redundancy for the Viking Ave Basin & Finn Hill Basin.

Start Date: 2014 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves							180,000	1,120,000	1,300,000
	Total	-	-	-	-	-	-	180,000	1,120,000	1,300,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design							180,000		180,000
	Land/ Right of Way									-
	Construction								1,000,000	1,000,000
	Management								120,000	120,000
	Total	-	-	-	-	-	-	180,000	1,120,000	1,300,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Capital Facilities Charge for CK Plant**

Project Description

Budget: $940,000 **Purpose:** Sewer

Location: **Project Manager:** Dan Wilson

Description: City's capital contribution to the CK treatment plant as required by contract with Kitsap County.

Justification: Kitsap County contract requirement.

Start Date: 2009 **Completion Date:** 2010

Capital Funding

Sources of Funding

		Prior Years	2009	Six-Year Plan 2010	2011	2012	2013	2014	2015	Total
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		440,000	500,000				-	-	940,000
	Total	-	440,000	500,000	-	-	-	-	-	940,000

Capital Costs

		Prior Years	2009	Six-Year Plan 2010	2011	2012	2013	2014	2015	Total Costs
	Planning & Design							-		-
	Land/ Right of Way									-
	Construction		440,000	500,000					-	940,000
	Management								-	-
	Total	-	440,000	500,000	-	-	-	-	-	940,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	2009	Six-Year Plan 2010	2011	2012	2013	2014	2015	Total Costs
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **West Side Well Treatment for Manganese**

Project Description

Budget: $100,000 **Purpose:** Water

Location: Westside Well **Project Manager:** Dan Wilson

Description: Install treatment facility at existing Westside Well site. Water quality reports have indicated a high manganese content in the raw water (.085 mg/L manganese).

Justification: A treatment facility would reduce or eliminate the manganese in the finished water. DOH guidelines call for a maximum content of .05 mg/L.

Start Date: 2010 **Completion Date:** 2010

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			100,000						100,000
	Total	-	-	100,000	-	-	-	-	-	100,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction			100,000						100,000
	Management									-
	Total	-	-	100,000	-	-	-	-	-	100,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating				5,000	5,000	5,000	5,000	5,000	25,000
	Debt									-
	Total	-	-	-	5,000	5,000	5,000	5,000	5,000	25,000

Project Name: **Intrusion Alarms**

Project Description

Budget: $22,000 **Purpose:** Water

Location: Various **Project Manager:** Dan Wilson

Description: Install intrusion alarms at several facility sites. Many sites have security provisions, such as fencing and door locks, but intrusion alarms will help quickly notify the City in the event that an unwarranted person is on the premises.

Justification: Due to hightened security concerns, intrusion alarms will help quickly notify the City in the event that an unwarranted person is in the facility.

Start Date: 2010 **Completion Date:** 2010

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			22,000						22,000
	Total	-	-	22,000	-	-	-	-	-	22,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction			22,000						22,000
	Management									-
	Total	-	-	22,000	-	-	-	-	-	22,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Viking Avenue Phase 3 Water Main**

Project Description

Budget: $600,000 **Purpose:** Water

Location: Viking Avenue **Project Manager:** Andrzej Kasiniak

Description: Install approximately 2,000 LF of 12-inch water main along South Viking Avenue.

Justification: Water main extension will be installed as part of the Viking Avenue Phase 3 extension project.

Start Date: 2009 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		15,000	285,000	300,000					600,000
	Total	-	15,000	285,000	300,000	-	-	-	-	600,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction		15,000	285,000	300,000					600,000
	Management									-
	Total	-	15,000	285,000	300,000	-	-	-	-	600,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Big Valley Wells Piping Improvements**

Project Description

Budget: $90,000 **Purpose:** Water

Location: Big Valley Well Site **Project Manager:** Dan Wilson

Description: Improve water supply piping at the well site to allow both wells to produce as designed without reduction in capacity with both wells in line.

Justification: Under current conditions, the two existing wells lose approximately 100 gpm when pumping simultaneously. Piping improvements are needed to reach full capacity of the wells

Start Date: 2010 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			15,000	75,000					90,000
	Total	-	-	15,000	75,000	-	-	-	-	90,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design			15,000						15,000
	Land/ Right of Way									-
	Construction				75,000					75,000
	Management									-
	Total	-	-	15,000	75,000	-	-	-	-	90,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Pugh Well/Lincoln #2 Treatment for Manganese**

Project Description

Budget: $100,000 **Purpose:** Water

Location: Pugh/Lincoln Well #2 **Project Manager:** Dan Wilson

Description: Install treatment facility at the new well (Pugh/Lincoln #2). Water quality reports have indicated higher than "normal" manganese content in the raw water.

Justification: A treatment facility would reduce or eliminate the manganese in the finished water.

Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves				100,000					100,000
	Total	-	-	-	100,000	-	-	-	-	100,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction				100,000					100,000
	Management									-
	Total	-	-	-	100,000	-	-	-	-	100,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating					5,000	5,000	5,000	5,000	20,000
	Debt									-
	Total	-	-	-	-	5,000	5,000	5,000	5,000	20,000

Project Name: **Hostmark Transmission Main**

Project Description

Budget: $688,000 **Purpose:** Water

Location: Hostmark Street **Project Manager:** Andrzej Kasiniak

Description: Install a transmission main between the Wilderness Park Booster Station and the East High Zone. The project consists of approximately 3,000 LF of 12-inch water main along Hostmark Street. A new pressure reducing valve station will be installed to transfer supply from the East High Zone to the Middle Zone.

Justification: This project will allow the City to transfer supply between the Low and East High Zones to improve supply redundancy to both areas.

Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves				688,000					688,000
	Total	-	-	-	688,000	-	-	-	-	688,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction				688,000					688,000
	Management									-
	Total	-	-	-	688,000	-	-	-	-	688,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Wilderness Park Booster Station Replacement**

Project Description

Budget: $613,000 **Purpose:** Water

Location: Wilderness Park **Project Manager:** Andrzej Kasiniak

Description: Construct a new booster station at the Wilderness Park Reservoir site. The new booster station will transfer supply from the Low Zone to the East High Zone to eliminate the storage deficiency in the East High Zone and provide redundancy to the Pugh and Lincoln Wells. The booster station will consist of three 750 gpm pumps, integrated control systems, standby generator, and an automatic transfer switch with a new CMU building.

Justification: The new booster station will transfer supply from the low zone to the east high zone to eliminate the storage deficiency in the East High zone and provide redundancy to the Pugh and Lincoln wells.

Start Date: 2011 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves				50,000	563,000				613,000
	Total	-	-	-	50,000	563,000	-	-	-	613,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design				50,000					50,000
	Land/ Right of Way									-
	Construction					563,000				563,000
	Management									-
	Total	-	-	-	50,000	563,000	-	-	-	613,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating						4,000	4,000	4,000	12,000
	Debt									-
	Total	-	-	-	-	-	4,000	4,000	4,000	12,000

Project Name: **Wilderness Park Transmission Main**

Project Description

Budget: $474,000 **Purpose:** Water

Location: Wilderness Park **Project Manager:** Andrzej Kasiniak

Description: Replace the transmission main from the Wilderness Reservoir to the west side of SR 305. The existing water main is undersized and limits the flow to and from the reservoir. The project consists of 1,500 LF of 12-inch water main and includes a 200 LF boring beneath SR305. For planning purposes, the boring is assumed to be a 24-inch steel casing.

Justification: Existing water main is undersized and limits flow to and from the reservoir. The project will result in an increase in available fire flow to the low zone and improved water quality in the area around the reservoir.

Start Date: 2011 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves				35,000	439,000				474,000
	Total	-	-	-	35,000	439,000	-	-	-	474,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design				35,000	439,000				474,000
	Land/ Right of Way									-
	Construction									-
	Management									-
	Total	-	-	-	35,000	439,000	-	-	-	474,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Old Town - Distribution Main Replacement**

Project Description

Budget: $700,000 **Purpose:** Water

Location: Old Town Area **Project Manager:** Dan Wilson

Description: Replace the undersized and aging water mains in the "old town" area located south of downtown. This area is primarily residential although a few businesses are located along the waterfront. Existing piping serving the area is approximately 9,000 LF of 4-inch water main and 5,450 LF of 6-inch water main. This project will replace 3,140 LF of 4-inch piping with 8-inch piping along 6th Avenue and Haugen Street.

Justification: The new piping will serve as a "backbone" for the area and increase fire flow availability.

Start Date: 2011 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves				350,000	350,000				700,000
	Total	-	-	-	350,000	350,000	-	-	-	700,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction				350,000	350,000				700,000
	Management									-
	Total	-	-	-	350,000	350,000	-	-	-	700,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Finn Hill Transmission Main**

Project Description

Budget: $453,000 **Purpose:** Water

Location: Finn Hill Road **Project Manager:** Andrzej Kasiniak

Description: Install a transmission main between the Finn Hill Reservoir and Viking Avenue by constructing approximately 2,000 LF of 12-inch water main along Finn Hill Road.

Justification: Will improve fire flow availability along Viking Avenue.

Start Date: 2013 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves						453,000			453,000
	Total	-	-	-	-	-	453,000	-	-	453,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction						453,000			453,000
	Management									-
	Total	-	-	-	-	-	453,000	-	-	453,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Big Valley Well #3**

Project Description

Budget: $468,000 **Purpose:** Water

Location: Big Valley **Project Manager:** Dan Wilson

Description: Transfer the spring water rights to the deep water rights. Drill, develop and equip a 3rd well at the Big Valley site.

Justification: Additional source capacity is necessary by 2015. A new 500 gpm well will provide sufficient flows through 2025.

Start Date: 2013 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves						166,000	302,000		468,000
	Total	-	-	-	-	-	166,000	302,000	-	468,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction						166,000	302,000		468,000
	Management									-
	Total	-	-	-	-	-	166,000	302,000	-	468,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating								10,000	10,000
	Debt									-
	Total	-	-	-	-	-	-	-	10,000	10,000

Project Name: **Finn Hill Booster Station**

Project Description

Budget: $775,000 **Purpose:** Water

Location: Finn Hill Well Site **Project Manager:** Andrzej Kasiniak

Description: Replace the Viking Avenue booster station in order to increase its total capacity.

Justification: This project, along with the Finn Hill Reservoir #2, will eliminate the west high zone storage deficiency and improves supply reliability to the west high zone.

Start Date: 2013 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves						35,000	740,000		775,000
	Total	-	-	-	-	-	35,000	740,000	-	775,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design						35,000			35,000
	Land/ Right of Way									-
	Construction							740,000		740,000
	Management									-
	Total	-	-	-	-	-	35,000	740,000	-	775,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating								5,000	5,000
	Debt									-
	Total	-	-	-	-	-	-	-	5,000	5,000

Project Name: **Big Valley - Little Valley Transmission Main**

Project Description

Budget: $1,100,000 **Purpose:** Water

Location: Big Valley Road **Project Manager:** Andrzej Kasiniak

Description: Replace the transmission main between Big Valley Road / Bond Road and the Big Valley wells. The existing water main is a critical link between the Big Valley Wells and the city center. This project consists of 5,200 LF of 12-inch water main. The cost estimate assumes the water main will be installed within the roadway.

Justification: The existing main is old and it needs to be replaced.

Start Date: 2014 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves							1,100,000		1,100,000
	Total	-	-	-	-	-	-	1,100,000	-	1,100,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction							1,100,000		1,100,000
	Management									-
	Total	-	-	-	-	-	-	1,100,000	-	1,100,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **West Side Well #2**

Project Description

Budget: $450,000 **Purpose:** Water

Location: Westside Well **Project Manager:** Dan Wilson

Description: Develop a new water rights. Drill and equip a second well at the Westside Well site.

Justification: Additional supply capacity will be necessary by 2014 to provide sufficient flows through 2026. This project will be re-evaluated upon completion of the long-term water supply study.

Start Date: 2014 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves							100,000	350,000	450,000
	Total	-	-	-	-	-	-	100,000	350,000	450,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction							100,000	350,000	450,000
	Management									-
	Total	-	-	-	-	-	-	100,000	350,000	450,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Finn Hill Reservoir #2**

Project Description

Budget: $1,086,000 **Purpose:** Water

Location: Finn Hill Well **Project Manager:** Andrzej Kasiniak

Description: Additional emergency storage is needed for providing fire suppression and standby storage volumes. Construct a booster station to transfer supply from the low zone to the west high zone and add 700,000 gallon reservoir in the low zone. Approximatley 2,000 gpm of reliable capacity is necessary to supplement the storage provided by the Olhava standpipe.

Justification: This project along with the Finn Hill Booster Station Project eliminates the existing storage deficiency in the West High Zone and provides future storage to eliminate the projected system wide storage deficiency.

Start Date: 2015 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves								1,086,000	1,086,000
	Total	-	-	-	-	-	-	-	1,086,000	1,086,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction								1,086,000	1,086,000
	Management									-
	Total	-	-	-	-	-	-	-	1,086,000	1,086,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Water Tanks - Seismic Evaluations**

Project Description

Budget: $50,000 **Purpose:** Water

Location: Various **Project Manager:** Andrzej Kasiniak

Description: Evaluate the Water Tanks in accordance with new International Building Code to ensure that the water tanks meet seismic design criteria.

Justification: Recently a new building code was adopted by the City of Poulsbo. This project will make sure that older water tanks meet new design criteria for seismic forces.

Start Date: 2009 **Completion Date:** 2009

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		50,000							50,000
	Total	-	50,000	-	-	-	-	-	-	50,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design		50,000							50,000
	Land/ Right of Way									-
	Construction									-
	Management									-
	Total	-	50,000	-	-	-	-	-	-	50,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Pugh Well #2 Transmission Main**

Project Description

Budget: $378,000 **Purpose:** Water

Location: Finn Hill Road **Project Manager:** Andrzej Kasiniak

Description: The project will install approximately 3,000 lf of 12" main between two Lincoln wells and Pugh Reservoir. This project is necessary to increase transmission capacity of the existing 8-inch water main when the second well comes online. The project will be located along Lincoln Road between Pugh Road and the well site.

Justification: This transmission main is needed to allow for the capacity of the new well (Lincoln #2).

Start Date: 2009 **Completion Date:** 2009

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		378,000							378,000
	Total	-	378,000	-	-	-	-	-	-	378,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction		378,000							378,000
	Management									-
	Total	-	378,000	-	-	-	-	-	-	378,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Water Tank Painting**

Project Description

Budget: $350,000 **Purpose:** Water

Location: Various **Project Manager:** Dan Wilson

Description: Repaint the City's two water tanks - Finn Hill and Wilderness Park . Complete tank painting at Olhava, Pugh Well sites and Finn Hill.

Justification: Periodic coatings need to be applied to protect tanks from corrosion damage.

Start Date: 2009 **Completion Date:** 2010

Capital Funding

Sources of Funding

		Prior Years	2009	Six-Year Plan 2010	2011	2012	2013	2014	2015	Total
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves	100,000	250,000							350,000
	Total	100,000	250,000	-	-	-	-	-	-	350,000

Capital Costs

		Prior Years	2009	Six-Year Plan 2010	2011	2012	2013	2014	2015	Total Costs
	Planning & Design									-
	Land/ Right of Way									-
	Construction	100,000	250,000							350,000
	Management									-
	Total	100,000	250,000	-	-	-	-	-	-	350,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	2009	Six-Year Plan 2010	2011	2012	2013	2014	2015	Total Costs
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Dogfish Creek Restoration**

Project Description

Budget: $771,843 **Purpose:** Storm Drain

Location: S Fork of Dogfish Creek **Project Manager:** Andrzej Kasiniak, P.E.

Description: The project will restore Dogfish Creek. Project Elements: 1) 2008 to 2009 - Master Plan - $71,843, Master Plan will develop a prioritized project list. 2) Project #1: 2010 design - $50,000, 2011 construction - $300,000; 3) Project #2 2011 design $50,000, 2012 construction - $300,000.

Justification: Dogfish Creek routinely overflows its banks onto the Public Works and the Poulsbo Village Shopping Center. The culvert under 8th Avenue is too small and can flood, especially when partially blocked with sediment. Heavy brush and debris restricts flow and salmon migration in sections through Centennial Park. The proposed project will reduce flooding, improve the Creek appearance, and enhance salmon migration upstream.

Start Date: 2008 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants				200,000	200,000				400,000
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves	11,843	60,000	50,000	150,000	100,000				371,843
	Total	11,843	60,000	50,000	350,000	300,000	-	-	-	771,843

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design	11,843	60,000	50,000	50,000					171,843
	Land/ Right of Way									-
	Construction				300,000	300,000				600,000
	Management									-
	Total	11,843	60,000	50,000	350,000	300,000	-	-	-	771,843

Estimated Impact on Future Operating Budgets

Notes: No Impact

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Anderson Parkway LID Retrofit**

Project Description

Budget: $301,000 **Purpose:** Storm Drain

Location: Anderson Parkway **Project Manager:** Andrzej Kasiniak, P.E.

Description: Project Elements: rain gardens at several locations, pedestrian walkways, pervious pavement infiltration strips, repair and seal the deteriorated 1.5 acres asphalt parking surface. Grant appliaction in the fall of 2009 - $5,000 budget amenmdent in 2009.

Justification: Anderson Parkway is the single largest impervious surface in the downtown core that discharges untreated stormwater to Liberty Bay.

Start Date: 2009 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants				225,000					225,000
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		6,000	40,000	30,000					76,000
	Total	-	6,000	40,000	255,000	-	-	-	-	301,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design	-	6,000	40,000	-					46,000
	Land/ Right of Way									-
	Construction				255,000	-				255,000
	Management									-
	Total	-	6,000	40,000	255,000	-	-	-	-	301,000

Estimated Impact on Future Operating Budgets

Notes: Maintenance of Infiltration Cells - $2000/year

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating					2,000	2,000	2,000	2,000	8,000
	Debt									-
	Total	-	-	-	-	2,000	2,000	2,000	2,000	8,000

Project Name: **Noll Road Culvert Replacement/Bjorgen Creek Culvert**

Project Description

Budget: $250,000 **Purpose:** Storm Drain

Location: South of Noll Road **Project Manager:** Andrzej Kasiniak, P.E.

Description: The project will repalce the exisiting 36-in culvert with a 8/10 foot wide culvert.

Justification: The exisiting culvert owned right of way south of Noll Road is undersized and 1) Creates a fish passage barrier, and 2) Creates flooding problem.

Start Date: 2009 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants				150,000					150,000
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			40,000	60,000					100,000
	Total	-	-	40,000	210,000	-	-	-	-	250,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design	-		40,000	-					40,000
	Land/ Right of Way									-
	Construction				200,000	-				200,000
	Management				10,000					10,000
	Total	-	-	40,000	210,000	-	-	-	-	250,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating					2,000	2,000	2,000	2,000	8,000
	Debt									-
	Total	-	-	-	-	2,000	2,000	2,000	2,000	8,000

Project Name: **Replace Storm Drain in Wendy Way**

Project Description

Budget: $83,000 **Purpose:** Storm Drain

Location: Wendy Way **Project Manager:** Andrzej Kasiniak, P.E.

Description: Replace the existing 700 lineal feet of storm drain in Wendy Way with new 18" dia PVC storm drain pipe.

Justification: The existing 12" pipe is undersized to convey stormwater flows from the Norrland housing area. It overflows and floods private property and runs down Wendy Way.

Start Date: 2012 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves					83,000				83,000
	Total	-	-	-	-	83,000	-	-	-	83,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design					10,763				10,763
	Land/ Right of Way									-
	Construction					71,754				71,754
	Management					483				483
	Total	-	-		-	83,000	-	-	-	83,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Norrland Drainage Ditch Replacement**

Project Description

Budget: $57,000 **Purpose:** Storm Drain

Location: Norrland Ct. **Project Manager:** Andrzej Kasiniak, P.E.

Description: Two storm drains discharge to an open ditch that flows through the back yards of 3 homes. Replace the ditch with 90 lineal feet of 18" dia PVC. Install two catch basins.

Justification: The drainage ditch was originally designed to carry flow from the drainage channel north of Lincoln Road. A detention structure was placed in Lincoln Road and discharged to the ditch. This caused the control structure in the Norrland cul-de-sac to back up into the yards and flood at least one of the crawl spaces. The control structure has not been opened to minimize the problem. This project cannot be accomplished until the Wendy Way storm main is increased to 18".

Start Date: 2013 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves						57,000			57,000
	Total	-	-	-	-	-	57,000	-	-	57,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design						7,410			7,410
	Land/ Right of Way									-
	Construction						49,400			49,400
	Management						190			190
	Total	-	-	-	-	-	57,000	-	-	57,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating					500	500	500	500	2,000
	Debt									-
	Total	-	-	-	-	500	500	500	500	2,000

Project Name: **Replace Storm Drain West of 10th Ave**

Project Description

Budget: $32,000 **Purpose:** Storm Drain

Location: 10th Ave. **Project Manager:** Andrzej Kasiniak, P.E.

Description: Replace about 150 feet of storm drain main running through the private property at 18581 10th Avenue NE with larger diameter pipe. Replace catch basins if required, patch asphalt pavement, and restore all landscaping in the yard.

Justification: This short segment of storm drain carries a large quantity of water. Evaluate pipe conditions to determine whether there may be a partial collapse of the line. A portion was required in 2001 but the problem still exists. Consider replacing with a larger diameter main.

Start Date: 2014 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves							32,000		32,000
	Total	-	-	-	-	-	-	32,000	-	32,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design							4,212		4,212
	Land/ Right of Way									-
	Construction							27,788		27,788
	Management									-
	Total	-	-	-	-	-	-	32,000	-	32,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Repair American Legion Park Outfall**

Project Description

Budget: $94,000 **Purpose:** Storm Drain

Location: American Legion Park **Project Manager:** Andrzej Kasiniak, P.E.

Description: The stormwater outfall located at the north end of American Legion Park is in jeopardy of failing due to slope erosion. Replace the outfall and stabilize the bank.

Justification: The bank has eroded and several large trees have fallen into Liberty Bay. The edge of the bank is now about 3 feet from the last manhole. The loss of another tree and further bank erosion could cause the manhole to tip into Liberty Bay resulting in damage to the outfall, erosion, and further loss of Park land.

Start Date: 2015 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves								94,000	94,000
	Total	-	-	-	-	-	-	-	94,000	94,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design								12,490	12,490
	Land/ Right of Way									-
	Construction								81,510	81,510
	Management									-
	Total	-	-	-	-	-	-	-	94,000	94,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Solid Waste Transfer Station**

Project Description

Budget: $150,000 **Purpose:** Solid Waste

Location: N. Viking Road **Project Manager:** Dan Wilson

Description: Install ramp and associated improvements.

Justification: The project will reduce cost associate with transporting solid wastes to the Bremerton Solid Waste Transfer Station.

Start Date: 2009 **Completion Date:** 2010

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2009	2010	2011	2012	2013	2014	2015	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		25,000	125,000						150,000
	Total	-	25,000	125,000	-	-	-	-	-	150,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design									-
	Land/ Right of Way									-
	Construction		25,000	125,000						150,000
	Management									-
	Total	-	25,000	125,000	-	-	-	-	-	150,000

Estimated Impact on Future Operating Budgets

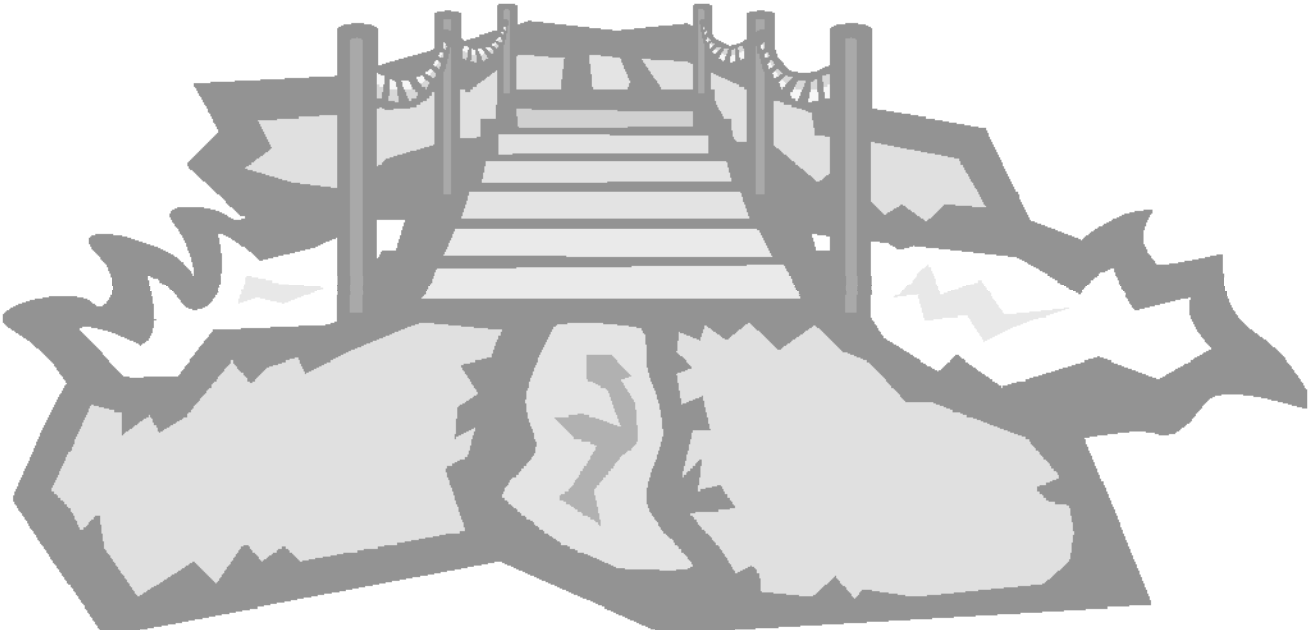
Notes:

		Prior Years		Six-Year Plan						Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

CITY OF POULSBO

2010-2015 CITY IMPROVEMENT PLAN

APPENDIX



City of Poulsbo

Legislative Policy / Procedure

Title: Capital Improvement Policy	**Page Number:** **1 of 2**
Department: Finance Department	**Effective Date:** July 21, 1999
Revised Date: New	**Revised By: Finance/Admin Committee**

PURPOSE

Poulsbo's city government is accountable for a considerable investment in buildings, parks, roads, sewers, equipment and other capital investments. The preservation, maintenance, and future improvement of these facilities are a primary responsibility of the City. Planning and implementing sound capital improvement policies and programs today will help the City avoid emergencies and major costs in the future.

POLICY

A capital project is defined as a project of a nonrecurring nature with a cost of $15,000 or more and estimated service life of 10 years or more.

GUIDELINES

A. Annually, a six-year capital improvements program will be developed analyzing all anticipated capital projects by year and identifying associated funding sources. The plan will contain projections of how the city will perform over the six-year period in relation to policy targets.

B. The first year of the six-year capital improvements program will be used as the basis for formal fiscal year appropriations during the annual budget process. The capital improvement program will incorporate in its projections of expenditures and funding sources any amounts relating to previous year's appropriations but which have yet to be expended.

C. The city will maintain a capital projects approval and monitoring committee composed of the City Engineer, Planning Director, Park and Recreation Director, Finance Director and the Committee Chairs from the Public Works, Community Services and the Finance/Admin Council Committees to meet quarterly and review the progress on all outstanding projects as well as to revise spending projections.

D. The City Improvement Plan will be prepared and updated annually.

E. The City Council will designate annual ongoing funding levels for each of the major project categories within the City Improvement Plan.

F. Financial analysis of funding sources will be conducted for all proposed capital improvements.

G. An annual Capital Budget will be developed and adopted by the City Council as part of the annual budget.

H. The City Improvement Plan will be consistent with the Capital Facilities Element of the Comprehensive Plan.

REVISION CRITERIA

Each year during the Budget Process the Finance/Admin Committee will review Legislative Policies and recommend to Council any appropriate changes.

City of Poulsbo

Legislative Policy / Procedure

Title: Debt Management Policies	**Page Number:** 1 of 2
Department: Finance Department	**Effective Date:** August 1, 1997
Revised Date: August 4, 1999	**Revised By: Finance/Admin Committee**

PURPOSE

The amount of debt issued to the City is an important factor in measuring its financial performance and condition. Proper use and management of borrowing can yield significant advantages. From a policy perspective, the City of Poulsbo uses debt in two ways:

1. As a mechanism to equalize the costs of needed improvements to both present and future citizens; and
2. As a mechanism to reduce the cost of substantial public improvements.

POLICY

A. City Council approval is required prior to issuance of debt.

B. An analytical review shall be conducted prior to the issuance of debt.

C. The City will use the services of a legally certified and credible bond counsel in the preparation of all bond representations.

D. The City of Poulsbo will not use long-term debt to support current operations and normal maintenance.

E. Long-term borrowing will only be used for capital projects that cannot be financed from current revenues and reserves.

F. Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received.

G. All debt issued, including by lease-purchase methods will be repaid within a period not to exceed the expected useful life of the improvement finance by the debt.

H. The voter approved general obligation debt of Poulsbo will not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the City. The following individual percentages shall not be exceeded in any specific debt category:
   1. General Debt – 2.5%
   2. Utility Debt – 2/5%
   3. Open Space and Park Facilities – 2.5% of assessed valuation

I. Limited-tax general obligation bonds will not exceed one and one-half percent of the City's current assessed property valuation.

J. For any enterprise fund that is supporting debt, an annual rate study will be performed to ensure that the fees or rates are sufficient to meet the debt service requirements.

K. The City will strive to maintain a high reliance on pay-as-you-go financing for its capital improvements.

L. The City will maintain a good credit rating at all times.

REVISION CRITERIA

Each year during the Budget Process the Finance Committee will review Legislative Policies and recommend to Council any appropriate changes.

Section 10 - Appendix

ORDINANCE NO. 2009-16

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, ADOPTING THE FINAL BUDGET OF THE CITY FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2010 AND APPROVING AN ORDINANCE SUMMARY FOR PUBLICATION.

WHEREAS, on or before the first business day in the third month prior to the beginning of the fiscal year of 2010, the City Finance Director submitted to the Mayor the estimates of revenue and expenditures for the next fiscal year as required by law; and

WHEREAS, the Mayor reviewed the estimates and made such revisions and/or additions as deemed advisable, and prior to sixty days before January 1, 2010, filed the said revised preliminary budget with the City Clerk together with her budget message, as her recommendations for the final budget; and

WHEREAS, the City Clerk provided sufficient copies of such preliminary budget and budget message to meet the reasonable demands of taxpayers therefore and published and posted notice of filing and the availability of said preliminary budget together with the date of a public hearing for the purpose of fixing a final budget, all as required by law; and

WHEREAS, the City Council scheduled hearings on the preliminary budget for the purpose of providing information regarding estimates and programs; and

WHEREAS, the City Council held public hearings on November, 4, 2009, and December 2, 2009, for the purpose of fixing a final budget, at which hearings all taxpayers were heard who appeared for or against any part of said budget; and,

WHEREAS, following the conclusion of said hearings, the City Council made adoptions and changes, as it deemed necessary and proper, now, therefore,

THE CITY COUNCIL OF THE CITY OF POULSBO, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. The final budget for the fiscal year 2010, one copy of which has been and now is on file with the office of the City Clerk, by this reference is hereby incorporated herein as if set forth in full and said final budget shall be and the same is hereby adopted in full.

Section 2. Attached hereto and identified as Exhibit A, in summary form, are the totals of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined, and by this reference said Exhibit A is incorporated herein as if set forth in full.

Section 3. A complete copy of the final budget for 2010, as adopted, together with a copy of this adopting ordinance, shall be transmitted by the City Clerk to the Division of Municipal Corporations of the office of the State Auditor and to the Association of Washington Cities.

Section 4. This ordinance shall take effect five (5) days after publication of the attached summary, which is hereby approved.

APPROVED:

MAYOR, KATHRYN H. QUADE

ATTEST/AUTHENTICATED

CITY CLERK, JILL A. BOLTZ

APPROVED AS TO FORM:
OFFICE OF CITY ATTORNEY:

BY

FILED WITH THE CITY CLERK: 12/10/2009
PASSED BY THE CITY COUNCIL: 12/16/2009
PUBLISHED: 12/25/2009
EFFECTIVE DATE: 12/30/2009
ORDINANCE NO. 2009-16

SUMMARY OF ORDINANCE NO. 2009-16
of the City of Poulsbo, Washington

On December 16, 2009, the City Council of the City of Poulsbo, Washington, approved Ordinance No. 2009-16, the main point of which may be summarized by its title as follows:

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, ADOPTING THE FINAL BUDGET OF THE CITY FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2010 AND APPROVING AN ORDINANCE SUMMARY FOR PUBLICATION.

The full text of this ordinance will be mailed upon request.

APPROVED by the City Council at their meeting of December 16, 2009.

CITY CLERK, JILL A. BOLTZ

EXHIBIT A
ORDINANCE NO. 2009-16

CITY OF POULSBO

Fund Summary
2010 Budget

APPROPRIATED

FUND	#	BEGINNING BALANCE	TOTAL SOURCES	TOTAL USES	ENDING BALANCE
General Fund	001	$ 450,000	8,633,653	9,083,653	0
Total Current Expense		450,000	8,633,653	9,083,653	0
City Streets	101	387,037	955,191	1,137,682	204,546
Rec Activity Fund	103	8,000	692,888	672,663	28,225
Capital Improvement	121	112,928	277,200	388,000	2,128
Cum Res Rev Stab	122	1,690,000	99,000	414,342	1,374,658
Cum Reserve	123	93,875	550	40,000	54,425
Historic Dwntn Poulsbo	131	20,382	40,000	44,854	15,528
Marine Science Center	141	35,345	250	32,628	2,967
Path and Trail Reserve	161	8,660	1,002	0	9,662
Drug Enforcement	171	14,214	10,150	17,680	6,684
Transient Occup Tax	181	24,162	110,000	110,000	24,162
Police Restrictd Funds	191	205,700	90,568	95,043	201,225
Total Special Revenue Funds		2,600,303	2,276,799	2,952,892	1,924,210
Misc Governmental Debt	201	1,265	98,650	98,911	1,004
Non-Voted Gen Oblig	204	95,522	1,015,590	1,034,104	77,008
Voted Gen Obligation	230	368	0	0	368
LID Fund	299	22	0	0	22
Total Debt Service Funds		97,177	1,114,240	1,133,015	77,398
Equipment Acquisition	301	261,984	110,000	200,819	171,165
Park Reserve	302	47,697	175,460	192,960	30,197
Library Improvement	303	109	0	0	109
Recreation Reserve	304	594	0	0	594
Street Reserve	311	697,401	2,127,823	2,100,000	725,224
Park Acquisition	312	102,768	0	72,500	30,268
Museum Reserve	313	6,556	0	0	6,556
Cemetery Reserve	314	77,230	1,500	22,229	56,501
City Streets Equip Res.	321	194,686	48,059	0	242,745
Facilities Fund	331	3,796,452	3,470,474	7,036,024	230,902
Total Capital Project Funds		5,185,477	5,933,316	9,624,532	1,494,261
Water System	401	2,196,473	1,625,651	1,803,987	2,018,137

EXHIBIT A
ORDINANCE NO. 2009-16

CITY OF POULSBO

Fund Summary
2010 Budget

APPROPRIATED

FUND	#	BEGINNING BALANCE	TOTAL SOURCES	TOTAL USES	ENDING BALANCE
Sewer System	403	2,324,808	2,615,954	3,958,943	981,819
Solid Waste System	404	820,377	1,247,000	1,148,197	919,180
Storm Drain System	410	1,356,001	700,000	1,099,429	956,572
Total Enterprise Funds		6,697,659	6,188,605	8,010,556	4,875,708
General Facilities	501	54,637	185,000	176,260	63,377
Public Works Admin	502	87,100	1,124,344	1,122,585	88,859
Medical Reimbursement	503	98,596	200	1,500	97,296
Total Internal Service Funds		240,333	1,309,544	1,300,345	249,532
TOTALS		15,270,949	25,456,157	32,104,993	8,622,113

EMPLOYEE SALARY, WAGES & BENEFIT INFORMATION

The City sees their employees as one of their best assets. Full time employees are provided with a competitive, market-based salary and benefit package.

Regular City employees fall into one of four labor groups:

- Management
- Poulsbo Police Officer's Association
- Public Works/Administration Teamster employees
- Non-represented hourly employees

The majority of non-management City employees are represented by one of two bargaining units:

Police Officers	*Poulsbo Police Officer's Association*
Public Works/Admin	*Teamsters Local 589*

The City strives to negotiate labor agreements in a timely manner, consistent with all applicable federal and state laws, and promote labor relation policies mutually beneficial to the City's administration and employees. The Human Resources Manager, Police Chief (for Police Association), Public Works Director (for PW/Administration), and an attorney specializing in personnel law comprise the City's management negotiation team.

LONGEVITY:
Longevity is paid to regular employees after completion of 5 years of continuous employment. The increments are equal to 1% of gross wages for each 5 years of continuous service completed.

LONGEVITY RATES	
years of service	rate
6 – 10	1%
11 – 15	2%
16 – 20	3%
21 – 25	4%
26 +	5%

RETIREMENT:
Most City employees participate in one of the State's retirement plans. The plans are administered by the Washington State Department of Retirement Systems. Police officers participate in the Law Enforcement Officers' & Firefighters' (LEOFF) plan, while the remaining employees participate in the Public Employees' Retirement System (PERS). Each plan requires contributions from both the employee and employer. The contribution is calculated on the employee's gross wages.

RETIREMENT PLANS CONTRIBUTION RATE			
PLAN	CITY	EMPLOYEE	TOTAL
LEOFF 1*	NA	NA	NA
LEOFF 2	.0524	.0846	0.137
PERS 1	.0531	.0600	0.1131
PERS 2	.0531	.0390	0.0921
PERS 3	.0531	Varies based on employee's selection	

*Note: At this time, the City does not employ any active LEOFF I employees.

FICA TAXES (Social Security):
All City employees participate in the Federal Social Security program. The program requires contributions from both the employee and employer.

SOCIAL SECURITY TAXES RATE OF CONTRIBUTION		
CITY	EMPLOYEE	TOTAL
.062	.062	.0124

FICA TAXES (Medicare):
All City employees participate in the Federal Medicare program. The program requires contributions from both the employee and employer.

MEDICARE RATE OF CONTRIBUTION		
CITY	EMPLOYEE	TOTAL
.0145	.0145	.029

LABOR & INDUSTRIES:
The City participates in Washington State's Labor & Industries program. The program provides medical coverage and time loss benefits should an employee be injured on the job. The rate is based on the type of work performed and the City's experience rating. The rate is calculated on the number of hours worked. The employee pays a small portion of the premium.

L&I RATES			
CLASS	CITY	EMPLOYEE	TOTAL
Public Works & Engineering	1.006	.3181	1.3241
Administration	.1612	.0865	0.2477
Police	.8996	.2767	1.1763

MEDICAL, DENTAL & LIFE INSURANCE:
All employees regularly scheduled to work full time, are eligible for medical, dental and life insurance for themselves and their dependents. Eligible employees are offered medical, dental, and life insurance coverage through the Washington Teamsters Welfare Trust ("The Trust") which is administered by Northwest Administrators in Seattle.

The Trust has a composite rate; the premiums are the same no matter how many dependents are covered under the plan. Medical insurance premiums, including vision and dental coverage, are $1071.05 per employee, per month.

The monthly life insurance premium is included with the medical premium.

UNEMPLOYMENT:
All regular City employees are eligible for the State's unemployment program through the Employment Security Department. The rate for 2010 is .2% and is calculated on the employee's gross earnings. The employee does not contribute to this program.

DEFERRED COMPENSATION:
Eligible employees can contribute to the State's deferred compensation plan with tax-deferred dollars. This is an employee participation plan only. The City does not contribute to this plan.

VEBA:
Eligible members of a defined group contribute to their HRA-VEBA account (Health Reimbursement Arrangement - Voluntary Employees Beneficiary Association). The employee deduction is tax exempt.

In 2010 Teamsters Bargaining unit and exempt employees received up to a $50 per month match on HRB-VEBA contributions.

The Poulsbo Police Officers Association's contract expired December 31, 2009, and is still under negotiation. VEBA contribution will be defined when the contract is settled and approved.

BUDGETING:
The City funds positions at their full cost for budgetary purposes even if vacancies occur during the year.

COST OF LIVING ADJUSTMENT (COLA):
Wages for Public Works/Administration employees, Non-Represented, and Management employees have not increased for 2010 as the CPI-U for June 2009 Seattle/Tacoma/Bremerton area is (-.4%).

The Police Officer's, represented by the Poulsbo Police Officer's Association (PPOA), contract is still under negotiation.

RESOLUTION NO. 2010-01

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POULSBO, WASHINGTON, AMENDING THE SALARY AND WAGE SCHEDULE FOR ALL CITY EMPLOYEES ADOPTED BY ORDINANCE 84-57, AS LAST AMENDED BY RESOLUTION 2009-04.

WHEREAS, Ordinance No. 84-57 of the City of Poulsbo, passed by the City Council on December 12, 1984, established a salary and wage schedule for all City employees and provided for revisions to such schedule by resolution of the City Council; and

WHEREAS, the City Council desires to amend the Salary and Wage Schedule to reflect revisions to salaries of certain City employees, now therefore,

THE CITY COUNCIL OF THE CITY OF POULSBO, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Salary and Wage Schedule Amended. The City of Poulsbo Salary and Wage Schedule for all City employees, adopted by Ordinance No. 84-57 and last amended by Resolution No. 2009-04, is hereby further amended to read as set forth on the attached Exhibit and incorporated herein by this reference as if fully set forth herein. The said schedule shall be the official City of Poulsbo Salary and Wage Schedule for all City employees. All compensation of City employees shall be in accordance with this schedule and any future amendments thereto.

Section 2. Effective Date. All salaries and wages set forth on Exhibit A shall be effective as of January 1, 2010, unless another date is specified on the Exhibit.

RESOLVED this 6th day of January, 2010.

APPROVED:

MAYOR, REBECCA ERICKSON

ATTEST/AUTHENTICATED:

CITY CLERK, JILL A. BOLTZ

FILED WITH THE CITY CLERK: 12/21/2009
PASSED BY THE CITY COUNCIL: 01/06/2010
RESOLUTION NO. 2010-01.

LONGEVITY

A. All regular employees shall receive an additional pay increment beginning after completion of five (5) years of continuous employment. This increment shall be equal to one percent (1%) of earnings for each five (5) years of continuous service completed:

Total Years Service	Additional Increment
6-10 years	1%
11-15 years	2%
16-20 years	3%
21-25 years	4%
26-30 years	5%

Longevity calculation equals current year salary plus overtime from November 1st of the preceding year to October 31st of the current year multiplied by the eligible percentage. Longevity will not be calculated on vacation or sick leave cash-outs.

CITY OF POULSBO 2010 TEAMSTERS LOCAL #589 (ADMIN/PUBLIC WORKS) SCHEDULE Effective January 1, 2010, 2009 wage rates remain in effect per union contract.							
CLASSIFICATION		A	B	C	D	E	F
Receptionist	1	12.48	12.85	13.25	13.65	14.03	14.47
	2	12.74	13.12	13.49	13.92	14.34	14.79
	3	13.01	13.36	13.76	14.19	14.60	15.06
	4	13.25	13.65	14.03	14.48	14.90	15.37
	5	13.49	13.92	14.34	14.79	15.18	15.69
	6	13.79	14.20	14.62	15.07	15.50	15.99
	7	14.03	14.48	14.90	15.37	15.81	16.30
	8	14.34	14.79	15.18	15.69	16.12	16.62
	9	14.62	15.07	15.51	15.99	16.47	16.94
	10	14.90	15.39	15.83	16.30	16.80	17.29
	11	15.23	15.69	16.13	16.62	17.14	17.65
	12	15.51	15.99	16.47	16.94	17.48	17.99
	13	15.83	16.31	16.80	17.30	17.83	18.35
	14	16.13	16.62	17.15	17.66	18.21	18.72
	15	16.48	16.94	17.48	17.99	18.54	19.09
	16	16.80	17.30	17.83	18.35	18.92	19.50
	17	17.15	17.66	18.21	18.72	19.29	19.86
	18	17.49	17.99	18.54	19.10	19.66	20.24
Custodian, Grounds Maintenance Tech I	19	17.85	18.35	18.93	19.50	20.09	20.68
Accounting Clerk, Office Clerk I	20	18.21	18.72	19.29	19.86	20.49	21.10
	21	18.54	19.10	19.68	20.25	20.87	21.50
Office Clerk II	22	18.93	19.50	20.10	20.69	21.31	21.92
Judicial Specialist I, Police Clerk	23	19.31	19.87	20.49	21.10	21.71	22.37
Building Permit Specialist	24	19.68	20.25	20.89	21.51	22.13	22.82
Grounds Maintenance Tech II	25	20.10	20.68	21.30	21.93	22.61	23.27
Maintenance Technician I, Administrative Ass't	26	20.49	21.11	21.72	22.37	23.05	23.75
	27	20.89	21.51	22.13	22.82	23.50	24.24
Accounting Technician	28	21.30	21.93	22.61	23.27	23.97	24.72
	29	21.72	22.38	23.05	23.75	24.45	25.21
	30	22.16	22.83	23.50	24.24	24.95	25.68
Judicial Specialist II, Support Services Manager, Rec Programmer	31	22.61	23.27	23.98	24.72	25.46	26.20
Engineering Technician, Maintenance Tech Senior	32	23.06	23.77	24.46	25.21	25.95	26.74
	33	23.51	24.24	24.96	25.69	26.49	27.26
Mechanic, Maintenance Mechanic	34	23.98	24.73	25.47	26.20	27.01	27.82
Field Inspector	35	24.46	25.22	25.96	26.75	27.54	28.33
Sr Field Inspector	36	24.97	25.69	26.50	27.26	28.11	28.94
Engineering Senior Technician	37	25.47	26.20	27.00	27.82	28.65	29.51
Building Inspector	38	25.96	26.75	27.55	28.37	29.23	30.10
Associate Planner	39	26.49	27.28	28.11	28.94	29.83	30.69
Public Works Foreman	40	27.02	27.84	28.65	29.51	30.42	31.30
	41	27.55	28.37	29.24	30.10	31.04	31.93
	42	28.13	28.97	29.83	30.71	31.63	32.61
	43	28.66	29.54	30.42	31.31	32.30	33.24
	44	29.24	30.11	31.03	31.94	32.92	33.90
Senior Planner	45	29.85	30.71	31.68	32.61	33.59	34.58

POULSBO POLICE OFFICERS ASSOCIATION (PPOA) Effective January 1, 2010, 2009 wage rates remain the same due to expiration of union contract and ongoing union negotiations.							
Police Officer	1	27.10	27.87	28.72	29.59	30.46	31.37
Police Sergeant	2	30.50	31.39	32.34	33.32	34.32	35.36
Probationary entry-level Police Officers shall be paid 85% of step "A". After satisfactory completion of the Police Academy or six months of employment, whichever occurs first, the employee shall be paid one hundred percent (100%) of step "A". The 85% rate shall apply towards the twelve months of step "A".							

CITY OF POULSBO
2010 MANAGEMENT SALARY SCHEDULE

Effective January 1, 2010, 2009 wage rates remain in effect.

CLASSIFICATION			A	B	C	D	E	F
Police Chief		1	93,623	96,431	99,324	102,304	105,373	108,534
Public Works Director		2	90,739	93,461	96,265	99,152	102,127	105,191
Deputy Chief		3	77,246	79,563	81,951	84,410	86,941	89,550
Finance Dir, Ass't PW Dir/Eng		4	75,893	78,169	80,515	82,930	85,418	87,980
Planning Director		5	73,494	75,699	77,970	80,309	82,718	85,200
Park and Recreation Director		6	65,312	67,271	69,289	71,368	73,509	75,714
Asst PW Dir/O&M, Court Admin		7	64,143	66,067	68,049	70,091	72,193	74,359
Civil Engineer, IT Manager		8	62,051	63,913	65,830	67,805	69,839	71,934
Human Resources Manager		9	59,650	61,439	63,283	65,181	67,137	69,151
Accounting Manager, Budget Analyst		10	59,321	61,101	62,934	64,822	66,767	68,770
City Clerk		11	58,700	60,461	62,275	64,143	66,068	68,050
Office Manager		12	49,008	50,478	51,993	53,553	55,159	56,814
Deputy City Clerk		13	47,364	48,785	50,249	51,756	53,309	54,908

2010 NON-REPRESENTED HOURLY EMPLOYEES

Effective January 1, 2010, 2009 wage rates remain in effect.

CLASSIFICATION			A	B	C	D	E	F
Preschool Assistant		1	10.49	10.94	11.34	11.80	12.28	12.76
Receptionst		2	11.30	11.65	11.96	12.34	12.72	13.10
Recreation Coordinator		3	13.29	13.84	14.37	14.96	15.56	16.19
Pre-School Coordinator		4	13.50	14.05	14.60	15.19	15.81	16.45
Custodian		5	17.45	17.94	18.51	19.06	19.63	20.20
Judicial Specialist I		6	18.26	18.77	19.38	19.95	20.53	21.15
Executive Assistant		7	20.49	21.11	21.72	22.37	23.05	23.75
Accounting Technician, Court Security Officer, HR Analyst		8	20.80	21.43	22.10	22.76	23.42	24.16
Recreation Programmer		9	22.47	23.16	23.85	24.56	25.29	26.06
Associate Planner		10	25.89	26.66	27.47	28.29	29.16	30.01
CASUAL LABOR (NO COLA)		11	8.55	9.00	9.25	9.50	9.75	10.00
CASUAL LABOR (NO COLA)		12	10.25	10.50	10.75	11.00	11.25	11.50
CASUAL LABOR (NO COLA)		13	11.75	12.00	12.25	12.50	12.75	13.00
CASUAL LABOR (NO COLA)		14	13.50	14.00	14.50	15.00	15.50	16.00
CASUAL LABOR (NO COLA)		15	16.50	17.00	17.50	18.00	18.50	19.00
CASUAL LABOR (NO COLA)		16	19.50	20.00	20.50	21.00	21.50	22.00
CASUAL LABOR (NO COLA)		17	22.50	23.00	23.50	24.00	24.50	25.00
CASUAL LABOR (NO COLA)		18	25.50	26.00	26.50	27.00	27.50	28.00
CASUAL LABOR (NO COLA)		19	30.00	35.00	40.00	45.00	50.00	55.00
CASUAL LABOR (NO COLA)		20	60.00	65.00	70.00	75.00	100.00	125.00

2010 ELECTED/APPOINTED OFFICIALS

****Effective January 1, 2010, 2009 wage rates remain in effect.**

CITY COUNCIL - POSITIONS 1-7	$6,000 / Annual
MAYOR	$65,402 / Annual **
JUDGE	$50,674 / Annual **

ORDINANCE NO. 2009-12

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, LEVYING THE GENERAL TAXES FOR THE CITY OF POULSBO FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2010, ON ALL PROPERTY, BOTH REAL AND PERSONAL, IN SAID CITY WHICH IS SUBJECT TO TAXATION FOR THE PURPOSE OF PROVIDING SUFFICIENT REVENUE TO CARRY ON THE SEVERAL DEPARTMENTS OF SAID CITY FOR THE ENSUING YEAR AS REQUIRED BY LAW, AND APPROVING AN ORDINANCE SUMMARY FOR PUBLICATION.

WHEREAS, the City Council of the City of Poulsbo, Washington, has met and considered the City's anticipated financial requirements for the calendar year 2010; and

WHEREAS, the City's actual levy amount from the previous year was $1,967,935; and,

WHEREAS, the population of the City is less than 10,000; now, therefore,

THE CITY COUNCIL OF THE CITY OF POULSBO, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. An increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2010 tax year.

The dollar amount of the increase over the actual levy amount from the previous year shall be $39,321 which is a percentage increase of approximately 2% from said previous year.

This increase is exclusive of additional revenue resulting from new construction, improvements to property, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Section 2. This ordinance shall take effect and be in full force five (5) days after publication of the attached summary which is hereby approved.

APPROVED:

MAYOR, KATHRYN H. QUADE

ATTEST/AUTHENTICATED:

CITY CLERK, JILL A. BOLTZ

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

BY

FILED WITH THE CITY CLERK: 10/30/2009
PASSED BY THE CITY COUNCIL: 11/04/2009
PUBLISHED: 12/04/2009
EFFECTIVE DATE: 12/09/2009
ORDINANCE NO. 2009-12

LEVY CERTIFICATION
As of November 4, 2009

In accordance with RCW 84.52.020, I Kathryn H. Quade, Mayor for the City of Poulsbo do hereby certify to the Kitsap County legislative authority that the Poulsbo City Council of said city requests that the following levy amounts be collected in 2010 as provided in Ordinance 2009-12, which was adopted on November 4, 2009:

Estimated Regular Levy	$2,025,435
Refund Levy	$ 32,979

Signature:_____ Date: 30 NOV 09
Kathryn H. Quade, Mayor

SUMMARY OF ORDINANCE NO. 2009-12
of the City of Poulsbo, Washington

On November 4, 2009 the City Council of the City of Poulsbo, Washington, approved Ordinance No. 2009-12, the main point of which may be summarized by its title as follows:

> AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, LEVYING THE GENERAL TAXES FOR THE CITY OF POULSBO FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2010, ON ALL PROPERTY, BOTH REAL AND PERSONAL, IN SAID CITY WHICH IS SUBJECT TO TAXATION FOR THE PURPOSE OF PROVIDING SUFFICIENT REVENUE TO CARRY ON THE SEVERAL DEPARTMENTS OF SAID CITY FOR THE ENSUING YEAR AS REQUIRED BY LAW, AND APPROVING AN ORDINANCE SUMMARY FOR PUBLICATION.

The full text of this ordinance will be mailed upon request.

DATED this 4th day of November, 2009.

CITY CLERK, JILL BOLTZ

PURPOSE

Adequate reserve levels are a necessary component of the City's overall financial management strategy and a key factor in external agencies' measurement of the City's financial strength.

RESERVE FUND POLICIES

1. It will be the policy of the city to maintain a Revenue Stabilization Fund at a level of at least equal to eight percent (8%) of the total General Fund budgeted revenue, excluding the beginning fund balance and identified one-time revenue. These operating reserves are maintained to address temporary revenue shortfalls; payment of approved expenditures due to cash flow shortage; reserves for expenditures deemed necessary by the Mayor and City Council; and temporary short-term interfund loans. Annual contribution will be budgeted from General Fund resources as available to maintain the target reserve level.
    a. This shall be in addition to the maintenance of three months operating cash within the General Fund itself.

2. Capital Reserve Funds
    a. The city shall maintain capital reserve funds to provide funding for the six years Capital Improvement Plan, less proprietary fund projects. The use of any funds within the Capital Improvement Funds shall be approved by the City Council.
    b. Contributions to the capital reserve funds will be made as per the budget recommendations set by the City Council.

3. All expenditures drawn from reserve accounts shall require prior Council approval unless previously specifically authorized by the City Council for expenditure in the annual budget.

Revenue Policies

1. To the extent possible, a diversified and stable revenue system will be maintained to shelter public services from short-run fluctuations in any one revenue source. Trends analyzing the dependence on distinct revenue sources shall be included in the budget documents for consideration by the City Council.

2. Revenue forecasts for major revenues (those which represent at least 10% of the General Fund) will present "conservative", "optimistic" and "best estimates" forecasts and the rationale for each. The forecasts shall be based on the best information available at the time and references to the sources of information used in the estimates will be made available.

3. Revenue forecasts will assess the full spectrum of resources that can be allocated for public services. Each year the Council shall review potential sources of revenue as part of the annual budget process.

4. Short-term (anticipated less than one year) economic downturns and temporary gaps in cash flow: Expenditure reductions or restrictions may be imposed. Council may approve a contribution from the Revenue Stabilization Fund or interfund loans to address temporary downturns in City revenues. Interfund loans may be utilized to cover temporary gaps in cash flow.

5. Long-term (greater than one year) revenue downturns: Deficit financing and borrowing to support on-going operations is not the policy of the City as a response to long-term revenue shortfalls. Revenue forecasts will be revised. Expenses will be reduced to conform to the revised long-term revenue forecast or revenue increases will be considered.

6. All potential grants shall be carefully examined for matching requirements. Some grants may not be accepted if the local matching funds cannot be justified. Grants may also be rejected if programs must be continued with local resources after grant funds are exhausted.

7. The City shall develop and maintain a comprehensive list of various fees and charges. Fees may be set at levels sufficient to cover the entire cost of service delivery (such as in “Enterprise Funds”), or the service may be subsidized as Council deems appropriate. The City will systematically review user fees and rates and consider adjustments as necessary to take into account the effects of additional service costs and inflation. Rate studies shall be conducted to ensure that the rates will continue to support direct and indirect cost of operations, administration, plant maintenance, debt service, depreciation of capital assets, and moderate system extensions. Based on a market analysis, fees for similar services in other communities may also be considered. The criteria used to evaluate recommended target rates (equity, cost recovery policy, market demand, etc.) shall be included in the staff report during the review. Such reviews, at a minimum will be in unison with Comprehensive Plan Updates and incorporated into the annual budget process for possible action by the City Council.

8. The City will review contracts and leases which result in revenues to the City on a timely basis in order to provide for careful evaluation by the City Council.

Expenditure Policies

1. The City will only propose operating expenditures which can be supported from on-going operating revenues. Before the City undertakes any agreements that would create fixed on-going expenses, the cost implications of such agreements will be fully determined for current and future years with the aid of strategic financial planning models. Capital expenditures may be funded from one-time revenues, but the operating budget expenditure impacts of capital expenditures will be reviewed for compliance with this policy provision.

2. Department heads are responsible for managing their budgets within the total appropriation for their department.

3. The City will maintain expenditure categories according to state statute and administrative regulation.

4. The City will assess funds for services provided internally by other funds. The estimated direct and indirect costs of service will be budgeted and charged to the fund performing the service. Interfund service fees charged to recover these costs will be recognized as revenue to the providing fund. A review of the method of determining the amount of the interfund assessment will be reviewed at least every 3 years.

5. Emphasis is placed on improving individual and work group productivity rather than adding to the work force. The City will invest in technology and other efficiency tools to maximize productivity. The City will hire additional staff only after the need of such positions has been demonstrated and documented.

6. All compensation planning and collective bargaining will focus on the total cost of compensation which includes direct salary, health care benefits, pension contributions, and other benefits of non-salary nature which are a cost to the City.

Debt Management Policies

The City shall adopt policies to guide the issuance and management of debt.

1. All professional service providers (underwriters, financial advisors, bond insurers, etc.) selected in connection with the City's debt issues will be selected in accordance with the City's procurement policies.

2. The term of long-term debt issued will not exceed the life of the projects financed. Current operations will not be financed with long-term debt.

3. The city shall strive to maintain current credit ratings in the future.

4. The City will comply with all statutory debt limitations imposed by the Revised Code of Washington (RCW). The City of Poulsbo's debt will not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the City. Compliance with state law and this policy shall be documented each year in the city's Comprehensive Annual Financial Report.

   The following individual percentage (as defined in state law) shall not be exceeded in any specific debt category:

General Debt	2.5% of assessed valuation
Utility Debt	2.5% of assessed valuation
Open Space and Park Facilities	2.5% of assessed valuation

5. No debt shall be issued for which the City is not confident that a sufficient, specifically identified revenue source is available for repayment. The Finance Director shall prepare an analytical review for this purpose prior to the issuance of any debt.

6. Credit enhancements shall be considered with a cost/benefits analysis for each long term bond issued.

7. Reserve accounts shall be maintained as required by bond ordinances and where deemed advisable by the City Council. The City shall structure such debt service reserves so that they do not violate IRS arbitrage regulations.

Financial Management/Strategic Forecasting Policies

1. All decisions shall be within the context of long-range plans (Capital Facilities Plan/City Improvement Plan). Staff shall provide a review of the implications of budgetary proposals on long-range plans.

2. The annual budget shall be developed consistent with state law and in a manner which encourages early involvement with the public and City Council. A calendar of events related to budget development shall be presented to the City Council in the 2nd quarter of each year.

3. The annual budget will integrate into City Improvement Plan (CIP). The annual budget shall be consistent with the current year of the CIP. Budget planning activities shall be based on the next year of the CIP.

4. Assumptions used in the CIP will be noted and defined.

5. Basis of long-range planning will be results oriented. In accordance with Ordinance 2005-12, the City shall strive to illustrate the output from CIP expenditures.

Capital Asset Acquisition, Maintenance, Replacement and Retirement

1. The City shall develop a City Improvement Plan (CIP) as defined and required by RCW 36.70A.070 which is consistent with the City's Comprehensive Plan annually at a time established by the City Council.

2. Such plan shall include all projects to maintain public capital facilities required to maintain service levels at standards established by the City Council. Projects to be included in the CIP will be in excess of $15,000 and have a minimum10 year useful life.

3. The proposed CIP may include for consideration such other projects as requested by the City Council or Mayor.

4. Funding for capital projects shall be classified as to source (general purpose, transportation or enterprise) within the plan. The extent to which funds exist for each project shall be described in the plan.

5. The plan shall be for a period of six years.

6. With the exception of "on-going projects", each project shall be described such that development phases are delineated as separate stages of the project. Examples include land acquisition, design and construction. "On-going projects" represent annual capital programs such as pavement restoration and pedestrian/bicycle improvements.

7. An estimate for the operating budget impact of each proposed project shall be identified and incorporated into the City Improvement Plan.

8. The City Improvement Plan shall be approved annually and incorporated into the annual budget document.

Investment Policy

Refer to City of Poulsbo's Investment Policy.

REVISION CRITERIA

Each year during the Budget Process the Finance/Administration Committee will review Legislative Policies and recommend to Council any appropriate changes.

CITY OF POULSBO **Legislative Policy/Procedure**	
Title: Accounting, Financial Reporting and Auditing	**Page Number:** 1 of 1
Department: Finance Department	**Effective Date:** August 1, 1997
Revised Date: August 4, 1999	**Revised By:** Finance Committee

PURPOSE

The City of Poulsbo will establish and maintain a high standard of accounting practices. Accounting and budgetary systems will, at all times, conform to Generally Accepted Accounting Principles (GAAP), the State of Washington Budgeting Accounting Reporting System (BARS) and local regulations.

POLICY

A. A comprehensive accounting system will be maintained to provide all financial information necessary to effectively operate the City.

B. The City will meet the financial reporting standards set by the Governmental Accounting Standards Board (GASB).

C. Full disclosure will be provided in all City financial reports and bond representations.

D. An annual audit will be performed by the State Auditor's Office and include issuance of a financial opinion. A Finance/Admin Committee member will attend the exit conference of each audit. Audit reports will be distributed to each Councilmember.

E. Internal audits of departments will be performed routinely to assure Internal Control Policies and Procedures are being met.

REVISION CRITERIA

Each year during the Budget Process the Finance/Admin Committee will review Legislative Policies and recommend to Council any appropriate changes.

City of Poulsbo

Legislative Policy / Procedure

Title: Cash Management and Investment Policies	**Page Number:** **1 of** 1
Department: Finance Department	**Effective Date:** August 1, 1997
Revised Date: New	**Revised By: Finance Committee**

PURPOSE

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

Once steps are taken to ensure that the City maintains a protected cash position in its daily operations, it is to the municipality's advantage to prudently invest idle funds until such time as they are required to make expenditures.

POLICY

A. The City's idle cash will be invested on a continuous basis in accordance with the City's adopted investment policies.
B. The City will create and maintain a formal investment policy which is reviewed and endorsed by state and national professional organizations.
C. The city will invest all funds (in excess of current requirements) based upon the following order of priority; 1) legality; 2) safety: 3) liquidity and yield.
D. Investments with City funds will not be made for purposes of speculation.
E. The City is prohibited from investing in derivative financial instruments for the City's managed investment portfolio.
F. Proper security measures will be taken to safeguard investments. The City's designated banking institution will provide adequate collateral to insure City funds.
G. An analysis of City's cash position will be prepared at regular intervals throughout the fiscal year.

REVISION CRITERIA

Each year during the Budget Process the Finance/Admin Committee will review Legislative Policies and recommend to Council any appropriate changes.

CITY OF POULSBO

Legislative Policy/Procedure

Title: Enterprise Funds	**Page Number:** 1 of 1
Department: Finance Department	**Effective Date:** August 1, 1997
Revised Date: New	**Revised By:** Finance Committee

PURPOSE

The City will establish enterprise funds for City services when 1) the intent of the City is that all costs of providing the service should be financed primarily through user charges; and/or 2) the City Council determines that it is appropriate to conduct a periodic review of net income to capital maintenance, accountability, or other public policy purposes.

POLICY

A. Enterprise funds will be established for City-operated utility services.

B. Enterprise fund expenditures will be established at a level sufficient to properly maintain the fund's infrastructure and provide for necessary capital development.

C. Each enterprise fund will maintain an adequate rate structure to cover the costs of all operations, including maintenance, depreciation, capital and debt service requirements, reserves (as established by fiscal policy or bond covenant), and any other cost deemed necessary.

D. Rates may be offset from available fund cash after requirements are met for cash flow and scheduled reserve contributions.

E. Enterprise fund services will establish and maintain reserves for general contingency and capital purposes consistent with those maintained for general governmental services.

F. Revenue bonds shall be issued only when projected operating revenues and reserves are insufficient for the timely completion of enterprise capital projects.

G. The City will ensure that net operating revenues of the enterprise constitute a minimum of 1.5 times the annual debt service requirements.

H. The City will limit the maturities of all utility revenue bond issues to 20 years or less.

REVISION CRITERIA

Each year during the Budget Process the Finance Committee will review Legislative policies and recommend to Council any appropriate changes.

CITY OF POULSBO

Legislative Policy/Procedure

Title: Operating Budgets	**Page Number:** 1 of 2
Department: Finance Department	**Effective Date:** August 1, 1997
Revised Date: New	**Revised By:** Finance Committee

PURPOSE

The Municipal Budget is the central financial planning document which embodies all operating revenue and expenditure decisions. It establishes the level of services to be provided by each department within the confines of anticipated municipal revenues.

POLICY

A. At the beginning of the budget process, Finance Committee will review and recommend any changes to the budget policies.

B. The City Council will establish municipal service levels and priorities for the ensuing year prior to and during the development of the preliminary budget.

C. The Mayor shall incorporate the Council's priorities in the formulation of the preliminary and final budget proposal.

D. Adequate maintenance and replacement of the City's capital plant and equipment will be provided for in the annual budget.

E. The current revenue will be sufficient to support current expenditures.

Annual revenues are conservatively estimated as a basis for preparation of the annual budget and City service programs.

Expenditures approved by the City Council in the annual budget define the City's spending limits for the upcoming fiscal year. Beyond the requirements of law, the City will maintain an operating philosophy of cost control and responsible financial management.

The City will maintain revenue and expenditure categories according to state statute and administrative regulations.

F. The City of Poulsbo will establish and maintain Special Revenue Funds which will be used to account for proceeds from specific revenue sources to finance designated activities which are required by statute, ordinance, resolution, or executive order.

G. Annual expenditures should be maintained within the limitations of annual revenues. The City will not use short-term borrowing to finance current operating needs without full financial analysis and prior approval of the City Council.

H. In order to ensure the continuity of services, the City will budget no more sales tax revenue than was received in the prior year as a hedge against possible future economic events.

I. All fees for services shall be reviewed and adjusted (where necessary) at least every five years to ensure that rates are equitable and cover the total cost of service or that percentage of total service cost deemed appropriate by the City.

J. Grant applications to fund new service programs with state or federal funds will be reviewed by the City, as they become available, with due consideration being given to whether locally generated revenues will be required to support these programs when outside funding is no longer available.

K. All authorized positions will be budgeted for a full year and with the maximum allowable benefit rate unless specifically designated by the City Council as a partial-year position.

REVISION CRITERIA

Each year during the Budget Process the Finance Committee will review Legislative Policies and recommend to Council any appropriate changes.

CITY OF POULSBO

Legislative Policy/Procedure

Title: Performance Measures	**Page Number:** 1 of 2
Department: Finance Department	**Effective Date:** August 4, 1999
Revised Date: New	**Revised By:** Finance Director Bjorkman

PURPOSE

A key responsibility of the City of Poulsbo is to develop and manage services, programs and resources as efficiently and effectively as possible and to communicate the results of these efforts to the tax-paying public. Meaningful performance measurements assist government officials and citizens in identifying financial and program results, evaluating past resource decisions, facilitating qualitative improvements in future decisions regarding resource allocation and service delivery options, and communicating service and program results to the community.

POLICY

The City has established the policy that financial, service and program performance measures be developed and used as an important component of decision making and incorporated into governmental budgeting. Performance measures should:

- be based on program objectives that tie to the City Council's goals and program mission or purpose;
- measure program results or accomplishments;
- provide for comparisons over time;
- measure efficiency and effectiveness;
- be reliable, verifiable and understandable;
- be reported internally and externally;
- be monitored and used in decision-making processes; and
- be limited to a number and degree of complexity that can provide an efficient and meaningful way to assess the effectiveness and efficiency of key programs.

GUIDELINES

The City encourages all departments to utilize performance measures. At a minimum, performance measures should be used to report on the outputs of each program and should be related to the objectives of each department. Departments in the early stages of incorporating performance measures into their budget process should strive to:

- identify meaningful and relevant objectives for each department and its service delivery units;
- identify and track output measures that are useful and relevant to the goals and objectives of key services;

- identify and track performance measures for a manageable number of meaningful financial objectives that are used in evaluation; and

- develop and refine additional performance indicators to make them more meaningful and identify mechanisms to improve their interpretation and use in decision-making and accountability.

As departments gain experience with these measures, they are encouraged to use a variety of performance measures to report on the achievements, impacts and outcomes of key programs. These measures should be linked to the objectives of the programs and the missions and priorities of the organization. Departments should:

- develop multi-year services of input, output, efficiency (output/input) and effectiveness (or quality) measures in major governmental areas;
- develop a database of statistics of common measures;
- analyze the implications of using particular measures for decision making and accountability;
- use customer and resident satisfaction measures;
- develop common definitions of key performance measures to allow intergovernmental comparisons;
- develop common or improved approaches to utilization of financial and service performance measures in making and evaluating decisions; and
- use community condition measures to assess resident needs that may not be addressed by current programs.

REVISION CRITERIA

A change in this policy may be initiated in the form of a memorandum to the Finance Director or may also be initiated by the Mayor. Each year during the Budget process the Finance/Administration Committee will review this policy and make recommendations to the Council regarding changes.

Approval of revisions, additions and/or deletions to this policy will be made by the Council.

City of Poulsbo

Legislative Policy

Title: Investment Policy	**Page Number:** 1 of 14
Department: Finance Department	**Effective Date:** July 1, 2008
Revised Date: July 1st 2008	**Revised by:** Finance Director

PURPOSE

This policy is intended to outline the requirements for maximizing the efficiency of the City's Cash Management System and for prudent investment of the City's Funds, and to provide guidelines for suitable investments. The ultimate goal is to enhance the economic status of the City while protecting its funds. The City's Cash Management System is designed to monitor and forecast expenditures and revenues accurately, thus enabling the Finance Director to invest funds to the fullest extent possible. The Finance Director shall attempt to obtain the highest yield, provided that all investments meet the criteria established for safety and liquidity.

POLICY

The investment policies and procedures of the Finance Director for the City of Poulsbo are based upon Federal, State and Local law and prudent money management. The primary goals of these policies are:

1. To assure compliance with all Federal, State and local laws governing the investment of monies under the control of the Finance Director.

2. To protect the principal monies entrusted to this office.

3. To generate the maximum amount of investment income within the parameters of this Investment Policy and the guidelines for suitable investments.

All participants in the City's investment process shall act responsibly as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The implementation of this policy is subject to the following guidelines.

GUIDELINES

1.0 SCOPE:

This investment policy applies to the investment of available assets of all City funds under the direct management of the Finance Director and are listed below:

The General Fund
Special Revenue Funds
Capital Project Funds
Enterprise Funds
Trust and Agency Funds
Any new fund created unless specifically exempted

The policy for the Washington State Public Employee Retirement System (PERS) and the Washington State Law Enforcement Officers and the Fire Fighters Retirement System (LEOFF) funds will be as determined by the appropriate boards of Administration and not covered by this Policy.

Funds set aside to defease City debt in conjunction with an advance refunding agreement will be invested in accordance with appropriate bond documents and not necessarily in compliance with this policy. Should bond covenants be more restrictive than this policy, funds will be invested in full compliance with those restrictions.

Funds held by the County Treasurer during tax collection periods shall be governed by the County's investment policies to the extent that they do not conflict with this policy and should be invested by the County Treasurer for the benefit of the City of Poulsbo as stipulated by the City in accordance with RCW 36.29.020.

All investments of the City of Poulsbo must be made in compliance with Federal and State law and in accordance with applicable legal interpretations. Investment of any tax-exempt borrowing proceeds and of any debt service funds must comply with the 1986 Tax Reform Act if the Act applies to the debt issued.

2.0 PRUDENCE:

Investments shall be made with judgment and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

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

3.0 OBJECTIVE:

The primary objectives, in order of priority, of the City of Poulsbo investment activities are as follows:

3.1 Legality: Funds of the City will be invested in accordance with the Revised Code of Washington (RCW), the BARS manual, these policies and written administrative procedures.

3.2 Safety: Investments of the City will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from other investments.

3.3 Liquidity: The City's investments will remain sufficiently liquid to enable the city to meet all operating requirements that might be reasonably anticipated.

3.4 Return on Investment: The City's investments will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow characteristics.

4.0 DELEGATION OF AUTHORITY

The Finance Director is the investment officer of the City of Poulsbo. This authority is derived from PMC 3.58.010 as established by ordinance 86-05. The Finance Director shall establish written procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Subject to required procurement procedures, the City may engage the support services of outside professionals in regard to its financial program, so long as it can be demonstrated or anticipated that these services produce a net financial advantage or necessary financial protection of the City's resources. External service providers shall be subject to Revised Codes of Washington and the provisions of this Investment Policy.

5.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Mayor any material financial interests in financial institutions that conduct business within this jurisdiction and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the time of purchases and sales.

6.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Finance Director will maintain a list of financial institutions authorized to provide investment services. The selection process for inclusion on this list will be detailed in the written procedures for investments.

In addition, a list will also be maintained of approved security **broker/dealers** selected by credit worthiness who are authorized to provide investment services in the State of Washington. These may include **primary dealers** or regional dealers that qualify under **Securities &Exchange Commission Rule 15C3-1.** Employees of any firm or financial institutions offering securities or investments to the City are expected to be trained in the precautions appropriate to public-sector investments and are expected to familiarize themselves with the City's investment objectives, policies and constraints. These firms and financial institutions are expected to make reasonable efforts to preclude imprudent transactions involving City Funds.

No public deposit shall be made except in a **qualified public depository** as provided in Chapter 39.58 RCW.

All broker/dealers and financial institutions that desire to do business with the City of Poulsbo must supply the Finance Director their most recent financial statements or Consolidated Report of Condition (call report) for review. A current audited financial statement is required to be on file for each financial institution and broker/dealer with whom the City invests.

If an investment advisor is authorized to transact buys and sells on behalf of the City, the advisor's approved dealer list will be provided to the City. Buys and sells may be transacted with any dealers on the advisor's approved list.

7.0 AUTHORIZED INVESTMENTS

The City of Poulsbo is empowered to invest in certain types of securities as detailed in RCW 35A.40050 and RCW 43.84.080. Among the authorized investments are:

7.1 U.S. Treasury Obligations (Bills, Notes, Bonds)

7.2 Government Sponsored Enterprises (GSEs) – Federal Instrumentality Securities which include the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal Home Loan Banks (FHLB), and the Federal Farm Credit Bureau (FFCB). Additional obligations of the U.S. Government, its agencies and instrumentalities, provided that the payment of the principal and interest is either guaranteed by the Federal Government, carries an outright government backing or carries an implicit guarantee.

7.3 Nonnegotiable certificates of deposit and other collateralized evidence of deposits with qualified public depositories.

7.4 Prime Bankers acceptances purchased on the secondary market with ratings of A1/P1.

7.5 Mutual funds and money market funds are inappropriate investments except as authorized in chapter 39.59 RCW and are intended to provide a safe harbor from the Internal Revenue Service's (IRS) arbitrage rules and tax. The money market and mutual fund options in RCW 39.59.030 are allowable investments only for monies subject to the IRS's arbitrage rules. No other monies, unless specifically authorized elsewhere, may be invested in a money market or mutual fund.

7.6 State of Washington Local Government Investment Pool

7.7 Bonds of the State of Washington and any local government in the State of Washington, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency.

7.8 Any investments authorized by law for the Treasurer of the State of Washington or any local government of the State of Washington other than a metropolitan municipal corporation but except as provided in RCW 39.58, such investments shall not include certificates of deposits of banks or bank branches not located in the State of Washington.

8.0 COLLATERALIZATION

Collateralization is required on repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (102%) of market value of principal and accrued interest. The City chooses to limit collateral to the following:

- Treasury Obligations (Bills, Notes, Bonds)
- Government Sponsored Enterprises (GSEs) – Federal Instrumentality Securities which include the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal Home Loan Banks (FHLB), and the Federal Farm Credit Bureau (FFCB). Additional obligations of the U.S. Government, its agencies and instrumentalities, provided that the payment of the principal and interest is either guaranteed by the Federal Government, carries an outright government backing or carries an implicit guarantee.

9.0 SAFEKEEPING AND CUSTODY

To protect against potential fraud, embezzlement, or losses caused by collapse of individual securities dealers. Securities purchased by the City shall be held in a segregated account for the City's benefit at a third party trustee as safekeeping agent. The approved investment advisor, investment dealer or bank in which the security is purchased shall issue a confirmation ticket to the City listing the specific instrument, issuer, coupon, maturity, CUSIP number, purchase or sale price, transaction date, and other pertinent information.

The investment advisor, investment dealer or bank which executes the transaction on the City's behalf shall deliver all securities on a delivery versus payment (DVP) method to the designated third party trustee at the direction of the Investment Officer.

Investment officials shall be bonded to protect the City against loss due to possible embezzlement and malfeasance.

10.0 DIVERSIFICATION

The City will diversify its investments by security type and institution and maturity in accordance with the table below.

Diversification by security type:

U.S. Treasury bills, notes & bonds	100%
U.S. Government Sponsored Enterprises	100%
FNMA	50%
FHLMC	50%
FHLB	50%
FFCB	50%
Other GSEs	10%
Certificates of Deposit & Public Deposits	20%
Bankers Acceptance	10%
WA State LGIP	100%
WA State and Local Bonds	10%
Repurchase Agreement	10%
Other Legal Investments	10%

11.0 MATURITIES

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase.

Maximum Maturity Guidelines:

Maximum maturity at time of investment	5 years
Maximum weighted average maturity of total portfolio	2 years

Reserve or Capital Improvement Project monies may be invested in securities exceeding five (5) years if the maturity of such investments is made to coincide as nearly as practical with the expected use of the funds.

12.0 COMPETITIVE TRANSACTIONS

The Investment Officer will obtain telephone, faxed or emailed quotes before purchasing or selling an investment. The Investment Officer will select the quote which best satisfies the investment objectives of the investment portfolio within the parameters of this policy. The Investment Officer will maintain a written record of each bidding process including the name and prices offered by each participating financial institution.

If the City hires an investment advisor to provide investment management services, the advisor must provide documentation of competitive pricing execution on each transaction the investment advisor will retain documentation and provide upon request**.**

13.0 INTERNAL CONTROLS

Day-to-day procedures concerning investment management and accounting are outside the scope of this policy. The City is subject to annual independent review of its internal controls by the Office of State Auditor. This review will provide internal control by assuring that policies and procedures are being complied with. Such review may also result in recommendations to change operating procedures to improve internal control. The controls shall be designed to prevent loss of public funds due to fraud, error, and misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees or officers of the City. The specific internal controls maintained by the City are contained in normal operating procedures of the Treasury.

13.1 EXTERNAL CONTROLS

The City may enter into contracts with third-party investment advisory firms when their services are deemed to be beneficial to the City. The advisor must comply with the investment policy and may have authority to transact investments on behalf of the City. The advisor may only act on a non-discretionary basis. Therefore, the advisor must present investment recommendations and receive approval to execute the recommendation from the Finance Director, or whom the Finance Director designates prior making purchases or sells on behalf of the City.

14.0 PERFORMANCE STANDARDS

The City’s investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs.

The liquidity weighted average yield of the total portfolio will be compared quarterly to the LGIP average yield.

15.0 REPORTING

The Finance Director shall submit a monthly report of investment holdings to the Mayor and will quarterly submit an investment report to the Finance Committee that summarizes recent market conditions, economic developments and anticipated investment conditions.

For reporting purposes the investment portfolio shall be divided into two portfolios - a liquidity portfolio and a core portfolio.

Minimum Reporting Requirements for Total Portfolio Quarterly:

- Book Yield
- Marked to Market Report
- Holdings Report
- Transactions Report
- Weighted Average Maturity or Duration

16.0 INVESTMENT POLICY ADOPTION AND REVISION CRITERIA

The City's investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed annually during the budget process. The Finance Committee will review the policy with the Finance Director and recommend to Council any appropriate changes.

17.0 GLOSSARY

ACCRUED INTEREST: Interest earned but not yet paid on a security since the latest of the security's issue date or last record date.

ADJUSTABLE-RATE MORTGAGE (ARM): A mortgage which features predetermined adjustments of the interest rate at regular intervals. An ARM's interest rate is tied to an index outside the control of the lender.

AGENCIES: Federal Agency securities.

AMORTIZATION: The reduction of principal (of debt) at regular intervals.

ASKED: The price at which securities are offered.

BANKERS ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BASIS POINT: A measurement of changes in prices or yields for fixed income securities. One basis point equals 1/100 of 1 percent.

BEARER SECURITY: A security the owner of which is not registered on their books of the issuer. A bearer security is payable to the holder.

BID: The price at which a buyer is willing to buy a security.

BOND: A long-term debt security, (IOU) issued by a government or corporation. Generally pays a stated rate of interest, and returns the face value at maturity.

BOND ANTICIPATION NOTE: Short-term interest bearing notes issued in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue to which they are related.

BOND EQUIVALENT YIELD (BEY): A yield that equates monthly pay mortgage-backed securities to semi-annual payments bonds.

BOOK-ENTRY TRANSFER: A method of transferring securities through computerized entries, which may eliminate the need for physical certificates.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in inter-dealer markets.

CALL OPTION: The right to purchase a security at a predetermined price on or before a specified future date.

CASH FLOW BUDGET: A projection of the cash receipts and disbursements anticipated during a given time period. Typically, this projection covers a year and is broken down into separate projections for each month, week and/or day during the year.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER: Corporate promissory notes issued to provide short-term financing, sold at a discount and redeemed at face value. A principal
component of money market funds portfolios, because of the high yields.

CONFIRMATION: A document used to state and supplement in writing the terms of a transaction, which have previously been agreed to verbally.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

CURRENT FACE: Also known as the outstanding loan balance. The current monthly remaining principal of a certificate computed by multiplying the original face of the certificate by the current principal balance factor.

CUSIP NUMBER (Committee on Uniform Securities Identification Procedures): An identifying number assigned to a publicly traded security. A nine-digit code is permanently assigned to each issue and is generally printed on the face of the security if it is in physical form.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DEPOSITORY: An entity, which accepts securities for deposit. A depository facilitates delivery and transfer between dealers by making account entries reflecting ownership instead of physically moving securities.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at a lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FACE VALUE: The par value of a security. Face value is not an indication of market value.

FACTOR: The proportion of the outstanding principal balance of a security to its original principal balance expressed as a decimal. The *Bond Buyer* publishes the Monthly Factor Report that contains a list of factors for GNMA, FNMA and FHLMN securities.

FARM CREDIT DISCOUNT NOTES AND BONDS: Secured joint obligations of Farm Credit Banks that are issued with a minimum face value of $50,000 with maturities ranging from 5 to 360 days.

FED BOOK-ENTRY: Am electronic registration, transfer and settlement system for securities on the Federal Reserve System.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open market operations.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington D.C., 12 Regional Banks and about 5,700 commercial banks that are members of the system.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $100,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed\rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEE: (1) Commitment fee: a payment to investors or prospective investors, which may or may not be refundable, for the purpose of obtaining a commitment to purchase securities; (2) Standby fee: a non-refundable amount

FIXED-RATE MORTGAGE: A mortgage which features level monthly payments that is determined at the outset of the mortgage and remains constant throughout the life of the mortgage.

FLAT: A security trades flat when it is traded with no accrued interest.

FORWARD TRADE: A transaction where the settlement will occur on a specified date in the future at a price agreed upon on the trade date.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass-through is often used to describe Ginnie Maes.

GNMA Is: Pass-through mortgage-backed securities on which registered holders receive separate principal and interest payments on each of their certificates. GMNA I securities are single-issuer pools. Investors may expect to receive principal and interest payments on the 15th day of each month.

GNMA IIs: Pass-through mortgage-backed securities on which registered holders receive an aggregate principal and interest payment from a central paying agent on all of their GNMA II certifies. Principal and interest payments are disbursed on the 20th day of each month. GNMA II securities are collateralized by multiple-issuer pools or custom pools (one issuer but different interest rates that may vary within one percentage point). Multiple-issuer pools are known as Jumbos. Jumbo pools are generally larger and often contain mortgages that are more geographically diverse than single-issuer pools. Jumbo pool mortgages have interest rates that may vary within one percentage.

GRADUATED PAYMENT MORTGAGE (GPM): A mortgage that features negative amortization in which early payments are insufficient to pay the interest due on the outstanding principal. As a result, the unpaid interest is added to the principal thereby increasing the borrower's balance owed. The payments must graduate or increase over time until they can completely amortize the loan's remaining principal balance by its maturity. The number, frequency and rate of increases are specified in the original contract.

INTEREST: Compensation paid or to be paid for the use of money. Interest is generally expressed as an annual percentage rate.

INTEREST ONLY (I/O): The interest only portion of a stripped mortgage-backed security. For I/O securities, all of the interest distribution is due to the registered holder based on the current face of the underlying mortgage-backed security.

INTEREST RATE: The face coupon rate of a security.

ISSUER: An entity, which issues and is obligated to pay amounts due on securities.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY DATE: The date on which the principal amount of the security is due and payable to the registered owner of the security.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers acceptances, etc.) are issued and traded.

MORTGAGE: A legal instrument that creates a lien upon real estate securing the payment of a specified debt, such as a mortgage note.

MORTGAGE-BACKED BOND: A mortgage-backed bond is a general obligation of the issuer, secured by mortgage collateral, where the issuer retains ownership of the mortgages. The bond is secured by the market value of the underlying mortgages. Since the value of the mortgages will decrease over time as a result of principal amortization and prepayments, the market value of the collateral must exceed the value of the bonds issued. Unlike pass-through securities, the cash flow in a mortgage-backed bond is not directly related to the cash flow of the underlying mortgage collateral. Interest on the bond is paid semiannually at a predetermined rate and principal is paid at maturity.

MORTGAGE-BACKED SECURITIES: The term mortgage backed securities is a generic term that refers to securities backed by mortgages, including pass-through securities, mortgage-backed bonds, mortgage pay-through securities and CMOs.

MORTGAGE BANKER: An entity that originates mortgage loans, sells them to other investors and service the loans.

MORTGAGE PAY-THROUGH BONDS: These bonds combine features of pass-through securities and mortgage-backed bonds. A pay-through bond, like a mortgage-backed bond, is a debt obligation of the issuer, secured by mortgage collateral that is owned by the issuer. However, like a pass-through security, the cash flow on a pay-through bond is related to the cash flow in the mortgage collateral. Therefore, the cash flow generated by the mortgage collateral must be sufficient to cover principal and interest payments on the bonds. Prepayments on the mortgage collateral will be passed on to the bondholders thereby causing fluctuations in the principal payment of the bonds.

ODD LOT: A quantity of securities, which is less than the accepted unit of trading.

OFFER: The price at which a seller will sell a security.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

ORIGINAL FACE: The face value (original principal amount) of a security as of its issue date.

PAR: The face amount of a security.

PAYMENT DATE: Also known as the payable date. The date that actual principal and interest payments are made to the registered holder of a security. For GNMA Is, the payment date is the 15th day of the second month following the record date. For GNMA II's, the payment date is the 20th day of the month following the record date. For FHLMC PCs, the payment date is the 15th day of the second month following the record date. For FNMA MBSs, the payment date is the 25th day of the month following the record date.

P&I (PRINCIPAL AND INTEREST): In the case of mortgage-backed securities and other asset-backed securities, P&I includes regularly scheduled payments as well as prepayments, if any.

POOL: A collection of mortgages assembled by an originator or master servicer as the basis for a security. Pools are identified by a number.

PORTFOLIO: Collection of securities held by an investor.

PREPAYMENT: The unscheduled partial or complete payment of the principal amount outstanding on a debt obligation before it is due.

PRICE: The dollar amount to be paid for a security expressed as a percentage of its current face value.

PRIMARY DEALER: A group of government securities dealers that daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms.

PRINCIPAL: The face amount of a bond, exclusive of accrued interest and payable at maturity.

PRINCIPAL ONLY (P/O): The principal only portion of a stripped mortgage-backed security. For P/O securities, all of the principal distribution is due to the registered holder based on the current face of the underlying mortgage-backed security.

PRUDENT PERSON RULE: An investment standard. In some states the law required that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state-the so-called legal list. In other states the trustee may invest in a security if it is one, which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

PUT OPTION: The right to sell a security at a predetermined price on or before a specified future date.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENT (RP or REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security buyer in effect lends the seller money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: when the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

RATINGS: Designations used by investors services to give relative indications of credit quality.

RECORD DATE: The date for determining who is entitled to payment of principal and interest (and prepayment) on a security. The record date for most mortgage-backed securities is the last calendar day of the month (however, the last day on which they can be presented for transfer is the last business day of the month.) The record date for CMOs and ABSs varies with each issue.

REGISTERED HOLDER: The name in which a security is registered as stated on the certificate itself or on the books of the paying agent. All principal and interest payments are made to the registered holder regardless of beneficial ownership on the record date.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified later date.

SAFEKEEPING: The storage and protection of customers' securities (i.e., held in the vault) provided as a service by a bank or institution acting as agent for the customer.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SEC RULE 15C3-1: See uniform net capital rule.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SERVICING FEE: The amount withheld from the monthly interest payments made by a mortgagor and retained by the mortgage servicer.

SERVICING: The duties of the servicer for which a fee is received. Servicing consists of collecting and pooling principal, interest and escrow payments as well as certain operational procedures covering accounting, bookkeeping, insurance, tax records, loan payment follow-up, delinquency loan follow-up, and loan analysis.

SETTLEMENT DATE: The date agreed upon by the parties to a transaction for the payment of funds and the delivery of securities.

TAIL: The portion of a GNMA pool that is not divisible by $5,000. For physical GNMAs the tail must remain intact. For example, on a GNMA with an original face of $6,038,921.65 the tail equals $3,921.65. For book-entry FNMA and FHLMC securities, tails may be split into multiples of one dollar ($1).

TRANSFER AGENT: A transfer agent is appointed to maintain records of securities owners, to cancel and issue certificates and to address issues arising from lost, destroyed or stolen certificates.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one to ten years.

WEIGHTED AVERAGE COUPON (WAC): An arithmetic mean of the coupon rate of the underlying mortgages that collateralize a security.

WEIGHTED AVERAGE MATURITY (WAM): An arithmetic mean of the remaining term of the underlying mortgages that collateralize a security.

WHOLE LOAN: An unsecuritized residential or commercial mortgage.

YIELD: The annual percentage returns, as computed in accordance with standard industry practices that is earned on a security.

Z-BOND: See accrual Bond.

CITY OF POULSBO

Legislative Policy/Procedure

Title: Debt Management Policies	**Page Number:** 1 of 2
Department: Finance Department	**Effective Date:** August 1, 1997
Revised Date: August 4, 1999	**Revised By:** Finance/Admin Committee

PURPOSE

The amount of debt issued to the City is an important factor in measuring its financial performance and condition. Proper use and management of borrowing can yield significant advantages. From a policy perspective, the City of Poulsbo uses debt in two ways:

1. As a mechanism to equalize the costs of needed improvements to both present and future citizens; and
2. As a mechanism to reduce the cost of substantial public improvements.

POLICY

A. City Council approval is required prior to issuance of debt.

B. An analytical review shall be conducted prior to the issuance of debt.

C. The City will use the services of a legally certified and credible bond counsel in the preparation of all bond representations.

D. The City of Poulsbo will not use long-term debt to support current operations and normal maintenance.

E. Long-term borrowing will only be used for capital projects that cannot be financed from current revenues and reserves.

F. Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received.

G. All debt issued, including by lease-purchase methods will be repaid within a period not to exceed the expected useful life of the improvement finance by the debt.

H. The voter approved general obligation debt of Poulsbo will not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the City. The following individual percentages shall not be exceeded in any specific debt category:

1. General Debt – 2.5%
2. Utility Debt – 2/5%
3. Open Space and Park Facilities – 2.5% of assessed valuation

I. Limited-tax general obligation bonds will not exceed one and one-half percent of the City's current assessed property valuation.

J. For any enterprise fund that is supporting debt, an annual rate study will be performed to ensure that the fees or rates are sufficient to meet the debt service requirements.

K. The City will strive to maintain a high reliance on pay-as-you-go financing for its capital improvements.

L. The City will maintain a good credit rating at all times.

REVISION CRITERIA

Each year during the Budget Process the Finance Committee will review Legislative Policies and recommend to Council any appropriate changes.

City of Poulsbo

Legislative Policy

Title: Capital Improvement Policy	**Page Number:** 1 of 2
Department: Finance Department	**Effective Date:** July 21, 1999
Revised Date: New	**Revised by:** Finance/Admin Committee

PURPOSE

Poulsbo's city government is accountable for a considerable investment in buildings, parks, roads, sewers, equipment and other capital investments. The preservation, maintenance, and future improvement of these facilities are a primary responsibility of the City. Planning and implementing sound capital improvement policies and programs today will help the City avoid emergencies and major costs in the future.

POLICY

A capital project is defined as a project of a nonrecurring nature with a cost of $15,000 or more and estimated service life of 10 years or more.

GUIDELINES

A. Annually, a six-year capital improvements program will be developed analyzing all anticipated capital projects by year and identifying associated funding sources. The plan will contain projections of how the city will perform over the six-year period in relation to policy targets.

B. The first year of the six-year capital improvements program will be used as the basis for formal fiscal year appropriations during the annual budget process. The capital improvement program will incorporate in its projections of expenditures and funding sources any amounts relating to previous year's appropriations but which have yet to be expended.

C. The city will maintain a capital projects approval and monitoring committee composed of the City Engineer, Planning Director, Park and Recreation Director, Finance Director and the Committee Chairs from the Public Works, Community Services and the Finance/Admin Council Committees to meet quarterly and review the progress on all outstanding projects as well as to revise spending projections.

D. The City Improvement Plan will be prepared and updated annually.

E. The City Council will designate annual ongoing funding levels for each of the major project categories within the City Improvement Plan.

F. Financial analysis of funding sources will be conducted for all proposed capital improvements.

G. An annual Capital Budget will be developed and adopted by the City Council as part of the annual budget.

H. The City Improvement Plan will be consistent with the Capital Facilities Element of the Comprehensive Plan.

REVISION CRITERIA

Each year during the Budget Process the Finance/Admin Committee will review Legislative Policies and recommend to Council any appropriate changes.

Section 11 - Glossary

GLOSSARY OF BUDGET RELATED TERMS

ACCOUNT: A record of additions, deletions, and balances of individual assets, liabilities, equity, revenues and expenses

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 persons or organizations for goods and services received by a government

ACCOUNTS RECEIVABLE: An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government, but not including amounts due from other funds or other governments

ACCRUAL BASIS ACCOUNTING: Refers to the method accounting of revenues and expenditures on the basis of when they are incurred or committed, rather than when they are made or received. All funds except the governmental funds are accounted on this basis and the governmental funds are accounted on a modified accrual basis

ACCRUED INTEREST: Interest earned but not yet paid on a security since the latest of the security's issue date or last record date

ACCUMULATED DEPRECIATION: A contra-asset account used to report the accumulation or periodic credits to reflect the expiration of the estimated service life of fixed assets

AD VALOREM TAXES: A tax levied on the assessed value of real property

ADJUSTABLE-RATE MORTGAGE (ARM): A mortgage which features predetermined adjustments of the interest rate at regular intervals. An ARM's interest rate is tied to an index outside the control of the lender

ADMINISTRATIVE SERVICE DEPARTMENTS: Refers to organizational units or departments who primarily provide service to other departments or divisions. These include: Legislative: City Council and its functions; Financial Services: The accounting, financial reporting, customer service and treasury functions; Personnel Services: Provides centralized personnel services to all City operations; Administrative Services: Provides supervision of Financial Services and Personnel Services as well as budget, fiscal planning, tax and license, data processing, risk management and other general administrative services; Civil Service: The independent panel of persons who work with personnel/hiring issues for the public safety departments

AGENCIES: Federal Agency securities

AGENCY FUND: A governmental accounting classification used to describe those situations where one jurisdiction is acting on behalf of another

ALEA: Aquatic Lands Enhancement Account

ALLOCATION: A component of an appropriation earmarking expenditures for a specific purpose and/or level of organization

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

ANNUAL FINANCIAL REPORT: The official annual report of a government. It includes (a) the five combined financial statements in the combined statements, overview and their related notes and (b) combined statements by fund type and individual fund and account group financial statements prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, required supplemental information, extensive introductory material and a detailed statistical section

APPROPRIATION: The legal spending level authorized by an ordinance of the city council. Spending should not exceed this level without prior approval of the council

APPROPRIATION ORDINANCES: The official enactment by the city council establishing the legal authority for city officials to obligate and expend resources

ASKED: The price at which securities are offered

ASSESSED VALUATION: The value assigned to properties within the city, which is used in computing the property taxes to be paid by property owners

ASSETS: Property owned by a government, which has monetary value

AUDIT: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- ☐ ascertain whether financial statements fairly present financial position and result of operations;
- ☐ test whether transactions have been legally performed;
- ☐ identify areas for possible improvements in accounting practices and procedures;
- ☐ ascertain whether transactions have been recorded accurately and consistently; and
- ☐ ascertain the stewardship of officials responsible for governmental resources

AUDITOR'S REPORT: In the context of a financial audit, a statement by the auditor describing the scope of the audit and the audit standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with generally accepted accounting practices or some other comprehensive basis system of accounting

AWC (Association of Washington Cities): An official organization of cities and towns of Washington established to aid local governments in the solution of common problems. Each city paying the annual service fee is a member and has an equal voice in the determination of the Association's policy

BALANCE SHEET: A statement presenting the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date

BALANCED BUDGET: Total resources equal total uses (Beginning Balance + Revenues = Total Expenditures + Fund Balance)

B&O: Business and Occupation

BAR: Baseline Adjustment Request

BARS: (The Budgeting, Accounting and Reporting System): The accounting system's manual prescribed by the Washington State Auditor's Office

BASE BUDGET: Ongoing expense for personnel and contractual services, and the replacement of supplies and equipment required to maintain service levels previously authorized by the council.

BASIC FINANCIAL STATEMENTS: Those financial statements, including notes, 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

BASIS POINT: A measurement of changes in prices or yields for fixed income securities. One basis point equals 1/100 of 1 percent

BEARER SECURITY: A security the owner of which is not registered on their books of the issuer. A bearer security is payable to the holder

BIAA (Business Improvement Area Association): An association formed by downtown businesses which assess themselves quarterly dues to be used to enhance and promote the downtown area. City of Poulsbo's is now the Historic Downtown Business Association (HDPA)

BID: The price at which a buyer is willing to buy a security

BOND (Debt Instrument): A written promise to pay a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures

BOND ANTICIPATION NOTE: Short-term interest bearing notes issued in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue to which they are related

BOND EQUIVALENT YIELD (BEY): A yield that equates monthly pay mortgage-backed securities to semi-annual payments bonds

BOND REGISTRAR: The fiscal agency of the State of Washington in either Seattle, Washington or New York, New York, for the purposes of registering and authenticating the bonds, maintaining the bonds, maintaining the bond register, effecting transfer of ownership of the bonds and paying interest on the principal of (and any premium pursuant to call on) the bonds

BOOK ENTRY TRANSFER: A method of transferring securities through computerized entries, which may eliminate the need for physical certificates

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

BUDGET: A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. The term is also sometimes used to denote the officially approved expenditure ceilings under which the city and its departments operate

BUDGET AMENDMENT: An appropriation approved by the city council after the initial budget appropriation

BUDGET CALENDAR: The schedule of key dates or milestones, which the city follows in the preparation and adoption of the budget

BUDGETARY CONTROL: The control or management of a government in accordance with an approved budget for the purpose of keeping expenditures within the limitation of available appropriations and available revenues

BUDGET DOCUMENT: The official written statement prepared by the Finance Department and supporting staff for the mayor which presents the proposed budget to the city council

CAFR: Comprehensive Annual Financial Report

CALL OPTION: The right to purchase a security at a predetermined price on or before a specified future date

CAPITAL ASSETS: Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets

CAPITAL BUDGET: A plan of proposed capital expenditures and the means of financing them. The capital budget may be enacted as part of the complete annual budget including both operating and capital outlays. The capital budget is based on the Capital Improvement Plan (CIP).

CAPITAL OUTLAY: Expenditures, which result in the acquisition of or addition to Fixed Assets. The City of Poulsbo's capital threshold is $1,000

CAPITAL PROJECT: 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: The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid

CASH FLOW BUDGET (Cash Budget): A projection of the cash receipts and disbursements anticipated during a given time period. Typically, this projection covers a year and is broken down into separate projections for each month, week and/or day during the year.

CDBG (Community Development Block Grants): Grant funds administered through Department of Community Development of the State of Washington

CENCOM: 911 Police, fire, medical emergency central communication system operated by Kitsap County

CERTIFICATE OF DEPOSIT (CD): 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

CIP: Capital Improvement Plan

CKWWTP: Central Kitsap Wastewater Treatment Plant

CMC (Certified Municipal Clerk): A certification program offered through the International Institute of Municipal Clerks awarded for a combination of education and experience

CMFA (Certified Municipal Finance Administrator): Certification program for finance officers offered through the Municipal Treasurers' Association

CPM (Certified Purchasing Manager): A certification program offered through the National Association of Purchasing Managers

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies

COMMERCIAL PAPER: Corporate promissory notes issued to provide short-term financing, sold at a discount and redeemed at face value. A principal component of money market funds portfolios, because of the high yields

CONCURRENT OR 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 level below locally established minimum standards

CONFIRMATION: A document used to state and supplement in writing the terms of a transaction, which have previously been agreed to verbally

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

COST ALLOCATION: The assignment of applicable costs incurred by a central services department (like Administrative Services) to a fund based on the benefit to the fund being assessed.

COUNCILMANIC BONDS: Non-voted bonds, which can be authorized by the Council in an amount up to 1.5 percent of the assessed valuation of the city

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date

CPI (The Consumer Price Index): is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The CPI reflects spending patterns for each of two population groups: All Urban Consumers (CPI-U) and Urban Wage Earners and Clerical Workers (CPI-W).

CPI-U: represents about 87 percent of the total U.S. population. It is based on the expenditures of almost all residents of urban or metropolitan areas, including professionals, the self-employed, the poor, the unemployed and retired persons as well as urban wage earners and clerical workers. Not included in the CPI are the spending patterns of persons living in rural non-metropolitan areas, farm families, persons in the Armed Forces, and those in institutions, such as prisons and mental hospitals.

CPI-W: The CPI-W is based on the expenditures of households that are included in the CPI-U definition that also meet two requirements: More than one-half of the household's income must come from clerical or wage occupations and at least one of the household's earners must have been employed for at least 37 weeks during the previous 12 months. The CPI-W's population represents about 32 percent of the total U.S. population and is a subset, or part, of the CPI-U's population.

CURRENT EXPENSE FUNDS: See "General Fund"

CURRENT FACE: Also known as the outstanding loan balance. The current monthly remaining principal of a certificate computed by multiplying the original face of the certificate by the current principal balance factor.

CUSIP NUMBER (Committee on Uniform Securities Identification Procedures): An identifying number assigned to a publicly traded security. A nine-digit code is permanently assigned to each issue and is generally printed on the face of the security if it is in physical form.

CWP (Community Work Program): Where applicable, a program allowing defendants of the court to provide community service in lieu of a monetary fine or jail time.

DARE (Drug Awareness Resistance Education): A drug education program offered through the Police Department

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account

DEBENTURE: A bond secured only by the general credit of the issuer.

DEBT: An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of government include bonds, leases, sales, contracts, and notes

DEBT LIMITS: The maximum amount of debt, which is legally permitted

DEBT SERVICE: Interest and principal payments on debt

DEBT SERVICE FUNDS (200 series funds): The type of funds, which account for the payment of the city's debt service

DEFICIT: The excess of liabilities of a fund over its assets

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DEPARTMENT: Refers to an organizational unit. In Poulsbo it refers to eight such units; Clerk, Engineering/Building, Finance, Parks & Recreation, Planning, Police, and Public Works

DEPARTMENT HEAD: One of the directors of a department

DEPOSITORY: An entity, which accepts securities for deposit. A depository facilitates delivery and transfer between dealers by making account entries reflecting ownership instead of physically moving securities.

DEPRECIATION: (1) Expiration in the service life of capital assets attributed to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset, which is charged as an expense during a particular period

DESIGNATED FUND BALANCE: A portion of fund balance which has been designated by past council action as reserved for a specific purpose

DEVELOPMENT ACTIVITY: Any construction or expansion of a building or structure. Any change in use of a building, structure, or land that creates additional demand and need for public facilities

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at a lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DNR: Department of Natural Resources

DOT: Department of Transportation

DRV: Design Review Board

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

EHD (Electric Home Detention): Where applicable, a program allowing defendants of the court to serve their "jail sentence" at home and/or at work

EIS: Environmental Impact Statement

ENCUMBRANCES: Obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which part of the appropriation is reserved. They cease to be encumbrances when paid or when an 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 FUNDS (400 series funds): A type of proprietary fund, which contains the activities of funds where the intent is for the direct beneficiaries to pay for all cost of the funds through fees

ERU's: Equivalent Residential Units

ESA (Endangered Species Act): In 1973 the United States Congress found and declared that various species of fish, wildlife, and plants in the United States have been rendered extinct as a consequence of economic growth and development untempered by adequate concern and conservation.

EOC (Emergency Operation Center): The central administration operating facility of the city in the event of an emergency, located at the Poulsbo Fire Department

EPC: Executive Planning Committee

EXPENDITURES: 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

FACE VALUE: The par value of a security. Face value is not an indication of market value.

FACTOR: The proportion of the outstanding principal balance of a security to its original principal balance expressed as a decimal. The *Bond Buyer* publishes the "Monthly Factor Report" that contains a list of factors for GNMA, FNMA and FHLMN securities.

FARM CREDIT DISCOUNT NOTES AND BONDS: Secured joint obligations of Farm Credit Banks that are issued with a minimum face value of $50,000 with maturities ranging from 5 to 360 days.

FED BOOK-ENTRY: An electronic registration, transfer and settlement system for securities on the Federal Reserve System.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE (FDIC): A federal agency that insures bank deposits, currently up to $100,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open market operations.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulates and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATIONS (FNMA): FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed/rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington D.C., 12 Regional Banks and about 5,700 commercial banks that are members of the system.

FEE: (1) Commitment fee: a payment to investors or prospective investors, which may or may not be refundable, for the purpose of obtaining a commitment to purchase securities; (2) Standby fee: a non-refundable amount

FIDUCIARY FUNDS: A group of funds, which account for funds by the city as a trustee

FISCAL YEAR: A twelve-month period designated as the operating year by an entity; The City of Poulsbo's fiscal year is the same as the calendar year.

FIXED ASSETS: Long lived tangible assets obtained or controlled as a result of past transactions, events or circumstances; fixed assets include buildings, equipment, improvements other than buildings, and land

FIXED RATE MORTGAGE: A mortgage which features level monthly payments that is determined at the outset of the mortgage and remains constant throughout the life of the mortgage.

FLAT: A security trades flat when it is traded with no accrued interest.

FLOAT: The amount of money represented by checks outstanding and in the process of collection

FORWARD TRADE: A transaction where the settlement will occur on a specified date in the future at a price agreed upon on the trade date.

FULL FAITH AND CREDIT: A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds)

FTE: Full-time equivalent employee

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 changes 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 is sometimes called a deficit

GAAP - (Generally Accepted Accounting Principles) GAAP for governments are mostly determined by the GASB

GASB (Government Accounting Standards Board): Established in 1985, to regulate the rules and standards to be used in accounting for governmental activities

GENERAL FIXED ASSETS: Capital assets that are not part of any funds, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of the governmental funds

GENERAL FUND (Fund 001): The fund of the City that accounts for all activity not specifically accounted for in other funds. Includes such operations as police, fire, engineering, planning, parks, library, municipal court, recreation, and administration

GENERAL OBLIGATIONS BONDS (Debt): Bonds or other indebtedness of the City for which the pledge made for repayment is the full faith and credit of the city

GMA: Growth Management Act

GNMA Is: Pass-through mortgage-backed securities on which registered holders receive separate principal and interest payments on each of their certificates. GMNA I securities are signal-issuer pools. Investors may expect to receive principal and interest payment on the 15th day of each month.

GNMA IIs: Pass-through mortgage-backed securities on which registered holders receive an aggregate principal and interest payment from a central paying agent on all of their GNMA II certificates. Principal and interest payment are disbursed on the 20th day of each month. GNMA II securities are collateralized by multiple-issuer pools or custom pools (one issuer but different interest rates that may vary within one percentage point). Multiple-issuer pools are known as Jumbos. Jumbo pools are generally larger and often contain mortgages that are more geographically diverse that single-issuer pools. Jumbo pool mortgages have interest rates that may vary within one percentage.

GOALS: The objective of specific tasks and endeavors

GOVERNMENTAL FUND TYPES: Funds, which provide general government services. These include the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE): Securities guaranteed by GNMA and issued by mortgage banks, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass-through is often used to describe Ginnie Maes.

GPM: Gallons per minute

GRADUATED PAYMENT MORTGAGE (GPM): A mortgage the features negative amortization in which early payment are insufficient to pay the interest due on the outstanding principal. As a result, the unpaid interest is added to the principal thereby increasing the borrower's balance owed. The payments must graduate or increase over time until they can completely amortize the loan's remaining principal balance by its maturity. The number, frequency and rate of increases are specified in the original contract.

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 specified purposes.

GUARANTY FUND: A fund established by a bond issuer, which is pledged, as security for the payment of one or more bond issues. Normally used for LIDs.

HDPA: Historic Downtown Poulsbo Association, previously the Business Improvement Area Association (BIAA).

HDPE: High density polyethylene

IAC: Interagency Committee for Outdoor Recreation

IDP (Implicit Price Deflator): Is a nation-wide indicator of the average increase in prices for all domestic personal consumption. It is indexed to a base of 100 in 1992. It is derived from the national income and product accounts' best known summary measure, "gross domestic product"(GDP). The GDP is comprised of four major categories: (1) *personal consumption expenditures*; (2) gross private domestic investment; (3) net exports of goods and services; and (4) government purchases.

IMPACT FEES: A fee assessed on new development that creates additional demand and need for public facilities

I&I: Inflow and infiltration

INFRASTRUCTURE: The underlying foundation, the basic installations and facilities, on which the continuance and growth of a jurisdiction depends, i.e., streets, roads, sewer, and water systems

INTEREST: Compensation paid or to be paid for the use of money. Interest is generally expressed as an annual percentage rate.

INTEREST ONLY (I/O): The interest only portion of a stripped mortgage-backed security. For I/O securities, all of the interest distribution is due to the registered holder based on the current face of the underlying mortgage-backed security.

INTEREST RATE: The face coupon rate of a security.

INTERFUND PAYMENTS: Expenditures made to other funds for services rendered. This category includes interfund repairs and maintenance as well as professional services

INTERGOVERNMENTAL REVENUE: Interfund charges to pay for quasi-external transactions of the fund

INTERGOVERNMENTAL SERVICES: Inter-governmental purchases of those specialized services typically performed by local governments

INTERFUND TRANSACTIONS: Transactions between funds of the same government

INTERNAL CONTROLS: A system of controls established by the city designed to safe guard the assets of the city and provide reasonable assurances as to the accuracy of financial data

INTERNAL SERVICE FUNDS (500 series funds): A type of proprietary fund which accounts for the goods and services which are provided to other units of the city and payment by the benefiting unit is intended to fund the costs of providing such services

INVESTMENT: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals and base payments

ISSUE DATE: The date on which a security is issued or originated.

ISU: Impervious Surface Units

ISSUER: An entity, which issues and is obligated to pay amounts due on securities.

LATECOMER FEES: Fees paid by developers or future service users for their share of past improvements financed by others

LEASING: A financial technique whereby ownership of the project or equipment remains with the financing entity, and where title may or may not transfer to the city at the end of the lease

LEOFF (Law Enforcement Officers and Firefighters): A retirement system of the State, which provides for law enforcement and firefighter personnel of the city

LEVY: The total amount of taxes, special assessments, or service charges imposed by a government

LEVY LID: A statutory restriction on the annual increase in the amount of property tax a given public jurisdiction can assess on regular or excess levies

LEVY RATE: The property tax rate used in computing the property tax amount to be paid

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

LICENSES AND PERMITS: A revenue category of the city derived from business licenses, building and development permits

LID (Local Improvement District): A financial mechanism, which permits the building of public infrastructure improvements, which benefit a confined area and where the costs for those improvements are to be paid for by the benefiting area landowners

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly7 into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LONG TERM DEBT: Debt with a maturity of more than one year after the date of issuance

LOS (Level of Service Request for Additional Funding): A request for additional funding to continue to provide the current level of service

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase-reverse repurchase

MATURITIES: The dates on which the principal or stated value of investments or debt obligations mature and may be reclaimed

MATURITY DATE: The date on which the principal amount of the security is due and payable to the registered owner of the security.

MILL: The property tax rate, which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each $1,000 of property valuation

MITIGATION FEES: Contributions made by developers toward future improvements of city facilities resulting from the additional demand on the city's facilities generated from the development

MODIFIED ACCRUAL BASIS: The basis of accounting under which expenditures, other than accrued interest on general long-term debt, are recorded at the time liabilities are incurred and revenues are recorded when received in cash except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc.) are issued and traded.

MORTGAGE: A legal instrument that creates a lien upon real estate securing the payment of a specified debt, such as a mortgage note.

MORTGAGE-BACKED BOND: A mortgage-backed bond is a general obligation of the issuer, secured by mortgage collateral, where the issuer retains ownership of the mortgages. The bond is secured by the market value of the underlying mortgages. Since the value of the mortgages will decrease over time as a result of principal amortization and prepayments, the market value of the collateral must exceed the value of the bonds issued. Unlike pass-through securities, the cash flow in a mortgage-backed bond is not directly related to the cash flow of the underlying mortgage collateral. Interest on the bond is paid semiannually at a predetermined rate and principal is paid at maturity.

MORTGAGE BANKER: An entity that originates mortgage loans, sells them to other investors and services the loans.

MORTGAGE PAY-THROUGH BONDS: These bonds combine features of pass-through securities and mortgage-backed bonds. A pay-through bond, like a mortgage-backed bond, is a debt obligation of the issuer, secured by mortgage collateral that is owned by the issuer. However, like a pass-through security, the cash flow on a pay-through bond is related to the cash flow in the mortgage collateral. Therefore, the cash flow generated by the mortgage collateral must be sufficient to cover principal and interest payments on the bonds. Prepayments on the mortgage collateral will be passed on the bondholders thereby causing fluctuations in the principal payment of the bonds.

MTC (Mobile Computer Terminal): Computers installed in police vehicles

MVET: Motor Vehicle Excise Tax imposed by the State of Washington

NET REVENUE: The revenue of the system less the cost of maintenance and operation of the system

NEW PROGRAM REQUESTS (NPR): A type of budgetary action, which consists of new initiatives or substantial change to existing programs

NOTES ON THE FINANCIAL STATEMENTS: The summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements of an entity in conformity with GAAP which are not included on the face of the basic financial statements themselves. The notes to the financial statements are an integral part of the basic financial statements.

NPDES: National Pollutant Discharge Elimination System

NPR: new program request

ODD LOT: A quantity of securities, which is less than the accepted unit of trading.

OFFER: The price at which a seller will sell a security.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary polity tool.

OPERATING BUDGET: The annual appropriation to maintain the provision of City services to the public. This document contains the operating budget of the City.

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

OPERATING TRANSFER: Interfund transfers not classified as quasi-external, reimbursements, or residual equity transfers

OPERATIONAL AUDIT: Examinations intended to assess (1) the economy and efficiency of the audited entity's operations and (2) program effectiveness, the extent to which program objectives are being obtained

ORDINANCE: A formal legislative enactment by the governing board of a municipality

ORIGINAL FACE: The face value (original principal amount) of a security as of its issue date.

OSHA: Federal Occupational Safety & Health Act

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, rentals and leases, insurance, public utility services, repairs and maintenance, and miscellaneous

PAR: The face amount of a security

PARITY BOND: Any and all water and sewer revenue bonds of the city the payment of which, both principal and interest, constitutes a lien and charges upon the revenue of the system and upon assessments equal in rank with the lien and charge on such revenue of the system and assessments for payments required to pay and secure the payment of the bonds

PAYMENT DATE: Also known as the payable date. The date that actual principal and interest payments are made to the registered holder of a security. For GNMA Is, the payment date is the 15th day of the second month following the record date. For GNMA II's, the payment date is the 20th day of the month following the record date. For FHLMC PCs, the payment date is the 15th day of the second month following the record date. For FNMA MBSs, the payment date is the 25th day of the month following the record date.

P&I (PRINCIPAL AND INTEREST): In the case of mortgage-backed securities and other asset-backed securities, P&I includes regularly scheduled payments as well as prepayments, if any.

PERS (Public Employee Retirement System): The State prescribed system for public employment retirement applicable to city employees except where LEOFF is applicable

PERSONNEL BENEFITS: City provided employee benefits such as social security insurance, retirement, worker's compensation, life insurance, medical insurance, and dental insurance

PFO: Professional Finance Officer

POOL: A collection of mortgages assembled by an originator or master servicer as the basis for a security. Pools are identified by a number.

PORTFOLIO: Collection of securities held by an investor.

PRELIMINARY BUDGET: That budget which is proposed by the mayor to the council and has not yet been adopted by the council

PREPAYMENT: The unscheduled partial or complete payment of the principal amount outstanding on a debt obligation before it is due.

PRICE: The dollar amount to be paid for a security expressed as a percentage of its current face value.

PRIMARY DEALER: A group of government securities dealers that daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms.

PRINCIPAL: The face amount of a bond, exclusive of accrued interest and payable at maturity.

PRINCIPAL ONLY (P/O): The principal only portion of a stripped mortgage-backed security. For P/O securities, all of the principal distribution is due to the registered holder based on the current face of the underlying mortgage-backed security.

PROGRAM: A group of activities related to a single policy concern, goal, or dimension, which overrides organizational lines

PROGRAM REVENUE: These are revenues, which are produced as a result of an activity of a program and are subject to quantity of services provided to the public or governmental unit (i.e. permits, charges for fire services, recreation activities), or revenues dedicated to a specific use (i.e. grants, taxes, or debt funds)

PROPRIETARY FUNDS (400 & 500 series funds): A group of funds, which account for activities of the city which, are of a proprietary or "business" character. See Enterprise Fund.

PRUDENT PERSON RULE: An investment standard. In some states the law required that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state-the so-called legal list. In other states the trustee may invest in a security if it is one, which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

PSRC (Puget Sound Regional Council): A council of local governments located in the Puget Sound Region that meets monthly to address issues in common.

PUT OPTION: The right to sell a security at a predetermined price on or before a specified future date.

PUBLIC FACILITIES: The capital owned or operated by the city or other government entities

PUBLIC SAFETY: A term used to define the combined budget of the Police and Fire Departments

(PWTF) PUBLIC WORKS TRUST FUND: A low interest revolving loan fund, which helps local governments finance critical public works needs

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

RATINGS: Designations used by investor's services to give relative indications of credit quality.

RCW: Revised Code of Washington

RECLASSICATION & COST ALLOCATIONS: Expenditures such as deprecation, amortization, bad debt expense, inventory write-off, and operating transfers

RECORD DATE: The date for determining who is entitled to payment of principal and interest (and prepayment) on a security. The record date for most mortgage-backed securities is the last calendar day of the month (however, the last day on which they can be presented for transfer is the last business day of the month.) The record date for CMOs and ABSs varies with each issue.

REET (Real Estate Excise Tax): A tax upon the sale of real property from one person or company to another

REFUNDING BONDS: Bonds issued to retire bonds already outstanding

REGISTERED HOLDER: The name in which a security is registered as stated on the certificate itself or on the books of the paying agent. All principal and interest payments are made of the registered holder regardless of beneficial ownership on the record date.

REGULAR LEVY: The portion of the property tax, which supports the general funds

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed rate. The security buyer in effect lends the seller money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: when the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

RESERVE: An account used to segregate a portion of the fund balance to indicate that it is not available for expenditure; an account used to segregate a portion of fund equity as legally set aside for a specific future use

RESOLUTION: A special or temporary order of a legislative body. Less legal formality than an ordinance or statute

RESOURCES: Total dollars available for appropriations including estimated revenues, fund transfers, and beginning balances

RETAINED EARNINGS: An equity account reflecting the accumulated earnings of an enterprise or internal service fund

REVENUES: (1) Increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers. (2) Increases in proprietary fund type net total assets from other than expense refunds, capital contributions, and residual equity transfers

REVENUE BONDS: Bonds sold by the city which are secured only by the revenues of a particular system, usually the Water/Sewer Fund

REVENUE ESTIMATE: A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified later date.

SAFEKEEPING: The storage and protection of customers' securities (i.e., held in the vault) provided as a service by a bank or institution acting as agent for the customer.

SALARIES AND WAGES: Amounts paid for personnel services rendered by employees in accordance with rates, hours, terms, and conditions authorized by law or stated in employment contracts

SEC RULE 15C3-1: See uniform net capital rule.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEPA: State Environmental Protection Act

SERVICING FEE: The amount withheld from the monthly interest payments made by a mortgagor and retained by the mortgage servicer.

SERVICING: The duties of the servicer for which a fee is received. Servicing consists of collecting and pooling principal, interest and escrow payments as well as certain operational procedures covering accounting, bookkeeping, insurance, tax records, loan payment follow-up, delinquency loan follow-up, and loan analysis.

SETTLEMENT DATE: The date agreed upon by the parties to a transaction for the payment of funds and the delivery of securities.

SIC (Standard Industrial Code): Code used for segregating various types of business when reporting excise tax information.

SINGLE AUDIT: An audit performed in accordance with the Single Audit Act of 1984 and Office of Management and Budget (OMB). It allows or requires governments, depending on the amount of federal assistance received, to have one audit performed to meet the needs of all federal grantor agencies

SOC's: Synthetic Organic Chemicals

SPECIAL ASSESSMENTS: An assessment similar to a tax, but legally distinct and is separately billed, applied to property participating in an LID to retire the LID debt

SPECIAL LEVY: Separate property tax levies authorized by the voters for specific purposes

SPECIAL REVENUE FUNDS (100 series funds): General government funds where the source of monies is dedicated to a specific purpose

SR: State Route

SUPPLIES: A basic classification of expenditure for articles and commodities purchased for consumption or resale. Examples include office and operating supplies.

SURETY BOND: Any letter of credit, insurance policy, surety bond, or other equivalent credit facility or any combination thereof, issued to the city to satisfy all or part of the amount required to be maintained in the reserve account to make such payments of principal and interest as the same become due at maturity or any mandatory redemption date

TAIL: The portion of a GNMA pool that is not divisible by $5,000. For physical GNMAs the tail must remain intact. For example, on a GNMA with an original face of $6,038,921.65 the tail equals $3,921.65. For book-entry FNMA and FHLMC securities, tails may be split into multiples of one dollar ($1).

TAX: Charge levied by a government to finance services performed for the common benefit

TAX BASE: The wealth of the community available to be taxed by various forms of city taxes. Commonly thought of as the assessed value of the community

TAX LEVY ORDINANCE: An ordinance through which taxes are levied

TAX RATE LIMIT: The maximum legal rate at which a municipality may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes

TIP (Transportation Improvement Plan): A six-year plan prioritizing transportation projects

TRANSFER AGENT: A transfer agent is appointed to maintain records of securities owners, to cancel and issue certificates and to address issues arising from lost, destroyed or stolen certificates.

TREASURY NOTES: Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one to ten years.

TRUST and AGENCY FUNDS (series 600 funds): A type of fiduciary funds, which accounts for funds held by the city as a trustee

VOC: Volatile organic contaminants

UGA: Urban Growth Area

ULID (UTILITY LOCAL IMPROVEMENT DISTRICTS): Created only for improvement to sewer, water, and other utilities and differs from a LID in that all assessment revenues must be pledged for payment of debt service of bonds issued to finance the improvements

WAC: Washington Administrative Code

WEIGHTED AVERAGE COUPON (WAC): An arithmetic mean of the coupon rate of the underlying mortgages that collateralize a security.

WESTLAW: A legal research on-line service

WESTNET: West Sound Narcotic Enforcement Team

WFOA: Washington Financial Officer's Association

WHOLE LOAN: An unsecuritized residential or commercial mortgage.

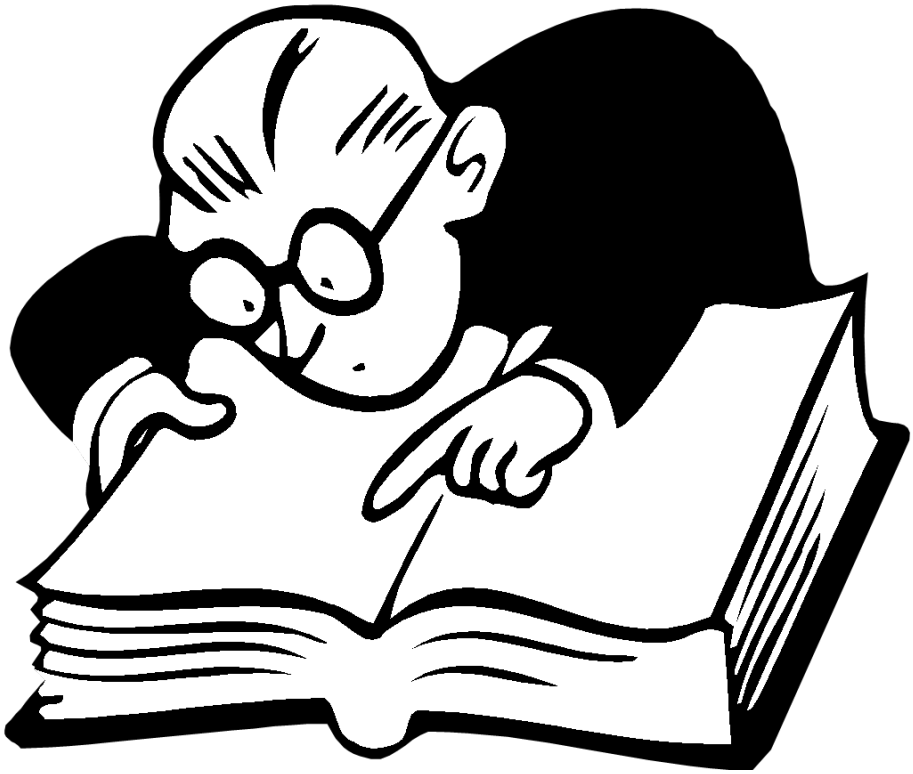
WIRS (Washington Incident Reporting System): A data system that records medic and fire incidents throughout the State for the purpose of providing compiled data

WISHA: Washington Industrial Safety and Health Act

WORKING CAPITAL: The year-end balance of current assets less current liabilities

YEILD: The annual percentage returns, as computed in accordance with standard industry practices that is earned on a security.

Z-BOND: See Accrual Bond



The 2010 budget process was a cooperative effort involving all City Departments and the budget staff. Even though the budget is heard by the Mayor and Council in November and December, its preparation begins several months prior, with projections of City funding sources and expenditures. It continues through numerous phases and refinement until publication of the preliminary budget document at the end of October. We recognize that budgeting is an ongoing process of planning, monitoring, problem solving, and customer service throughout the year. Each year, every effort is made to improve both the budget process and the usefulness of this document.

City of Poulsbo
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Mayor	**Becky Erickson**	**779-3901**

Council Members

Position #1	**Linda Berry-Maraist**	**697-3963**
Position #2	**Connie Lord**	**779-6142**
Position #3	**Jeff Bauman**	**286-5513**
Position #4	**Jeff McGinty**	**779-9538**
Position #5	**Ed Stern**	**779-6678**
Position #6	**Dale Rudolph**	**697-1033**
Position #7	**Jim Henry**	**981-3258**

Department Heads

Finance	**Debbie Booher, Finance Director**	**779-3901**
Clerk/Personnel	**Jill Boltz, City Clerk**	**779-3901**
Police	**Dennis Swiney, Police Chief**	**779-3113**
Planning	**Barry Berezowsky, Director**	**779-3006**
Parks & Recreation	**Mary McCluskey, Director**	**779-9898**
Public Works	**Barry Loveless, Director**	**779-4078**
Engineering/Building	**Andzrej Kasiniak, Project Engineer**	**779-5111**
Administrative	**Deanna Kingery, Human Resources Mgr.**	**697-8302**
Information Services	**Tim Treacher, Information Svcs Mgr**	**697-8239**
Municipal Court	**Jeff Tolman, Municipal Court Judge**	**779-9846**

Finance Department Staff

Admin Assistant	**Dawn Hamrick, Admin Assistant**	**697-8234**
LID Information	**Jana McQuade, Accounting Manager**	**697-8233**
Project/Grant Acct	**Monica Bernhard, Project/Grant Acct Tech**	**697-8231**
Accounts Receivable	**Sandi Nannery, A/R Acct Technician**	**697-8232**
Accounts Payable	**Kelly Ziemann, A/P Acct Technician**	**697-8319**
Fixed Assets	**Leticia Fee, Fixed Assets Acct Technician**	**697-8319**
Payroll	**Linda Shaw, Payroll Acct Technician**	**779-1423**
Cashiering	**Trina Lee, Acct Clerk**	**697-8226**

Contracts

Auditors	**State Auditors Office**	**(360) 876-7069**
City Attorney	**Ogden, Murphy & Wallace**	**(206) 447-4700**
Bond Counsel	**Foster Pepper, PLLC**	**(206) 447-4400**
Insurance	**Association of Washington Cities**	**(800) 562-8991**